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**SIMPLIFYING DEFENSE TRAVEL: REVIEW-
ING PROGRESS ON IMPROVING THE DE-
FENSE TRAVEL SYSTEM FOR THE USER**

HEARING

BEFORE THE

OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

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SIMPLIFYING DEFENSE TRAVEL: REVIEWING PROGRESS ON IMPROVING THE DEFENSE TRAVEL SYSTEM FOR THE USER

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE,
Washington, DC, Tuesday, April 27, 2010.

The subcommittee met, pursuant to call, at 2:05 p.m., in room 2118, Rayburn House Office Building, Hon. Vic Snyder (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. VIC SNYDER, A REPRESENTATIVE FROM ARKANSAS, CHAIRMAN, OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

Dr. SNYDER. The hearing will come to order. This is the HASC Subcommittee on Oversight and Investigations' third hearing, or third annual hearing, on the Defense Travel System, and we meet today to hear Department's efforts to simplify and streamline the system, which incurs over \$10 billion in direct costs annually.

One important question today is whether your efforts at simplification are going to benefit the travelers, the users of the system. In our previous two hearings, we have heard a Government Accountability Office (GAO) recommendation to improve this system. We will be interested in hearing about progress on those improvements.

Last year, the Congress required you to submit a report to us this month. It was section 1058 of the National Defense Authorization Act for Fiscal Year 2010. Some of the elements of this report should include identifying aspects of travel procedure that were most confusing, inefficient, and in need of revision; opportunities to streamline policies and to reduce the Department's travel-related costs; a plan to identify the number of temporary vouchers that are manually, rather than electronically, processed; options to use industry capabilities and technologies; and recommendations for legislative actions that would assist the Department in its task of simplifying travel.

We understand that this report is not yet finished, but we want the witnesses to tell us regarding any expected findings about what needs to be changed and the timeline for such change.

Before I introduce our witnesses, I would like to hear any comments Mr. Wittman would like to make.

**STATEMENT OF HON. ROB WITTMAN, A REPRESENTATIVE
FROM VIRGINIA, RANKING MEMBER, OVERSIGHT AND IN-
VESTIGATIONS SUBCOMMITTEE**

Mr. WITTMAN. Thank you, Mr. Chairman. I appreciate your leadership and thank you for holding this hearing today.

I want to welcome back our witnesses. Thank you so much for coming in and giving us an update as to where we are with this effort.

You know, we heard from you back in 2009, and you told us then of the Department's efforts to make the Defense Travel System, or DTS, more comprehensive and user friendly. During that hearing, which was my first as ranking member, you acknowledged that progress had been made but that the DTS had a ways to go before it was a mature, fully accepted system used throughout the Department.

My understanding from your testimony today is that further incremental progress has been made but that much more work remains. And while any progress is good, it is a little bit discouraging that we never seem to get to a point where we are actually at the finish line. We achieve results, but project completion remains elusive, and I realize it is a difficult effort to try to bring a lot of different elements of the system together, but nonetheless one that I think requires that we have that completion or endpoint in mind.

I also understand that you have begun a new initiative called Defense Travel Simplification, to find ways to simplify the myriad of travel-related rules, laws and regulations that the Department must adhere to. No doubt the process of designing a Department-wide, Web-based travel booking, approval, and accounting system would be greatly eased if you had fewer mandates to consider as you design the system.

I am interested in today's hearing about your plans in this regard and the challenges you face, the timeliness of this project, and how we on this committee can help. I know we have already helped by providing you a multitude of travel statutes to contend with and any suggestions you might have on how we can streamline these laws without disadvantaging Department of Defense (DOD) travelers would also be welcome.

The Department has been working on DTS for 15 years, and the subcommittee is completing 2 years of oversight on this enterprise, and there is no question that developing and fielding an online travel system for an organization as large and diverse as the Department of Defense is a daunting challenge that anyone would expect to take some time, but 15 years, I think, by anybody's standard, does seem excessive. And while I am encouraged that the Department continues their progress, I am discouraged that after 15 years we still have some ways to go. So I have to wonder when we can finally call the system complete, and what you see from our standpoint what we can do to help us get to that completion.

Again, thank you today for joining us. Thank you for your insight and your efforts to get us where we are, and we look forward to your comments as to how we can get to completion on this project.

Thanks again, Chairman Snyder. I yield back.

[The prepared statement of Mr. Wittman can be found in the Appendix on 29.]

Dr. SNYDER. Thank you, Mr. Wittman.

Our witnesses today are Pam Mitchell, the Director of the Defense Travel Office (DTMO) at the Department of Defense, and David Fisher, the Director of the Business Transformation Agency (BTA) of the Department of Defense. You all have submitted a joint written statement, I understand. As you both will be making oral statements, who would like to go first? Ms. Mitchell.

STATEMENT OF PAMELA S. MITCHELL, DIRECTOR, DEFENSE TRAVEL MANAGEMENT OFFICE, U.S. DEPARTMENT OF DEFENSE

Ms. MITCHELL. Chairman Snyder, Congressman Wittman, and distinguished members of this subcommittee, thank you for the opportunity to be here today to update you on simplifying defense travel in the Defense Travel System.

Currently the defense travel experience can be frustrating and confusing for travelers, approving officials, and finance personnel because of a myriad of travel regulations, trip types, computations, allowances, and laws. The Defense Travel System, or DTS, is also affected by and thus reflective of this complexity.

Travel law, policy and process should be simple, efficient, relevant and flexible in order to facilitate traveler requirements in accomplishing the mission of the Department. To that end, the Fiscal Year 2010 National Defense Authorization Act directed DOD to develop a comprehensive plan to simplify defense travel.

We are going to accomplish this task in three phases, which will result in a transformation of defense travel: Phase one, conducting a review of the travel policy. We completed this government-wide review in partnership with the General Services Administration (GSA) in 2009; phase two, reviewing and analyzing the business rules to see what we can simplify within the existing framework and what legislative changes will be needed to support the effort; phase 3, modeling, testing, and implementing approved changes.

We believe that simplification of defense travel must be an evolutionary transformation over a period of years based on data-driven conclusions and fiscally responsible decisions. While the Department must make internal changes to accomplish our goals, we also know that some of our proposed reforms will require congressional action, and we will be asking for your help and support as we proceed with this huge endeavor.

As I stated earlier, DTS is both affected by and reflective of the complex defense travel policy environment. An extremely successful enterprise-wide system, a travel technology expert recently noted of DTS that it was ahead of its time.

When we testified last year, we were excited about expanding the capability of DTS to better serve our travelers, both in terms of added functions and enhanced user friendliness. However, our desire to accommodate increased usage by increasing functionality must be weighed against ensuring access to a stable, reliable, available, and secure travel system for the Department's 71 percent of temporary duty travelers using DTS.

With greater understanding of the technical challenges in implementing the complex business rules associated with adding new functionality, we have reevaluated our plans as well as the DTS de-

velopmental timeline. Based on this reevaluation, we have deferred major functionality releases to focus on modernizing the software platform and maintaining a stable system. For example, we took a rigorous approach to testing the software for the planned addition of permanent duty travel to support permanent change of station, or PCS, moves to DTS.

Through the testing process, 150 significant issues were detected. Because of their volume and severity, the Defense Travel Management Office, the DTMO, and the Business Transformation Agency, or BTA, recommended a pause in permanent duty travel (PDT) implementation. This recommendation was supported by our governance boards.

Our customers are increasingly asking that we carefully weigh the risks of increasing functionality against maintaining system stability, and we are listening. As we move ahead, it is clear that our policies and enabling technologies must be jointly reviewed and managed to both simplify defense travel and transform the defense travel enterprise.

Simplification of policy and process is not only critical to improving user friendliness for the traveler, leveraging capabilities of industry, and reducing outlays for the Department, but it is equally critical for improving DTS and creating a friendly, agile, and elegant user interface.

Thank you for your continued support. I look forward to answering any questions you may have.

[The joint prepared statement of Ms. Mitchell and Mr. Fisher can be found in the Appendix on page 32.]

Dr. SNYDER. Thank you. Mr. Fisher.

STATEMENT OF DAVID M. FISHER, DIRECTOR, BUSINESS TRANSFORMATION AGENCY, U.S. DEPARTMENT OF DEFENSE

Mr. FISHER. Thank you, Mr. Chairman.

About a month ago I testified at a House panel on acquisition reform, and one of the key topics of that discussion was about metrics. How do we really know, from an objective state, whether or not our acquisition programs are performing well?

So I thought I would frame my remarks today about metrics around DTS, not anecdotal evidence, but actual measurements that we have been able to put together in three main areas: efficiency, effectiveness, and cost. Any one of our programs should be able to be measured against these three different areas, and I would like to highlight some of the things relative to DTS.

From an efficiency standpoint, we could talk again anecdotally about many of the things that DTS does to automate what used to be paper-based processes. But, again, that would be more anecdotal. On the evidence side, we look at the back end of the process, and one of the most important things for our members is timeliness of reimbursement, especially for our young members, our airmen, sailors, marines, and soldiers, 19-, 20-year-old kids who need to have that reimbursement in a timely fashion. They simply can't afford otherwise.

The statutory requirement is 30 days to get that reimbursement into their pocket, and historically, prior to DTS, it was the norm to be around 30 days and often many more.

With DTS, our average has been for a long time now consistently about a week, about seven and a half days.

So if you look from an efficiency standpoint, we are saving about 22½ days per voucher that we process. And if you multiply it out, around 12 million vouchers have now been processed in this tool. That is about 280 million days that we have gotten payments into the pockets of our members earlier than they would have without DTS, and I think that is an important element of efficiency that we have achieved for our folks in DOD.

From an effectiveness standpoint, again, we could talk anecdotally about a variety of things, including the codification and enforcement of all these business rules that are embedded in this complexity of travel—and that is a big advantage for us as well. But, again, I wanted to find metrics in numbers.

From an effectiveness standpoint, listening to our users I thought was one of the best ways of evaluating whether or not this tool is effective. For the second year in a row we have done a survey of our DTS travelers, and it is a scientific survey with a random sample of travelers, and we have asked them the question about effectiveness as a tool and how easy it is to use that tool.

And so some of their responses to us, in terms of how difficult or very difficult it is to make an airline reservation, for example, in DTS, 15 percent of our users feel DTS is difficult or very difficult to make an airline reservation, 15 percent. For a car rental reservation, 6 percent find it difficult or very difficult to use DTS for that function. For a travel authorization, it is 18 percent; for completing a voucher, it is 16 percent.

So from an effectiveness standpoint, what our members are telling us is that 80 to 85 percent of our folks do not find DTS to be difficult or very difficult, and these are pretty much the four main things that we use DTS for.

Now, DTS is not an intuitive tool. Most software are not intuitive tools. But the Department, through some training, through usage, has become proficient in using this tool, far different from what it was several years ago and, again, that is what our users are telling us from an effectiveness standpoint.

