Government-wide Travel Advisory Committee (GTAC)

Final Report

March 4, 2015

www.gsa.gov/gtac

The purpose of the Government-wide Travel Advisory Committee (GTAC) was to review existing travel policies, processes, and procedures to ensure they are accountable and transparent, to aid in meeting federal agency missions in an effective and efficient manner at the lowest logical travel cost. After its review, the GTAC developed this report which addresses improvements and recommendations to increase travel efficiency and effectiveness, reduce costs, promote sustainability, and incorporate industry best practices. As required by the GTAC Federal Advisory Committee Charter, this Final report was delivered to the U.S. General Services Administration, via the Designated Federal Officer responsible for the GTAC, and completes all requirements of the Committee.

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I. EXECUTIVE SUMMARY (OVERVIEW)

In response to President Obama's Executive Order 13589, "Promoting Efficient Spending," and the Office of Management and Budget (OMB) memorandum M-12-12, "Promoting Efficient Spending to Support Agency Operations," a discretionary advisory committee, known as the Government-wide Travel Advisory Committee (GTAC) was established. A discretionary committee is a committee that has been established under the authority of an agency head, or authorized but not required by statute. The GTAC charter was signed by the General Services Administration (GSA) Administrator Dan Tangherlini on December 3, 2012.

The purpose of the GTAC was to review existing travel policies, processes, and procedures to ensure they are accountable and transparent, beginning with the per diem methodology to aid in meeting federal agency missions in an effective and efficient manner at the lowest logical travel cost. Of note, the current per diem methodology was established by a 2003 GSA-chartered discretionary advisory committee known as the Government-wide Per Diem Advisory Board.

Through the review process, the GTAC addressed current industry and federal travel trends and provided advice and recommendations for improvements to increase travel efficiency and effectiveness, reduce costs, promote sustainability, and incorporate industry best practices.

The membership of the committee was comprised of 15 GSA-appointed travel subject matter experts from across federal agencies, industry, travel associations, and state and local governments. The recommendations within were derived from the Committee by means of consensus.

II. MEMBERSHIP SELECTION AND VETTING PROCESS

On December 17, 2012, the General Services Administration posted a notice of action through public announcements, including the *Federal Register*, establishing the Government-wide Travel Advisory Committee (GTAC). The notice called for nominations for Advisory Committee Appointments with requests to relevant associations and individuals possessing the requisite experience in travel management. The nomination packages required the following information: (1) letter of nomination stating the name, affiliation, and contact information for the nominee (e.g., address, email, telephone number, etc.); membership capacity to serve; nominee's field(s) of expertise,; and a description of the nominee's interest and qualifications, and (2) a complete professional biography or resume of the nominee.

GSA's Office of Asset and Transportation Management specified particular categories of experience and/or expertise from the travel management community needed to accomplish the mission of the GTAC. The categories included: federal agency travel managers, hoteliers, rental car companies, airline companies, travel

and lodging associations, convention and visitor bureaus, state and local government representatives, and corporations. GSA considered nominations of all qualified individuals to ensure the Committee included experts in a wide variety of areas related to travel. GSA received more than 100 resumes and applications for the GTAC.

GSA developed a list of candidates that was provided to an Appointment Panel comprised of GSA's Travel Policy Director and the GSA Office of Government-wide Policy's (OGP) Office of Asset and Transportation Management Deputy Associate Administrator and Assistant Deputy Associate Administrator. The nominations were categorized according to experience and expertise based on the mission and function of the GTAC.

The Appointment Panel developed a short list and interviewed the most qualified candidates. Recommendations for further evaluation were based on specific criteria to GSA's OGP Associate Administrator. Additionally, GSA's Office of General Counsel was included in the process to assess candidates' relevant expertise and knowledge. In accordance with Federal Advisory Committee Regulations potential members were identified as one of three categories: "Special Government Employees", i.e., travel experts representing wide areas of travel, such as defense contractors, hotel and lodging companies, and private sector corporations; "Representative", i.e., committee members who represented their particular brand or area of expertise in the industry, such as specific hotels or rental car companies; or "Regular", i.e., government employees including travel managers, customers, and partners. Formal letters of invitation to serve on the GTAC were extended by the Administrator of GSA. Selected candidates were asked to provide detailed information concerning financial interests that might be affected by recommendations of the Committee to permit evaluation of possible conflicts of interest.

III. COMMITTEE MEMBERSHIP

Name	Company
Beauvois, Nan Marchand	U.S. Travel Association
Bonetti, Claudia	Lockheed Martin
Choquette, Erin	DAS, State of Connecticut
Flynn, David	Department of Health and Human Services
Heston, Cindy	Wellpoint
Lane, Kathy	National Corporate Housing
Morrison, Emily	Department of the Treasury
Moscaritolo, Patrick	Greater Boston Convention and Visitors Bureau
Nichols, Brian	Deloitte
Schwartz, Fred	Asian American Hotels Owners Association
Scott, Bryan	Enterprise Holdings
Singer, Rick	Society of Government Travel Professionals
Somogyi, Paul	Marriott International
Stansbury, Mark	Lockheed Martin
Swenson, Dane	Department of Defense

IV. SUBCOMMITTEES

In forming the GTAC, GSA had the authority to create subcommittees as necessary to support the GTAC's work. All such subcommittees reported directly to the GTAC and submitted their advice and work products accordingly. Unlike the official public meeting notice required for meetings of the full committee, subcommittees were not required to issue a public notice announcement.

V. MEETINGS and TECHNOLOGY

All GTAC meetings were open to the public and announced in the Federal Register 15 calendar days in advance of the scheduled meeting. The notice included meeting details such as the time and date, agenda, registration details and point of contact information.

