



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

160117

B-279267

March 20, 1998

The Honorable Fred Thompson
Chairman
The Honorable John Glenn
Ranking Minority Member
Committee on Governmental Affairs
United States Senate

The Honorable Dan Burton
Chairman
The Honorable Henry Waxman
Ranking Minority Member
Committee on Government Reform and Oversight
House of Representatives

Subject: Federal Travel Reform: Plans to Obtain Data to Assess Cost Savings

This letter responds to a provision in the Federal Employee Travel Reform Act of 1996 that we provide to the Senate Committee on Governmental Affairs and the House Committee on Government Reform and Oversight, no later than March 22, 1998, an assessment of costs that have been saved as a result of provisions of the act.¹

A primary intent of the Federal Employee Travel Reform Act was to improve the delivery of relocation services and reduce travel-related costs, both direct and administrative, associated with the relocation of federal employees. Among other things, the act allows agencies to pay (1) limited relocation allowances for an employee who is temporarily relocated to a different duty station, (2) property management services and home marketing incentives for transferred employees selling their residences, and (3) a fixed amount, without requiring receipts, for transferred employees paying temporary quarters expenses while seeking a permanent residence in a new duty station.

¹The Federal Employee Travel Reform Act of 1996, Title XVII of P.L. 104-201, effective March 22, 1997.

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The act also required the Federal Travel Regulation (FTR) to be revised to reflect provisions of the act. The General Services Administration (GSA) subsequently issued eight amendments to the FTR to implement the legislative changes that were made. These amendments became effective March 22, 1997.

Since the Federal Employee Travel Reform Act became effective in March 1997, a number of actions have been taken to implement requirements of the act. It is still premature, however, to assess the savings that have been achieved because complete cost information is not yet available. Specifically, administrative cost data elements regarding agencies' costs for arranging, processing, auditing, and reimbursing travel have not been developed to allow a complete cost assessment to be made.

In March 1996, we testified before the Senate Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs, on opportunities for federal agencies to streamline and improve their travel management practices.² A key point during our testimony was the importance of having agencies assess their travel costs and processes and establish a baseline of current performance. We also stated that it would be difficult to measure any progress that is made until such an initial baseline is developed.

During our testimony and in a subsequent letter to GSA,³ we recommended that GSA facilitate and coordinate the various travel improvement efforts that are planned or under way at agencies across the government. We stated that such facilitation should include establishing travel cost data standards and assisting in agency benchmarking efforts to help agencies assess and redesign their travel processes.

In a September 1996 letter responding to this and other recommendations, GSA agreed that establishing travel data standards is important and said that it planned to include travel cost data elements in its biannual travel cost questionnaire that it prepares and sends to the agencies.⁴ GSA noted that

²Governmentwide Travel Management: Federal Agencies Have Opportunities for Streamlining and Improving Their Travel Practices (GAO/T-AIMD-96-60, March 8, 1996).

³GSA Actions to Improve Federal Travel Management (GAO/AIMD-96-83R, May 24, 1996).

⁴GSA is required by 5 U.S.C. Sec. 5707, as amended by P.L. 103-329, to issue a biannual survey to collect travel cost data for all federal agencies that spend more than \$5 million annually on travel and transportation.

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including this information in the survey should provide the cost data necessary to benchmark and evaluate travel and relocation systems.

In January 1998, we met with officials from GSA's Office of Governmentwide Policy to discuss, among other things, their efforts to collect travel cost information. The GSA officials stated that information obtained from the fiscal year 1996 travel cost data questionnaire has allowed them to begin to identify fairly well the direct costs of travel.

The officials also said that identifying the administrative costs of travel is proving to be a much more difficult task. To this end, GSA has drafted a statement of work to hire a contractor to identify cost data elements to help develop a baseline of administrative costs. GSA hopes to have these cost elements identified in time that they can be built into the fiscal year 1998 travel cost questionnaire.