The third element is cost, and I think, as Congressman Wittman pointed out, we spent a lot of money and a lot of years on this tool. And the first 10 years of this program, under the 15 you cited, the Department had spent about \$450 million, and we had processed fewer than 1 million vouchers.

Now, I picked that timeframe for a couple of reasons. Number one is when Ms. Mitchell's organization, the DTMO, was stood up. It is also around the time that the BTA was stood up, and it is also around the time that some of these oversight hearings, both in the House and the Senate, began. And there was a lot more focus on DTS and the travel enterprise.

So over the last 4 years, if we look at cost, we have processed 11.5 million vouchers. And from a bottom-line standpoint, over those 4 years, we have saved the Department of Defense around \$200 million on these voucher processing costs, about \$200 million in actual savings. In fact, we project we will save another \$80 million or so for the Department from voucher processing costs in fiscal year 2010 alone as we continue to process more.

So from a cost standpoint, an efficiency standpoint, and an effectiveness standpoint, using some of these real metrics, we think we have examples, especially in these last few years, where we have been able to make a difference and make a lot of progress.

Now I know there are other numbers that we might want to talk about during the hearing. I am happy to answer questions about the number of trip types covered, number of legacy systems we have talked about before, usage percentages.

We can get into those, but I want to just finish with one other number, and it ties into this topic of simplification.

The number is 100, 100 ties to complexity. Because as we benchmark defense travel rules and the complexity that we have to live by in terms this system and in usage, we are not twice as complex as industry. We are not 5 times or 10 times or even 50 times as complex as industry. We are about 100 times as complex as industry is for travel management rules, and that makes it very difficult to modernize and create that intuitive user-friendly tool.

Every rule may have some benefit, but every rule has a cost. There is a cost to design it, to build it, to enforce it, to educate it, and every one of these little rules adds up and adds up and adds up and makes it very difficult for us to create that user-friendly, easy-to-use tool for the defense traveler.

So over the last four years we think we have made a lot of progress, efficiency, effectiveness, cost. We have become proficient at using the tool. But to take it to that next level we believe simplification is necessary before we can add more functionality.

Mr. Chairman, I look forward to your questions.

[The joint prepared statement of Mr. Fisher and Ms. Mitchell can be found in the Appendix on page 32.]

Dr. SNYDER. Thank you all for being here. I think it is fair to say that those of us who are sitting on this side on this topic are glad we are sitting on this side, because we recognize the complexity of what you do, the importance of what you do, but also it is a challenge to deal with these kinds of issues.

From your written statement, you say the following: The Department is currently reviewing what statutory changes may be required and will forward proposed legislation through the Department's legislative program.

The problem with that is that it is from your written statement over a year ago, and so we are waiting.

So when I—I mean, I think your written statement this year is kind of filled with the thought that you can't really transform without looking at the policies, needing legislative action. I think it is the clear message and yet 13 months ago you told us you were going to send stuff to us.

So what is the status of us getting sent—we are going to be starting this year's Defense bill. If we miss this year's train, it will be another 13 months.

Ms. MITCHELL. Mr. Chairman, we do have draft legislation. It has been through an initial legal review. And we have been getting through the hearing prep, as you may imagine, but we are now getting ready to send it. It is ready for the next round of review.

Dr. SNYDER. Well, I don't know what that means. Did something happen from March of 2009? Did you expect that you would be get-

ting a package to us in time for last year's Defense bill? I mean, this is 13 months later, and we still are doing what you call the initial legal review?

Ms. MITCHELL. Well, initially, to overuse that word, we thought this would be a little simpler than it turned out to be. We thought we could take existing legislation and retool it, if you will, reword it, rework it. What we ultimately had to do was take a blank sheet paper approach, to take the legislation that has served us well over the years, but that truly has compounded itself as time has gone by, most recently with last year's National Defense Authorization Act (NDAA) when we added three travel trip types to help our wounded warriors.

So we have had to step back, take a holistic approach, and do an extreme amount of research to get it through the first legal review, which has concluded and, as I said, we are now getting ready to send it on again.

Dr. SNYDER. Well, that is a good segue to my second question, which is in your statement you say there are now 76 different types of travel, an increase of three, because of last year's Defense bill. What if it was 1,112? Why is there something inherently wrong or complicated about 76? What if the Congress came back and said, 76 is it for all eternity? Does that mean that our system would always function the way it is now? I mean, what is inherently terrible about 76?

I concur with the need to simplify. I don't want to come across too harsh here, except we have a lot of things in America where we have multiple jurisdictions and multiple different kinds of taxation and we use private industry functions, I mean, national corporation functions, not only through every tax jurisdiction in the United States, but throughout the world.

And they don't come back to us and say we only really need 76 different local tax jurisdictions, they don't say that. They go pay some computer guys and say give us a program so we know what our tax rates are in Lonoke County, Arkansas.

Now why is there something inherently bad and evil about 76, and what will your magic number be that if we get to you, you will think we are now in tall cotton?

Ms. MITCHELL. Well, first of all, let me say that I don't think it would be correct for me to say that there is anything inherently evil about 76. It is where we are over the course of decades. It is what we have come to.

Dr. SNYDER. Right.

Ms. MITCHELL. But behind those 76 are 2,000 pages of joint Federal travel regulations and joint travel regulations, over 100 associated computations, and the list of various things that goes on and on. So while on its surface 76 may not sound terrible, it is all the things behind it, the underlying rule sets, if you will, that make it much more complex than that.

We believe, based on the research that we have done and the analysis, that we can bring that down to about 10 different types of travel.

Dr. SNYDER. And that will require a legislative change?

Ms. MITCHELL. That will require some legislative change, yes, sir.

Dr. SNYDER. I appreciate what you are saying about the length of—I mean, the amount of pages. On the other hand, you know, there are a lot of TV ads that run January, February, March and early April about coming to us with your taxes, and we will figure it out like this with our super programs. And they would probably have—could talk about a whole lot more pages of Tax Code than what you just outlined.

And I think that is a bit of the frustration we have. We think that technology and computer technology was set up to help us process whether it is 100 pages, 1,000 pages or 100,000 pages very, very rapidly. That is where, I think, if we were having this discussion 500 years ago and we were all monks with pens and parchment, I would understand better. I am having more problems understanding why we can't deal with 76 programs and 1,000 or so pages more quickly than we are.

Mr. FISHER. If we have a moment I would like to add to this—

Dr. SNYDER. We are partners in this. I mean, there are a lot of things we have dealt you.

Mr. FISHER. There are a couple of pieces that I would like to touch on. Again, the 2,000 pages of rules, which was my reference, the hundred times more complex than the industry average, is filled with things that, frankly, are somewhat incomprehensible in terms of why we would have to legislate or have policy down to that level of detail. So part of the frustration, I think, from a developer's side, is to figure out, well, why do we have all of this complexity in the first place and is it really serving a purpose?

Dr. SNYDER. By the term "developer" are you talking about somebody who is developing software?

Mr. FISHER. Right. On the other side you make a comparison for tax, for example, and of course we would all agree that we wouldn't want our travel regulations in Defense to be as complex as the U.S. Tax Code. Nevertheless, the U.S. Tax Code—

Dr. SNYDER. Hold on a minute, I am going to interrupt you there. I want to be able, I want my gunnery sergeant over here to be able to walk into whatever the tax place is on the corner and say here is the information and get the answer right away. That is not an unreasonable thing. I think we don't want it to be as complex as the Tax Code. That obviously is not what is going to happen. But we want the efficiency of dealing with a thousand pages.

Mr. FISHER. Right. So if we compare, if you look at the leading vendors in that space, of course that investment, that delivery of that tax solution isn't free. They spend hundreds of millions of dollars a year in R&D to deliver that capability, because there is a return on investment for them, it is a profitable enterprise for them.

And, of course, we try to scale back our expenditures on R&D to the minimal that we can to be able to deliver the capability. And as we have found over the year, we have been able to accomplish a lot of that. We have a solution that meets, now, 61 out of those 76 trip types, which is far better than where we were a year ago when I think we were at around 26. So we have added a fair amount of capability.

And in some of the ones that we don't have delivered yet, permanent duty travel in particular, is a whole new sequence of a level of rules that right now, if we try to layer on top of the platform

we have today, what we have found is that we continue to run into each other from a co-development standpoint. Many of these rules are repetitive, some are contradictory, some are different for civilian and military that we need to address. And what we have found is, when we have tried to automate this, like the tax software that you described, we take two steps forward and one step back.

Our release is with all the regression testing that is necessary to account for every possible permutation, we would have to be spending millions and millions more dollars in testing to be able to get that right.

Now, we could do that for a lot more money and more time. We believe it is prudent from a taxpayer dollar standpoint to take a different approach instead of simply automating the extensive list of rules that we have today, to re-ask the question, do we really need to have that level of complexity for this business process? And if the answer is "no," focus on that simplification first and then deliver a tool that matches that possibly revised set of requirements.

The alternative is we continue to spend \$15-, \$20-, \$30 million a year to chase the set of rules that we have today. That is expensive, it is doable, it is risky, especially to the stable platform that we have now. And we think there is an alternative to looking at simplification first and then readdressing our ability to meet that demand.

Dr. SNYDER. Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

I want to try to put all of this in perspective. I know that you all have gone through a long arduous process to get the Defense Travel System to where it is today. But I still want to try to find out, you know, where that endpoint is. I appreciate the complications of the requirements you have to deal with across a wide variety of agencies, service branches.

But can you put in perspective about when you expect DTS to be the sole, widely accepted source for booking DOD travel, and if you will let me know, if there is not a firm, complete end date when you expect to be there, can you give us an idea about where the inertia exists that may keep you from getting or giving us that end date to say we would expect that this would be when the system would be fully implemented and we are no longer reliant upon these legacy systems?

Ms. MITCHELL. I think also, to put it in perspective, DTS was designed to handle the routine temporary duty travel for the Department, and I would submit to you that it has done that, and it does that. It is, as we saw the great savings and the great usage that Mr. Fisher described, we decided that it could do more for us. And so we wanted to add permanent duty travelling, and we wanted to add a variety of other things.

Truly where we are right now is dealing with an aging platform. An example I like to use is imagine if we were trying to use Windows 3.0 in today's world of software applications. We wouldn't be able to do it.

Now, is DTS that bad? Certainly not, because it is used, as you know, by a wide variety of the Department.

So to answer your question, that is why we are reevaluating, because we are really not sure that on its current platform that DTS

is the system that should handle all travel for the Department. But certainly it is very capable of handling all routine temporary duty (TDY) travel.

Mr. FISHER. So from a usage standpoint, where are we going? Part of the challenge in saying when are we done is that in many cases the rules continue to change. And as Ms. Mitchell mentioned, three new trip types were introduced via statute just this past fall.

And, certainly, keeping up with those is one element that makes it difficult to say when we are going to be done. In that sense we will never be done because we know there will be policy changes, there will be statutory changes, and so that is one element of trying to answer that question.

