July 31, 2013 Notes

Please stand by for real time captions.

Welcome to Day two of the government-wide travel advisory committee (GTAC).

Since the microphones in the room are very sensitive, please keep activities like eating and drinking to a minimum. Thank you.

Also for the committee members on the phone, please place your phones on mute when you are not speaking, so we will not hear any background noise from your site. Another thing, if you could announce yourself for the public who is not aware of who we are and also to the community members, so they know who is speaking at all times.

Just as a note to everyone, I want to make sure that everyone is aware that the email address, gtac@gsa.gov is how the public can provide questions and comments for every GTAC meeting.

We wanted to talk about the conversations yesterday as we were closing out the day. We were doing brainstorming about managed lodging, such as Fedrooms, along with some challenges and obstacles associated with this. Also on the private industry and their lodging practices, we will look and see the way we came up with the current methodology, hitting on some key components of the methodology. Once again, the talk of today's meeting and the big agenda item is the methodology (lodging part) behind it. Are there any questions related to the topic or agenda for the day?

I think there are a lot of discussions to be had and I would like to start off with Jill Denning and Steve Hood, who is still with us today. Jill gave us a great presentation on the methodology on how GSA comes up with the lodging rate. Steve Hood actually provided data analysis behind the lodging program, which Jill uses to come up with the lodging rates. I thank them both for giving for giving us their time.

Once again, I am Jill Denning. Yesterday we talked about everything from the history of developing lodging rates to how we are doing it today. We will focus on some of the key components of the methodology, to hopefully get your feedback on these key parts, like how we get our sample of areas and zip codes to look at. Over the years, agencies have been giving us their feedback of where folks need to travel. Then by law, we must only use properties that have FEMA IDs and are deemed fire safe from the U.S. Fire Administration. We only use properties from the midrange scale - midscale, upper midscale, upscale, upper upscale. Once we have a sample, we look at the average daily rates (ADR). GSA does not see the actual lodging rates for individual properties. We weight all properties by their room count, to come up with the final average daily rate for a particular location. The last key component of the methodology is to discount the ADR by 5%. These are the real key components, and how we get the data. That is the core.

Can we go over the flowchart?

Sure. Once again we work with federal agencies to identify zip codes for where federal travelers need to stay. We update the fire safe list and work with Smith Travel Research (STR) to get the hotel industry data information, (average daily rate). We talked about that yesterday. We get the data, and we analyze that data, which happens during the summer, early summer. Once we have gone through this analysis, the final lodging rates are established. We then have to go to senior management for approval and then to the Office of Management and Budget for their concurrence. Then we have to notify Congress no later than 30 days prior to changing the lodging rates. Once again, if want the rates to change at the start of the fiscal year, we have to notify Congress no later than September 1. Once that is done, we can publish the rates.

When there is a situation like Hurricane Sandy, there are just not a lot of rooms available because of the first responders. The supply and demand may also affect this. It may affect the rate charged by the hotelier, if you're going to an area that has been affected by a disaster, major storm, or something like that. Although it is not expected to last forever, the agency certainly has the authority to approve actual expenses, and go above the applicable lodging rate. 300 percent of the applicable lodging rate is the maximum agencies can use. It doesn't actually change the published lodging rate.

This is Brian Nichols from Deloitte, on the methodology for calculating, when you are weighting the service scales, what drives it?

We do not weight by chain scale. If there is a property with 1000 rooms, its final ADR is determined by the number of rooms.

Are you weighting by the inventory of the number of sleeping rooms within the zip codes?

It is based on where the travelers need to stay. Then for the middle tiers, we may come up with 30 hotels as a sample. Some of them may have 1000 rooms, some of them 50. The property with 1000 rooms will have a greater weight in determining the location’s ADR than the property with 50 rooms.

Got it.

Are they distributed across the categories?

Will the upscale have as many rooms as say the midscale?

Some locations may not have any upper scale properties at all. Depends on the location.

Another thing we really take a look at is the supply and demand of different areas. One example such as Texas and North Dakota, which have oil and natural gas booms. When we are looking at that, on the daily rates on those properties, we are setting rates based on what the lodging market charges because their occupancy rates are in the 95 percent plus range.

This is Emily from Treasury, can you talk about the standard per diem rate?

The standard rate is reviewed every three years.

The nonstandard is every year?

Yes.

Only properties that are not accounted for as part of nonstandard areas (NSAs) are included when establishing the standard lodging rate. I think the last time we established a standard lodging rate, we included approximately 5000 properties.

Do you have the approval of Congress to review the standard rate on an annual basis?

They've (Congress) given GSA the authority to establish the per diem rates for the 48 continental United States and the District of Columbia. If they (Federal agency) come to us and they say we are having a problem in North Dakota, because there is an oil boom, we can definitely take a look at a particular location more closely.

This is Kathy, they can take that 300% if it's a high demand area, and it is limited supply. They still have the ability to get the organization to approve up to 300. When they (the rates) are revised, we can see that shift, that year I would imagine.

Not necessarily. We make changes twice a year. We do look at nonstandard areas on a yearly basis. If the agency lets us know by December 31 of locations where lodging is hard to find at the applicable lodging rate, we could include them as part of the midyear review.

Even if it is in the middle of the year?

Yes.

Following up on that, we are about 30 days out from having to tell Congress if we’re updating rates for FY14.

Are we too late (to recommend tweaks to the methodology) for FY14? And would this apply to methodology for FY14 rates or FY15 rates?

If you as a committee say this is an awful process, (this methodology was discussed last year), with the rates wound up being frozen for FY13, you have the power to make a statement prior the FY14 rates being established. You are an independent committee that we have put together. The Administrator signed, announced, and has chartered your membership, which means you have full opportunity, to let your voice be known.

Thank you.

Society of Government Travel Professionals. This (standard) is reviewed every three years?

Yes we looked at it this year. As Craig noted, there is no final decision yet. We did look at it.

Lockheed Martin. Do you have the standards for why the standard rate is only looked at every three years?

The nonstandard areas are more frequently traveled by employees. We look at the standard rate every three years because it does not change quite as much, potentially. I also think from what I understand, before we had this methodology we have currently, it took a lot of time because they used surveys – phone calling method. It took a lot of labor to make all those calls to hoteliers in standard locations.

It could be done annually?

Potentially, you guys can certainly recommend that.

I want to look at the entire United States.

From a technical standpoint, you have the resources?

Yes we do.

Is there a way to move forward?

You're looking from April through March. If we use May through April, we will get a little bit closer to forecasting.

I think April through March was chosen if you go back to the flowchart, for the most part, it was chosen based on review time, to have a cut-off point somewhere. For the March data, the report runs on the 18th of the following month. Currently, by the end of April, they (STR) will have our reports ready, and then we can begin analyzing the data starting in May. Of course I can’t speak for the review process required for management. We just decided the cut off to be the end of March.

Lockheed Martin. I think what Paul was saying is that it would be impossible as far as labor was concerned.

(David Flynn) These are good discussions, before we get on with these types of discussions, I would like to throw out, should we vote? I think we should vote whether or not the methodology that GSA uses is a sound methodology. I'm not saying it's perfect. We can discuss all of the pieces we feel should be fixed. Overall, is their way a sound methodology.

Before we take that vote, Jill, this is a question for you. Is there a problem specifically that GSA is trying to solve for? Is there a problem when Federal employees travel? Is it availability issue? What are we trying to accomplish?

That is a great question. Anything about travel efficiencies, cost savings, you can say from you perceive as not working.

This is Dane from Defense. I think it is working. This is an observation for (basic allowance) housing rates for the military, which an $18 million program. We collect a lot of data worldwide. Everything from publishing, look at when -- what is the data sample? Of the hotels, we get 90% of the major chains. There is some sort of confidence that goes with that. You're (GSA) up there pretty close to the top. The data piece of this, the collection gives you a pretty good reflection of it. Then you drop off the top, and the bottom. The whole thing, you find 2 1/2% either way on the bell shaped curve, is not accurate. I could show you some stuff we collected data on, it is data accuracy issues. We look at what it is, the per diem rate, as a benchmark. We look at that so we could dial it up or down, based on the situation. Dialing it up, we delegate that up to 150% to the field. Given the situation, for whatever reason, there is some sort of a complication, if we delegate that out to the field. If you are going 300%, you have to come in to the secretarial level. That is how we control things. You want to make sure the rates are not abused. That is why we have very little first class travel. You will have to dial it down, extended TDY and such. That’s where you get into the problematic piece. The problem piece, from a methodology perspective, is what is the per diem rate? I agree it is a benchmark rate. It reflects the middle of the market. I am not quite sure how you would decide that (place in the market)? We have to make decisions on where we want people to stay for housing. Three-bedroom townhouse? That is a policy decision. I would imagine somebody will answer the policy question, where do we want them to stay? Not in the luxury hotels, not at the bottom of the food chain. That is the one thing in my mind is how do we come up with that conclusion? This is where we want federal travelers to stay. The rates now are repeatable, as all statistics should be.

Treasury Department. The Federal Travel Regulation and the rates are the benchmark, regulations actually allow agencies flexibility to be stricter, such as for extended TDY, long-term travel. To make it equal to all agencies is that flexibility. What is specific to Treasury, Department of Defense, the issues that we have maybe Treasury is traveling to New York more often, we have flexibility to accommodate our needs within that. I don't think we are trying to pinpoint an exact amount.

This is David from Health and Human Services. I agree with what they are saying as well. I have not seen an issue with the per diem itself. I do not have anybody complaining, except for when it was frozen, or when it goes down. Other than that, people know what it is and what to expect. The agency knows the policy. Whether or not they‘re willing to go up 300% more or not, extended long-term, they have a clear policy related to that as well. We will stick to it, it is a matter of communicating to the employees what is expected. I think that is what most of it is about.

