

THE ROAD LESS TRAVELED: REDUCING FEDERAL TRAVEL & CONFERENCE SPENDING

HEARING

BEFORE THE
SUBCOMMITTEE ON FEDERAL WORKFORCE,
U.S. POSTAL SERVICE AND THE CENSUS
OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES
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THE ROAD LESS TRAVELED: REDUCING FEDERAL TRAVEL & CONFERENCE SPENDING

Wednesday, February 27, 2013,

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FEDERAL WORKFORCE, U.S. POSTAL
SERVICE AND THE CENSUS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittee met, pursuant to notice, at 12:33 p.m. in room 2247, Rayburn House Office Building, the Honorable Blake Farenthold [chairman of the subcommittee], presiding.

Present: Representatives Farenthold, Walberg, Lynch and Clay.

Staff Present: Ali Ahmad, Majority Communications Advisor; Alexia Ardolina, Majority Assistant Clerk; Molly Boyd, Majority Parliamentarian; Adam P. Fromm, Majority Director of Member Services and Committee Operations; Linda Good, Majority Chief Clerk; Jeffrey Post, Majority Professional Staff Member; James Robertson, Majority Professional Staff Member; Scott Schmidt, Deputy Director of Digital Strategy; Peter Warren, Majority Legislative Policy Director; Lena Chang, Minority Counsel; Jennifer Hoffman, Minority Press Secretary; Adam Koshkin, Minority Research Assistant; and Mark Stephenson, Minority Director of Legislation.

Mr. FARENTHOLD. The Subcommittee on the Federal Workforce, U.S. Postal Service and Census is hereby called to order. We are ready to get our hearing underway.

I would like to begin by reciting the mission statement of the Government Oversight and Reform Committee.

We exist to secure two fundamental principles. First, Americans have the right to know that the money Washington takes from them is well spent. Second, Americans deserve an efficient and effective government that works for them.

Our duty on the Government Oversight and Reform Committee is to protect these rights. Our solemn responsibility is to hold the government accountable to taxpayers because taxpayers have a right to know what they get from their government. We will work tirelessly in partnership with citizen watchdogs to deliver the facts to the American people and bring genuine reform to the federal bureaucracy.

This is the mission of the Government Oversight and Reform Committee.

I will now recognize myself for five minutes for an opening statement.

Nine months ago, the whole Committee on Government Oversight and Reform held a hearing on the now infamous GSA Las Vegas conference that cost the taxpayers more than \$750,000 spent by the agency that is charged with keeping federal costs low.

Shortly following that boondoggle and justifiable public outcry accompanying it, the OMB issued a memo in May 2012 outlining new policies and procedures for federal travel and conferences. The OMB guidance instructs the heads of federal departments and agencies for the fiscal year 2013 to spend at least 30 percent less on travel expenses than they did in fiscal year 2010. This is similar to a recommendation of the President's Simpson Bowles Commission. If that goal is met, the Federal Government will have spent around \$4.6 billion in non-military federal employee travel this year.

In addition, the OMB memo offers new rules for conferences such as requiring senior level review for planned events, senior level approval and public reporting for those in excess of \$100,000 and a general prohibition on those costing more than \$500,000 unless a head of an agency provides a waiver.

For fiscal year 2012 alone, there were 750 conferences that cost in excess of \$100,000. The total cost to the taxpayers of these events was more than a quarter of a billion dollars. With the looming \$85 billion across the board sequester spending cuts and the Administration's unwillingness to offer specific cost saving measures, today's hearing offers us an opportunity to hear how OMB's directive, if fully and responsibly implemented, can potentially help save the taxpayers billions of dollars by reducing travel in conference costs that may not be necessary for federal employees to discharge the duties of their office.

We are hoping to determine today if these new policies will curb wasteful and expenditures and what new statutory changes may be required to reduce travel spending and appropriately shed greater transparency upon travel and conference spending. We want to ensure that a GSA, Las Vegas-type conference does not happen again.

In the last Congress, this committee approved legislation that eventually passed unanimously in the House of Representatives that would largely implement the guidelines of the OMB memo and create greater transparency in travel and conference spending. Our former colleague, Jo Ann Emerson, reintroduced this legislation, H.R. 313, the Government Spending and Accountability Act, earlier this year.

This is not an indictment of conferences or travel. The district I represent, Corpus Christi, Texas, is a tourist destination and home to many conferences. What this is is an investigation into how the public money is spent. It is different from how the private sector's money is spent; it is different from how your personal money is spent.