The permanent duty travel is one that, again, was not originally envisioned for DTS. We have taken a lot of look at it and have spent development time looking at that capability. And that is one of the areas that we sort of continue to run up against this growing sequence of rules and complexity that we are really just not sure that DTS is ever going to be the right platform for that set of business requirements as they stand now.

If you take PDT out of the mix, we are really down to a very small category of TDY travel that is left that frankly, at this point, would probably not be cost-effective to automate anyway. The amount of dollars we would have to invest in the tool versus the number of trips that are actually taken probably there is not a great business case for.

And the last piece, again, our usage, if you look at it we are about 70–71 percent usage for TDY travel. We have an outlier in that usage category of one of the services that has been a lower level compared to the rest. If you take them out, we are actually at around 80 percent for everybody else. So we have been spending a lot of time working with that one service trying to get them up to everybody else.

We feel if we can get in that 80 to 85 percent range on a consistent basis, we know that there will be some cases where, again, it is not cost-effective or other legitimate reasons on why you would not use the tool for some portion of travel. We think 70 percent is not that answer, but it is not 100 percent either. It is probably in the 80 to 85, maybe 90 percent range.

Because, again, there is probably some non-cost-effective elements of trying to automate that you would actually lose money instead of make money. And so that is sort of the target that we are trying to get to. And as we have emphasized in the discussion, we would like to be able to continue that investment in a simpler world to create that better tool for our user community, as opposed to continuing to pour dollars onto this aging platform where it is very, very complicated.

Mr. WITTMAN. Just to follow up on that, then so what you are saying is you believe there is some efficiency or potential efficiencies there in upgrading the current DTS system to a higher functioning platform.

Mr. FISHER. Yes.

Mr. WITTMAN. Maybe parsing out the PDT travel element and maybe some other smaller elements of that and then having a

multi-tiered system with each element of software or systems functioning in those areas where you can gain the greatest efficiencies?

Mr. FISHER. There are two parts to that. Again, this program has been now in production for many years, eight, nine years and some of that original code is still in the baseline. And it is a programming language called Progress, which is very old, nobody uses it anymore, and we have been slowly migrating off the Progress platform into the more modern Java platform. We still have about 20 percent of the way to go to get Progress completely out.

So from a tech refresh standpoint, that is one of the things that as we are looking at functionality, we have actually tried to accelerate that piece, because we think until that is done and the stability of the technology platform, would be a current inhibitor that we want to get out of the mix so that we can develop further capabilities going forward. So that is one piece.

The PDT example is another. Whether or not it will ever be a good fit, based on today's level of complex requirements, on the current platform, I am very skeptical. Modernize the platform and hopefully potentially simplify the requirements, we might have a completely different technology solution to be able to offer based on that package.

And so as that comes together over the next 6 to 12 months, or whatever time that the initial and the follow-on suggestions are made, we are going to be focusing on modernizing that platform and getting that Progress code out of there. At that point we will then be able to take a look at hopefully some revised requirements and come up with a good technology approach for those things that aren't covered today.

Mr. WITTMAN. Mr. Chairman, I yield back.

Dr. SNYDER. Thank you, Mr. Wittman.

Mr. Fisher, just by way of clarification, I didn't hear the number, did you say of 76 how many are online, is it 61?

Mr. FISHER. Sixty-one, and we were at 26 a year ago.

Dr. SNYDER. Yes. Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. Maybe you said this, I am aware of the young people that just walked in the room, and they may trying to figure out what in the heck we are talking about here, but I wonder if you, what are the three most significant rules or regulations that you think should be changed that would simplify this? And, maybe, Ms. Mitchell, you basically said this. What are they?

Ms. MITCHELL. Gosh. I guess I really hadn't thought about it in that way, because there are so many. But let me give you a few examples of things that don't necessarily make sense to us, and some of these are certainly rules that the Department has inflicted on itself.

For example, and this is one of my favorites because I used to be in the Army for 25 years, that when you are a service member, you cannot get paid for laundry until after 7 days and then only up to \$2 a day. If you are a civilian, you may get paid after 4 days and get an unlimited amount of dollars, within reason of course, to pay for your laundry.

That is the type of thing which also requires different programming in the system that you look at and you say why have we done

this? In this case, I believe this is something we have done to ourselves, but why would we have that?

For someone PCSing, if you are travelling with children, it makes a difference whether they are 12 or less than 12. And if they have a birthday while you are en route, then you also have a change in the way you have to do your travel computations.

I don't know that I would characterize those as certainly the two most significant things, but they are the kinds of things that cause difficulty.

Mrs. DAVIS. What abuse, the last example, what abuse of the system is that trying to correct? I mean, is it not true that a lot of the regulations and policies are there to prevent somebody from getting something that we don't think they should have?

Ms. MITCHELL. Yes, ma'am. I would absolutely agree with you on that, and I think that a lot of things were put into place for exactly that reason, to make sure that someone didn't violate something or couldn't abuse something. I can remember years ago you used to spend \$10 on trying to police up a 2-cent phone call that a soldier had made. And then we realized, well, that is really not a wise use of dollars. So I believe that is absolutely an accurate representation.

Mrs. DAVIS. Has anybody calculated what the cost would be if we didn't have a lot of these regulations or policies? And do they equate what it costs to have them in place?

Ms. MITCHELL. We are actually working on that right now. We have some simulation ongoing. We have recently gotten a model, and we are looking to pull data from the Defense Travel System's database to actually run those simulations to see where we are. Because the end state is we want to certainly be cost neutral as we simplify, and we would hope to be able to save dollars.

For example, overhead in the private sector typically runs three to five percent in processing travel. A recent study a couple of years ago said in the Department it runs more like 13 percent. So we believe there is certainly an opportunity there to save taxpayer dollars.

Mr. FISHER. If I could add just a couple of other thoughts on that, and again, I think what we are describing are symptoms, not the overages, not an overarching element if we just take that one or take that one out. And that is why doing a fresh sheet, blank sheet of paper kind of approach is almost necessary here because basically the way I look at it is if anything happens that we think might go wrong, could go wrong, could possibly be done wrong, we create a rule for it to make sure that it doesn't, and we do that across 2,000 pages.

I keep one on my desk. This is one that I keep on my desk. It was passed last fall, and it reminds me every single day that I sit down what I hope we avoid in the future.

This was put out as a clarification to a GSA amendment and explanatory opinion about the difference between light refreshments and a continental breakfast. And this went through multiple revisions. I don't know if you can see the detail there, but you know in Microsoft Word you can actually track the changes. This one is for multiple revisions to be able to tell us that light refreshments, including a continental breakfast, are a deductible meal if other-

wise qualified and served at a mealtime, e.g., breakfast 0600 to 0800. Light refreshments served during a break, not at a mealtime, are not a deductible meal. But that is not where it ends, because now we need to define what light refreshments are. So we now codified a light refreshment as assorted food or drink for morning, afternoon or evening breaks, excluding alcoholic beverages but including coffee, tea, milk, juice, soft drinks, doughnuts, bagels, fruit, pretzels, cookies, chips, muffins, and similar items.

That is a level of complexity I really don't think we need. This is an example of what is in these 2,000 pages of rules.

Now, again, somebody could come back from their TDY and they might have at a conference picked up a muffin during breakfast hours, and our cost to sort of oversee that and make sure that they don't seem to be excessive. So it is a bottom ground-level example of the kinds of things that maybe we don't need to have policy around.

Mrs. DAVIS. When you say that it passed, are you saying that it passed from where?

Mr. FISHER. This was adopted in the Joint Federal Travel Regulations and the Joint Travel Regulations, so we now have this in policy for both military and civilians. So that is two volumes. And there are four appendices that are cited associated with this.

Mrs. DAVIS. It originates from where?

Mr. FISHER. I believe this started with a query that occurred at GSA at the Federal level, and then this was the Department's method of codifying this rule in DOD policy.

Mrs. DAVIS. Okay. The Congress didn't have anything to do with it.

Mr. FISHER. I don't think Congress had anything to do with this one.

Mrs. DAVIS. Okay. Thank you very much. Thank you, Mr. Chairman.

Dr. SNYDER. I think if you sit down it is a continental breakfast, and you stay on your feet it is light refreshments.

Mr. FISHER. We will have to adjudicate that, and see if we can add that to the rules.

Dr. SNYDER. Mr. Platts.

Mr. PLATTS. Thank you, Mr. Chairman. I appreciate your testimony. I apologize, you may have mentioned this earlier, for coming in late as well. When you talked about your 70 percent and it would be 80 but for one service, which service is that, that is less participation?

Mr. FISHER. The Air Force has historically been less utilizing of DTS than any of the other services. Their percentage is around 40 or 50 percent.

Mr. PLATTS. Is there a logical explanation for that that they provide?

Mr. FISHER. They, and, again, I would really defer to them to answer directly. I can only tell you what they have told us. There is a segment of their population in particular, the Reserve unit, that we have provided a capability, an automated capability, to interact with the Reserve auto-writing system. And we have been working with the Navy in particular, who has been very aggressive in partnering with us to adopt that capability, so that they can still

write their orders in the Reserve system. But then we do the management of the travel itself, the plane reservation, the hotel, car if necessary, and then the voucher processing in DTS.

The Air Force has been very reluctant to use that tool at this point and, again, their rationale why, I would really defer to them. But that has been a big segment of the population that has not come yet into DTS. There is an element of the Active service as well, but the Reserve component has been the biggest piece that simply has not been picked up by the Air Force that the other services have been much more aggressive in moving toward.

Mr. PLATTS. Is there discussion, is this an issue that you raised to the Air Force of their lack of compliance or participation?

Mr. FISHER. Both of our organizations have raised this several times. In particular, over the last year, as we were here a year ago looking at these metrics, it was the same outlier scenario a year ago. And there was some personnel turnover, some personnel who are now in place seem to be willing to partner and move forward in that direction, but we just haven't seen movement yet from the leadership to be more adopting of the tool at this point.

Mr. PLATTS. My understanding, I apologize if this was addressed earlier, in the 2009 GAO review, they said of the 14 recommendations, 6 had been adopted, 8 were not yet fully embraced and adopted. I apologize if you are repeating yourself, but is there an update on those other eight recommendations?

Ms. MITCHELL. We have actually just received contact from GAO, and they want to sit back down with us and follow up and go through. It would be fair to say that we have a disagreement as to what currently remains open and what is closed.

Mr. PLATTS. And that discussion is scheduled or it is going to be occurring with GAO?

Ms. MITCHELL. It is, yes, in the near term.

Mr. PLATTS. Because I, in my work with GAO as chairman of the Government Reform subcommittee for four years, including issues related to, especially in the Guard and Reserve side of the travel, found their insights very helpful, and they realize it is not going to be 100 percent agreement, but encourage close attention to their recommendations.

Thank you, Mr. Chairman, I yield back.

Dr. SNYDER. Thank you, Mr. Platts.