On the industry side, do they have any issues with the current methodology? Do they have any concerns about how they set up per diems?

The Committee works in the regulations for the per diem, not only for the trailing 12 month but also forecasts for the next 12 months.

The methodology is not for the future, it only looks back. It is accountable, transparent, reliable, and predictable. The only thing that concerns the industry in areas where things could have gotten ugly like if they removed upper upscale tier as suggested last year. The predictability for the mission and for the travelers, we see it as a very sound methodology.

I will share that it is very sound. The people who don’t know the methodology, think it (the rate) is an arbitrary number.

In regards to methodology looking at it from the corporate perspective, we definitely look at the rate, as part of the benchmark, and use FTR policies also. We also integrate, if we are looking at lodging as one piece. In that corporate environment, we do bundle. We look at the lodging rate and then determine if items such as breakfast and wireless are included in the price of the room. I can go into that budget and explain what an expense item versus just the room rate is. Segregating these items you are missing an opportunity of another piece that can be influenced, I don't know what the reimbursement rate is for wireless, which we build within our corporate structure, and the other fees. Breakfast is included, wireless is included -- you cannot expense for that. Have you looked at that? Is there a challenge with that methodology?

(Jill) When hotels report their data to STR, it doesn't note whether things like internet and breakfast is included in the rate, there is not that transparency there, so the answer is “no” we are not able to take a look at those factors when determining the rates.

From a budget expense standpoint, what are you trying to identify what is being spent? Have you looked at if we looked at properties, and then take down the per diem for sleeping room nights?

I think we are getting into good ideas here. You bring up good points. I have thoughts around that also. Complimentary high-speed; complimentary breakfast, it is about notifying the traveler and educating them.

Exactly, from a corporate perspective, I think it tells corporate America how we negotiate. We look at it as a bundle. If your room rate may be 15% greater, but with another room we see 20% with all of their items, it comes up as another expense.

This is Emily from Treasury. I know this is getting ahead of that conversation, but breakfast included at hotels, whether or not it is included, will it impact the expenses being vouchered on the backend?

It could. Changing the basic methodology is the question.

This is Brian Nichols, from Deloitte. I propose we vote on whether or not we would want to assemble a quick list of areas of potential improvement. This is how we look at our program in the corporate arena. We generally agree it is sound, but every year we are trying to poke holes in it. We’re not looking at it and seeing what is good about it, we look at it and challenge it, to move that continuing lens forward. If we just go and pick things that are worth improving, that would give you (GSA) a general list 10 things, that the group thinks that they are worth looking at for potential improvement. Then we could all agree the process is sound. Then we also will agree on a list of things worth exploring further, which could be explored in future meetings.

I think a lot of what we are talking about later is to be implemented for FY15. Is methodology sound, should we not make any recommendations for anything going into FY14?

The idea was, that is it a sound program? Are we okay with it? There will be tweaks I want to talk about.

Again, from an industry perspective, it will not affect us.

Kathy with corporate housing, I just want to throw out there that the pricing for extended stay travelers are typically based on the real estate market. What will the cost of that apartment be? What will it cost to furnish it for the federal traveler? It became very difficult to find apartments during the downturn. On that extended stay, 120 day travel, for us to find housing and apartments for those in-state travelers, because of the housing market, the market was so bad. The demand was really high for the industry. In spite of that, I think the methodology for per diem is solid. I believe, as Paul said, it is very transparent, and it moves with supply and demand. It is based on what the market is. I believe the methodology is very solid. To Brian's point, there may be areas of opportunity that we may need to factor in on the longer 60 or 90 day stays. Overall the methodology I believe is very strong. I believe our industry as a whole would support the methodology -- even in the corporate housing industry. To include that data, when you're talking about driving down the cost of meals, and that meal allowance, again, we are hopping ahead. $46 a day times 30, is a huge allowance. It goes back to maybe some things you would want to add for consideration as Brian mentioned.

This is Brian, it really ties back to the opening remarks, where they were talking about cost-saving and efficiency, and really the three pieces. Are the travelers getting what they need? Are the corporations not losing money? For the taxpayers, are we making sure employees are not spending more than they should? As government employees, we work for the taxpayers.

Is everybody remaining whole.

We just need to keep those three pieces in mind, as we discuss this. The taxpayers as well as the industry. I think right now we are talking about employers -- employees, and industry, and we have the third piece that we have not really touched on - the taxpayers, and that is where a lot of the publicity comes from.

Government employees going out and spending too much on things, the public has the perception that they are not spending wisely, and that is when we get a little bit more micromanaged. We see that with the conferences today. In the accountability process, there needs to be more communication.

Anybody who looks at the historical per diem results, we’re looking at cost-saving for the taxpayer. There has to be historical analysis in defending this over the years. Now, if you increase the rates over one year compared to the previous year, it is a reflection of the market that needs to be clearly communicated. In specific markets, the hotels dramatically discount the rates, with a lot of times going way deeper then the negotiated rates.

Also for the taxpayers, with this methodology it willnot go up every year, depending on what happens in the market, sometimes they go down?

Correct.

The rates actually go up and down as market changes, and if you have a methodology where you take April data, they may not have gone up as much as they did?

You're talking about fiscal year 2010?

Yes. For the taxpayer, more based on the market conditions.

This is Brian Nichols from Deloitte, I had just a couple of thoughts in these areas that are worth exploring. The things that you have considered, on slide 12, in the total amount of rooms and the property in a given market could possibly be skewed if you have very large properties and their inventory skews the per diem. Make sure that the room inventory alone does not skew the weighting. And then back on slide five, I think Claudia referenced this. -- I'm sorry it was slide eight. Is the frequency of the review frequent enough to allow these to be fine tuned? Yesterday when we talked about the nonstandard rate areas, it felt like it might be heavily reliant on taking the word of the agencies, versus validating the situation with data.

Brian can you repeat that?

Yesterday when we talked about the process, agencies in the field can request the review of nonstandard areas and standard locations and it sounded like it was dependent on taking the word and the agency in the field. There may not have been a rigorous process in looking at the data in the market, if I understand it correctly. We need to look at the data just to make sure that the agency in the field has asserted an accurate representation in the market.

Yes we can certainly look into if there were special events that may have triggered something. Maybe the traveler does not know why rates have gone up. Sometimes they do not know about the actual expense provision. One time I got a call, I don't remember what state, who indicated that they had been there just one time and couldn’t get per diem. I said you need to talk to your agency about receiving actual expenses, since a one-time issue probably does not rise to the level of conducting a special review. There is definitely give and take in this process, which is more valuable than just looking at historical data. This is critical, and I think agencies should be involved.

David from Health and Human Services. We have had some informal discussions on the regulations which allow this special review process as well.

This is Dane. Based on the situation, we could dial it up a little, based on market conditions and situations. Some of the rates that we have said that we can do a little bit more prediction, regression analysis, or whatever, when you're taking data from the past, and projecting into the future, we have found that there is so much to try and predict. Even after years and years, years, and years, you end up with a lot of explaining to do. We have actually the rates we set in a rear-view mirror, which you try to get as accurate as you can. The other part of the triangle, not just the efficiency piece but there is a missing piece. Part of this piece is; are we pricing the market as such to meet the mission? We travel to a lot of locations. And literally, if they go down to the water, the naval base there, you want to be somewhere in the Hampton area, or if you're going to the naval air station, you want to be down there in Virginia Beach. There has to be inventory so that you can accomplish the mission so that you are not extending the length of the TDY. The other piece is looking at a standard of care, making sure they don’t have to stay outside of the program. That is our focus to get people into the program. So that we can look at it to make sure that they are traveling to properties with a standard of care. Not just that we just meet FEMA requirements, but security programs too. There is a responsibility to the traveler. This is the rate we are setting as the benchmark, which does check some of the boxes of course.

We started this discussion on holding off on voting and we’re going into what are some of the tweaks we would like to see. Here are some bullet points. We should continue going around the room, and see what are some of the other topics you have in mind related to per diem?

When you talk about taking care of the customer, your service and the quality may be in the mix, on average, and then we may fall short on a certain average.

We dropped out of there with the capacity being not all the rooms are full. Would it be a safe environment? The right hotel? Could it also be a share method because the rates are low. Maybe some sort of methodology.

You have to be careful that you go down that path, mid-rate to low market rate hotels, that not everything (lodging facility) will be a full-service. With government travel and having them be safe, it depends on the market. Occupancy is not always germane to being in a very bad market.

Any other suggestions or tweaks?

This is just a consideration. I've come up with a couple of things, if we can come back to the way we do the (basic allowance) housing thing and the geographical location. I think you said you are from Nashville. We set the rates around there and now have to be influenced by the area growth directly outside of Nashville. We need to take a hard look at the geographical footprint of the lodging rate. You probably do that already, right?

We do look at ADR, and the actual expense allowance and we have data to locate where you frequently stay. We could also tie that back to personal expenses.

From the ETS system, they should be able to identify what is actually there in reserve, by the traveler, if it is a justification. It would be up to the agency on how they pull that data. If there is an actual expense over per diem, you should be able to pull the report. Some limitations we have today are that we are not all on the same travel system. There are a lot of reports that you could get, however, are they willing to give them to you, and at what cost? Is getting these types of reports really worth it for me to pay? We’re going into a new vendor anyway. We should have better reporting capabilities to control this.

This is Rick. We are talking about the agency, how do we address that as far as the DOD person? It would seem to me it cannot be an efficient process.

Well the law says the GSA sets the rates for the lower 48, the DOD for Alaska and Hawaii, along with the U.S. possessions and territories, and the Department of State for the foreign areas.

What you are saying is that they include taxes as part of the per diem. Taxes are not included in the per diem for the continental United States, it is different.