It always has to be kept in mind why those traveling on the taxpayers dollars need to be frugal, to treat that money better than they would treat their own money.

Mr. FARENTHOLD. I look forward now to hearing from the witnesses. I will yield now to the Ranking Member, Mr. Lynch.

I am a Texan. Anybody north of Texas and Louisiana is potentially a Yankee.

Mr. LYNCH. There you go. As a Red Sox fan, I have to go easy though.

Thank you, Mr. Chairman.

At the outset, let me congratulate you on your appointment as Chairman of our subcommittee from addressing comprehensive reform of the United States Postal Service and challenges facing our dedicated federal workforce to examining important Census Bureau issues. Our subcommittee has a lot of work on its plate and I look forward to working with you on all those issues in this new Congress.

I appreciate the Chairman calling this hearing to monitor the Federal Government's progress in reducing travel and conference spending, strengthening internal controls and enhancing cost transparency. It is important for the Congress and the American taxpayer to be assured that the government spends money only for what is absolutely necessary regarding travel and conferences.

We all remember as the Chairman has noted, the excessive, improper spending by the General Services Administration on a 2010 Las Vegas conference and by the Veterans Affairs Department on two conferences held in Orlando, Florida. These conferences were regrettably examples of wasteful spending which justified heightened scrutiny by Congress and the Administration.

In particular, the committee held a hearing last April looking into the GSA conference and the Administration issued a subsequent directive to all Executive Branch agencies mandating that 30 percent of travel and conference spending be reduced, imposing conference cost restructuring and restrictions and public posting and reporting requirements.

We all regret the misspending that went forward there. We agree that the government must be a good steward of American taxpayer's money and that it is important to shine on government travel and conference spending.

As part of our oversight responsibilities, this hearing will help us examine agency progress in implementing the Administration's directive. It is critical for us to know how much the Federal Government, as a whole, is spending on travel and conferences. We need to ensure that only necessary conferences are held and only those who need to attend participate and that there are no improper expenses.

In this regard, I look forward to Representative Holt's testimony about the impact on the scientific community. In addition, Mr. Chairman, I received two letters yesterday expressing views about federal travel and conference policies, one from the American Association for the Advancement of Science and several other scientific organizations and another from the American Institute of Certified Public Accountants. I ask unanimous consent that the letters be included in the hearing record.

Mr. FARENTHOLD. Without objection.

Mr. LYNCH. Lastly, I would note that we only have two legislative days before sequestration takes effect and 14 legislative days before a possible government shutdown takes effect. Accordingly, I would urge this committee to dedicate its oversight efforts to examining the opportunities to prevent that and also the potential im-

pect of these budgetary events so that we can best address the corresponding needs of our agencies and federal employees.

Mr. Chairman, again, congratulations on your appointment. Thank you and I yield back.

Mr. FARENTHOLD. Thank you. I look forward to working with you throughout this congressional term. We have our work cut out for us and I hope we can get all of it done.

We have the distinct privilege of having a distinguished colleague here to testify before us. As is the tradition and protocol associated with this committee, we will allow Representative Holt, who represents the 12th Congressional District of New Jersey to testify first. Then I will introduce and swear in the rest of the panel.

Representative Holt, you are recognized.

WITNESS STATEMENTS

STATEMENT OF HON. RUSH HOLT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. HOLT. Thank you, Chairman Farenthold, Mr. Lynch and Mr. Clay. I thank you for the opportunity.

As a professional scientist and now a member of Congress, I testify today with firsthand knowledge of how scientific innovation, especially what has developed from the sharing of ideas at conferences, contributes to every American's quality of life.

As we work to ensure oversight on travel expenditures, we should work to preserve the many benefits of appropriate travel. Many scientists, for example, receive federal grants from the National Science Foundation, the Department of Energy, the National Institutes of Health, and others. These scientists rely on federal funding to travel to conferences in order to share thoughts, to collaborate, to learn from their peers to advance knowledge and to create innovation.

Both H.R. 313 and the OMB Guidance, I think regrettably, put forward prohibitions and impediments that hinder scientific collaboration and communication. I know firsthand how important scientific conferences and meetings are. The informal conversations as well as the formal presentations that go into a conference lead to real collaboration. These are not fancy junkets.