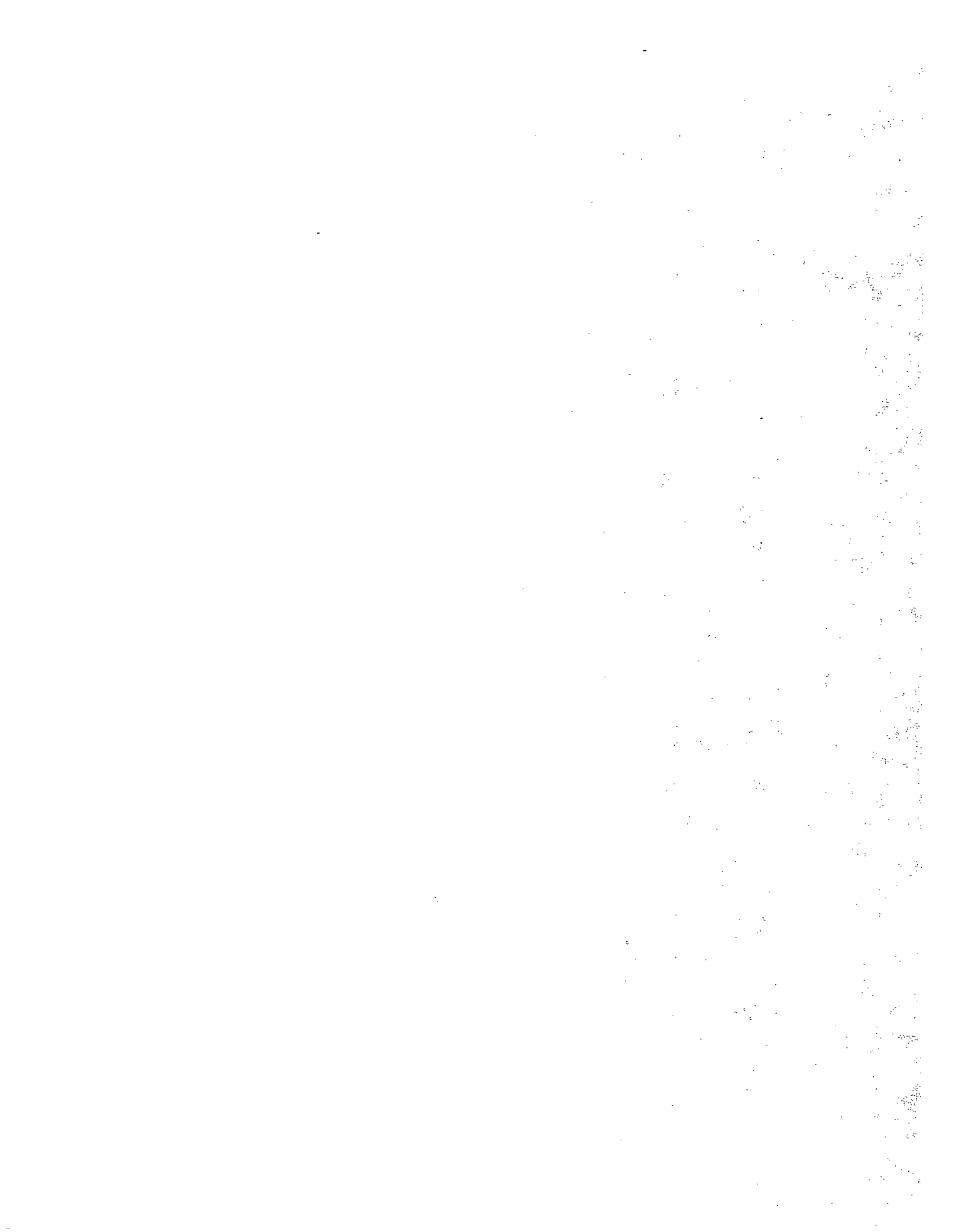
We believe that the information that can be expected from GSA's survey, once the administrative cost data elements are developed, will go a long way in helping to identify and assess cost savings, both administrative and direct, that have been achieved by provisions of the act. Such data will facilitate the establishment of a complete travel cost baseline and will also allow a more accurate measure of savings that have been achieved.

We provided a draft of this letter to officials from GSA's Travel and Transportation Management Policy Division for their review and comment. These officials agreed with the matters discussed in this letter. We have incorporated their comments as appropriate.

If you or your staff have any questions regarding information provided in this letter, please contact me at (202) 512-6240 or Edith Pyles, Assistant Director, at (202) 512-9582.

A handwritten signature in black ink, appearing to read 'JLB', is written over a light blue horizontal line.

Jack L. Brock, Jr.
Director, Governmentwide and
Defense Information Systems



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