From Department of Defense. We have a memorandum of understanding signed in 1982. The Secretaries of State and Defense, gave responsibility to the Department of Defense to establish per diem rates in Hawaii, Alaska, Guam, Puerto Rico, Virgin Islands, which there are about 35 different rates that are set, while giving the State Department responsibility to set the rates for all foreign locations. The way this thing is done, of how we are collecting the data is a very sound methodology. I was talking to Steve and Jill if they (STR), have the travel has data for these locations and, the answer would be “Yes”. Places like Midway Island, I'm not sure. Alaska and Hawaii are the big areas we travel to. If we look at the methodology for overseas and break it out, we could have a discussion to follow on with our own folks on how we compute the data. I just want to make sure that we have consistency across the board. I'm estimating about 90% of those locations, as well as overseas locations have data.

From Steve Hood (STR). As I've mentioned before, we do or will have ADR data for all over the world.

Doesn't GSA control that all per diem for the Federal government?

No they don’t. The State Department gets the foreign locations, DOD gets Alaska and Hawaii, along with all U.S. possessions and territories, and GSA gets the 48 continental United States plus the District of Columbia.

I said that doesn't make sense and it really doesn’t.

This is Dane. The issue on the tax, partially goes back to whether you use an IBA (individually billed account) or CBA (centrally billed account) and it gets a lot more complicated. Even in the 11 states which currently give tax exempt status to travelers using an IBA, every state is different. It has to do with whether the burden is on the merchant or is on the individual of who pays the tax. And if you peel that back in other states, some of them, if you stay more than 30 days, the lodging is not taxed while in other states you have to stay a minimum of 45 days. This is a little for extended stay properties as well. The whole tax issue is if it had a little legislative fix then all travel charge cards would be tax exempt.

Have a question about that tax though. Just the confusion of it. I agree definitely that it is confusing for everyone. Isn’t there something in the TMC (Travel Management Center) that is embedded in there that it would help them (agencies) get the proper tax rate?

No.

Okay. I always thought that was the case.

As far as the taxes are concerned for each state, and within each state, each hotel in whatever state can actually offer a tax-free night. Not all states allow tax-free stays. Not all cities or counties allow tax-free purchase. And then it is up to each hotel within that location to accept it or not. It is still the discretion of the hotel that you are staying in. I know that under this program, they have looked at several occasions to try and make the travel charge card a card that can be accepted anywhere tax-free for hotel stays, which has not so far been successful.

It does make it very confusing. Where am I tax exempt? Where am I not tax exempt? When do I have to fill out a form? When do they automatically accept it? How do you enforce that on the travelers when it is so up and down and then it comes down to the hotel chain.

Right.

It is kind of unfair for the hotel industry as well. It is not for us to be playing that role of giving these types of advantages. We are in the hospitality business.

This is Dane. There is a fairly straightforward legislative fix. You have to amend Title V in the U.S. code, to say that both the IBA and CBA parts should be exempt from state and local taxes, which will result in real efficiencies. In 2012. DOD spent $73 million in lodging tax, and $57 million in Rent-A-Car taxes. It worked out last year to about 21% for the Rent-A-Car. You may have 21% tax. There is real money saved in that. There is a long legislative statutory precedence.

Thank you for sharing.

And that we had all of these interpretations along the way that now it basically defers this to the states. There is an agency, the Federal Credit Union that is tax exempt, and not just for travel, which was contested in the courts.

The history is just a nightmare to try to figure out which customer gets tax exemption, which customer doesn't get tax exemption. Is it the local or state tax departments or is it other entities establishing these policies?

I'm sure everybody is the same. The entire department is confused about what states offer tax exemption and what states do not. What counties offer tax exemption and tax, what counties do not?

David (Health and Human Services): I guess some of the things that we are having some pretty good discussion before we took a break related to some tweaks related to the methodology. We were talking about the methodology and have stated that we think it is a sound methodology. However, there are some tweaks that can be applied to the methodology. Just real quick, I will go over some of the tweaks that have been discussed.

Weighting -- individual properties. That is if the weighting is skewed in anyway. Looking at that and then looking at the standard rate, could it be done on a more frequent basis? Right now, the standard rate is reviewed every 3 years. The nonstandard areas are reviewed every year.

The per diem information on the web site actually shows the same information as is on the per diem app. We do not list every single city in the United States.

This is Dane (DOD). We take the rates from State, GSA and our rates, and we merge them and put them out. That is what ETS (Electronic Travel System) and DTS (Defense Travel System) uses. But on our website, we get 20,000 hits. We actually have this information in Excel and PDF formats. We know that a lot of state and local governments love to download them onto their systems. Going back to discussion yesterday, you get paid per diem for the place where your orders say. If your travel orders say that you're going to a particular location that is what you get regardless of where you actually stay.

Before I go into DTS and look for a one night stay in Fort Collins, I need to check this per diem for the Fort Collins area, and then within DTS. I identify the room rates and identify that the room rate is lower than what the DTS is, and I go to the travel manager or I just book it.

If the lodging rate exceeds the amount for the location on your orders, and you cannot get another room, then you have to talk to your approval authority to see whether or not you can use the actual expense provision, especially if the mission requires you to go and you have to go on those dates and nothing at the applicable per diem is available. If it’s a standard location ($77) and the actual rate is $85, you file your voucher for $85 if approved for actual expense. And then if you are not in one of the 11 states, you have to list your taxes separately (state and local). It literally sounds labor-intensive.

In DTS, our orders and our reservations are occurring all at the same time and the approval process happens afterwards. So there is a flag that comes up and says, you know, that your hotel is over the established per diem rate.

Good. That is perfect.

From a management perspective, it is difficult to manage that process, not finding hotels within per diem in the approval process

Any travel that you have over per diem, is required to run through the travel office. We have additional level of people on that. And I would say that there are ways to manipulate the system as well. If you look at areas such as Oakland, California, the per diem rate for Oakland is different than the per diem rate for San Francisco. If theyhave to be in Oakland, people want to stay in San Francisco. People will put on their orders San Francisco. They are flying into San Francisco, however, they are working in Oakland. They are getting the higher per diem. How do you prevent that? I guess that is the job of the first-line supervisor. Is the first line supervisor the one that is approving the travel authorization? Probably not.

I would say generally speaking that is an issue for all of the other expenses as well. Meals provided at conferences. They are included in the travel authorization process and the current DTS system. And that goes to the managerial oversight.

This is Dane from Defense. Did I understand you earlier that you need a table vote on 2014 methodology or rates? No?

David from Health and Human Services. I guess what I brought up earlier was I really wanted to see how we all felt with the methodology as it stands today, given that we know there are some tweaks that need to occur. And so those tweaks are things that are under discussion and require some additional data. We're looking at where efficiencies can be gained within it.

This is Mark. I think that Paul brought this up a little bit earlier. I do not have a problem with this process at all. In fact, I'm an advocate for it now, now that I know how it works. That is where the problem is and my big concern, is if somebody comes in and make an arbitrary or capricious decision that says we're going to make things flat or decrease a rate by X%, I’m going to show my boss that I'm saving how many millions per year. We have a solid process and justification behind the numbers. It does more harm than good for someone to come in with a big stick like that and just push all of us aside. We're going to do all of this work to make sure the process is solid and I'm fearful of that very thing happening again. If you leave something flat for one year and when you decide to go back to the process two years later, the rates may go up a significant amount, and all of a sudden you are throwing your hands up and saying, this is outrageous.

That is because you did not allow them to increase a small percentage before. I would like to be on the record to say that I would hope that somebody with a big stick would not come in and do that again. It does not make sense. It is an unintended consequence of a heavy-handed government when you decide -- when you try to go away from free-market principles and what not and arbitrarily set rates and things like that. There is a method behind what you do, I think it should be followed.

I think that that might be also how it should be addressed with the standard per diem rate. The unintended effects can also be seen with that.

This is Brian on the phone. I agree completely. And we see the same thing in the private sector. We will have a CEO or a CFO that decides that everything needs to come down, say, 20%. But that is not fact-based compared to what is happening in the market. You can spend a lot of effort trying to make it happen, but that does not mean is going to happen. And like was just said, it can be counterproductive and do more harm than good. I think that is a really, really important point, that there be some checks and balances in the process, where it has to be fact-based before something like that goes forward.

This is David Flynn. I also agree that there should be something set up. But what is the right method? Should we look at keeping steady with inflation? Because I think that a lot of the hotels are done by supply and demand, the pricing in the supply and demand. And so if you have a market that all of a sudden shoots up, inflation is not going to keep up with that.

Erin: The method that we have is fine.

The method is fine.

From some earlier comments, you want to reach consensus as a group on the methodology now?

Yes. I would like to vote on the methodology. One-vote is do we agree that the GSA methodology for the per diem as it relates to hotels is a sound methodology? Let’s go around the table and on the phone and take a quick vote.

Ron?

Yes.

Claudia?

Yes.

Erin Choquette?

We will come back to her.

Myself – David

Yes.

Cindy?

I'm going to have to say No because I still feel from the private sector, we would not look at lodging alone as part of our methodology. I am just looking at the lodging rate alone and I do not think it is a good enough validation. I think that we have to look at what people are expensing and try to reduce the cost and be within the budget.

That was a no?

(Correct) No.

We will continue.

Kathy?

Yes.

[Inaudible word]?

Yes.

Pat?

Yes.

Brian Nichols?

Yes. And just for context, we are agreeing that it is sound but with a list of tweaks that we are all looking to explore for improvement?

Correct.

Then yes.

Okay. Fred?

Yes.

Bryan Scott?

Yes.

Rick Singer?

Yes.

Paul?

Yes.

Art?

Yes.

Emily?

Yes.

All right Dane Swenson.

Yes.

Erin Choquette, are you back?