What is so special about science? Why does it work? It works because one of its fundamental tenets is communication. To be sure, there are many ways to communicate but scientific conferences are critically important. A recent essay by the Presidents of the American Chemical Society and the American Physical Society discuss, for example, an anti-cancer drug that was the result of collaboration between a team of scientists at three laboratories that took place at conferences. I think the obstacles this bill creates would hinder that kind of collaboration.

The American Chemical Society, at its biennial meetings, attracts typically 13,000 chemists and chemical engineers, about 800 of them on federal contract. Under the new rules and the pending legislation, as I understand it, 50 percent roughly of those federal scientists would be cut off from participation with the chemistry community in these meetings. The Division of Plasma Physics and the American Physical Society that I know well meets each year

with hundreds of engineers and scientists from around the Country, many hundreds of them on DOE contracts.

The fact remains that many insights are possible only because of close personal interactions among scientists who see each other regularly. Those who do not work at the same university or laboratory must rely on interacting at the conferences. Proximity matters in science as in other fields.

Just to drive this point home, let me ask if you would propose that the Legislative Branch, you and I, remain in 435 separate locations, never to see each other, communicating by email and phoning in our votes. It could save hundreds of expensive trips each week to do that. Do you think, as I do, that the Country would be worse off?

I am hopeful that this oversight hearing and Administrative Guidance would be modified to allow for scientific progress instead of obstructing the sharing of ideas and information. A weakening of collaboration is not a wise course. It is not the way to build our economy; it is not the way to create jobs and the innovation that leads to those jobs.

We should be investing more in research and development generally at the federal level, as well as in the private sector. That also means investing in scientists and investing in scientist's ability to pursue the scientific procedure which includes face-to-face communication as well as electronic and print communication.

I would argue we should be spending more on conferences like those which promote. I realize this is heresy in the day before the sequestration takes place but I would argue we should be spending more on conferences like those. We should be investing more in research and research scientists in microbiology, in physics and chemistry, in a myriad of other scientific areas.

These are not instances of wasteful spending. Not every collaboration leads to successful science, but many do. You do not need too many successful examples of cancer drugs, energy sources, transportation improvements or public health advances to understand this is an important investment.

I thank the committee.

[Prepared statement of Mr. Holt follows:]

Testimony of Representative Rush Holt (NJ-12)
Before the United States House of Representatives
Committee on Oversight and Government Reform
Subcommittee on Federal Workforce, U.S. Postal Service and the Census
February 27, 2013

Mr. Chairman, Ranking Member Lynch, and Members of the Subcommittee:

Thank you for the opportunity to speak on the importance of federal travel and conference spending. Proposed legislation and administrative rule making would make significant changes to Federal employees' ability to travel to conferences and meetings. As a professional scientist and now a Member of Congress, I testify today with firsthand knowledge of how scientific innovation – especially that which is developed from the sharing of ideas at conferences – contributes to every American's quality of life.

As we work to ensure oversight on travel expenditures, we also should work to preserve the many benefits of appropriate travel, which can promote collaboration and innovation. Many scientists, for example, receive federal grants from the National Science Foundation (NSF), Department of Energy (DOE), National Institutes of Health (NIH), and others. These scientists rely on federal funding to travel to conferences in order to share thoughts, collaborate, and learn from their peers in order to advance understandings and create innovations.

Both the Government Spending Accountability Act (H.R. 313) and the Office of Management and Budget (OMB) May 2012 guidance, regrettably, initiate prohibitions and impediments that would hinder American scientists' ability to collaborate and communicate with scientists at other institutions and laboratories.

As a scientist, I know firsthand how important scientific conferences and meetings are. The informal conversations, as well as the formal presentations and poster sessions that go into a

conference among scientists from different institutions, lead to new collaborations that have the promise of new discoveries. These are not fancy junkets.

What's so special about science? Why does it work? Well, it works because one of its fundamental tenets is communication.

To be sure, there are various ways to have communication, but scientific conferences are critically important. In a recent op-ed by the presidents of the American Chemical Society and the president of the American Physical Society, they discuss, for example, an anticancer drug that was the result of collaboration between a team of scientists from three laboratories that took place at conferences.