To register for the GTAC meeting, interested attendees were directed to the GTAC website, www.gsa.gov/gtac. During each meeting all attendees were muted except speakers and the GTAC committee. Virtual attendees were encouraged to submit questions or comments to the GTAC email address, GTAC@gsa.gov, within 14 business days after the meeting. Committee members addressed the submitted questions or comments during the next GTAC meeting.

The GTAC adopted GSA's new "Meeting Space" tool and used this platform to conduct its meetings. Meeting Space consolidates GSA's conference environment into one tool via Adobe Connect. This allowed the GTAC committee members to participate in the committee meetings in their respective locations, thus eliminating government travel spending that would have been necessary to participate on the committee. It should be noted that several of the GTAC members chose to pay for travel with private funds in order to participate in the GTAC meetings in person.

VI. GTAC MEETINGS

The GTAC held a total of 9 meetings over the course of 2 years. GTAC meetings included knowledgeable and well-respected travel industry speakers from both the public and private sectors.

The following pages give a detailed overview of each committee meeting, including a brief description of the agenda, speakers, and topics. As standard in each meeting, the Chair, Co-Chair or Designated Federal Officer (DFO) officially opened the meeting, checked the roll call, reviewed the prior meeting's notes, and addressed recommendations and any public comments that had been submitted.

July 30-31, 2013

The first and second GTAC meetings were two-day kick-off meetings which covered the lodging per diem methodology. The first day of the kick-off was

opened by GSA's Anne Rung, Associate Administrator, Office of Government-wide Policy (OGP) and Norman Dong, Deputy Comptroller, Office of Management and Budget. GTAC Committee Chairman David Flynn discussed the goals and objectives of the GTAC committee. Also on the agenda were Steve Hood, Smith Travel Research, who presented an orientation to data terms and measures used in the lodging industry; and Jill Denning, GSA's Travel Per Diem Program Manager, who presented a detailed overview of GSA's per diem rate setting process and methodology. The second day of the Committee kick-off was an open discussion amongst committee members about the pros and cons of the current per diem methodology and potential improvements.

September 3, 2013

The third GTAC meeting covered conference definitions and internal controls for agency meetings, as well as a continued discussion of the lodging per diem methodology. GSA's Travel Policy team referenced the OMB M12-12 document, "Promoting Efficient Spending to support Agency Operations," Executive Order 13576, "Delivering an Efficient, Effective and Accountable Government," and GSA's current conference definition in the Federal Travel Regulation. The committee shared conference planning best practices from both the federal government and private sectors.

Subcommittee Panel at the Society of Government Travel Professionals

The Society of Government Travel Professionals (SGTP) hosted a subcommittee meeting on Wednesday, September 18, 2013, during EdCon'13, their yearly educational conference. SGTP is a nonprofit trade association with a purpose to educate, collaborate, and develop best for official government travel SGTP members include federal, state, and municipal government travel managers and the travel industry; including airlines, lodging, car rental, travel management centers, technology, and other travel industry suppliers.

GTAC members Paul Somogyi, Claudia Bonetti, and David Flynn provided insightful information on how the GTAC considers public recommendations for policy and programs for government travel through collaboration and sharing travel best practices gathered from private corporations and federal agencies.

November 7, 2013

GTAC Meeting cancelled due to the Federal Government shutdown.

December 10, 2013

GTAC Meeting cancelled due to inclement weather in the Washington, DC area; federal offices closed.

January 22, 2014

The fourth GTAC meeting covered meals and incidental expenses (M&IE). Jill Denning provided an overview of GSA's meals and incidentals expenses methodology and reviewed the Federal Travel Regulation rules related to M&IE. Greg Bateman, Microsoft Director of Acquisition Policy, provided a brief overview of Microsoft's travel policies and per diem processes. GTAC member Erin Choquette shared information on how state governments reimburse travelers for M&IE.

February 10, 2014

GTAC Meeting cancelled due to inclement weather in the Washington, DC area; federal offices closed.

February 19, 2014

The fifth GTAC meeting covered sustainability of federal travel and rental cars (passenger vehicles). Harry Lewis, Attorney Advisor for the Environmental Protection Agency, spoke about the sustainability of federal travel and green initiatives. Marcerto Barr, GSA Travel Policy Analyst, presented GSA's Federal Travel Regulation sustainability bulletin, followed by Lee Broughton, Assistant VP of Global Marketing and Sustainability at Enterprise Holdings, providing a presentation on sustainability of travel in the private sector. The second half of the meeting covered rental cars, starting with GSA's Travel Policy Analysts Marcerto Barr and Cy Greenidge presenting GSA's FTR rental car regulations. Andrea Carlock and Maureen Rinehart, Program Analysts of the Defense Travel Management Office (DTMO), provided a detailed overview of the DTMO Government Rental Car Agreements and program. Finally, Bryan Scott, Director of Government Business at Enterprise Holdings, concluded the meeting by giving an overview of the rental car industry from the private sector perspective.

March 26, 2014

The sixth GTAC meeting covered M&IE, data, and follow-up topics from previous meetings. Follow-up discussions were held by the committee on details of government and private sector reimbursement of meals and calculations for reimbursement for rental cars. The Committee also had an in-depth discussion regarding various conference definitions gathered from organizations and federal agencies. GTAC Committee Member Cindy Heston presented the Dinova initiative, which is a network restaurant dining program with rebates back to the organization. This program has been adopted by Lockheed Martin, Wellpoint, and many other corporations. Committee members also discussed and analyzed data for rental car versus personal car usage while on travel.