Okay. What we have here is thirteen Yes votes, one No vote, and one absentee.

Yesterday, we agreed to two thirds vote so it looks like we have met that goal. As far as the per diem methodology, it looks like we are in agreement that it is a good methodology. There are some discussions to be had related to some tweaks that need to occur here and there within the methodology. We would like continue those discussions and what we need to come up with some better recommendations related to those tweaks. We can look at some of the tweaks right now and look at what information do we need, either by GSA or from anyone else; to look at some data, whatever it is. Each one is going to be different. Maybe we can tell them what we want right now, but I think in our next meeting we will have more information then we can make some sound recommendations.

As we go through the list, we were talking about weighting. Is it weighted accurately? I believe that this one was brought up by Brian Nichols. Brian, if you could please restate your discussion related to how things are weighted, and then we can decide what do we need to move forward on making a recommendation on that?

Yes. If I understood correctly the current methodology, the weighting is driven by the number of sleeping rooms that are being considered in the market. My point was that you can have a market where you have, say, of the 30 hotels you have five or six full-service hotels, each of which has 800 to 1000 rooms. Their inventory could skew the GSA rate. I am sorry. The projected per diem rate could skew it high. You could have a large number of hotels at the low end of the spectrum but the realistic usage of that market could be towards the high end. So then the per diem would be artificially low compared to the hotels that would actually be used. My point was just that there be some way of looking at the market and saying, "Is a straight inventory weighting the best way to do it or does there need to be a secondary weighting because of something in that market that could skew it and result in an unrealistic per diem? I think that we can open this up to Steve and see what we can do.

This is Steve Hood. I can give you a little perspective there. All of the metrics that are used in the lodging industry are based on that type of weighting, weighting by the number of rooms. All of the industry numbers, U.S. numbers, total market numbers, even when you start taking a look at individual properties and comparing it to the competitive set. They're all based on that type of methodology; that it is weighting by a number of rooms in the hotel. You are right. It does lend itself to that. If you had a market with a very large hotel, it will have a little bit more of an influence.

Was just going to say, you are absolutely right. Industry metrics are around room inventory. I think that is driven mainly because the lodging industry primarily focuses on the availability of rooms. I think my point was just that given that we're trying to measure something a little bit different from a different point of view, which is a secondary or slightly different weighting needed just to make sure that we have the correct average rate, which is going to become the per diem. is an accurate representation of the types of hotels that are going to be used in the frequency that is expected. I would certainly make that a straight average type approach. We could certainly explore that and compare straight average approach versus a weighting approach, and see if it has a dramatic effect on the per diem.

Because I am involved in the process, I feel that a lot of times destinations probably do not have that happen too much where there is a single hotel that has a dramatic impact on that part, but it still would be possible to explore.

I agree.

I'm just thinking about on one hand, either doing away with the weighting portion, or maybe adding another layer to it. The thing that we need to think about in more detail is how do we figure out which are the right properties to do the second weighting? Does that become arbitrary? How do we do that? That is what I'm thinking.

Yes and also this is Rick. Some people may want to stay at a Marriott - the 2000 Marriott Marquis. The number of hotel rooms should be weighted more than an 82-room limited service hotel, perhaps.

It is interesting to take a vote on. It is not an official vote here, but if you look at the market, for example, Smith Travel could see what the occupancy rates are for individual hotels. If people are choosing something that is full 60% of the time versus something that is only full 30% or 40% of the time, is the market deciding where people should go? I don't know. Is that accurate? If there is a special event, then the maybe every hotel is full 100%.

Are we using the market to determine the rates?

If the per diem rate in a particular town is $75, and then you have the mom and pops down the shore charging different rates, collectively, all of those hotels, if you take the number of rooms and the ADR of each one of those hotels, collectively they are nowhere close to the rate that the big hotel has for the same number of rooms. Their weighting is similar, but even together, they cannot influence the per diem rate as much as the big hotel because it has 1000 rooms.

That is exactly my point. The rate, more than all of those other hotels together, if you take a flat rate, each one of those hotels will have an equal position in setting that rate, but yet when we look at when the federal travelers go there, they look at what is available they choose a hotel based on what they are allowed, the location, and a little preference, if both hotels are across the street from each other. The bottom line is that one influences the rate significantly because of the weighting of that hotel versus having a flat rate.

What if it is the other way around?

Is there a way to break this out into small, medium, large occupancies? Look at whatever you are going into when setting the per diem rate, but before you actually set a rate, can you look at the market and segment it by the small, medium, and large?

I think that you are also fragmenting it, naturally. The segmentation you have is the upscale, and then you go right down to the independent hotels. You are capturing rates from all different size hotels. This is just segmentation.

When you segment it, you look at the frequency of government travel to that location, and then you look at, will go back to the beach, for example. So we only have 100 trips per year to the beach, whatever beach example this is. Will I have 100 trips per year? Do we need to factor in 1000 room occupancy hotel, or can that one be pushed possibly off of the market? This way we can focus on the other hotels and gain more efficiency and lower per diem for that beach example. So we do not have one hotel driving the market. We have everybody else, depending on the combination of the lodging market and the amount of trips per year.

I think that does not drive that market. The significance, I do not see.

I am just throwing things out.

It is a good question. You can give a thousand room example versus a 500 room example.

Maybe the answer is that if any single hotel represents above X% of the total inventory in the market, that you do something to mitigate that just so that you do not. It would not be in every market. It would be in some markets that you might have one or two hotels that are just so overrepresented in terms of inventory that they are skewing the market. Maybe there should be a threshold.

Generally, what we do now is 40%. If a property is over 40%, then we have to do something different.

And maybe the answer is Smith Travel take a look at this for us and just like all of the markets where we are giving you guidance on per diem. If a location has 50 properties, possibly one or two represents more than X percentage of the market, and here is what we recommend to help mitigate that.

That is probably a good idea. We can look at that for our next meeting. Is that okay with everybody?

Sure.

Sounds good.

All right. I just wanted to go on the record. Erin Choquette, we had some issues with her. She sent an e-mail and letting us know her issues. Her vote was “Yes”. She did think that the per diem methodology was a sound methodology, and if you are on the phone, Erin Choquette, can you please confirm that?

This is Erin Choquette. I do confirm that. I do think it is a sound methodology.

Great. That does bring our vote to 14 “Yes” and one “No”. Thank you, Erin Choquette. I am sorry about the technical issues.

No problem.

I think that was our discussion relating to weighting methodology.

Now, we can go to have STR to look at the markets that may have individual hotels representing a large portion of the market.

Did you want it to use the 40% threshold?

I can find the highest percentages and bring you back the data for these hotels, if that makes sense.

Brian Nichols, do agree with that?

Definitely. I think it makes sense to look at it that way.

Alright. The next bullet point that we have is for tweaking the frequency of the standard rate review. I guess with the dynamic lodging market occurring across the country, the rates should be looked at frequently, whether it is a standard or nonstandard rate. What is the frequency and is three years too long or not long enough?

Too long.

I guess the question that I would have is what is the level of effort for GSA to review that on a more frequent basis?

GSA: It is just like looking at any other nonstandard area.

Why isn't it done more frequently?

It should be done annually. It should be done on the same period as the nonstandard areas are.

Can you talk to us about this? How it is done for standard?

It is a report that looks just like all of the other nonstandard reports. It is run with the same methodology. It takes a little while to get the sample.

Are there parameters? Are there certain market conditions they look at that would put an area and the standard category versus the nonstandard category?

The programming knows to avoid the nonstandard areas. It is only pulling the hotels that are not in the nonstandard areas.

I understand that. But what definition or parameters do you have to put a particular location into a standard area versus a nonstandard area?

You can take all of the hotels in the United States , and you eliminate all of those hotels that are in nonstandard areas.

How do you determine what are nonstandard areas?

Referencing the chart on the screen with the three criteria – we go back to the methodology, by the zip codes that agencies typically go to. Those hotels in that intersection with the ZIP codes, midrange properties, and FEMA IDs, then we apply the sample out to an area, usually a county.This becomes a nonstandard area. This is exactly the same methodology to determine the standard rate. You eliminate those that are in the nonstandard areas and then you grab everything that is left over. All of the leftover areas are reviewed to establish the standard lodging rate.

The non-standard areas have been requested by the federal agencies.

The standard locations are everything else.

We follow the markets. The trigger is for a nonstandard area, and an agency indicates they cannot get the rates for a particular area. That area is flagged to look at more closely. And so we follow the lodging market of that area. It does not have anything to do with the demand and the number. After you get it triggered, then we follow the methodology. We are not tracking the number of people that are going to a particular location.

In my opinion, I would think that the industry would have better knowledge of what is happening in that market prior to it being an issue for an agency. That is not part of it, though.

As it is with all of every market nonstandard or standard, we look at that location, following that market uniquely.

So a lot of people say, “Why don't you have nonstandard areas everywhere?”

From a taxpayer perspective, we do not do that because there is no financial reason for us to do this, because the overwhelming majority of Federal travelers don’t have any problems finding rooms at the applicable standard per diem rate.

And that is why you guys establish the standard rate. You may not have people going there, so you have the baseline established.

I understand. I just think that the frequency issue for the standard rate is huge.

If we look at it every year, I think we would be more comfortable. The economy changes so fast in a short period of time. Three years is a pretty long period of time. Since you have the technology, it allows you to be able to do that analysis when you do the nonstandard areas. I think it would make sense to do it more frequently.

Was there any other reason for determining that it would be done every three years besides probably lack of technology back when it was established?

There are areas, in general for federal travelers are visited, but less frequently. I think there is an assumption that there was less of an issue with the standard rate because they just do not go there quite as often. So then if you find oil somewhere, and then the rates skyrocket, now there is a problem.