The obstacles this bill creates would hinder that kind of collaboration. For the American Chemical Society (ACS) alone, the Society's biannual meetings "each attract on average 13,000 chemists and chemical engineers...and draw about 800 federal scientists. Under the new rules and the pending legislation, 50 percent of those federal scientists could be cut off from the global chemistry community that participates in ACS meetings."¹ The Division of Plasma Physics of the American Physical Society (APS) meets each year with hundreds of engineers and scientists from around the country on Department of Energy contract as well as hundreds who are not on DOE contracts. I know firsthand the meetings are invaluable in developing future energy sources. Countless other societies, laboratories, and universities would be impacted by the effects of these proposed changes.

Many of the insights that have driven our understanding of science forward in recent years have been possible only through the collaboration of dozens, hundreds, or even thousands of scientists scattered across the globe.

But the fact remains that many insights are possible only because of close, personal interactions among scientists who see each other regularly: those who do not work at the same university or laboratory must rely on interacting with each other at conferences. Proximity matters, in science as in every other field. Would you propose that the legislative branch – you

¹Shakhashiri, Bassam Z. and Byer, Robert <http://thehill.com/blogs/congress-blog/economy-a-budget/248553-federaltravel-restrictions-will-hamper-innovation-stunt-economic-growth#ixzz2LYwxYBJH> September 10, 2012

and I – remain in 435 separate locations never to see each other, communicating and voting by email? It could save hundreds of expensive trips each week to do that, but don't you think the country would be worse for it?

I am hopeful that this oversight legislation and administrative guidance would be modified to allow further scientific progress, instead of obstructing the sharing of ideas and information by eliminating travel and conference funding.

Weakening collaboration is not wise. This is not the way to build our economy. We should be investing more in research and development, which means, of course, investing in scientists, but also investing in their ability to pursue science.

We should be spending more on the conferences like those which promote innovation in microbiology, physics, chemistry, and a myriad of other scientific subject areas. These instances are not wasteful spending, but instead are examples of federal investments in innovation and economic development.

Mr. FARENTHOLD. Thank you very much, Representative Holt. You are welcome to stick around. I know our schedule is busy today. If you wish to take off and attend to other matters, you are welcome to do that as well. We appreciate your testimony and your input.

Mr. HOLT. Thank you, Mr. Chairman.

Mr. FARENTHOLD. As we got into this, I failed to mention earlier on that members will have seven days to submit opening statements for the record.

Mr. HOLT. Mr. Chairman, I do have prepared testimony that I would like to have included in full.

Mr. FARENTHOLD. Absolutely. Without objection, so ordered.

At this point, we will introduce our other two witnesses. The Honorable Danny Werfel is the Comptroller of the U.S. Office of Management and Budget. Ms. Cynthia Metzler is the Chief Administrative Services Officer of the U.S. General Services Administration.

Pursuant to committee rules, all witnesses will be sworn before they testify. Please stand and raise your right hand.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

[Witnesses respond in the affirmative.]

Mr. FARENTHOLD. Thank you. You may be seated.

Let the record reflect that both witnesses answered in the affirmative.

In order to allow time for discussion and questions, we would ask that you limit your testimony to five minutes.

You have testified before Congress before. We have these fancy devices in front of you that count down the time and much like a traffic signal, green means go, yellow means speed up and red means stop.

We will start with Mr. Werfel.

STATEMENT OF DANNY WERFEL

Mr. WERFEL. Thank you, Chairman Farenthold, Ranking Member Lynch and members of the subcommittee, for the invitation to discuss our work to reduce federal travel and conference spending, as well as our efforts to increase public transparency on travel and conference activity.

As you know, this Administration has taken a number of aggressive steps to cut waste and modernize government over the past four years, working to create a government that is more efficient, effective and accountable to the American people.

A key area of focus in this area has been working to reduce spending on travel and conferences by focusing on making smarter decisions, eliminating unnecessary trips and conferences, and implementing innovative solutions that reduce costs, save time and achieve better results overall.

More recently, in May of this past year, OMB released a memorandum entitled Promoting Efficient Spending to Support Agency Operations. This memorandum directed agencies to reduce travel spending in fiscal year 2013 by at least 30 percent from fiscal year

2010 spending levels and to maintain these reduced spending levels through fiscal year 2016.

The memorandum also directed agencies to institute a series of internal controls that require senior level approval of certain conference planning related decisions. Agencies now must seek senior management approval all the way to the Deputy Secretary or Secretary for conference spending over a specific threshold.

Finally, Federal agencies, for the first time, are required to begin public reporting of their annual spending on conferences in excess of \$100,000, allowing the public full visibility into how federal dollars are spent on conferences. Agencies published the first of these public reports on January 31, 2013.