Mr. Fisher, I wanted to follow up on what you said and help me with where the ongoing challenge is. You said it is 61, 26 last year, you are now at 61. There is one more for sure you know you want to do and you are working on it. It is a pretty big chunk of it. But then there are 11, 12, or 13 you are not even sure you want to incorporate in the system, and I can understand why. At some point it may be easier to send your grandma a written note rather than put it in your computer system. But doesn't that take away from your argument about the 76? If 61 are already there, you have one more, what am I missing here, why you have brought up this issue again of the 76? If you have already got 61 different—of the 76 in your system, you want to do one more for sure, a great majority of the remainder ones you don't even want to use the DTS for, what am I missing here?

Mr. FISHER. I am not sure. I think a lot of it relates to simply volume. Of the 61, actually there are 6 related to PDT that we don't cover, so that would get us up to 67. And again the permanent duty travel would run into these challenges associated with the rules and requirements and what it would take to do on the platform.

So of the 15 that we don't do, 6 are related to that.

Of the TDYs, there are four that we actually will cover. They are relatively low volume. They are all sort of in the special rules category, and we are treating that as a single release that we think we can deliver. Again, it is a little questionable in terms of will we get the return on that investment, because the volume of those is pretty small, but we think with relatively little amount of investment we can take care of those.

The only other ones that would be left, and, again, this would be sort of that cost/benefit, how complex are the new requirements, how many of these trips do we anticipate will take place in a given year, and how much will it cost us to automate both in the short term and the long term? And that has to do with the military entrance processing travel and the deployed travel.

And there is, again, a fair amount of complexity associated with those. And I think before we take those on, along with the PDT, before we take that on, we would prefer to have this crack at simplification and then take on a simplified version of that to then be fully accountable, rather than take them on in the current requirements.

If the Department overall eventually says that is the requirements, we need it to accommodate, we have N number of these trips a year, it is cost-effective, well, then we would have to take a look at going to implement that solution. We think it is worthwhile to pause for a moment and take a look at the simplification opportunity before we simply go invest in doing that.

Dr. SNYDER. In your written statement, you used the word "facelift" a couple, three times. I know what the word "facelift" means. I don't think that is a term of art, is it, in your business? When I think of a facelift, I think it will make it look prettier with no change of function.

Is that what you are—when you use the phrase "facelift" as you did on page seven, an incremental usability facelift, does that mean you are going to make some small change that looks prettier but doesn't do anything?

Mr. FISHER. So there is an element—

Dr. SNYDER. Oh, yes, is it lipstick on a pig, with giving credit to Governor Palin?

Mr. FISHER. The issue of usability certainly has been discussed in these hearings before. As I said in my opening remarks, we clearly have demonstrated a level of proficiency in using the tool. That does not mean the tool is intuitive, it does not mean that somebody can simply sit down without any training or experience and use the tool.

The rules engine and the things that are going on behind the scenes, that is in place. If there are incremental things that we can do to enhance the workflow or how much information is available on a given screen or the kinds of information that is available on

a given screen, that would change the look and feel of the tool without really affecting the underlying capability, but may create a better user experience for that user, maybe a little less training necessary and make it a little bit more intuitive.

Again, I think we need to balance that against the other things that we would potentially want to do in the tool and the other requirements that we have, given that we have achieved a level of proficiency that is, you know, far beyond the majority.

But there are certain things that we have heard from our users that they have told us, if you could have it do this or have it do that, they believe that would enhance their experience for their members, and those are some of the facelift kinds of things that we are looking at.

Dr. SNYDER. But that is not a term of art in your business?

Mr. FISHER. It is not a technical term.

Dr. SNYDER. That is what I am getting at because it implies that your website looks better and may not change function, but you actually mean minor improvements in function and usability?

Mr. FISHER. Primarily usability in terms of that word.

Dr. SNYDER. And then you used the phrase incremental here, incremental usability. You can implement an incremental usability facelift and incrementally add minor functional enhancements. It seems like incremental small steps to do a facelift, small steps to do minor changes. You are really piling on here this sense of slow, evolutionary improvements through the eons of time, but I think that relates to your point of what you just made, you are taking a bit of a pause now with regard to simplification.

Mr. FISHER. As we said, we need to modernize the platform, which is really independent of the user experience and that whole process of a technical upgrade piece. We, really, passionately need to accelerate that, which would put a more incremental improvement capability on top of that for either usability or the other mechanics, because it is sort of difficult to be doing all of that at once.

So we are accelerating some things, extending the life cycle of some of these others, trying again to line up that work with hopefully opportunities to simplify so that when we do enhance capability it will be on a simpler model instead of on the current rule set.

Dr. SNYDER. Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman. A question for both of you, do you have any preliminary thoughts about what Congress might be able to do to help in the advanced travel simplification program?

Ms. MITCHELL. Support for legislative change when it comes to you, and, really, in its essence, what we are looking to do is to take the decades worth of law, a holistic approach, and to streamline and, in fact, simplify those. And as laws have been added over decades of time, we even noticed there are inconsistencies in the way different terms are used, and it is not necessarily clear.

We would like to do things that would enable us to take care of wounded warriors, for example, without having to come back to you for additional legislative authority. So that is sort of in a nutshell what we would be looking to do.

Mr. FISHER. So I guess, Congressman, I would add, I don't run a policy organization. We do the system piece of this. We take those requirements and then we deliver them, and we try to inform those requirements with information about the usability of the tool.

I have been around the Department now for about five years. We look at our, within BTA, we look at things from a framework standpoint, and simplification is one of the main things that we try to look for. In my experience in those five years it is something the Department does not do well, if at all. We don't really know how to simplify.

We know how to make things complex. We know how to create 2,000 pages of rules, and we know how to take things like light refreshments and turn it into a three-page rule.

I have complete confidence in Pam's shop in trying to drive that change through the Department, but there is a layer of bureaucracy within the Department that does not embrace change very well, especially simplification. And there is a legal community, there are other elements that are very entrenched in, well, it is a rule, and we need to keep it that way.

I simply say that to offer for your consideration at some point the Department may need help in simplifying. It may think for some reason that we can't, because we are going to be held to a congressional standard that if we don't have all of these rules, we are going to be called in front of a committee because somebody had a doughnut as a light refreshment and they saved 37 cents. There may be an element of that kind of give and take that would be necessary, because the reason that we create a lot of these rules in the first place is so that we avoid any possibility of being called on the carpet for that level of accountability.

So the legal community and the Department, doing its job, is going to put a lot of rules in place to try to prevent a senior person from being called to be held accountable and so we create all of these rules.

But as I said earlier, there is a cost to all these rules. There may be a give and take here necessary that will help the ideas that will come out of the policy shop to actually get it over the top to be able to become codified. Because in my experience in the Department we don't embrace that kind of simplification very well.

Mr. WITTMAN. Got you. So what I am understanding, then, Ms. Mitchell, you talked about statutory help from this level, giving you a direction to, say, simplify. And it sounds like if we give that direction, we ought to make sure that there is some wording in there to make sure that it truly is the intent of Congress to simplify and that it is not something down the road that we say, well, we said simplify, but we meant something different or we are going to lambast you because somebody bought a doughnut when they shouldn't have bought a doughnut for breakfast.

So, from my standpoint, then, we ought to make sure that we know, not only from our viewpoint, but also from the agency viewpoint, because I know how it goes, it is back and forth. There is an interpretation from folks below as to what Congress intended and what the language was, and then also how do you implement that?

So I think it would be very helpful from our standpoint to know what language, from your perspective, is needed to make sure that we get to simplification, making sure we have the necessary checks and balances and then to protect against abuses. And we all know we want to do that.

We have a responsibility to make sure we do that, but that we don't get so overwhelmed with that that we lose focus on the efficiencies that we are trying to build into the system. Like you said, if it were up to—you know, if it were up to a group of folks to design some of the systems today, we probably would have very, very different systems because of the complexity within the realm of government.

So we want to make sure from your standpoint that you let this committee know, in the process, how we can best accomplish that, still providing the checks and balances, but also not losing sight of the efficiency and the simplicity we want to get back in the system.

Mr. FISHER. Yes, sir, I would agree.

Mr. WITTMAN. Thank you, Mr. Chairman, I yield back.

Dr. SNYDER. Ms. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. I would just echo that as well. I am still quite dumbfounded by your comment about the continental breakfast.

Mr. FISHER. That is why I keep it on my desk every day to remind me.

Mrs. DAVIS. Because it seems to me that had to go through so many hands or computer changes or what have you, and it really does concern me that we have that many individuals spending that much time trying to create a rule that has X value, that is really questionable. And I am glad that we are engaged in this, but I think I am still struggling a little bit with how you are going to get from A to Z here and whether you have a real plan, a documented plan, to do that, and are there a limited number of people who are allowed to weigh in on that, or do you have to go through the same reiterations time and time again every time you are trying to decide whether it is a doughnut or a croissant or something.

Ms. MITCHELL. Let me address that part first. There is a committee in place that it has been in place for a number of years called the Per Diem Committee, and it consists of membership from not only the military services, but all of the seven uniformed services. And so every time that these things are done it goes before that committee. That committee has advisory parts to it at a lower level, the military advisory panel and the civilian advisory panel. Some decisions like this one, I fear, were made at that lower level and then some go on to be made at the higher level. But yes, ma'am, all of these things are done in that regard.

One of the challenges that we have as we are now—the Per Diem Committee used to have a separate staff, it still has a staff, but that staff now belongs to my organization, the Defense Travel Management Office. So one of the challenges we have going forward is really what is the right way to do this? Travel policy over the years, and this is part of what has made it so complex, has literally been done in a scatter-gun approach across the Department. Recognition of that is what caused the DTMO to stand up in 2006, but it is a huge beast and so it is taking us some time to figure out

even how do we get our arms around this, and who are all of the people who have their fingers in travel policy so that we can figure out, well, wait a minute, maybe there is already something that covers that.

The other thing, quite honestly, that we find is that those involved feel that they need top cover, and top cover means we must have a rule published that enables me to tell my service members this is how it will be done because for some reason there is a lack of desire to say this is the way we are going to do it. So it is really a compounding effect, if you will, over decades that we really have taken on now and are trying to simply.

Mrs. DAVIS. You mention the number of individuals or the Department's legal counsel probably more so maybe than others who may fight change in this area because of their desire to be sure there is immunity from the Congress and whoever else. How do we try and get at that as far as you can see? I mean maybe my colleagues can weigh in on this, because I could see writing something that basically either gave that kind of immunity, if that is what is required, or how you really break that apart, because those organizations have been there forever. I understand what their jobs are, they are doing their job, but it is really not helpful.

Ms. MITCHELL. Yes, ma'am. And as we work our way through the various layers what we are doing is literally sitting down and saying here is what we are trying to do. Our first commitment is absolutely to do no harm and to make recommendations for change that are based on data, I mentioned modeling and simulation, and we would also like pilot authority so that we can try some of these things with a very limited constituency before we say yes, this is the way to go. Again so we can do no harm, so we don't break anything, so we can be at a minimum cost neutral and hopefully find some savings there.