From my standpoint, if we look at it on an annual basis and hold it to that same rate, that is fine. But at least you have given it a review.

This is Cindy. I just have a comment from a corporate standpoint. If we could achieve two-year rates, we would be thrilled. I am thinking this is in negotiations to establish a longer-term partner than just one year. The hotel industry is just not supportive of that for the majority of the time, but if you currently have a 3-year policy, maybe kind of a middle ground would be to go to a two-year versus an annual review. It’s just a lot of work and a lot of program change to manage on an annual basis. If I had the option, I would definitely go for two.

This is Erin Choquette. I agree with the previous caller. I think that two years helps for planning purposes and just sort of being able to set your expectations while still trying to have a little bit more currency.

True. I also wanted to point out that there also may be some of an unintended consequence to looking at the standard rate every year because, once again, it will increase or decrease and some areas that are currently nonstandard areas could certainly drop into the standard category. And when they drop into that standard category, the meals rate will also drop to the standard rate as well. Sometimes people generally do not like to see an area fall from the nonstandard to the standard designation. That is something we need to think about, because it can be an unintended consequence.

That is market-driven.

If it is market driven, it is defendable. It is to something to note on the record.

Kathy Lane, National Corporate Housing. On that unintended, intended type of consequence, I believe also just that rate impacts the permanent change of station rate. This committee is not working on that part but I do think that would impact that as well. I just wanted to put that out there. The permanent change of station reimbursement or per diem allowance is when you relocate.

It doesn't make it a per diem under temporary housing?

It does impact current and future station moves based on standard rates regardless of where they stay.

To address that, I think there are consequences. I might be upset if it goes down or whatever, but yet the purpose of it is to pay closer attention to market rate. I might be upset, but who cares. You are paying what the market is showing that you should pay. That is the ultimate goal, I think.

Did it go down during the downturn?

I can't remember.

Last time it was changed it went to $77 from $70.

A 10% rise in three years?

Right.

The last time that it changed. We are due this year, Craig?

I think that every time it has been reviewed, it has gone up.

I don't know that it matters at all, but is there a way that we can report on the number of government trips to nonstandard versus standard areas?

Once again, that goes back to the percentage of travelers going to standard location. Generally, it’s been less than 25%.

The standard rate?

Yes.

This is Jill. I was reading prior to when we were talking about the history yesterday, and I was reading one congressional background document. From 1977, I believe that it was, and somebody from GSA at that time, back in the 1970s, estimated that it was about 70 -- 75% NSA travel. I'm not sure where they got that number.

We heard a couple of things related to how frequent we would like the rates to be looked at. We would still like to have the NSAs done annually. I think it is the standard rate that is under discussion and how frequent that should be. We have heard one year, and every two years for planning purposes.

I believe it was Cindy who talked about recommended two years for planning purposes. That does not really play a part as far as planning for FY14 or FY15 travel costs. We estimate how much we feel our travel is going to be for those upcoming years, but it is just a guess. I do not think that we actually get into looking at actual locations. I think it is so hard to predict where our travelers are going to be going next year. It is a very high level analysis. Rather than being able to identify how many people are going to the standard area versus non-standard areas.

For planning purposes, do you have to factor in each trip as an average type, or does everybody have their own methodology for determining how much each trip is going to be or what their budget is going to be for travel?

It is been talked about that it should be done closer to the time of travel.

That is the key; revising the data review period from April to March to May to April. That is very important.

I didn't capture that.

The revised data should be from May to April.

Budgets need to be done and complete. This is Kathy Lane. You would not want to hold the 2014 decision on the per diem based on that.

And looking at the market rates, you should look at every year.

If it goes up or goes down, we have to live with it.

Just going back to the previous discussion, do we have a high probability of success if you if we moved the data period up a month to actually getting the rates published on time?

From just a technical standpoint, I do not have a problem with that. I do not know about the review part since I cannot really speak to the management review.

From our perspective, it is important to get the rates published on time.

Every year, I've always heard to get the rates into our ETS, or we are waiting for GSA so that we can put them into the DTS.

Moving the scale up and conducting additional standard rate reviews, if possible. In theory, that is what we are asking for.

The review process is very important and has to be very thorough. That is a piece of it. But the area that is less predictable and less systematic is the approval process. And I do not know that I can necessarily speak to that. That piece has a number of variables to it.

So this is Paul. If you can physically get the stuff done, like you said, then management can look at this and determine whether or not we need an extra month to make a capricious decision to cut this or whatever. I do not see why it should take months to look at this. With the methodology in place, I do not see why we can’t make the recommendation and see where it goes from there.

May through April?

Yes.

I understood that if we did not make that date, the dates would not be pushed -- published on the 15th, and effective on the first. They would be effective when they were available.

I don’t know what the big issue is.

My thing is when you mix up, rates retroactive, that is when it has a dramatic effect.

If the difference is $10, your policy is to go back and make the adjustment either way. So if the cost is $20, the cost of the voucher (republishing, electronic funds), we're doing the whole process over again.

It is very expensive. Yes.

Okay. Oh, it is a problem.

We are talking two different items now.

We're coming up on 12:00. I think that in order to capture all of this and get it taken care of, we need to move on to the other things. I guess on the frequency, we still have some items relating to that. We had some one-year discussions and two-year discussions. I think from what I had heard, everybody has agreed on 1 year. But I think there are some people on the phone were talking about two years. If you can please talk a little bit more about why you think two years or if you agree with 1 year now, and then we can build on that and move forward with the next item.

This is Brian with Enterprise. I do not know if the committee should consider this part but just stating my position or fact that a lot of commercial companies, corporate America, base their rates on what the government does. I just do not know if changing a one-year to two-year might impact others. I don't know if that is a concern of ours or not, but it is something to consider.

That is where we go back to the whole 75/25 concept. Even though we cannot pull real data, but the market is changing anyway.

We are changing our nonstandard rates every year anyway. They were reflecting on standard locations.

Any comments on the phone?

Again, I reiterate from the corporate standpoint, we look at it as a partnership and long-term commitment. The hotels that partner with us for two years are given even more consideration in our program just because of the long-term relationship and consistency for the travelers, etc. Plus from the resource standpoint, it is a big endeavor. Not understanding our process and how much it takes as far as resources on your part to manage the program every year. My experience is that if I have the option for a two-year contract that is a valuable rate on both sides. I would definitely take that as a first option versus going from three-year initiative down to all the way back to a one-year initiative.

This is Paul with Marriott. I respect your opinion from a corporate perspective. You're talking about a managed hotel program. You are talking about partnership with rates, because as a give and take, you are committing certain number of room nights to these hotels. We would like to lock in a two-year rate.

I won't assume, but here we're looking at what the per diem is. It is basically the benchmark for the government. They do not need to have it set for two or three years because that is not reflective of the market. If you are doing it in a corporate environment, you are trying to look at, as I understand, you were trying to mitigate potential rising costs for the following year. Some hotels will go along with that, and some hotels will not. In the case of the government, essentially with the 25% of their total spending, and where there are doing a calculation every year with the nonstandard, it only makes sense to review every part of every region and every market on an annual basis.

For my perspective, if you could reduce your workload by 25% on an annual basis, I would do it and set the rate. It is not really from how much share I'm going to give you and how many room nights, it is more of a precedent in the corporate environment where we really would prefer to have a more consistent program throughout, and from a budget standpoint. Understand that you mentioned that you do not really budget because you do not know the direction of the travel year-over-year. But from a corporate standpoint, from a budget standpoint, it helps us to monitor that for the following year.

I think that again, to Paul's point, it is different for a managed program. We are advising the GSA on their per diem program, not the corporate managed program. Having said that, I think you want to have the most reflective rate that shows what it is and the market real time, as close as you can to real time, which would be annually. For the purposes of establishing per diem rates, I understand what you are saying as far as corporate rates and locking them for long-term and things like that. The purpose is to advise the GSA on per diem rates for their methodology.

This is Pat. I agree that we should get as close as we possibly can to the market rate.

Right.

This is Brian. I will add that I think one year is right because the goal is to make sure that the per diems are an accurate representation of the current market place, as current as is reasonable, anyway. I think once year is right to publish the rates.

This is Erin Choquette. I agree that it is desirable to have it be as current as possible. I am just thinking about how much work that is going to take on the GSA's part. If they are going to require them to spend a lot of time working on getting annual rates where they can be effectively utilized elsewhere.

We just asked Jill if it would require much more labor, and she said “No”, this will not,

This is Jill. No, there is programming that is put into place for the report now. They (STR) push a button, and it comes out the same day. And then you can analyze it.

Okay.

I think that the one-year makes more sense.

I do not want to stop the conversation, but I do think that we all deserve a lunch at some point.

If you guys are ready to vote on this, I think that would be something that we could close out right now. After we come back from lunch, we can start on our next topic. We can vote on whether or not -- I am hearing one year. That's what it sounds like from the majority of people. Let's vote on whether or not we think that the standard rate should be done or reviewed every year. We will see what we come up with. The vote is for the standard rate to be reviewed every year.

Dane?

Yes. I am fine with that.

Mark?

Yes.

Paul?

Yes.

Rick?

Yes.

Bryan Scott?

Yes.

Greg?

Yes.

Brian Nichols?

Yes.

Pat?

Yes.

Emily Morrison?

Yes.

Kathy Lane?

Yes.

Cindy?

Yes.

I, David Flynn?

Yes.

Erin Choquette?

Yes.

Claudia?

Nan?

Yes.

That is great. So the recommendation is that GSA moves forward with the per diem -- reviewing the per diem for nonstandard and standard rates every year.

Now that we have that out of the way, let's go ahead and break for an hour for lunch. We will meet back here by 1:00. For those of you on the phone, please dial back in by 1:00, or you can stay on the line. We will get back to you later. Thank you.