Our efforts are already delivering significant results. In fact, agencies expect to lower spending by more than \$3 billion between fiscal year 2010 and fiscal year 2013 with nearly \$2 billion achieved so far. The reductions have not only been the result of reducing overall travel, but by also ensuring that required travel is completed in a cost effective manner.

For example, the U.S. Department of Agriculture has reduced travel costs by \$125 million in fiscal year 2012 by traveling less and traveling smarter and is on tract to reduce total travel expenditures by an additional \$90 million in fiscal year 2013 when compared to 2010 levels.

The Department of Interior has reduced travel spending by \$30 million through higher utilization of low cost alternatives to traditional travel such as webinars, teleconferencing and by conducting training in-house or in locations closer to employee home offices. These are just a few examples demonstrating agencies work to reduce travel expenditures during this time of tight budgets. These innovative practices expand beyond travel.

Agencies are also applying similar cost effective practices in the planning and execution of conferences. This includes increasing the use of low cost government-owned meeting and conference space, it also means thinking creatively about how to save money wherever possible such as ending conferences a few hours earlier to avoid extra costs associated with an additional night of lodging.

Agencies are also working diligently to establish new internal control procedures to ensure that this increased level of oversight and accountability continue as part of agency overall operations.

As we continue to build on the progress made to date in reducing travel and conference costs, we are also aware of the important role travel and conferences can play in carrying out an agency's mission. It is important to remember that the definition of conferences can involve much more than federal employee traveling away from their official duty stations to receive training or network with distant colleagues.

For example, an off-site training event where FBI agents learn how to prepare for a potential terrorist attack is considered a conference under federal regulations. I think we can all agree that such an activity is neither wasteful nor unnecessary. Therefore, while we must continue to be vigilant about reducing unnecessary travel or conference spending, we also must be vigilant in protecting our activities that are necessary and vital to our shared priorities as a nation.

While we believe it is important to highlight agencies early efforts in reducing travel and conference spending, our work in this area is just beginning. OMB will continue to work with agencies to find ways to cut costs, eliminate waste and make our spending in all areas more efficient, transparent and accountable.

We also believe that cost cutting activities agencies have enacted to date should become part of standard government operations going forward. We are working diligently to ensure that these new standards remain in place for years to come.

We look forward to continuing to work with Congress, the Inspector General community, other oversight institutions and the American public to ensure agencies remain dedicated to rooting out waste and driving efficient spending in all government operations now and into the future.

Thank you again for inviting me to testify and I look forward to answering your questions.

[Prepared statement of Mr. Werfel follows:]

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**
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**Testimony of Daniel I. Werfel
Controller, Office of Management and Budget
before the
Subcommittee on Federal Workforce, U.S. Postal Service, and the Census
House Committee on Oversight and Government Reform**

February 27, 2013

Thank you, Chairman Farenthold, Ranking Member Lynch, and members of the Subcommittee, for the invitation to discuss our work to reduce Federal travel and conference spending as well as our effort to increase public transparency on travel and conference activity.

As you know, this Administration has taken a number of aggressive steps to cut waste and modernize government over the past four years, working to create a government that is more efficient, effective, and accountable to the American people. For example, we recently made significant progress decreasing the government-wide improper payment rate, allowing us to avoid more than \$47 billion in payment errors. Further, Federal agencies are on course to meet the Administration's goal of achieving \$3 billion in real estate savings and we are committed to closing or consolidating over 1,200 data centers by Fiscal Year (FY) 2015. The Administration's efforts have also resulted in the elimination of duplicative programs, changes and savings in government contracting, and significant cuts to administrative overhead costs. Our efforts are by no means complete, and there is more work to be done. Nevertheless, the progress to date represents a significant down payment on the President's goals of cutting waste and creating a government for the 21st century.

One key component of this ongoing effort to eliminate waste has been reducing spending on travel and conferences by making smarter decisions, eliminating unnecessary trips and conferences, and implementing innovative solutions that reduce costs, save time, and achieve better results. This has been a key area of focus for the Administration, and we have taken a number of discrete steps to reduce travel and conference spending, including:

- Outlining a series of performance-improvement strategies for agencies, including driving top priorities, cutting waste, reforming contracting, closing the IT gap, promoting accountability and innovation through open government, and attracting and motivating top talent.¹
- Requiring agency CFOs to be responsible for each agency's share of the \$2.1 billion in administrative cost savings identified in the FY 2012 Budget.²

¹ Memorandum for the Senior Executive Service, "The Accountable Government Initiative—an Update on Our Performance Management Agenda" (Sept. 2010).