So as we are able to explain we are slowly making inroads. But as you might imagine it is those in the fiscal community who are most concerned about this. As we noted earlier, that is where these types of rules come from. I think it is a gradual road that we are on. And as we propose legislation what we hope to propose as it works its way through the coordination process is something that doesn't require us if it is enacted on the 30th of October to automatically on the 31st of October have to change all of our rules. What we hope to be able to do is to sunset things over time while we prove a better way to go forward, again based on data-driven, fiscally responsible recommendations for change.

Mrs. DAVIS. I am looking for language, we talked about the smell test, common sense, a layperson would have an understanding of. It seems to me that while we are trying to accommodate the military community and understandably at the same time there is an amount of common sense to this that one needs to really focus on and perhaps raise to a higher level than the more intricate process that you are involved in.

Ms. MITCHELL. Yes, ma'am, absolutely. And I think that we have lived over the decades in eras where we really have to focus on catching the person who does something wrong. What we are trying to do is change that mindset and focus on the people who are doing something right and who want to do something right and

who would absolutely do it right if they knew what that right was. That again is the challenge. It is sort of like the old, gosh, I made a \$0.02 phone call, and now the Department is going to spend \$10 to find that person and collect the \$0.02 plus interest from them. So trust the traveler, use common sense. Allow people to be innovative, to find new ways of doing things, to be able to leverage some of the things that we do in industry; perhaps to be able if we talk in terms of technology to use a commercial-off-the-shelf product like an Orbitz or an Expedia, which we can't use today because they can't accommodate our rule sets, our 76 types of travel.

So absolutely I could not agree with you more, that at the end of the day, I am going to steal that from you, common sense is absolutely what we are after.

Dr. SNYDER. Both in this year's statement and in your written statement last year, you referred to the next generation travel system, what is the next generation travel system?

Ms. MITCHELL. I would say that we don't know what that is yet. We know a lot of things about it as we have embarked on an informed journey to gather information over the last year or so in partnership with Mr. Fisher's organization. We know that we want to be able to leverage things that are already out there so that we don't have to—and this is not a technical term of art either—so we don't have to stick build them, so we don't have to build things from scratch, so that we don't—

Dr. SNYDER. Let me put it another way. So if you get—you are going to present at some point some legislative changes, you are going to simplify them, we will adopt them, you will go from 76 different types of travel down to 11, you get your software developed. Is that the next generation travel system, or is there something coming like another airplane 10, 12, 15 years, is that the next generation? When you said next generation, do you mean the results of this work that is going on now or once we get this done then you will be looking at something 6, 8, 10 years from now?

Ms. MITCHELL. We are working on both. What we have found as we talked to the travel industry—

Dr. SNYDER. We were kind of hoping as much time as it is taken that once we got this one fixed over the next year or two that would be it, but you are leaping ahead?

Ms. MITCHELL. We are leaping ahead, yes, sir. It would be shortsighted if we did not. Because there is so much change going on, we realize the aging platform we are dealing with right now and things are changing every day. The airlines, all the unbundling of the prices for example, now being charged for blankets and pillows and who knows what is next, carry-on baggage Spirit airlines announced. We have to look at all of those things as we move forward; while we are working on the things that we can affect in the nearer term, what can we do in the future? And we are looking at some more far-ranging things like tele-presence, which I don't know if you have seen that, but I would describe it as VTC, video teleconferencing, on steroids because literally you could be in Chicago and I could be sitting here and I would feel like I could reach out and touch you having now seen that.

So there are up-and-coming technologies that we want to look at as we simplify to figure out how might those fit into our future to better enable us to do what needs to be done.

Dr. SNYDER. Mr. Fisher, you mentioned a dissatisfaction 15–16 percent, in that ballpark?

Mr. FISHER. Yes.

Dr. SNYDER. That means 85 percent are sort of okay. If you have 200 people on an airplane that means they are all Department of Defense related somehow, that means 30 or so are not very excited about how they got there, they might have 5 empty seats because they actually couldn't get their ticket worked out before they got there. I know you are working to improve that.

We did a little informal calling around, just asked some folks that are currently dependent on this system how they think it is going. Some thought it was okay, and others had some specific issues with it. I wanted to give you a specific problem we ran into, and you tell me where the flaw was in the system. And it was somebody who went online, system worked, got the confirmation for both the trip and the hotel that would be reimbursed—not be reimbursed but would be paid. They show up at the hotel, and the hotel says, “no, you have got to pay for it.” Where is the flaw in your system that they would get the notice at a time of going online that says your hotel will be paid, you don't have to worry about your own personal credit card, and they get to the hotel and find out they do indeed have to pay for it? How does somebody get a false sense of security?

Mr. FISHER. To give a specific answer I will have to take it for the record and get you a response.

Dr. SNYDER. Okay.

Mr. FISHER. Normally when we book a hotel room, we go and travel and bring our government travel card and we charge the room to the card, and then we go submit a voucher and the government travel card gets reimbursed directly from DTS to a disbursing system to pay off the card. If we could get the specifics on this case. If someone seemed to think a hotel would already be paid for, and there was no need to pay at the point, I would have to look into that expectation of why that was.

Dr. SNYDER. We will get that to you, but that seems like a different kind of a problem than someone saying, I didn't get anything, I couldn't get it worked out, and I had to get somebody to help me. They got it worked out and it went well, except it turned out it wasn't accurate information.

Mr. FISHER. I would have to look at it specifically and get your response.

[The information referred to was not available at the time of printing.]

Dr. SNYDER. I have just a couple more questions. On page three of your statement you talk about the desire to have from the Congress succinct and flexible authority. When you use the word “flexible,” what are you talking about there?

Ms. MITCHELL. Again, sir, that would be the ability to take care of the wounded warriors without having to ask for specific legislation in order to do that.

Dr. SNYDER. The flexibility to approve travel, flexibility for reimbursement rate, flexibility to say you are not in Group 75, we will move you to Group 61. I am not sure what the flexibility—

Ms. MITCHELL. It required a specific legislative change in order to approve an attendant, a non-medical attendant being able to accompany a member. Or for someone to go to a memorial service as well as a funeral. Those are the types of things that would give us the flexibility to be able to do that.

Dr. SNYDER. So when something comes up like memorial service versus funeral or light refreshments versus continental breakfast, you would have some kind of inherent flexibility to say it is close enough, we don't have to have some rigid rule between the two or to say I am sorry because the funeral was three months ago, at this memorial service we can't reimburse you for that. Is that what you are getting at?

Ms. MITCHELL. Yes, sir.

Dr. SNYDER. Mr. Fisher, you have mentioned a couple of times this issue of comparing the military to private industry, and I guess that is part of your job actually to look for things out there in the private sector and figure out how it could help government. I think that is a worthwhile effort.

On the other hand, you know a private investor is not very good at calling in an air strike or mobilizing or going to war. There are different entities. Isn't it fair to say given the size and complexity of our military with both the civilian and uniformed side that we could clearly overstate how much it should look like private industry?

Mr. FISHER. Sir, I would agree with you, we are not the same. But we are talking about TDY travel here. And for much of our TDY travel, not all, like deployment travel, which is TDY travel, clearly different, you are not going to find that in a commercial environment, but a lot of the TDY travel that we do is very, very similar to what the commercial industry is. Again we have looked at both private sector and public sector as what does that rule set look for these different kinds of entities. In the commercial world we found a company that has a rule set that is five words.

Dr. SNYDER. What are the five words?

Mr. FISHER. The five words were—

Dr. SNYDER. No doughnuts while sitting down. It could be.

Mr. FISHER. I have it here. Something to the effect of do as you would do for yourself, something to that effect. I will get the words here for you in a moment.

Dr. SNYDER. That wouldn't work in my office.

Mr. FISHER. I understand. That is why I am showing the extremes of what we see. But there are industry elements that take that extreme approach. The norm is again about this 20 to 25 pages of documentation that describe sufficient information that governs travel. We looked in the public sector, and we just went to the Web, and we pulled down some academic institutions, other government institutions, what their travel policies are and sort of did a scatter shot and we found some that were 6 to 10 pages long. We found the University of Washington was about 50 pages and the government of Canada was about 150 pages. So we are getting up there a little bit more in terms of the level of complexity for a

public sector organization. But we are 2,000 pages, there is nobody close to that. And this is around TDY travel, this isn't around dropping munitions on a particular location, this is travel regulations.

I mean if we could get our 2,000 down by an order of magnitude or two, it would simplify the experience and cost to enable that capability dramatically and we would still be more complex than either industry or these other public sector institutions that we have looked at.

So if you go from 5 words to 2,000 pages as the two extremes that we found, we think probably the optimal layer is somewhere in between but it is closer to the 20 pages than it is to the 2,000.

I don't know what the right answer is, you couldn't put a marker on the wall and say you should have this many rules. Should we as a public sector organization, as Congressman Wittman pointed out, have an accountability responsibility to make sure that we don't have things related to fraud and abuse and an oversight responsibility that you would anticipate would have more rule sets than a commercial enterprise. But I don't think you would expect it to be 100 times more complex than a commercial enterprise. So there is a gradation there that I think somehow over time we have lost sight of, and we just keep adding more and more rules. Where the right answer is I am not sure. I think it is a lot closer to 200 than it is to 2,000.

Dr. SNYDER. I think my last question for the day, Mr. Fisher, I will make it a question for the record, would you provide for me, please, and we will make it part of our record here, the 1,000 or 2,000 pages of rules that you all currently have to comply with and also the 150 or so pages of the Canada rules?

Mr. FISHER. I have them all right here.

Dr. SNYDER. We will make that part of our record here so we will know what we are talking about.

Mr. FISHER. I would be happy to give it to you right now.

Dr. SNYDER. That would be great.

[The information referred to is retained in the subcommittee files and can be viewed upon request.]

Dr. SNYDER. Mr. Wittman, do you have anything further?

Mr. WITTMAN. No, thank you.

Dr. SNYDER. In closing, if you will see where you are with regard to legislative changes, we had the same discussion 13 months ago, as you can tell the committee is eager to help you, if it is not ready, it is not ready, but you are not going to see us venture into the area of trying to improve the statute on travel without obviously your great input. We are dependent on you, and if it is any consolation you and I won't be having this discussion a year from now since I am not running for reelection, but I think the better way to go would be to see if we can make some improvements this year in this year's Defense bill if that is possible.

Thank you all. We are adjourned.

[Whereupon, at 3:20 p.m., the subcommittee was adjourned.]

A P P E N D I X

APRIL 27, 2010

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

APRIL 27, 2010

**Statement of Ranking Member Rob Wittman
Subcommittee on Oversight and Investigations
House Armed Services Committee**

Hearing on Defense Travel System

April 27, 2010

Thank you, Chairman Snyder, and welcome back to our witnesses – we appreciate your returning to provide the subcommittee an update on your progress over the last year improving the Defense Travel System and increasing its use within the Department of Defense.