April 30, 2014

The seventh GTAC meeting covered managed lodging, long-term stay, reduced per diem, and a follow-up discussion about lodging sustainability from the fifth GTAC meeting. The meeting began with Rick Miller, GSA's Senior Travel Policy Analyst, providing a detailed presentation on reduced per diem regulations, and concluded with private sector extended-stay best practices. Other speakers included Tania Obabashian, Manager at Corporate Apartments, who shared Corporate Housings' extended stay best practices; Rob Radomski of InterContinental Hotels Group (IHG), speaking about the IHG extended stay model; and Denise Naguib of Marriott International, discussing the hotel carbon measurement initiative." The second half of the meeting covered extended stay practices from the federal government perspective. Lori Fears, Travel Director at the Department of Justice (DOJ), gave an overview of DOJ's extended TDY travel policy. Rick Freda, GSA's FedRooms Program Manager, gave an overview of the federal government's managed lodging program, and FedRooms. Tracey Ramsey from the Defense Travel Management Office shared its preferred lodging pilot initiative.

Conference Definition Subcommittee

In April of 2014, the GTAC formed a Conference Definition Subcommittee to develop a new detailed definition of a conference. The Conference Definition Subcommittee consisted of GTAC members Paul Somogyi, Emily Morrison, and David Flynn. After reviewing several conference definitions from state, local, and federal agencies, along with the private sector, the subcommittee developed a clear and concise conference definition. This new definition included new categories of hosted vs. non-hosted conferences as well as internal controls for conferences.

May 13, 2014

GTAC meeting cancelled due to lack of Committee quorum.

June 18, 2014

The eighth GTAC meeting covered duty of care or travel risk management as the term is referred to in the federal government. Speakers included Mark Donohue, VP of Risk Management Programs at iJET, who explained the iJET Risk Management model. Michelle Bond, Acting Assistant Secretary of State for the Bureau of Consular Affairs at the Department of State, gave an overview of how the Department of State protects U.S. citizens overseas and facilitates legitimate travel. The meeting concluded with the GTAC members sharing Risk Management best practices in both the private and federal sectors.

September 23, 2014

The ninth GTAC meeting covered common carrier, the GSA City Pair program, and a proposed change in the standard CONUS rate for en route travel. Speakers included GSA's Jerome Bristow, Program Manager for the City Pair program, who gave an in-depth overview of the program and its requirements. Donna Haddix from the Defense Travel Management Office (DTMO) presented DTMO's proposal for a change in the standard CONUS rate for en route travel. Committee members also shared best practices of common carrier lessons learned from the private sector and their federal government perspective. The latter part of the committee meeting included a follow-up to previous meeting topics. FedRooms Program Manager Rick Freda provided answers to previous questions regarding the FedRooms program. Mark Stansbury from Lockheed Martin further discussed the Dinova initiative that was brought up in a previous meeting. The meeting concluded with GTAC's Bryan Scott sharing how Enterprise Holdings has adopted a carbon offset program to help eliminate the climate impact of CO_2 emissions to the environment.

The Committee reviewed the GSA Charter and agreed that there were no additional topics of discussion required.

VII a. RECOMMENDATIONS BY CATEGORY

1. **Lodging Per Diem**
   a. Preserve current lodging per diem methodology
   b. Shift months to May-April for data collection when setting lodging per diem rates
   c. Perform annual review of the standard CONUS lodging per diem rate
2. **Conferences**
   New Definition and Internal Controls
3. **M&IE Per Diem**
   a. Examine per diem meal methodology by testing alternate combinations of restaurant categories
   b. Increase frequency of rate adjustments for Meal and Incidental Expenses (M&IE)
   c. Include additional items in the definition of Incidental Expenses (IE)
4. **POV and Rental Cars**
   Agencies to restrict rental cars to least expensive compact models
5. **Lodging Sustainability**
   GSA and EPA to consider Hotel Carbon Measurement Initiative (HCMI)
6. **Promote Extended Stay Lodging Options**
7. **Travel Risk Management (Duty of Care) Program**
8. **Enterprise Level Travel Data**
9. **Designation of Agency Senior Travel Officials**
10. **Train travel approving officials across the board**
11. **Apply the standard CONUS rate for en route travel**
12. **Explore restaurant rebate programs**
13. **Balance car rental vehicle emissions with carbon offset programs**

VIII b. RECOMMENDATION DETAILS

Recommendation 1a.
Preserve Current Lodging Per Diem Methodology

GSA should preserve/affirm current lodging per diem calculation methodology.

Discussion

The current lodging per diem methodology was established in 2003 after an eight-month study by GSA's Government-wide Per Diem Advisory Board. The methodology is driven by actual room rate data and does not include projections or assumptions. A premier lodging analysis firm, Smith Travel Research (STR), provides data to GSA from hotels in the mid-price range. Lodging data is derived from actual hotel receipts and includes all discounts provided to a range of corporate and leisure clients, as well as travel intermediaries.

GSA omits economy and luxury hotel categories, as these segments are outside of the mid-price range (too low and too high, respectively). GSA, OMB, and the private sector members agreed to include a five percent discount in the methodology, which is deducted from these averages to set the federal lodging per diem rates.

The methodology is data-driven, accountable, and transparent.

Findings

In order to validate that current lodging per diem rates are reflecting market rates and providing sufficient options and availability for mission critical travel, the GTAC initiated a data request across federal agencies to determine the frequency with which lodging had to be secured at above per diem rates, or actual cost.

A 2013 Department of Defense (DoD) study revealed that less than five percent of travel was above lodging per diem rates. In those few cases where actual expenses occurred, hotel inventory levels were low due to high demand and compression. In most cases this was a result of large city-wide conventions, premier sporting events (e.g., Super Bowl, World Cup) or other major events. DoD accounts for about 64% of federal travel spend.