² Executive Order 13576, "Delivering an Efficient, Effective, and Accountable Government" (June 2011).

- Requiring all agencies to conduct a thorough review of their conference-related activities and expenditures.³
- Reducing funding by not less than 20 percent below 2010 spending levels by the end of 2013 in categories such as travel, IT devices, printing, executive fleet, and promotional items such as plaques and clothing.⁴
- Expanding on agencies' efforts to achieve administrative cost savings by requiring a 30 percent reduction in travel spending as compared to 2010 levels, and imposing additional limitations and policies related to conferences to ensure greater transparency and accountability.⁵

Travel and Conference Reductions

As noted above, Office of Management and Budget (OMB), release a Memorandum on May 2012, entitled "Promoting Efficient Spending to Support Agency Operations," which directed agencies to reduce travel spending in FY 2013 by at least 30 percent from FY 2010 spending levels and to maintain these reduced spending levels through FY 2016. Furthermore, OMB directed agencies to institute a series of internal controls that require senior level approval of certain conference planning related decisions. Agencies now must seek senior management approval, all the way up to the Deputy Secretary or Secretary, for conference spending over a specific threshold before moving ahead with a planned conference. Finally, Federal agencies, for the first time, have begun public reporting of their annual spending on conferences in excess of \$100,000, allowing the public full visibility into how Federal dollars are spent on conferences and for what purposes. Agencies published the first of these public reports on January 31, 2013.

Travel Reductions

These efforts are already delivering results, as we have seen significant reductions in travel costs. For instance, agencies have lowered their spending on travel in FY 2012 compared to FY 2010 levels by roughly \$2 billion. These reductions have been the result of reducing overall travel, and also ensuring that required travel is completed in a cost effective manner. Agencies have identified numerous strategies and best practices for ensuring that government employees travel in a manner that is free of wasteful or unnecessary spending. For example:

- The Department of Agriculture (USDA) reduced travel costs by over \$125 million in FY 2012 by traveling less and traveling smarter, and the Department is on track to reduce total travel expenditures by an additional \$90 million in FY 2013 compared to FY 2010 levels.
- The Drug Enforcement Administration (DEA) implemented mandatory policy guidance requiring employee use of lowest available fares, for air travel. Due to this policy alone, DEA achieved over \$6.5 million in savings in FY 2012.

³ OMB Memorandum-11-35, "Eliminating Excess Conference Spending and Promoting Efficiency in Government" (Sept. 2011).

⁴ Executive Order 13589, "Promoting Efficient Spending" (Nov. 2011).

⁵ OMB Memorandum-12-12, "Promoting Efficient Spending to Support Agency Operations" (May 2012).

- The Department of the Interior has made leaner and more efficient operations for travel spending a priority across the Department. For example, the U.S. Fish and Wildlife Service has increased the use of teleconferencing, videoconferencing, webinars, shared web sites, and other real-time communications to reduce the need for employees to travel to hold meetings. The Office of Surface Mining Reclamation and Enforcement has achieved savings by increasing the use of government vehicles for travel, when feasible, instead of purchasing airline tickets and by conducting training in-house or in locations closer to employee offices. This increased focus on efficiency has led to over \$30 million in reduced travel spending across the Department.

Conference Reductions

Agencies are also shifting toward more cost effective practices to ensure that necessary conferences are planned and executed efficiently and at minimal expense to the taxpayer. This includes increasing the use of low cost government-owned meeting and conference space when possible. It also means thinking creatively about how to save money wherever possible, such as ending conferences a few hours earlier to avoid extra costs associated with an additional night of lodging. And it also means thinking innovatively, as in some cases using low-cost technology to enable collaboration online instead of in-person.