We heard from these same witnesses in March, 2009, of the Department's efforts to make the Defense Travel System, or DTS, more comprehensive and user friendly. During that hearing, my first as ranking member of the subcommittee, we acknowledged that progress had been made, but that DTS had a ways to go before it was a mature, fully accepted system used throughout the Department. My understanding from your testimony today is that further incremental progress has been made, but that more work remains. While any progress is good, it is discouraging that we never seem to get to the point where we can see the finish line. We achieve results, but project completion remains elusive.

I also understand that you have begun a new initiative, called Defense Travel Simplification, to find ways to simplify the myriad of travel related laws, rules, and regulations the Department must adhere to. No doubt the process of designing a Department-wide web based travel booking, approval, and accounting system would be greatly eased if you had fewer mandates to consider as you design the system. I am interested in hearing about your plans in this regard, the challenges you face, the timelines of this project, and how we on the committee can help. I know we've already "helped" by providing you a multitude of travel statutes to contend with. Any suggestions you may have on how we may streamline these laws without disadvantaging DOD travelers would be welcome.

The Department has been working on DTS for 15 years, and the subcommittee is completing two years of oversight on the enterprise. There is no question that developing and fielding an on-line travel system for an organization as large and diverse as the Department of Defense is a daunting challenge that anyone would expect would take some time, but 15 years seems excessive. While I am encouraged that the Department continues to

progress, I am discouraged that after 15 years we still have some ways to go.

I have to wonder when we can finally call this system complete.

Again, thank you to our witnesses for being here today and I look forward to your testimony.

**HOLD UNTIL RELEASED
BY THE COMMITTEE**

Joint Statement

of

**Mr. David M. Fisher
Director
Business Transformation Agency**

and

**Ms. Pamela S. Mitchell
Director
Defense Travel Management Office**

Before the

**House Committee on Armed Services
Subcommittee on Oversight and Investigations**

April 27, 2010

Introduction

Chairman Snyder, Congressman Wittman, and distinguished Members of this subcommittee, thank you for the opportunity today to discuss travel simplification and transformation, to provide an update on DTS, and to discuss our efforts to improve the overall travel experience.

Defense Travel Management Office (DTMO) and Business Transformation Agency (BTA)**Partnership Provides a Foundation for Travel Transformation**

Past studies of government travel found that program oversight and travel authorities were fragmented, resulting in redundant processes, inconsistent implementation, and a lack of visibility and coherence at the enterprise level. The Department of Defense (DoD) addressed the fragmentation problem in 2006, by establishing the DTMO. Organizationally aligned under the Office of the Under Secretary of Defense for Personnel and Readiness, DTMO establishes strategic direction, sets policy, and centrally manages commercial travel programs. Similarly, the BTA was established in 2005 to focus on driving change throughout DoD in the area of business operations.

Working together on the Defense Travel System (DTS) since 2006, the BTA-DTMO partnership has effectively facilitated exponential growth in DTS usage, a 263.8 percent increase through first quarter, fiscal year 2010. Collaborating now on transforming travel, these two organizations provide the focused leadership that did not previously exist to drive meaningful change.

Travel Simplification and Transformation

The DTMO provides central oversight for commercial travel management, travel policy and implementation, customer support and training, travel card program management, functional oversight of the Defense Travel System (DTS), and allowance and entitlement program management. Focused on transforming the multi-billion dollar Defense Travel Enterprise by implementing better solutions and providing the best value for the travel community, the DTMO partners across the government and private sector to maintain an in-depth perspective of the travel industry and determine the best practices and standards for DoD travel.

In 2008, the Department realigned the Per Diem, Travel and Transportation Allowance Committee (PDTATAC) staff with the DTMO to support the committee responsible for developing and publishing travel regulations. This realignment brings visibility and coherence at the enterprise level, and underscores the significant emphasis being placed on travel and its importance to the mission as a whole. It also facilitates, through one organization, a comprehensive, enterprise view of commercial travel and assigns responsibility for reform.

Public Law 111-84, the Fiscal Year 2010 National Defense Authorization Act, Section 1058, directed DoD to develop a comprehensive plan to simplify defense travel. A study of defense travel is not new; previous studies universally concluded that it is imperative that DoD simplify travel. In many cases, today's rules are simply processes transferred from the paper version to an electronic format. Travel simplification requires a review and reengineering of laws, policies, and processes to ensure they best facilitate travelers in accomplishing the mission of the Department of Defense. A roadmap must be developed that replaces prescriptive language with succinct and flexible authority; enables comprehensive business rules to cover most types of

travel; simplifies computations and rules for the traveler; reduces outlays for the Department; and increases mission flexibility for leaders. Travel and transportation policy and rules should be simple, efficient, relevant, flexible, and meet mission and service member needs.

The current Joint Federal Travel Regulations (JFTR) and Joint Travel Regulations (JTR) reflect requirements that have emerged over the span of decades to establish policy for specific travel situations. They prescribe entitlements for the routine, occasional, or unusual circumstances of travel and also provide detailed examples for computation of allowances. Both regulations have evolved to address different travel situations as they have emerged, resulting in unwieldy documents that can be confusing and occasionally contradictory.

Stringent rules and interpretations make it hard for the traveler and hard for a system such as DTS to accommodate all the policy governing commercial travel. As noted above, law also contributes to the challenge. As recently as enactment of the National Defense Authorization Act of 2010, three new trip types were added through additional sections in Title 37, raising the total of specific trip types from an already high 73 to 76.

Prescriptive legislative language must be replaced with succinct and flexible authority to empower the Department to develop comprehensive business rules that will cover all types of travel, changing the current situation where each type of travel is governed by a specific business rule. This empowers the approving official to make sound decisions on behalf of the traveler, the organization, and the mission requirements. The Department must also minimize the number of computations. This would greatly simplify travel and make it easier for both the approving official and the traveler to determine the travel allowances to which the traveler is entitled.

Transformation is Underway

Travel transformation will be an evolutionary, incremental process accomplished over a period of years, and it is a journey that has already begun. For example:

- Travel Assistance Center (TAC). Established in 2007, the TAC evolved from a DTS focused helpdesk to 24 hour per day/seven day per week assistance center for all DoD travel-related questions. The TAC was modeled from industry standards using industry best practices and is focused on providing accurate, courteous, and timely service.
- Training. DTMO created and is actively implementing an integrated training program for DoD travelers, travel administrators, and managers. Training consists of a variety of training courses available through the following delivery methods: voice-added demonstrations, web-based training, interactive distance learning, and classroom. Feedback from participants is used to evaluate current training offerings and maximize continuous process improvement.
- Travel Explorer (TraX). TraX is the first of a kind, one-stop service center for travel information, conceived as a web-based extension of DoD's Travel Assistance Center. Through a user friendly interface, any traveler can obtain critical trip information like: estimating costs, checking flights, verifying per diem rates, or even completing a basic travel training course. The tool is also used for many other functions like registering for a conference. TraX is quickly becoming the traveler's first stop for assistance or information. Overall, TraX has improved the DoD traveler's experience by providing fingertip training, immediate online assistance, and instant access to critical travel information. This innovative

- Merging JFTR/JTR. Currently two separate, large volumes of regulations comprising more than 2,000 pages. An ongoing effort to streamline and merge uniformed service and civilian travel policies will result in a single, easier to use reference for all DoD travelers.

DTS – A Travel Enabler

We cannot transform defense travel without taking a hard look at DTS, the automated enabler for travel. However, DTS should not be further transformed until revisions are made to travel legislation, policies, and processes. The DTMO-BTA partnership recognizes that policies and enabling technologies must be looked at together in order to manage efficiently the Department's very large and complex travel process. In short, there are underlying travel and policy procedures that directly affect our ability to replace manual processes and increase DTS' functionality.

Although the growth in DTS usage has leveled off, the number and percentage of TDY vouchers processed in DTS continues to increase. As a result, the Department continues to achieve cost avoidance through automated voucher processing and online booking of travel.

DTS TDY voucher processing continues to increase. In Fiscal Year (FY) 2009, DTS processed 3,619,707 TDY vouchers—a 71 percent usage rate. Through the first quarter FY 2010, DTS TDY voucher processing was 71 percent. After several years of exponential growth, percentage increases in DTS usage are leveling off:

- FY 2005 to FY 2006 – 102 percent growth
- FY 2006 to FY 2007 – 72 percent growth
- FY 2007 to FY 2008 – 33 percent growth
- FY 2008 to FY 2009 – 13 percent growth

DTS users consistently use the system's online booking engine to arrange travel, reducing transaction costs: DTS Reservation Module Usage was 86 percent in FY 2009.

DTS enables the Department to avoid costs in voucher processing and Commercial Travel Office (CTO) transaction fees. As we have previously testified, the Department saves \$34.05 every time we process a voucher in DTS (as opposed to processing a voucher manually).

User surveys continue to demonstrate that most DTS users willingly chose the system when making their business travel reservations. Quick Compass (annual survey providing a scientific representation of customer opinions) results for Fiscal Year 2009 found that twice as many DTS users (52% to 26%) prefer using DTS, as opposed to using a commercial travel office, to book their travel reservations.

DTS Stability

The Department requires a modernized software platform to ensure a stable, reliable, available and secure travel system. The Department continues to take significant actions to increase system stability. Overall system and travel type processing capability was increased with a combined Special Circumstance Travel (SCT) and Technical Refresh release in August 2009. The addition of SCT enables DTS to process additional travel types as it includes some 29 travel scenarios which fall outside the category of "normal" business-related travel, including escort, witness, and cadet/midshipman travel. This enhancement brings the Department closer to employing a single travel system.

A "Technical Refresh" release was also implemented in August 2009. This initial "Technical

Refresh' partially converted proprietary software code (Progress) to open-source Java programming language. This release degraded system performance for roughly sixty days, resulting in a longer time to book travel and process vouchers, and there were intermittent interruptions. The Department worked with Northrop Grumman, the Prime Contractor, to implement several software patches which gradually improved system performance. Currently the system is performing well, but additional software patches are needed to fix known system problems.

DTS is one of the most successful, major, government automated systems, having exceeded the original intent of supporting routine temporary duty travel. However, the desire to expand DTS functionality to accommodate increased traveler usage has caused the Department to recognize that continued success requires a modernized software platform to ensure a stable, reliable, available, and secure travel system. To that end, the Department has reevaluated the DTS developmental timeline and has deferred major functionality releases in the near term to focus on completing Technical Refresh to modernize the software platform. This will not only ensure system reliability for the current 70% market share of the Department's business travelers, but facilitate a simpler and more rapid change process. Additionally, over the next two calendar years, the Department will implement an incremental usability facelift, fix known problems with the highest impact on travelers, and incrementally add minor functional enhancements. As transformation of travel policy and process proceeds, so will transformation of its automated enabler, DTS – on an evolutionary path to the next generation travel system. If travel policy can be dramatically simplified, we can create an elegant, agile user solution based on streamlined business processes.