Recommendation 1b.
Shift Months to May-April for Data Collection When Setting Lodging Per Diem Rates

GSA should shift the calendar year period used for gathering market rate lodging data to May-April (as opposed to April-March).

Discussion

Shifting the calendar year period used for gathering market rate data to run May-April, as opposed to April-March, will more closely reflect actual market conditions when the per diem rates go into effect at the start of the federal fiscal year (October 1).

Findings

Matching other demand sources for the hotel industry such as corporate, group, and leisure business, and being as close to actual market conditions and industry trends as possible will ensure the per diem rates set by GSA continue to be a fair reimbursement of federal travelers.

Recommendation 1c.
Perform Annual Review of the Standard CONUS Lodging Per Diem Rate

GSA should perform an annual review of standard Continental United States (CONUS) lodging per diem rate, as opposed to the current three-year review cycle.

Discussion

Performing an annual review of the standard CONUS rate rather than the current three-year review cycle will better reflect actual market conditions.

Findings

The per diem lodging methodology is data-driven, accountable, and transparent and will be further enhanced by performing the standard CONUS review annually.

Recommendation 2.
Conferences: New Definition and Internal Controls

To replace the current Federal Travel Regulation (FTR) conference definition with the following:

A "conference" refers to a meeting, event, congress, convention, seminar, symposium, or other formal gathering, where attendees of agencies and/or nongovernmental participants explore and exchange information and views on a defined subject, problem, or area of knowledge (e.g., sciences, economics, technology, management), with a published agenda, scheduled speakers or discussion panels. A conference may be internal, hosted by one or more government agencies, or sponsored, in which case registration/conference fees typically apply. The term "conference" also applies to training activities that are

considered to be conferences under 5 CFR 410.404.

1. <u>Hosted Conference</u>: A hosted conference involves 10 or more sleeping rooms and/or 25 participants incurring travel costs, is arranged by an agency, held in either a government or commercial facility, and may include both federal employees and non-federal employees as attendees. The agency provides or arranges for all logistical resources required to hold the conference/event. Normal routine meetings such as work-planning meetings, site visits, and retreats where the gathering discusses general matters as part of a normal course of doing business are not considered a conference.

2. <u>Sponsored Conference</u>: A sponsored conference is an industry conference that typically takes place in a hotel or conference center and involves payment of a per-attendee registration/conference fee. Any number of attendees may be involved for this type of conference.

3. 5 CFR 410.404 determines if a conference is a training activity. Agencies may sponsor an employee's attendance at a conference as a developmental assignment under section 4110 of title 5, United States Code, when:

   (a) The announced purpose of the conference is educational or instructional;
   (b) More than half of the time is scheduled for a planned, organized exchange of information between presenters and audience which meets the definition of training in section 4101 of Title 5, United States Code;
   (c) The content of the conference is germane to improving individual and/or organizational performance, and
   (d) Development benefits will be derived through the employee's attendance.

Discussion

It was critical to call out the difference between a hosted conference and a sponsored conference and clearly define parameters of a hosted conference by the number of rooms engaged (per industry standards).

An important consideration is to limit the conference reporting requirement to <u>hosted conferences</u> only of $100,000 and above as compared to the proposed $10,000 and above for all conferences.

Findings

Multiple federal and industry sources were used to create new definitions, including existing conference definitions from the Department of Health and Human Services, Department of Treasury, Department of Justice, the Canadian Government and the United Nations World Tourism Organization, thus resulting in the GTAC's endorsed version above.

Recommendation 3a.
Examine Per Diem Meal Methodology

Recommend that GSA examine three restaurant category combination changes to determine the most effective meal per diem methodology:

1) Add fast-casual restaurant category which provides more weighting to actual dining patterns for travelers.
2) Remove AAA-rated three-diamond restaurants which removes more expensive restaurants.
3) Add fast/casual category and remove AAA-rated three-diamond restaurants (combines the two options above).

Discussion

Government employees on official travel are provided a daily flat rate per diem for meals. For special circumstances, like special events, where per diem will not adequately cover meal costs, the approving official can authorize an actual expense allowance (AEA). To determine meal rates, GSA conducts a survey of actual meal costs from restaurants across the country.

The methodology of the meal rate includes averaging three meals- breakfast, lunch, and dinner. Each of the three meals is an average of different types of entrees, plus local taxes and a gratuity of 15 percent. The types of restaurants sampled come from three categories:

- Primary – Two and three-star/diamond full-service restaurants found within the AAA and Forbes Travel Guides
- Secondary – Chain-type restaurants
- Tertiary – Local family dining restaurants

The result is then averaged down to the following six tiers.

- $46 – CONUS and lowest (non-standard area) NSA (33)*
- $51 – (90)
- $56 – (103)

- $61 – (67)
- $66 – (29)
- $71 – (43)

(Note: *The numbers in parentheses represent the current number of non-standard locations that have that rate. The standard CONUS rate is the same as the lowest tier, and a total for standard locations is not included here. Averages are rounded down to the lower tier for cost savings. Totals include the current $5 incidental expense):

For example, the computation for Big Spring, TX places this area in the first tier.

- +8.25% tax
- +15% gratuity = $42.42
- +$5 for incidentals = $47.42
- Tier placement; <$51 ($46 tier)

Findings

Because travelers receive a per diem, and the federal government does not have a managed meal program, travelers make the decision where to eat based on personal preference and other considerations, like proximity to the temporary duty location. The National Restaurant Association classifies restaurants into the following five groupings: family dining, casual dining, fine dining, quick service, and fast casual. The meal rate should logically consider the traveler's actual choices while traveling as well as a recognized standard of price and quality.