This is Erin. I am going to dial back and because I do not want to the Connecticut taxpayers paying for long distance for one hour.

That is fine.

We will call you back at 1:00.

[Captioners transitioning.]

Everybody on the call, we are just going to wait for a few minutes for people to get through security and back into the room. Back in a couple of minutes. Thank you.

Thank you everybody for coming back on the phone and joining us for the Government-wide Travel Advisory Committee. We just got through a lunch break and now we'll start with the afternoon session. We have several topics to discuss. Once again, if everybody on the phone, the public, we do have a place for you guys to submit questions. If you would like to provide comments on this meeting, as well as future meetings, send them to gtac@gsa.gov.

So, prior to us going to lunch, we actually got through voting on how frequent the rates will be set for standard rates and nonstandard rates. Nonstandard rates are always reviewed annually and we voted on making the standard rates be annual, as well. GSA has stated that there's not much of an effort on those to include that as part of the process. So my recommendation is to move forward doing that. The next part that I would like to talk about is the review. There is a discussion that the review period be pushed up a month so it could be closer to the actual of rates that occurred during that period. Right now, it's from April to March. Those discussions moved it from May to April. There were other discussions earlier, we kind of stopped, wanting to focus the standard rate frequency. If we want to get back in the discussion of moving the period and the impact of whether or not GSA can actually accomplish it or not, is still left open.

This is Jill. I repeat what I said earlier. I can only speak from the actual analysis side. I think on the analysis side it would be fine. I can't speak to the management review side, because I'm not controlling that portion.

Paul, we have a lot of information related to this. Can you just talk about the benefits of this?

Sure. The benefits are really because the per diem is reflecting market conditions. The data that's reviewed is just getting closer to market conditions. An example would be in 2010 when per diems in the market were actually down. In retrospect, had they looked at one month in addition to the data said, it could have offset some of the cost and the rates may have been a little lower. You are getting more current, but that's really where they should be and it can be reflected in the market.

This is Pat. I would agree with Paul. In Boston, we've had a large example of that, where the rates were much higher than what the market was demanding at the time. So we did benefit from that in the Boston area. The goals should be to get as close to the market as possible. But since we are making recommendations, and I understand the concern about how costly this might be with the demand on resources might be relative to this recommendation, it's up to GSA and other decision makers in the Federal government to either accept them or not. I think our rationale is as Paul just explained it. That should be the goal. So, that's why I would agree with trying to do this as close to real time as it can.

This is Erin. I just want to pose the question. If we are going to have the rates being set annually, but we have as close to real time as possible, does switching the review period by one month really make any effective difference?

I would say yes.

Absolutely.

Just to help clarify the methodology behind that, this is Steve. If you look at a 12-month moving average when the rate is generated, what you are talking about is adding one more recent month and dropping off a month that's 12 months away. So, you are really having potentially, a significant effect.

I guess the methodology -- I'm just questioning whether the one month would be all that significant. I don't have a strong view one way or the other. I'm just raising the question of whether the one month from March to April is really that significant, when we are going to be; when the idea is to set the rate on an annual basis.

Typically speaking, the more current the data, the more accurate it is. You are dropping off the oldest month and adding the most current month. As far as the work is concerned, it's not an issue getting it done as far as resources or time needed to get it done. It's going to be done annually, anyway. It's not standard the way it's always been done, so, the per diem is supposed to reflect the current market conditions.

If you only go back six months, you lose the ability to account for seasonal shifts.

Right. That's exactly what they said.

Okay.

I think the real question is “Is it feasible?” Is it something to be considered for fiscal year 14?

No.

The answer is no.

The analysis has already occurred and we are going through the review and approval process.

Right.

30 days it will go to Congress.

You have to have the per diem set by September 1.

Congress has to be notified 30 days prior. That means of September 1, for the rates to be effective October 1.

You have to have all of the work done by August.

Yeah.

At the latest.

This is Pat again. Wasn't it stated earlier that our primary focus really is looking toward fiscal year 15?

Yes.

So it would match up?

To Paul's question, “Is it feasible for GSA to do it in a tighter timeframe, if it's recommended?”

Like all of your recommendations, we would review the feasibility of implementing these.

We are hoping if we do submit those recommendations, then management can take that into account.

Recommended by GTAC that we tighten up our strings as well. Hopefully, they will listen and get that through.

It's not just for you guys to change your process or streamline or do things faster. It's really making sure that the recommendation goes beyond you and up to senior management.

What the process is for informing them of these recommendations?

All right. So, are there any other discussions for the review period to be moved up? On the phone? So, I'm going to ask that we actually take a vote on this. The vote is Yes or No.

We are recommending to GSA senior management that the review period be moved from April-March to May-April. So, we will start a list with Cindy.

Agreed.

Can you hear me?

Yes. Thank you very much.

Okay.

Kathy?

Yes.

Emily?

Yes.

Pat?

Yes.

Brian Nichols?

Yes.

Nan?

Yes.

Claudia?

Yes.

Erin?

Yes.

Myself, David Flynn. Yes.

Brad?

Yes.

Rick Singer?

Yes.

Bryan Scott?

Yes.

Paul?

Yes.

Dane?

Yes, with comment. It's a concern I had before. If they are not approved in time to update all the automated systems, and we will be in improper payment will kick in and we have to do collection.

All the per diem tables and into the systems and the scale, we are talking about hundreds of thousands of dollars to be delayed 30 days.

Noted.

Concur with comment. That GSA ensures the process to be completed and approved and get to the Hill so we can get all the tables updated in plenty of time.

Let's finish the vote.

We have the comment and the comment was noted.

Mark is the last one.

Yes.

It's unanimous. All right. We have 15 Yes votes.

That is moving the review period. GSA will look at the process and see what they can do to push that review period up by a month, as well as getting management involved and having them get through the approval process as well, without impacting travelers and vouchers.

Government expense from the taxpayer?

Yes.

That goes without saying.

Yes.

All right. Great. We are moving right along.

So, where are we at? Process of changes the request for special reviews. I don't remember who brought that one up.

This is Brian Nichols. I think I had brought that up. It may have been already been addressed. Maybe I didn't understand the process. When it was described, it sounded like agencies could request, I think it was either special reviews or special rates, because the market was very difficult for them to meet the per diem. It just wasn't clear how much validation happened after that request was made. Where in the market? What were the hotel options, etc.?

Yes. Once again, this is Jill from GSA. Once we get that special review request from an agency, we look at it and make sure that it's a fully reasonable request. We do look into the reasons why they might be having issues, either by looking at what's going on in hotels; news articles, to see what might be going on to impact the market. If we do decide to grant the special review request, then we do get the data from Smith Travel and do a review, like we would any other place. So, it's still pretty rigorous, I think.

Okay.

Roughly, in a year, how many special requests happen?

Between five and ten, not very many. Not since we started doing the current methodology. It used to be a lot more before we switched to this methodology, maybe 40 or 50. Now, it's between five and 10 per year.

That's probably a moot point then. There's not a lot of activity.

Okay. So, do we want to drop this one off of our tweaks to the methodology?

I'm fine with that, yeah.

We’ll just drop that one then.

Okay.

The next one is the comment of agencies taking management responsibility. Okay? Someone want to go into more detail about that? What that means?

Can I raise a question about the process? We have a set of per diem rates but agencies may approve employees to exceed the applicable rate. What does this process entail? More often, how often does it occur?

I think GSA's partnership with STR is really to set the limit. It really is up to the agency to make the regulations more strict and to limit the actual expense threshold, which is currently 300% of the applicable per diem method.

Correct.

I think that this is something that should be managed at the agency level for their specific mission. As long as the FTR allows for that discretion.

Again, the Wall Street Journal – do you want to be on the front pages of Wall Street Journal? I guess, it's an agency by agency decision as to what they're going to spend and permit to be spent on travel. We have per diems. If they exceed them, it's on the agency, but then eventually, it's going to roll back to the program managers. It's all about perception when it comes to the public.

When the 300% rule is allowed?

You have to have justification to use 300%. Justification or methods -- I hear what you are saying, here's why. You can walk through it and say, this is why we allow the 300%.

As a general example, at Treasury, we might say we would require market research to show that lack of availability within a certain market. There may be an example where you can find lodging at the per diem rates but you have to spend more on public transportation (taxi). That is what included in the authorization before it's approved.

The question was originally worded, “did we know how often the actual expense provision was used or did it happen rarely?” Is it able to be measured, to identify how often government-wide, we are exceeding the per diems? It would tell us, truthfully, how effective the per diem rate actually is. That's where that question is rooted and the concern is rooted.

Or, how much is spending above the per diem rate?

It goes back to the agency's responsibility to identify this information. If there's a certain market where we go above per diem, we come to GSA.

To the agencies, do they have the ability to monitor that and get reports on that?

I can't answer for every agency.

It would be agency by agency to track this kind of information.

Those are all fields that are supposed to be reportable within ETS. In the current ETS and with future ETS, as I stated earlier, how easy or accessible will it be to provide these reports. Again, I will just go back to the original concern. If we are studying per diems, or suggesting a methodology for per diem in support of the methodology of per diems, if they are being exceeded across the board; how really effective are the per diems? You are putting a number out there, but within the 300% window.

It's more the exception than the rule. We are the contractor and not part of the Federal government. Our rates are close to the per diem rate. If we have somebody that exceeds the lodging rate, they have to justify the reason why they had to use the 300% rule or the conference lodging allowance; whatever. Our system captures that information. I'm thinking it would concur in the booking report. This will allow Government to have more insight in how many times the 300% rule was used. Again, I don't think it's used that much. It’s more the exception rather than the rule.

For the actual items for the committee, I don't know if there is an actionable item on this. That's just something of concern that I stated. I don't know what the actual item might be, but this seems to be an opportunity for review here.