These efforts have led to the elimination, reduction, or consolidation of hundreds of conferences government-wide, such as:

- The Department of Health and Human Services conducted a thorough review of the policies and controls associated with conference-related activities and expenses for over 120 agency-sponsored conferences. These efforts have resulted in an estimated \$8 million in cost reductions.
- The Department of Defense (DOD) has updated policies, reduced attendees, and combined or canceled several conferences across its various divisions. DOD is also focusing on using local conference locations and government facilities when conducting conferences. Some examples of these efforts include:
 - The Army realizing savings through increased scrutiny of conference planning. Since the beginning of FY 2013, over 90 conferences have been canceled or denied approval by senior leadership and 28 have been re-scoped to eliminate unnecessary attendance.
 - The National Guard Bureau and State of Missouri consolidated six different events into one conference, significantly reducing travel for core personnel and eliminating the potential for redundant travel.
 - The Air Force canceled the Air Force Information Technology Conference, saving approximately \$1.7 million.
- The Department of Labor has strengthened controls and implemented new policies over its conference process, resulting in over \$1.5 million in savings, and the elimination of over 100 conferences.
- The General Services Administration has developed a new Federal Meeting Facilities Tool designed to collect and display low-cost Federal meeting space available for agency use nationwide, helping to drive down costs for all agencies.

As we continue to build on the progress made to date in reducing travel and conference costs, we are also aware of the important role travel and conferences can play in carrying out an agency's mission. Conferences can involve more than Federal employees traveling away from their official duty stations to receive training, to network with distant colleagues, or to learn about new programs or priorities. For example, under the broad definition of conference included in the Federal Travel Regulations⁶ (FTR), an off-site training event where Federal Bureau of Investigation agents learn how to prepare for a potential terrorist attack would be included. So, too, would a meeting or symposium where scientific experts from the Federal government partner with their private-sector counterparts on critical research regarding life-threatening diseases. In addition, a conference can also be a team of food safety inspectors conducting a site visit or Department of Justice agents conducting investigations. I think we all can agree that such activities are neither unnecessary nor wasteful. While we must continue to be vigilant about reducing unnecessary travel or conference spending, we must also be vigilant in protecting activities that are necessary and vital to our shared priorities as a Nation.

Closing

OMB working with Federal agencies will continue to find ways to cut costs, eliminate waste, and make our spending in these and all areas more efficient, transparent, and accountable. Before we spend taxpayer money on conferences or travel, we need to be able to ensure is a justified use of taxpayer dollars. This is an effort the Administration is committed to continuing. We also believe the cost-cutting activities agencies have enacted to date should become part of standard government operations going forward, and are working diligently to ensure these new standards remain in place for years to come.

Moreover, federal travel and conference spending is only one component of the Administration's broader goal of ensuring taxpayers' money is spent prudently and effectively, regardless of purpose or function. We look forward to continuing to work with Congress, the Inspector General community, other oversight institutions, and the American public, to ensure agencies remain dedicated to rooting out waste and driving efficient spending in all Government operations now and into the future.

Thank you again for inviting me to testify. I look forward to answering your questions.

⁶ "Conference" is defined in this memorandum as it is in the FTR, as "[a] meeting, retreat, seminar, symposium or event that involves attendee travel. The term 'conference' also applies to training activities that are considered to be conferences under 5 CFR 410.404." See 41 CFR 300-3.1.

Mr. FARENTHOLD. Thank you very much, Mr. Werfel. We appreciate your testimony and we will get to questions in a moment.

Next, we have Ms. Cynthia Metzler. She is the Chief Administrative Services Officer for the GSA. Ms. Metzler, you are recognized for five minutes.

STATEMENT OF CYNTHIA METZLER

Ms. METZLER. Good afternoon, Chairman Farenthold, Ranking Member Lynch and members of the subcommittee.

My name is Cynthia Metzler and I am the Chief Administrative Services Officer at the General Services Administration.

In that capacity, I coordinate internal management and support services to promote efficiency within the agency, covering a wide variety of issues, including conferences and travel. I appreciate this opportunity to come before you today to discuss the reforms at GSA. I have submitted my full written testimony and would like at this time to highlight a few of the key reforms.

Under the leadership of our Acting Administrator, Dan Tangherlini, GSA has refocused its mission of delivering the best value in real estate acquisition and technology services to government and the American people. In April 2012, the Acting Administrator issued new guidelines on travel and conferences. All spending for travel, including training, conference and award ceremonies was suspended.

Oversight of conference and travel expenses was consolidated into my office which was directed to review each and every planned conference to make sure that these events and any related travel is justified. As part of these reforms, travel and conferences can only be approved when all other alternatives, including videoconferencing and webinars have been considered. Additionally, travel must be for work related to GSA's essential mission such as building inspections, contract negotiations and meeting with customers.