It should be noted that all per diem reimbursements to employees must be paid as part of an accountable plan, and are not taxable to the employee. One of the requirements of an accountable plan is that excess reimbursements must be returned to the employer. The above recommendations will produce a methodology that better supports accurate reimbursement as well as the criteria for well-detailed plan.

Recommendation 3b.
Increase Frequency of Rate Adjustments for Meal and Incidental Expenses

Recommend that the frequency for rate adjustments pertaining to per diem meals and incidental expenses (M&IE) be established as "not to exceed every three years as opposed to every five years."

Discussion

GSA sets per diem rates to fairly reimburse federal employees for their expenses while traveling in accordance with Title 5 U.S.C. 5702.

The Federal Travel Regulation, §300-3.1, defines the meal and incidental allowance as:
(b) *Meals.* Expenses for breakfast, lunch, dinner and related tips and taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons).
(c) *Incidental Expenses.* Fees and tips given to porters, baggage carriers, hotel staff, and staff on ships.

GSA currently conducts a study and reviews rates every five years. The last review was conducted in fiscal year 2009 as a nationwide survey of 9,348 restaurants in 502 locations. These rates went into effect in fiscal year 2010 and are still in effect today with only a few adjustments, due to new locations becoming non-standard areas, or special review requests from federal agencies.

Findings

Due to fluctuations in the marketplace and economy, M&IE rates should be reviewed more frequently to reflect current market conditions and be effectively indexed. For example, inflationary, or deflationary pressures may result in commodity prices either increasing or decreasing. Also, rates should reflect the locality changes so that travelers experience availability of meals within per diem rates at the temporary duty location.

More frequent adjustments, or indexing, will ensure that the intent of the law, which is to fairly reimburse federal travelers, is more accurately reflected in the per diem rates.

Recommendation 3c.
Include Additional Items in the Definition of Incidental Expenses

Recommend that the definition for incidental expenses when performing official travel be expanded to include the following expense categories:

- ATM fees
- Laundry/dry cleaning (OCONUS rate already includes these items)

Note: Communication services, like cell and other phone calls, should be considered mission-related expenses that are paid separately and are not reimbursed on an individual travel claim, thus not recommended to be included in the incidental expenses definition.

Discussion

Government employees on official travel are provided a daily flat rate for meals

and incidental expenses (M&IE). An employee on temporary duty (TDY) travel for more than twelve hours is eligible for per diem. The incidental expenses portion of the M&IE rate is currently set at $5 per day for travel within CONUS. The OCONUS IE rate is based on the locality per diem rate. Some agencies reduce the rate to $3.50 if deemed sufficient by the approving official. On the first and last day of travel, only 75% of the M&IE rate is paid. Expenses included in the IE have been reduced over the years to now only include: *"(c) Incidental expenses. Fees and tips given to porters, baggage carriers, hotel staff, and staff on ships."* As recent as 1998, laundry/dry cleaning was included as well as other expenses, such as mailings for charge card payments, transportation between places of lodging/business, and places where meals are taken.

Findings

Some recurring travel expenses are reimbursed as a miscellaneous travel and transportation expense on official travel, while some are considered as part of the IE portion of per diem. This proposal will expand the IE categories integrated into the per diem rate to include various miscellaneous reimbursable expenses such as laundry/dry cleaning and ATM fees. Baggage tips (e.g., airport baggage handlers, hotel porters) are already included. Other miscellaneous reimbursable expenses can be considered mission-related expenses and may be paid outside the travel system (e.g., phone charges). Integrating the above expenses into the IE will save the Department of Defense alone an estimated $15.6M annually. Spend data for all federal agencies is not readily available.

By bundling more expenses into a flat fee, the GTAC predicts the government will save money and reduce administrative processing costs associated with itemizing and paying line-item expenses. Additionally, the government will increase its ability to project travel costs, improve cost control, simplify rules for the traveler, and assist in achieving clean audits by making more expenses less subjective. Furthermore, the incidental portion of per diem provides standardization between uniformed and civilian employees. Just as important, this initiative does not harm nor enrich the traveler.

Recommendation 4. POV and Rental Cars

Recommend that GSA provide more specific guidance on when to use Privately Owned Vehicles (POV) or rental cars that will save agencies money when authorizing employees to travel.

Discussion

The Federal Travel Regulation (FTR) already has provisions on determining when the use of POV or rental vehicles could be advantageous to the Government. The

FTR also advises when using a rental vehicle, travelers should consider renting a vehicle from a vendor that participates in the Defense Travel Management Office (DTMO) under the U.S. Government Car Rental Agreement to avail themselves of the agreement's benefits. It has been determined that more specific guidance on POV and the use of rental cars will save agencies money when authorizing employees to travel.

Findings

In order to provide more specific guidance, the GTAC found the FTR could improve existing regulations by requiring agencies to put internal procedures into place for the authorization of POV. When the agency has authorized a common carrier or a rental car to be in the best interest of the government and a cost comparison has been conducted against the least expensive rental car, POV restrictions should be enforced to the GOA mileage rate, authorized by FTR $301-10.310, up to the constructive cost of travel by authorized mode of transportation.

Other ideas require agencies to restrict rental cars to the least expensive compact models, restrict travelers from using prepaid fuel option rental cars, and to deny reimbursement for surcharges from rental car company loyalty point programs.

Recommendation 5. Lodging Sustainability

In response to carbon emissions and sustainability targets set by the Administration, The Environmental Protection Agency (EPA), The Department of Energy (DOE) and The General Services Administration should consider adopting the hotel industry and AHLA endorsed, Hotel Carbon Measurement Initiative (HCMI). HCMI provides a carbon metric per room night and carbon footprint for meeting space methodology to calculate baseline and future hotel stay footprint.