It's going to be to see if agencies could run that type of report.

There are three different systems right now. I'm only familiar with one.

A report like that would be agency by agency.

Not only on that, but because the vendors are all changing, they are all getting a little more strict as to what they're going to do for the agencies. And, what they're going to do for free. So, they are going to start charging for things like ad hoc reports. The general contract will charge you. We haven't done them before. Now that we have the business come forward and request these reports; things like that. They may begin to start charging for standard reports, and my question to GSA is that can you mandate that the vendors provide a report of all the exceptions greater than per diem?

Would that be a responsibility of the provider or is it the responsibility of the agency to report this information? The agency is measuring this. Can we get this information from the agency?

I don't think each agency is measuring it. Each agency has a responsibility to ensure that the policy is being followed. They are not really measuring it. So, if you make it the responsibility for each agency to report it, then you are putting the onus of gathering that report on each agency, for the costs, for the GSA to push down from the contract level and GSA may be able to get it for free. This should be cited as a government-wide initiative to get things done.

Dane from DOD. First of all, it takes approval from the secretariat level; the Secretary of the Army, Navy, etc. to exceed the per diem rate by 300%.

Out in the field, exceeding the per diem by 150% is okay. After running the numbers on AEA (actual expense allowance), we found knocking it out didn't really save all that much. It wasn't a big issue. We didn't find it to be a major issue. It wasn't enough money behind it, which could be a reflection of current per diem rates.

To the other point, I don't know if there are actionable items on this, other than just something to be a concern.

I would just say, if it's a chronic problem, maybe they should know about it. Recognize it.

To your point, David, it's really an interesting concept. In the master agreement with ETS, I think every agency would want and should be able to have these type of reports.

I concur.

More of a measurement tool.

Dane from DOD. The great thing DTS, is to look at the future of travel, the travel industry and everything together, with reporting being a huge part of it, as well. We talked about the different types of reports that we look at. So, one of the solutions that they came back with is not only will there be over 150 standard reports available, but also you are going to have access to the reporting tool. Within the road supporting tool, we will train people on your staff or your team to run and build your own reports, ad hoc reports, real-time when needed. There's a lot more flexibility going into DTS related to reporting and the industry will be able to benefit from that.

Absolutely.

Is that a requirement?

We have the same capacity. We get standard reports. We also can go in and generate our own ad hoc reports. Things that you are describing, I think could be easily accomplished.

It's easy to get today, but in the future -- to go back to a question someone asked, I haven't heard of it being a problem. Treasury is saying it's not much of a problem.

Should we move forward with GSA to get a report from their vendor?

Let's go ahead and ask for it. Nothing ventured, nothing gained.

It may be that it’s just report you can run. It won't be an extra effort for them.

Given that we may have to wait until the stand-up of ETS2 to run the report.

Most agencies are still utilizing ETS with their vendors and haven't transitioned. A lot of agencies have already signed orders with Concur, but GSA is on Concur right now.

When is the transition supposed to be completed?

The ETS1 expires November 11 of this year and there was a next option. They call it a bridge, which is another option period. They built-in an option period of one year with three additional options, which I think are three-month options. We have options up to two years after the end of this contract. There may be some agencies that take a lot longer to transition or implement these systems. However, there are thresholds that vendors have set, saying once you drop below a certain number of authorizations, we are going to give the government 60 days notice before we cut off the system. That kind of comes back to the agencies. How do we work together to ensure that we don't drop below that so that no one's impacted? That goes to my agency and other agencies.

Will there be a significant cost to doing it now? I would say “No”.

I don't know if there's going to be a cost.

We could look into it.

We want to recommend that GSA look into pulling a report at the mass contract level for all three vendors related to exceeding per diem.

Would the report classify the exceptions? My concern is that if it's a major American catastrophe that uses some of the data you went over, it would not necessarily capture just the numbers.

I think it's a very fair question. I also think that the data allows us to break it down by region and show that there lots of travel in the Northeast because of Sandy.

You are getting too granular stuff.

You have the rates. Look at the data and you will see a spike in November of last year. Then you can start looking into what happened in November. There was a hurricane.

You are also talking about how you pull the data.

How about the recommendation for ETS2 to be able to do that?

My concern is the resources it takes to run some of these reports. If they are not doing that, it's a different conversation. I have not submitted anything to GSA because we've not had anything that was an issue. We can track those things.

This is Erin. Is there a mechanism that would just require each agency to report to GSA in March, if there are exceptions? As the woman from Treasury just said, is the agency's responsibility to manage their program and they should have the documentation justifying the exceptions.

Yeah. Then if you have nothing, you submit a negative input. So if you had a bunch of exceptions, the agency is going to have to justify them. They're going to have to justify to the Federal auditors, just as we do this to the state auditors, I'm sure. That will be two or three years later. They can get the jump on the documentation by doing an annual data call.

To answer the question, I think from what we've heard, if I'm accurate, is there is no regulation today for the agencies to report at that level.

Let me give you the scenario of what we do have today. We do have a law that requires us to put regulations in place that requires all the agencies to report high level, summarized data back to us. Most of the agencies require that. So, there are some large agencies who say they either can't or they won't report that information. It's in the laws and it's in the regulations. The data that you get is not complete when you have the data call.

Even when there is a law, and it's in the regulations, high-end, high-level interaction with all the agencies to get that data, they do not. So, that's just the current state on where we stand.

GSA takes a passive approach on that?

Absolutely not.

Okay.

You still don't get the information from the non-reporting?

That is correct.

Okay.

So you will not have the big picture.

You are not going to get the big picture. As of now they still are out of compliance. What difference would it make by having a report, unless perhaps it would be easier?

Or to extrapolate what numbers we do get.

I don't want to kill the issue. It's a good issue. I want to understand the context.

Given that climate, I'm not sure the resources require what the value added might be.

The only value we would get out of this is to identify if the methodology used to create these tiers is creating a tier that is a manageable tier for agencies, which are authorized to use the actual expense provision by up to 300% of the applicable per diem rate. Are these tiers actually valid?

What it would show is that if you see them always going to the 300% rule, that maybe they are staying at a property they probably should not be staying at.

It's a behavior issue.

I think to Treasury’s point, this should be managed at the agency level, the grassroots level, like we do for our travel to identify any potential problems. Again, I think the valid reasons to use the 300% rule are the exception and not the rule. It's very seldom is used, in my mind. I think 90% of it being at or below per diem and maybe 10% invoking the 300% rule. If somebody would ask the question, would they be able to show the data as opposed to saying, “I'm pretty sure it's not a problem”.

From the private industry perspective, we would want to know specifically what percentage of travelers are exceeding the per diem limit?

Just for that point, instead of drilling down to the number that is so small we don't even notice that. If you just have the number of trips exceeding per diem, we might come back and have a new decision before we start asking for the report and drilling down further.

Do we really care why they exceed per diem?

It might be step two or three.

It's further down.

GSA has agreements with most of their vendors to advise them of their status.

Yes, providers are supposed to be providing data to the GSA MIS tool, as well as the Smart Pay providers in which GSA is supposed to somehow massage the data without any duplication.

For the approval process agencies have to go through, you still have the supervisor doing the approval. Correct?

In some systems, if you have flags for everything that occurs, you can set up flags for just about everything. You just have supervisors -- going in and rubberstamping employee travel. Those are the things that you don't catch.

I think we want to recommend on this program. So, to Brian's point, if this is my company, I would want to know the variances.

Wouldn’t you want to know the number of occurrences before you go digging further?

First step is to look at the number of trips that actually exceeded per diem.

There is an FTR regulation. Agencies must have them place the ability to measure percentage of times employees used the actual expense provision, which the regulation authorizes.

Is FTR bigger than the law?

No, it's not.

This is the reason for why are we’re going through this process.

This committee is a well-known committee among the agencies. So with those two pieces, we can do a data call on that. Hopefully, either get the number or the percentage. Then, depending on how that looks, we may be able to get a very high level number.

To clarify, this would just be a data call. We get GSA domestic lodging?

It would be a little more difficult to pull out. We will run this through our steering committee.

Any data that we collect. This is not public, but private or personal information.

Would there be any concern if they had to publicly speak on that number? I'm just throwing a number out there, 30%, will there be any concern?

I don't have any concern at all.

The question is do we do a data call to try to find the percentage?

We went from looking at the number of trips that exceeded the per diem to the total percentage of trips and do we want GSA to do a data call and would there be a concern?

The unintended consequence is that the percentage is a lot higher than we thought it would be and this information would be published.

You shouldn't be fearful of the results of this information. We can’t fix the problem if we don't know what it is.

I agree 100%. This is Brian. I want to liken this to the private sector, which may have different subsidiaries. We would absolutely measure, by subsidiary. If there is compliance then the results are what they are. It's much better to know, even if there is a subsidiary way out of compliance, versus not knowing. This is really a yardstick as to how well the per diems are designed against what's realistic. In part, it becomes a barometer as to how are we doing in determining these rates. Also, looking at it agency by agency, how well are they doing at utilizing the rates? What Claudia said is right on. Don't worry, initially, about why there are exceptions. Let’s just quantify these exceptions. Then you can start to look at those that have a large number of exceptions and take it to the next level. Now, how do we start to capture why this isn't working for an agency? Are we determining rates that aren't achievable or is there something inherent in that agencies processes or behavior that warrant an additional look? I think, long-term, it would be good to have kind of a rack and stack dashboard of putting all the agencies next to each other and looking at those that are most compliant to least compliant. It's exactly how a private company would shine daylight on behavior and expenses and use that as a tool to change behavior and become more efficient.

