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**Joint Statement**

**of**

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**Before the**

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

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## **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.