Discussion

The recommended methodology is based on an initiative to unite hotel industry efforts to calculate and communicate carbon emissions from guest rooms and meeting spaces in a uniform way.

HCMI was developed by the hotel industry for the hotel industry. Its facilitators are International Tourism Partnership, World Tourism & Travel Council, and KPMG Consulting Firm.

HCMI provides a reputable voluntary methodology with transparency in reporting. It uses the metrics requested through the Global Business Travel Association's Request for Proposal (RFP), which is used by over 4,000 companies. Over 17,000 hotels worldwide and 23 hotel global chains are using HCMI already with more hotels being added every day. It is free for both hoteliers and customers.

Findings

EPA and DOE are expected to review the merits of this program in response to carbon emissions and sustainability targets set by the Administration.

Recommendation 6. Promote Extended Stay Lodging Options

Recommend GSA adopt internal message activation in the Electronic Travel System (ETS) requiring federal travelers on extended stay of 30 days or more to review corporate lodging (Schedule 48, 653-9) contracts and extended-stay specific hotel options.

Recommend GSA adopt internal message activation in the Electronic Travel System (ETS) requiring federal travelers on extended stay of 30 days or more to review corporate lodging (Schedule 48, 653-9) and extended-stay contracts. These contracts are available through the GSA Schedule and FedRooms, and are in support of efficient travel spend. Federal agencies should examine a policy of reimbursement for less than full per diem, based on potential savings resulting from reduced hotel rates for stays of more than 30 nights.

Discussion

The current ETS aggregates FedRooms lodging contracted rates and other rates offered through the Global Distribution System (GDS). The GDS in its current design does not display long-term corporate lodging options. The corporate lodging options as recognized by GSA Schedule 48, 653-9, could allow for additional travel savings on lodging, meals and incidentals.

The ETS can display a message offering additional options available to assist in driving down travel costs. The messaging would also support and rally government agencies that perhaps currently step out of the ETS to find other viable long-term options conducive to extended-stay travel that address quality of life issues and still offer savings.

Findings

In order to provide all cost-saving options available to the government, there is a need for additional training and awareness. This will ensure the government is promoting efficient travel spending in support of Executive Order 13589, "Promoting Efficient Spending," to aggressively cut waste and promote efficient and effective spending in administrative areas that are necessary to conducting official business. The systems currently do not support displaying all cost-saving options available to the federal traveler.   Additionally, agencies should conduct

analysis to better identify potential savings and the best supporting policy to institutionalize these savings.

Recommendation 7. Travel Risk Management (Duty of Care) Program

GSA should assess current travel risk management (duty of care) programs within the federal government and apply a minimum standard for all agencies follow.

Discussion

Due to major global events (e.g., terrorist attacks, natural disasters and catastrophic events), awareness of travel risk management, or duty of care, has been growing steadily. Many organizations have developed formal programs and processes to address duty of care, but there is no current formalized program established within federal agencies. Duty of care is not defined or addressed in the Federal Travel Regulation (FTR). For CONUS travel there is no official duty of care program in place, and the State Department handles the process for OCONUS travel.

Due to the lack of program formalization, a broad and thorough assessment must be done by each federal agency on its current practices and programs. There are several resources from the travel industry and risk management companies that can assist with benchmark information, industry best practices, and provide a travel risk management assessment to determine the maturity level of current agency programs. The results of the assessment, in conjunction with current best practices, should be used to create a program that can be identified as the baseline to establish a formal duty of care program in each agency. Consideration should also be given to include functional areas in the development of the program that will be directly responsible for carrying out its policies and procedures. Federal agencies will be able to identify risks, develop plans to mitigate the risk, establish procedures and policies, and monitor program results. Effective communications, establishing educational sessions, and periodic reviews of the duty of care program will also ensure that the program is adhered to and is meeting industry standards.

The GTAC discussed the following best practices:

- Supplier Risk (e.g., sourcing, selection)
- Destination Risk
- Situation Alerts
- Traveler Tracking Communications (i.e., for stakeholders and process owners)
- Response Procedures
- Define an Emergency Operations Team and Center to carry out procedures

- Design plan for simulations and testing
- Communicate, educate, and train federal employees on a new process and policy

Findings

Findings will need to be uncovered through a recommended assessment to detail and document the current duty of care infrastructure across agencies. Those findings should be reviewed by a subject matter expert to either validate the infrastructure as sufficient or document gaps that need to be addressed.

Recommendation 8. Enterprise Level Travel Data

All federal agencies should compile and maintain enterprise-level travel data sufficient to support business decisions, respond to government-wide data calls, leverage sourcing strategies, and comply with the Government Performance and Results Act (P.L. 103-62).

Discussion

Access to quality travel data is essential to performing key travel management tasks. This access requires maintaining data from multiple sources in an integrated framework whether a system, database, or data management tool.

Unfortunately, federal travel data is spread over various databases with some sources internal to the government and others external. Some of the primary sources of travel data that should be maintained by federal agencies include the following:

- Travel voucher and/or settlement claims (e.g., ETS or DTS)
- Travel card (e.g., SmartPay2)
- Travel Management Company transactions (e.g., TMC, CTO)
- Travel data from suppliers (e.g., lodging, rental car)
- General travel data to support queries and analysis (e.g., per diem rates)

The travel data repository system should focus on data design, selection, and mining to support strategic and operational objectives, such as:

- Strategic Sourcing (e.g., lodging)
- Compliance (e.g., online adoption rates)
- Audit ability (e.g., improper payments)
- Performance management (e.g., key performance indicators)
- Travel contract management (e.g., rental car charges)
- Reporting (e.g., premium class travel, conference travel)

Findings

Federal agencies are currently maintaining very limited data in a readily accessible tool. Requests for data in support of GTAC analysis requests could not be supported (i.e., lodging settlements for less than per diem).