I would agree with the statement that it's a measurement to judge the per diem rates that are set. But, I would kind of caution that at least going back to FY12, it's not a compliance issue. The travel regulations as they’re currently written allow 300%. Not that an agency would be noncompliant if they allowed the use of this provision. It's a better use of the information. The per diem rate that you are setting and possibly to adjust to some of the other Federal travel regulations for the future. Not to go backwards and say they weren't in compliance.

To your point, you are right.

You have to be careful using the words not compliant.

Even if there was a high percentage, I think that would help the committee move forward on decisions for change and some of the regulations, possibly, but not necessarily for citing an agency for being noncompliant.

I get the point. In private industry, you would measure division by division, subsidiary by subsidiary. You want to change behavior by measuring this information.

Okay. So, I think we've had enough discussion on this. Let's get voting on recommending that GSA find out the percentage of trips exceeding per diem, while still being compliant.

Okay. So, is everybody ready for that?

With the percentage reported by agency or as a whole?

At this point, we don't need it by agency.

Okay. So, let's start with Claudia.

Erin?

Yes.

Nan?

Yes.

Cindy

Yes.

Mark?

Yes.

Dane?

Yes as written. GSA looks at the ETS.

Okay.

If we can get the cost.

Yes. We run from these numbers. It's not an issue.

We do trust they would verify the numbers. In the system, we have flags. You've got to justify exceeding per diem. That's how we manage it. Not an issue.

So, your vote was?

I will look at it. Yes.

Alright.

Rick?

Yes.

Paul?

Yes.

Bryan Scott?

Yes

Brian Nichols?

Yes.

Fred?

Yes.

Emily?

Yes.

Myself, David. Yes.

Did you specify it being ad hoc or would be an annual report?

This would be a one-time.

Right.

Are we at liberty? Do we know?

This could be something that we will attempt to provide to the committee. This is a Wish List.

We will try and get those here for your committee.

Okay.

Agency comments or issues; engaging stakeholders.

We talked about agency special reviews, currently five to ten a year.

I think maybe bringing in the agencies to the approval at the same level that you have senior management concurrent.

Not sure I follow the question.

Agency should be involved in the way we set the per diems from year-to-year.

Maybe not involved rate settings, but maybe after the analysis is done so agencies are possibly are aware of what's happening prior to per diem results go up for senior management for approval. I don't know.

I think you might be adding some time to the process.

If we are already cutting the month off.

There is a travel steering committee and you (Jill) come and brief out the results. How many went up and how many went down. We didn't go rate by rate, but you haven't done it this year.

I think the mission is information gathering and possibly grading the policy through that.

The steering committee -- methodology -- I guess that's the thing we want to make sure that we are fully aware of the process and methodology and whatever other pertinent information we may need

I guess the question is do we want to continue discussing this point or drop it.

Drop it okay. Great. Alright. So the next one is geographic. Someone want to explain what they meant by geographic?

Actually I did it as more of a question of the GSA in how we define the footprint. What is in the geographical area may not be an issue.

In other words, the boundaries set if someone came along and changed the zip code. This change may be a nonissue that you need to review, although periodically we have to review them because of economic development, looking at housing area, what's in and what's out. Am I right that this is not an issue?

It's not an issue. We also receive updated zip code list updates from the U.S. Postal Service as things change, and then of course once again it sounds like a broken record, but we are made aware when agencies have issues with particular zip codes.

At some point you don't have discretion. We have discretion on housing; what's in and what's out and you have to review. From what I hear you saying that it's pretty well already locked to the zip code area and it is where it is and it's what changes. We are not actually looking at an economic development area. If one part of the zip code could be metropolitan and the part rural, you're looking at everything in the zip code.

There are a few places where the zip code can sustain a couple different rates in the system. They have to know where they are physically going in order to pick the right rate.

We will move to the next one. Moving to the review.

We went through all the items that we thought needed tweaking throughout the day. I'm sure you guys may be new to this process throughout the day so you continue our discussion. Anybody have any other tweaks that could maybe benefit the methodology?

Maybe we can see what feedback we receive via email. Once again the email address is gtac@gsa.gov.

So just to recap of what we did so far.

We started off with a review of methodology for lodging, looking at the process, recommending tweaks associated with that process and we voted on four items.

1. Is it a sound methodology and approved this recommendation (14 Yes and 1 No).
2. We voted on frequency of the standard lodging rate review and recommendation it be an annual process (15 Yes).
3. Our next recommendation was to move the review period to May through April. GSA has some homework to do on that dealing with the approval process of senior management and how will this move affect this process, especially when Congress still needs to be notified by September 1, if the annual rates are to become effective on October 1. There was also one comment associated with this recommendation.
4. And then the last thing we did was got a call to see if there is a report somewhere that shows the percentage of trips exceeding per diem. GSA will be providing that to us at a later date.

That I believe covers everything for the agenda for today. However, I would like to ask if there's anything that we missed related to the topic of per diem methodology? Anything at all? Okay.

The next thing I want to ask what are some of the topics that you would like discussed at our next meeting? Next meeting is to be determined. What are some of the topics or agenda items you would you would like to see on the next meeting. Look at from a high level perspective. Continue to talk with per diem, city pair program? What would you like to hear or see?

We can talk about cost savings, ways to streamline the process. Reimbursement allocated for meals (allocated $80 a day, spend $60, get to pocket $20). To reconcile that, submit actual receipts. Getting back to the private sector, you spend $60, you get reimbursed $60. You’re not able to pocket an extra $20.

That sounds like a good topic. The discussion on the car rental program would be beneficial to the community. We haven't talked about a managed lodging program which could benefit per diem.

That's a completely different aspect of what we discussed today.

We should a brief discussion on meetings and weighing that against cost efficiencies and cost savings.

As we talk about the car rental program, perhaps we look at each program from a historical perspective and find out what opportunities that the government and perhaps industry should be receiving for each program. Other than giving an update on what the program is, I think we need to take a deeper look and set the meetings up in the format so we can look at a program from all sides of the spectrum.

We have a speaker coming up in on the program side as well as from an industry perspective.

I concur. Our goal is find out what works well or what doesn't in an existing program, and are there any alternatives to this program. Is there another model that can be used?

And this is Brian. I really liked that in the past couple of days that we picked one topic that was really important to the GSA and we just exhausted it. We probably could've talked three more days on the per diem program, but I liked that you picked one thing that was really important and focused on it. Using this approach, you can hit a lot of topics at a high level. I think if we can hone in on one issue at a time that's really meaningful and have the committee prepared, by possibly doing some pre-reading and freethinking and then really focus on solving one problem each meeting, sometimes that's better than hitting a bunch of things at a high-level.

We are not going to be able to all of these points at our next meeting. These are going to occur in the next year or so. The ideas here and topics we want to hear about, indicate to me an idea as to what direction we looking to go for our next meeting. What materials we made need that are readily available for future meeting, so we can look at in two months, getting information on the car rental program. That's going to be for that meeting. What can be done in a month for the next meeting, and what information do we have and what can we pull together, especially if we want to bring in speakers and subject matter experts. But getting these things out there really will help structure not only our next meeting, but our next few meetings as well.

In keeping with the airline program, perhaps review the Fly America Act. By this time next year, Lockheed Martin will be down to three flight carriers, which will make our negotiating potential and make it more difficult. These carriers share in the revenues and the cost. If you have a joint venture with a (foreign) carrier, I think you are eroding the true intent of the Fly America Act. I understand it's the law and we are not asking to change it, but perhaps there could be recommendations to provide some other exceptions other than what currently exists today.

At the same point, reviewing the law and its impact is within the purview of this committee. We probably should be looking over and reviewing executive orders and visiting legislation calling for a 50% cut of travel and the impact of that to various programs. And the ability to maintain per diem, if it is demanded to be cut 50%. It could have far reaching impact for legislation and executive orders and I don't know if we delved into what of that impact might be, but this something to keep in mind. If that is within our purview or not, it's certainly impacts everything we are talking about.

Along the same lines, I don't know if it's enough to just review the cuts to federal traveling for conferences without looking at cuts made to other travel programs as well.

I think those are things I would like to definitely get look at.

They can talk about executive orders and they had OMB here yesterday and he could bring those recommendations back, after we look at the data used to set the per diem rates for the nonstandard areas.

As far as a government perspective on my end, I think the program impacts our budget the most as far as reduction in travel goes.

The issue is saving money.

I think you are correct. Probably what we end up having to do is put this list back out through email where you get an opportunity to rank the items and then see what's important amongst the rating, and then from maybe two or three items, we can focus on one. I am talking about lodging, source of lodging and the policy piece of this. What is the policy or the statute? We look how things are displayed whether it's ranking, what are the audits and flags there. Out of that, we see all the time efficiency, transportation, lodging, and miscellaneous expenses. How are we sourcing that from a strategic perspective and then trying to make sure our technology solution supports the business rules. Now we can do it literally with all the allowances, rates and transportation, or you can take a program like lodging, and look at what are the rules and policy.

We can try to go to integrating in full and pull the people into the room that manages this program.

We have a lot of topics to go over. and hopefully it doesn't take that long to get through these topics, because I'm sure others will be coming through and there will be more executive orders.

Based on the priority, we will come up with the right agenda for the next meeting. That is all I have for today.

To the folks on the phone, I want to thank everybody for participating today. Once again, we will be receiving your questions and feedback via the email address gtac@gsa.gov.

If you have topics that you would like us to discuss, as well as those that have not been covered, please submit those and we will review them and prioritize them as we go. This will conclude the meeting for today.

Once again, I thank everybody for their participation, the members, those members who are on the phone that couldn’t join us, as well as everybody who did travel distances to come here today to DC , and those of you who are local. Thank you once again and I believe this is going to be a great committee. There will be a lot of positive outcomes coming from this committee, and if there's nothing else, I adjourn this meeting.

Thank you.

[Event Concluded]