

NOT FOR PUBLICATION UNTIL RELEASED BY THE COMMITTEE

STATEMENT
OF
MR. JEFFREY R. REGISTER
DIRECTOR
DEFENSE HUMAN RESOURCES ACTIVITY
DEPARTMENT OF DEFENSE
BEFORE
THE
HOUSE COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
SUBCOMMITTEE
ON
CYBERSECURITY, INFORMATION TECHNOLOGY AND GOVERNMENT
INNOVATION

July 18, 2023

NOT FOR PUBLICATION UNTIL RELEASED BY THE COMMITTEE

Chairwoman Mace, Ranking Member Connolly, and distinguished members of the Subcommittee, thank you for the opportunity to appear before you for this oversight hearing on the Department's decision to not exercise the next contract option period for MyTravel. Our path to improve DoD's travel systems has been long but despite the challenges, the Department remains committed to travel modernization in support of our Warfighters. The Department decided not to exercise the next contract option, recognizing it was the fiscally responsible way forward when faced with the challenges that I will outline today. Rest assured, the Defense Travel System (DTS) is fully capable of meeting DoD's travel mission.

I would like to take a moment to walk you through how we got here. The Department's business case to identify possible approaches to replacing the DTS was drafted in June 2015. Subsequently, the Defense Digital Service undertook a review of DTS and the DoD Travel Enterprise and made further recommendations for the next generation travel system. In 2017, the Deputy Secretary of Defense established the cross-functional team for Travel, which recommended piloting a commercial software-as-a-service product. In August 2018, the Department conducted a Defense Travel Modernization prototype with the company SAP Concur. In July 2021, the Assistant Secretary of Defense for Acquisition and Sustainment granted Authority to Proceed to the acquisition, testing, and deployment phase for the product. The approved acquisition strategy included a sole-source production contract which was awarded to SAP Concur in September 2021. After the contract was awarded, the initial plan for MyTravel was to implement it for defense agencies using the Defense Agencies Initiative (DAI) financial management, or Enterprise Resources Planning (ERP), system. As of September 2022, MyTravel was implemented at more than 90 percent of those defense agencies and supported more than 80 percent of DoD travel types.

NOT FOR PUBLICATION UNTIL RELEASED BY THE COMMITTEE

The Department faced significant challenges in the continued implementation of MyTravel which ultimately led to the decision not to exercise the next option period. That decision was made for two reasons: unexpectedly low use of MyTravel and the Department's prioritization of passing a "clean audit" over ERP systems integration. In 2019, the Services originally committed to integrate their ERP systems between September 2021 and January 2023. However, there were continued delays due to the shift in other Service ERP systems priorities, primarily supporting audit remediation, which led to extending the timeline to accommodate those delays. Unlike DTS, MyTravel was intended to be a travel system that leveraged the financial management capabilities of the ERPs which meant the Services needed to add more features to their ERPs before shifting to MyTravel. DTS allows Department components to be fully audit-compliant without needing the Services to further invest in their ERPs. We eventually reached a point where we could not accommodate any more delays and given that we still lacked firm commitments from the Services on the timeline for ERP integration, we could not continue with the contract due to the cost to the Department.

Despite the Under Secretary of Defense for Personnel and Readiness's mandatory use directive for onboarded defense agencies, a robust training program, onboarding support, and executive-level engagement, usage of the system lagged behind estimated and contracted transaction volumes. The low adoption rate for onboarded organizations coupled with a slower than anticipated return to travel due to COVID-19 among defense agencies, resulted in less than 12% system usage as of the end of April 2023.

While our decision may appear abrupt, the Department had been discussing the challenges and potential courses of action for MyTravel for some time prior to the announcement. Although the program made significant advancements, continued

NOT FOR PUBLICATION UNTIL RELEASED BY THE COMMITTEE

implementation of MyTravel is no longer in the best interests of the Department. The most fiscally sound way forward was to not exercise the next contract option. This was determined after consulting with the offices of the Under Secretaries for Personnel & Readiness, Comptroller, and Acquisition and Sustainment. Without the commitments from the Military Departments and the travel transaction volumes they were expected to provide, it was not prudent or fiscally responsible to proceed with a \$44M contract option for a system being poorly utilized.

Going forward, my organization will lead a collaborative analysis to review lessons learned from MyTravel and other factors to determine the best approach going forward. That will include functional, technical and acquisition strategies to best meet the Department's needs while exercising sound financial stewardship. MyTravel was intended to be a cost savings for the Department but that has not been the case. Until our analysis is complete, DoD will continue to utilize DTS, which is already used for the majority of Department's temporary duty travel and has been significantly improved to include many of the cost saving features originally envisioned for MyTravel. As I previously said, DTS fully supports audit readiness requirements; it is also compliant with all DoD cybersecurity requirements and its customer satisfaction ratings are greater than 80%.

In closing, Madam Chairwoman, I thank you, the Ranking Member, and the members of this Subcommittee for your outstanding and continuing support of the men and women who proudly wear the uniform in defense of our great Nation.