Recommendation 9. Designation of Agency Senior Travel Official

Federal agencies and/or agency components in conjunction with their Office of Inspector General designate a senior travel official to set policies and controls to ensure efficient travel and conference spending. Federal agencies are encouraged to train all travel approving officials.

Discussion

Agencies carrying out their various missions must do so in a fiscally responsible manner to protect the interests of taxpayers. The President issued Executive Order (EO) 13589, "Promoting Efficient Spending," on November 9, 2011 to aggressively cut waste and promote efficient and effective spending in administrative areas that are necessary to conducting official business. Specifically in Section 3(b), the EO identifies travel as one opportunity for cost savings. It states that each agency, agency component, and Office of Inspector General designate a senior-level official to set policies and controls to ensure efficient travel and conference spending.

Findings

Agencies are strongly encouraged to notify the General Services Administration's Office of Government-wide Policy with the name and contact information of the employee selected to be responsible on an agency-wide basis for carrying out the directives mentioned in Section 3 of the EO. Agencies can send an email with the information and subject line noting "Senior Travel Official" (STO) to the attention of the Director of Travel and Relocation Policy at travelpolicy@gsa.gov. For a partial list of responsibilities the STO is expected to perform and more information, please visit www.gsa.gov/travelpolicy and reference GSA Bulletin FTR 14-08.

Recommendation 10. Train Travel Approving Officials across the Board

Establish a mandate to require each agency to provide training to all Travel Approving Officials, to include designated proxies.

In general, all program travel approving officials must:

- be trained prior to appointment and receive a training completion certificate
- take refresher training every 3 years (or more often if required by your agency's training policy)

Travel Approving Officials must certify that they have received the training, understand the regulations and procedures, and know the consequences of inappropriate actions. Upon approval of mandate, all current travel approving officials must complete the required training in accordance with their agency's policy.

Discussion

Training is important in helping Travel Approving Officials understand their roles and responsibilities, as well as reducing the risk of fraud, waste, and error for travel processing in ETS2.

Findings

By implementing a standard required minimum training level for all Travel Approving Officials government-wide reduces risk to the agency and ensures that each approving official understands their roles and responsibilities.

Recommendation 11. Apply the Standard CONUS Rate for En Route Travel

Implement a per diem rate for travel days that is equal to the standard CONUS per diem rate. This rate is to be used for additional travel days exceeding one day for all Temporary Duty (TDY) and Permanent Change of Station (PCS) travel. When TDY travel using scheduled commercial or government transportation requires an overnight stopover point and lodging is incurred, the per diem rate for the stopover point applies. However, when privately-owned vehicle (POV), special conveyance, or government auto transportation is used, and the traveler selects the lodging location, the standard CONUS rate applies for the en route stopover point.

Discussion

Travelers on TDY travel are authorized per diem at the locality rate for the TDY location or stopover point when travel time exceeds one day. When en route lodging is not required, the per diem rate is based on the TDY location. When en route lodging is required, the per diem rate is based on the stopover point. For return to the Permanent Duty Station (PDS), the per diem is based on the last TDY or authorized delay point.

Travelers on official PCS travel are authorized the standard CONUS per diem rate when traveling by POV. When government or commercial transportation is used

and allowable travel time exceeds one day, travelers are authorized the new PDS per diem rate (no authorized stopover/TDY location). When government or commercial transportation is used and travel exceeds one day the per diem rate for the arrival day or the overnight stop/TDY location is applicable.

For example, a traveler who departs from a CONUS PDS for travel to Europe and arrives the next day (where the overnight time is spent in the air) incurs no meal or incidental expenses. Regardless of the lack of expense, the traveler is paid an extra day of per diem based on a high-cost TDY or PDS location. This excess payment is even greater when travelers cross the International Date Line (IDL).

Another common excess payment situation is when travelers depart the last TDY location late in the afternoon or evening and arrive home shortly after midnight. Currently, they receive per diem for the day of departure and for an extra travel day. This is based on the last location that usually exceeds the actual costs they incurred. We propose to implement the standard CONUS rate based on the lowest per diem rate paid in the Unites States when travel takes more than one day. Furthermore, if driving is the authorized transportation mode, TDY travelers would be incentivized to act in a more prudent fashion when selecting lodging arrangements as do PCS travelers today.

Findings

Analyzed data from the Department of Defense's Electronic Travel System (DTS), where TDY travel exceeded one day and replaced the per diem allowed with the standard CONUS rate for en route travel indicates a reduction of spend by more than $8M. Currently PCS data is not available to determine cost savings but the GTAC believes they would be significant.

By implementing the standard CONUS rate for en route travel for both TDY and PCS travel, the government gains a level of simplification through consistency while still fairly reimbursing travelers for reasonable travel expenses.

Recommendation 12. Explore Restaurant Rebate Program

Establish a restaurant rebate program to leverage the approximately $2 billion dollars in annual federal expenditures on meal per diem. Any restaurant rebate program should adopt best practices of corporate dining programs.

Discussion

The federal government lacks a program for leveraging meal per diem spending through employment of either a discount or rebate-based program. Given that meal per diem is reimbursed as a fixed amount, the most effective approach to create efficiencies for meal per diem is via a rebate program. OMB Memo 12-12

directed a 30 percent reduction in travel spending and required thorough examination of every expense category for potential efficiencies. Establishing a strategically sourced dining program provides the federal government with an opportunity for significant savings.