Way Forward

The DTMO-BTA partnership enables the Department to design and implement a practical and cost-conscious roadmap to transform the Defense Travel Enterprise that:

- Monitors traveler safety and security
- Enables a positive customer experience
- Maximizes policy understanding and compliance
- Maintains control and maximizes visibility into travel spend, processes and supplier performance, and influences traveler behavior (to make the right decision).
- Simplifies computations for travel entitlements/reimbursements
- Explores innovations and leading practices within the travel industry
- Uses a phased approach to implement innovations that have already been modeled/tested/piloted so as not to disrupt daily operations

Conclusion

Mr. Chairman, thank you and the Members of the subcommittee for the opportunity to appear and lay out our vision for travel transformation and to provide an update on DTS. We would be pleased to answer any questions you have at this time.

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

APRIL 27, 2010

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. It appears that DTMO cannot compel all of the services to use the Defense Travel System and that DTMO does not have final authority in rewriting the DOD-driven regulations. Who within the Department is responsible for approving and enacting the rewritten regulations?

Ms. MITCHELL. Currently, responsibility for travel regulations resides with the Per Diem Travel and Transportation Allowance Committee (PDTATAC), with oversight by Under Secretary of Defense for Personnel and Readiness, whose members are designated senior level representatives from their respective components.

Operating independently of, the PDTATAC Committee is comprised of:

- Deputy Under Secretary of Defense (Military Personnel Policy)
- Deputy Assistant Secretary of the Army (Military Personnel)
- Deputy Assistant Secretary of the Navy (Manpower and Reserve Affairs)
- Deputy Assistant Secretary of the Air Force (Force Management Integration)
- Director of Personnel Management, United States Coast Guard
- Director, National Oceanic and Atmospheric Administration
- Director, Office of Commissioned Corps Force Management, United States Public Health Service.

Dr. SNYDER. DTMO seeks to give the Department more flexibility in approving different types of travel that may arise (rather than legislating for every eventuality). Using the example of allowing the Department flexibility to approve wounded warrior attendant travel or funeral and memorial service travel, at what level would the Department seek to locate approval and oversight for such travel?

Ms. MITCHELL. The Department would seek to locate approval and oversight of travel, such as wounded warrior attendant travel or funeral and memorial service travel, with the Office of Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)). Under OUSD(P&R), Defense Travel Management Office (DTMO) oversees and centrally manages travel within the Department of Defense. OUSD(P&R)/DTMO, in consultation with the Services, could most expeditiously revise rates, terms, and conditions for travel, expand eligibility requirements as needed, and could delete outdated provisions when appropriate.

Dr. SNYDER. Your written statement was very different to your oral presentation. Please provide a copy of your oral opening statement.

Ms. MITCHELL. A copy of my oral statement follows:

Chairman Snyder, Congressman Wittman and distinguished members of this subcommittee, thank you for the opportunity to be here today to update you on simplifying defense travel and the Defense Travel System.

Currently, the defense travel experience can be frustrating and confusing for travelers, approving officials and finance personnel, because of a myriad of travel regulations, trip types, computations, allowances and laws. The Defense Travel System, or DTS, is also affected by and thus reflective of this complexity. Travel law, policy and process should be simple, efficient, relevant and flexible in order to facilitate traveler requirements in accomplishing the mission of the department.

To that end, the fiscal year 2010 National Defense Authorization Act directed DOD to develop a comprehensive plan to simplify defense travel. We're going to accomplish this task in three phases, which will result in a transformation of defense travel. Phase one, conducting a review of travel policy—we completed this government-wide review in partnership with the General Services Administration in 2009. Phase two, reviewing and analyzing the business rules to see what we can simplify within the existing framework and what legislative changes will be needed to support the efforts. Phase three, modeling, testing and implementing approved changes.

We believe that simplification of defense travel must be an evolutionary transformation over a period of years based on data-driven conclusions and fiscally responsible decisions. While the department must make internal

changes to accomplish our goals, we also know that some of our proposed reforms will require congressional action, and we will be asking for your help and support as we proceed with this huge endeavor.

As I stated earlier, DTS is both affected by and reflective of the complex defense travel policy environment. An extremely successful enterprise-wide system, a travel technology expert recently noted of DTS that it was ahead of its time. When we testified last year, we were excited about expanding the capability of DTS to better serve our travelers, both in terms of added functions and enhanced user friendliness. However, our desire to accommodate increased usage by increasing functionality must be weighed against ensuring access to a stable, reliable and secure travel system for the department's 71 percent of temporary duty travelers using DTS.

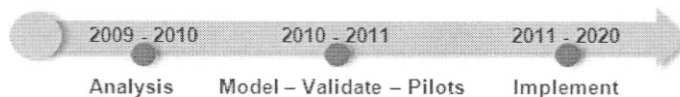
With greater understanding of the technical challenges in implementing the complex business rules associated with adding new functionality, we have reevaluated our plans, as well the DTS developmental timeline. Based on this reevaluation, we have deferred major functionality releases to focus on modernizing the software platform and maintaining a stable system. For example, we took a rigorous approach to testing the software for the planned addition of permanent duty travel to support permanent change of station, or PCS, moves to DTS. Through the testing process, 150 significant issues were detected. Because of their volume and severity, the Defense Travel Management Office, the DTMO, and the Business Transformation Agency, or BTA, recommended a pause in PDT implementation. This recommendation was supported by our governance boards. Our customers are increasingly asking that we carefully weigh the risks of increasing functionality against maintaining system stability, and we are listening.

As we move ahead, it's clear that our policies and enabling technologies must be jointly reviewed and managed to both simplify defense travel and transform the defense travel enterprise. Simplification of policy and process is not only critical to improving user friendliness for the traveler, leveraging capabilities in industry and reducing outlays for the department, but is equally critical for improving DTS and creating a friendly, agile and elegant user interface.

Thank you for your continued support. I look forward to answering any questions you may have.

Dr. SNYDER. Provide your three-phase plan for DTS simplification, with at least notional timelines, for your current effort, even if it does not include the 8–10 out-years' effort. This should include: a. Simplification of DOD and service business rules, policies, and regulations; b. Simplification of laws—provide legislative proposals; c. Modeling, testing, and implementation of simplification; d. Improvements to the Defense Travel System based on these changes. If you have them available, please provide component timelines for items a–d.

Ms. MITCHELL. a) In order to ensure simplification of DoD service business rules, policies and regulations, the Department will use a multi-pronged, incremental approach over multiple years to implement a comprehensive, transformational solution for travel and DTS simplification (i.e., a–d above). This simple timeline is the overall framework for travel simplification.



b) The simplification of laws and statutes begins with simplified statutes and broader authority that will enable the Secretary of Defense, in consultation with the Secretaries of the Military Departments, to redefine and increase flexibility of travel policies. The Department's proposed revision to chapter 7 of title 37, U.S. Code was submitted in accordance with Chairman Snyder's request for drafting service.

c) Modeling and analysis will result in the development of feasible alternatives for simplified and streamlined travel related processes. Each statutory change will require a specific, detailed implementation plan that will include adjustments to policy, systems, training, and other affected areas as appropriate and necessary. Over the past four years, the Defense Travel Management Office (DTMO) has made tremendous progress in collecting and consolidating travel data. As data continues to be gathered and refined, the solutions for travel simplification will become clearer. Using pilot programs for proof of principle and selection of alternative solutions will pave the way for smart, data driven, fiscally responsible decisions.

d) The Defense Travel System (DTS) will continue to be improved by these data driven measures. If travel policy can be dramatically simplified, we can create an elegant, agile user solution based on streamlined business processes.

Dr. SNYDER. What are the major barriers within the Department to simplification of DOD and service travel rules and regulations?

Ms. MITCHELL. For simplifying DoD travel, there are four major barriers: 1) a desire for absolute fiscal accountability, 2) a propensity for rule making for every travel situation, 3) an expectation of specific statutory support for every travel rule or expenditure, and 4) an institutional resistance to change.

Dr. SNYDER. What are the three most significant DOD or service rules or regulations that need to be changed to simplify DOD travel?

Ms. MITCHELL. The three most significant rules or regulations that need to be changed to simplify DoD travel are: 1) burdensome documentation that is required for "actual expense" reimbursements; 2) cost comparisons; and 3) the need to justify "actual and necessary" travel expenses.

Currently, under "actual expense" reimbursements, documentation requirements are burdensome, as the traveler is required to 1) retain receipts for all lodging, meals, incidental and miscellaneous expenses for the entire period of travel, and 2) these expenses must be averaged over the period of time. Elimination of language that calls for "actual expense" reimbursements would allow these types of travel to be treated instead like a normal business TDY, where the traveler gets full reimbursement for airline ticket, rental car, hotel and a per diem. This allows for a less burdensome documentation requirement and greatly simplifies travel for service members and their dependents.

Cost comparisons drive complexity because, under the current construct, every detail of a trip must be known upfront and then compared the cost to the government (using commercial air transportation) against the mode of travel the member is actually requesting. This requires an approving official to determine what a cost of a taxi might be to and from the residence or airport, projected parking fees and any other cost a traveler may incur. Many of these costs are just "best guess" estimates and not true costs. Eliminating cost comparisons and allowing the approving official to reimburse based on like travel would go a long way towards simplifying and demystifying a complex procedure.

The use of actual and necessary expenses for travel as defined in title 37, section (d)(2)(B) requires reimbursement for "actual and necessary expenses." This has been interpreted to mean why a cost is actually needed and why it is necessary. This has created problems in trying to keep pace with the ever changing nature of travel. For example, when the airlines started to un-bundle services such as charging separately for checked-in bags, there was hesitation to authorize such reimbursements because they were not explicitly included as an authorized expense. The Department believes that a change should be made to authorize a "reasonable and necessary" expense.

Dr. SNYDER. What are the three most significant laws that need to be changed to simplify DOD travel? a. Provide an example of "prescriptive legislation" and how it should be rewritten to be "succinct" and provide "flexible authority to empower the Department to develop comprehensive business rules that will cover all types of travel."

Ms. MITCHELL. The current title 37 is too diverse to identify only three sections that need to be changed. To simplify travel, we believe that all the sections below need change:

- 404. Travel and transportation allowances: general.
- 404a. Travel and transportation allowances: temporary lodging expenses.
- 404b. Travel and transportation allowances: lodging expenses at temporary duty location for members on authorized leave.
- 405. Travel and transportation allowances: per diem while on duty outside the continental United States.
- 405a. Travel and transportation allowances: departure allowances.
- 406. Travel and transportation allowances: dependents; baggage and household effects.
- 406a. Travel and transportation allowances: authorized for travel performed under orders that are canceled, revoked, or modified.
- 406b. Travel and transportation allowances: members of the uniformed services attached to a ship overhauling or inactivating.
- 406c. Travel and transportation allowances: members assigned to a vessel under construction
- 407. Travel and transportation allowances: dislocation allowances.
- 408. Travel and transportation allowances: travel within limits of duty station.