Any federal solution should encompass the following principles:

- Include maximum number of restaurants where travelers currently eat
- Provide incentive for travelers to use the program with a campaign to raise awareness
- Design a sourcing model to maximize traveler satisfaction/choice and opportunity for rebates
- Implement a simple and seamless solution for the traveler
- Minimize administration costs
- Maximize rebates
- Support current meal per diem methodology
- Sourced in best way to leverage market share

Below are the basic steps for how a potential dining program might operate:

- Traveler finds a preferred provider restaurant app (or on-line)
- Traveler pays for meal with corporate card (no other ID required)
- Traveler's corporate card data captured
- Corporation invests rebates
- Preferred provider verifies transactions and distributes rebate

Findings

The GTAC was briefed on a rebate-based corporate program that operated seamlessly for the traveler while providing rebates for the company. This program utilized a third-party provider which contracted with major restaurant chains for rebates. By shifting market share 3 to 4 percent rebates could be achieved. Given that the federal government spends more than two billion dollars for meals each year, an effective dining rebate program could yield significant savings.

Processing rebate funds will require further analysis. Reinvesting dining rebates received as "miscellaneous receipt" to the government may require special legislative authority similar to the Government Travel Charge Card program. This would enable rebates to be credited to current appropriations. Without specific authority, any receipts may be required to be returned to the Treasury Department.

Recommendation 13. Balance Car Rental Vehicle Emissions with Carbon Offset Programs

Recommend government vehicle rental program managers at GSA and Defense Travel Management Office (DTMO) explore the practical application of a carbon offset program to mitigate the climate impact of C02 emissions from fuel used during the government's rental period.

Discussion

In addition to creating an environmentally sustainable program, a carbon offset initiative will support Executive Order 13514 on Federal Sustainability, which set measurable environmental performance goals for federal agencies. The federal government lacks a program for mitigating the climate impact of C02 emissions from fuel used during the rental of vehicles for official government travel and for the rental of vehicles used to supplement government fleets. The official government travel rental programs managed by the DTMO (The U.S. Government Rental Car & Truck Agreements) account for:

- More than eight million rental days per year (2013)
- Consumes more than 13.6 million gallons of gasoline per day (assumes 1.7 gallons of fuel per day - 50 miles driven per day at 29 mpg)
- Produces more than 122,000 mT (metric tons) of C02 emissions per year
- Offset costs vary depending on the project type and size, but typical expenditure is under $10 per mT. Based upon these projections, cost to offset 122,000 mT = $1.22M
- The cost to offset 122,000 mT is $0.15 per day or $0.75 per rental (average length of DTMO rental is about 5 days)

Actions taken under this initiative will spur clean energy investments that create new private sector jobs and foster innovation and entrepreneurship in clean energy industries. The GTAC was briefed on successful corporate carbon offset programs which operated sufficiently for the traveler.

Findings

The GTAC recommends government program managers work alongside industry experts and explore the ability to incorporate carbon offset initiatives into their existing rental vehicle programs.

IX. FEDERAL TRAVEL REGULATION

The Federal Travel Regulation (FTR) details the travel and relocation policies for all Title 5 Executive Agency employees. The Federal Travel Regulation is contained in 41 Code of Federal Regulations (CFR), Chapters 300 through 304, that implements statutory requirements and Executive branch policies for travel by federal civilian employees and others authorized to travel at government expense.

The Code of Federal Regulations (CFR) is available at ecfr.gpoaccess.gov. The FTR is updated as official changes are published in the Federal Register (FR). FR publications and FTR loose-leaf pages are available at www.gsa.gov/ftr.

The Administrator of General Services promulgates the FTR to: (a) interpret statutory and other policy requirements in a manner that balances the need to ensure that official travel is conducted in a responsible manner with the need to minimize administrative costs, and (b) communicate the resulting policies in a clear manner to federal agencies and employees.

X. CONCLUSION

The GTAC provides an opportunity for travel industry leaders and other qualified individuals to offer their expert advice and recommendations to GSA, which has the responsibility for the development and implementation of the Federal Travel Regulation. These recommendations are offered to the Administrator of General Services for review and adoption into the Federal Travel Regulation and/or other related travel programs for which GSA has responsibility.

XI. APPENDICES & REFERENCES

The GTAC Charter, Membership Balance Plan, Committee Membership Biographies, meeting notes, public comments and responses, background material, references, and presentations conducted by travel experts during the GTAC meetings can be found on the GTAC website, www.gsa.gov/gtac.

XII. ACRONYMS

ADR	Average Daily Rate
AHLA	American Hotel & Lodging Association
AMEX	American Express
CFR	Code of Federal Regulations
CONUS	Continental United States
CTM	Corporate Travel Manager
CY	Calendar Year
DFO	Designated Federal Officer
DoD	Department of Defense
DOE	Department of Energy
DOT	Department of Transportation
DTMO	Defense Travel Management Office
DTS	Defense Travel System
EPA	Environmental Protection Agency
ETS	Electronic Travel System
FACA	Federal Advisory Committee Act
FAR	Federal Acquisition Regulation
FTR	Federal Travel Regulation
FY	Fiscal Year
GBTA	Global Business Travel Association
GDS	Global Distribution System
GSA	General Services Administration
GTAC	Government-wide Travel Advisory Committee
HCMI	Hotel Carbon Measurement Initiative
IE	Incidental Expenses
M&IE	Meals & Incidental Expenses
mT	Metric Tons
OCONUS	Outside Continental United States
OGP	Office of Government-wide Policy
OMB	Office of Management & Budget
PCS	Permanent Change of Station
POV	Privately-owned vehicle
SGTP	Society of Government Travel Professionals
STR	Smith Travel Research
TREAS	Department of the Treasury
TDY	Temporary Duty