- 409. Travel and transportation allowances: house trailers and mobile homes.
- 410. Travel and transportation allowances: miscellaneous categories.
- 411. Travel and transportation allowances: administrative provisions.
- 411a. Travel and transportation allowances: travel performed in connection with convalescent leave.
- 411b. Travel and transportation allowances: travel performed in connection with leave between consecutive overseas tours.
- 411c. Travel and transportation allowances: travel performed in connection with rest and recuperative leave from certain stations in foreign countries.
- 411d. Travel and transportation allowances: transportation incident to personal emergencies for certain members and dependents.
- 411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.
- 411f. Travel and transportation allowances: transportation for survivors of deceased member to attend the member's burial ceremonies.
- 411g. Travel and transportation allowances: transportation incident to voluntary extensions of overseas tours of duty.
- 411h. Travel and transportation allowances: transportation of family members incident to the serious illness or injury of members.

Many of these statutory provisions have been added over time and written in a prescriptive format seeking to incorporate every nuance to address a specific travel situation. For example, a military dislocation allowance covered under title 37 U.S.C. Section 407, cites eligibility criteria and when it is payable. Instead, a simple sentence such as "Reasonable and necessary travel expenses may include but are not limited to cost of transportation, lodging, and meals; **dislocation** or relocation expenses paid in connection with a member's temporary or permanent duty assignment location" would provide the Department great flexibility, without limiting us to prescriptive language. (NOTE: The above is a mere example of possible language and does not reflect the Administration's position or endorsement.)

Dr. SNYDER. Your written statement was very different to your oral presentation. Please provide a copy of your oral opening statement.

Mr. FISHER. My oral statement is below.

About a month ago, I testified at a House panel on acquisition reform. And one of the key topics of that discussion was about metrics: How do we really know from a—an objective state whether or not our acquisition programs are performing well? So I thought I'd frame my remarks today about metrics around DTS, not anecdotal evidence, but actual measurements that we've been able to put together in three main areas: efficiency, effectiveness and cost. Any one of our programs should be able to be measured against these three different areas, and I'd like to highlight some of the things relative to DTS.

From an efficiency standpoint, you know, we could talk again anecdotally about many of the things that DTS does to automate what used to be paper-based processes. But, again, that would be more anecdotal. On the evidence side, we look at the backend of the process. And one of the most important things for our members is timeliness of reimbursement, especially for our young members, our airmen and sailors and Marines and soldiers, 19-, 20-year-old kids who need to have that reimbursement in a—in a timely fashion. They simply can't afford otherwise. The statutory requirement is 30 days to get that reimbursement into their pocket. And, historically, prior to DTS, it was the norm to be around 30 days and often many more. With DTS, our average has been for a long, long time now consistently about a week, about seven and a half days. So if you look from an efficiency standpoint, we're saving about 22 and a half days per voucher that we process. And, if you multiply it out, around 12 million vouchers have now been processed in this tool. That's about 280 million days that we've gotten payments into the pockets of our members earlier than they would have without DTS. And I think that's an important element of efficiency that we've achieved for our folks in DOD.

From an effectiveness standpoint, again, we could talk anecdotally about a variety of things, including the codification and enforcement of all these business rules that are embedded in this complexity of travel—and that's a big advantage for us as well. But, again, I wanted to find metrics and numbers. And, from an effectiveness standpoint, listening to our users I thought was one of the best ways of evaluating whether or not this tool is effective. And, for the second year in a row, we've done a—a survey of our DTS travelers. And we've—it's a scientific survey with a random sample of

travelers. And we've asked them the question about effectiveness of the tool and how easy it is to use that tool.

And so some of their responses to us in terms of how difficult or very difficult it is to make an airline reservation, for example, in DTS—15 percent of our users feel DTS is difficult or very difficult to make an airline reservation—15 percent. For a car rental reservation, 6 percent find it difficult or very difficult to use DTS for that function. For travel authorization, it's 18 percent. For completing a voucher, it's 16 percent. So from—from an effectiveness standpoint, what our members are telling us is that 80 to 85 percent of our folks do not find DTS to be difficult or very difficult. And these are pretty much the four main things that we use DTS for.

Now, DTS is not an intuitive tool. Most software are not intuitive tools. But the department, through some training, through usage, has become proficient in using this tool, far different from what it was several years ago. And, again, that's what our users are telling us from an effectiveness standpoint.

The third element is cost. And I think, as Congressmen Wittman pointed out, we spent a lot of money and a lot of years on this tool. In the first 10 years of this program, out of the 15 that you cited, we—the department had spent about \$450 million. And we had processed fewer than 1 million vouchers. Now, I picked that timeframe for a couple of reasons. Number one is when Ms. Mitchell's organization, the DTMO, was stood up. It's also around the time that the DTA was stood up. And it was also around the time that some of these oversight hearings, both in the House and the Senate began, and there was a lot more focus on DTS and the travel enterprise. So over the four years, if we look at cost, we've—we've processed 11.5 million vouchers. And, from a bottom-line standpoint, over those four years, we've saved the Department of Defense around \$200 million on these voucher processing costs, about \$200 million in actual savings. In fact, we project we'll save another \$80 million or so for the department for voucher processing costs in F.Y. '10 alone as we continue to process more.

So, from a cost standpoint, an efficiency standpoint and an effectiveness standpoint, using some of these real metrics, we think we have examples, especially in these last few years, where we have been able to make a difference and make a lot of progress.

Now, I know there's other numbers that we might want to talk about during the hearing. I'm happy to answer questions about number of trip types covered, number of legacy systems we've talked about before, usage percentages. We can get into those. But I want to just finish with one other number, and it ties into this topic of simplification. The number is 100—100 ties to complexity, because, as we benchmark Defense travel rules and the complexity that we have to live by in terms of this system and in usage, we're not twice as complex as industry. We're not five times or 10 times or even 50 times as complex as industry. We're about 100 times as complex as industry is for travel management rules. And that makes it very difficult to modernize and create that intuitive, user-friendly tool.

Every rule may have some benefit, but every rule has a cost. There's a cost to design it, to build it, to enforce it, to educate it. And every one of these little rules adds up and adds up and adds up and makes it very difficult for us to create that user-friendly, easy-to-use tool for the Defense traveler. So, over the last four years, we think we have made a lot of progress, efficiency, effectiveness, cost. We've become proficient at using the tool. But, to take it to that next level, we believe simplification is necessary before we continue to add more functionality.

Dr. SNYDER. Provide a copy of the survey results you cited on ease of use for the Defense Travel System.

Mr. FISHER. The circled percentages reflect the survey results cited in the testimony. A white paper detailing the survey process is also attached.

[The information referred to is retained in the subcommittee files and can be viewed upon request.]

Dr. SNYDER. Provide the rest of the data for the statement "Over the first 10 years, DOD spent \$450M to process 1M vouchers, and over the last 4 years DOD processed 11.5M vouchers and saved \$200M." Assuming the \$450M was an initial investment that retained some utility over the last four years, in order to compare appropriately, how much was spent over the last four years?

Mr. FISHER. For the period of FY06 to the end of the first quarter FY10, the Department invested \$206M on the DTS program. As stated in testimony, during this

period, DTS processed just over 11.5 million vouchers, generating a net savings to the Department during this period of just under \$200M.

Dr. SNYDER. Please provide the reason for the breakdowns in the following uses of DTS:

a. Field-grade officer recently showed up at the airport on a Sunday for a TDY and was told there was no reservation or ticket for him. Even though the staff had signed and approved the authorization in DTS, Carlson Travel said that DTS did show that it was approved but Carlson Travel did not ticket the flight. A glitch in the DTS system did not release it to the Carlson in time.

b. When DTS is scheduled for downtime for system maintenance after duty hours, it always has outages and irregularities during the duty hours before the system is scheduled to go down. When a TDY authorization is signed in DTS, it will go to the CTO submit status and hang in that status until a call is made to DTS to have them release it back to our organization for approval. There have been some occasions where a call had to be made 2–3 times before it is released back to our organization's queue for approval.

c. Approving Official has to approve authorization (TDY orders) twice: 1) after initial booking; and 2) once flights have been ticketed.

Mr. FISHER. a. Without specific information on the trip, it is not possible to determine the cause of the incident. Processes outside DTS at the ticketing activity, like Carlson, can be the source of such a glitch. DTS is designed to provide positive feedback to travelers upon ticketing, normally three business days prior to travel. This allows travelers to engage local support services if positive ticketing acknowledgment is not received. Additional details and information about the trip would allow us to conduct a more thorough assessment.

b. Without specific information on the irregularities it is not possible to validate or provide an explanation about the statements; however, the DTS Program Management Office (PMO) has no current or historical data documenting any operational outages and/or irregularities before a scheduled maintenance downtime. While the PMO understands that a TDY authorization may hang up in a CTO submit status, it would not be a result of system maintenance, but rather due to system operations or user/approver generated issues. The PMO continuously and closely monitors any occurrences and when found addresses them immediately.

c. DTS does not require approval by an Authorizing Official (AO) twice. However, if there is a change made by the traveler above predetermined thresholds or funds are not obligated, DTS will route the changed authorization back to an AO for approval. Prior to the DTS interface with reserve order writing systems, which allows approvals to be completed in the order writing system in lieu of DTS, there were two approvals required, one in the order writing system and one in DTS.

QUESTIONS SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. Provide your three-phase plan for DTS simplification, with at least notional timelines, for your current effort, even if it does not include the 8–10 out-years' effort. This should include: a. Simplification of DOD and service business rules, policies, and regulations; b. Simplification of laws—provide legislative proposals; c. Modeling, testing, and implementation of simplification; d. Improvements to the Defense Travel System based on these changes. If you have them available, please provide component timelines for items a–d.

Mr. FISHER. The Business Transformation Agency (BTA) defers to the Office of the Under Secretary of Defense for Personnel and Readiness, Defense Travel Management Office on this question.

Mr. WITTMAN. What are the major barriers within the Department to simplification of DOD and service travel rules and regulations?

Mr. FISHER. The Business Transformation Agency (BTA) defers to the Office of the Under Secretary of Defense for Personnel and Readiness, Defense Travel Management Office on this question.

QUESTIONS SUBMITTED BY MRS. DAVIS

Mrs. DAVIS. What are the three most significant DOD or service rules or regulations that need to be changed to simplify DOD travel?

Mr. FISHER. The Business Transformation Agency (BTA) defers to the Office of the Under Secretary of Defense for Personnel and Readiness, Defense Travel Management Office on this question.

Mrs. DAVIS. What are the three most significant laws that need to be changed to simplify DOD travel? a. Provide an example of "prescriptive legislation" and how it should be rewritten to be "succinct" and provide "flexible authority to empower the Department to develop comprehensive business rules that will cover all types of travel."

Mr. FISHER. The Business Transformation Agency (BTA) defers to the Office of the Under Secretary of Defense for Personnel and Readiness, Defense Travel Management Office on this question.