To ensure that all travel requests receive appropriate review, GSA has instituted policies that limit the use of blanket travel authorizations and require that travel is authorized in advance on a trip by trip basis. In addition, any international travel must be approved by the Deputy Administrator to make certain that the considerable expense is used only for legitimate purposes.

With regard to conferences, they can no longer be held without submission of a detailed justification, including the mission related purpose of the conference and whether any other alternatives were considered. A proposed budget, review and approval occur from multiple divisions. At a minimum, this means that any conference, no matter what its proposed cost, is reviewed both by the head of the division and by myself.

In line with Administration guidance, when the proposed cost of a conference exceeds \$100,000, the Deputy Administrator must approve the conference. If a conference is to cost more than \$500,000, the Acting Administrator must approve it and document justification for why the conference must be held.

To ensure that we scrutinize any internal meetings that require travel, the Deputy Administrator must approve. Additionally, any attendance at a conference requires multiple levels of approval, in-

cluding my office. Employees must justify their potential attendance and outline the expenses.

To increase transparency and improve recordkeeping, GSA requires employees to use the Government Travel Charge Card for payment of all travel expenses. We have also mandated the use of the ETS travel system for airline, rail and car rental, as well as Fed Rooms for lodging.

GSA now requires mandatory annual training regarding conference attendance for all employees. This training highlights the importance of considering cost effective alternatives and ensures that each and every employee understands the difference between an appropriate and inappropriate expense.

We have also provided greater transparency into our conference expenses. We have posted on our website all conferences held last year with a cost of over \$100,000. That includes the budget and justification for why the conference was held.

All told, these changes under Acting Administrator Tangherlini have dramatically reduced costs, improved oversight and ensured that travel and conference expenses are fully justified and mission related. In 2012, our travel costs were less than half of what GSAs expenditures in 2011. We have saved \$28 million through the end of fiscal year 2012 alone.

Finally, as part of our agency's mission to serve our federal partners and deliver savings, we are providing tools to allow agencies better to manage their travel and conference spending. We are working with OMB on changes to government-wide travel policies that will increase efficiency and effectiveness, reduce cost and incorporate industry best practices.

These efforts are in line with the Administration's aim to reduce cost across a wide range of administrative expenses including travel and conferences. We are firmly committed at GSA to improving the efficiency and effectiveness of the government including reducing travel costs. Our work is not done and we continue to refine our policies, work with OMB and other federal agencies and members of this committee.

I appreciate the opportunity to be here to discuss our changes and welcome any questions you may have.

[Prepared statement of Ms. Metzler follows:]

**Testimony of Cynthia Metzler
Chief Administrative Services Officer, U.S. General Services Administration
Before the
Subcommittee on the Federal Workforce, U.S. Postal Service and the Census
House Committee on Oversight and Government Reform**

February 27th, 2012

Good morning Chairman Farenthold, Ranking Member Lynch, and Members of the Subcommittee. My name is Cynthia Metzler, and I am the Chief Administrative Services Officer of the U.S. General Services Administration (GSA). In that capacity, I promote efficiency within the agency and, in part, ensure that our travel and conference policies have strong controls, effective oversight, and focus on reducing costs.

Under new leadership, GSA has refocused on its mission of delivering the best value in real estate, acquisition, and technology service to government and the American people. GSA has instituted a number of reforms internally to meet this goal. To streamline and simplify our services, make GSA more efficient, and provide greater accountability and transparency, GSA is consolidating many of our central services. The Acting Administrator has put in place new leadership in the Public Buildings Service and the Federal Acquisition Service to reinvigorate our business lines and continue our reform efforts. To lead the consolidation of GSA's financial services and to stress the importance of strong oversight of GSA's finances, we have hired a new Chief Financial Officer. Last year, to ensure taxpayer funds were being used wisely, we cut Senior Executive Service bonuses substantially and put in place a targeted hiring freeze across the agency. And by engaging GSA's staff through the "Great Ideas Hunt," we have put in place simple reforms that are anticipated to save taxpayers an estimated \$5.5 million per year.

GSA's travel policies have also been reformed to reflect this mission. GSA has put in place strict internal travel and conference policies to reduce costs, provide strong oversight, and ensure that travel only occurs when necessary. Additionally, as part of our agency's mission to serve our Federal partners and deliver savings, we are providing tools to allow agencies to better manage their travel and conference spending and we are working with OMB on changes to government-wide travel policies to increase efficiency and effectiveness, reduce costs, and incorporate industry best practices. These efforts are in line with the Administration's aim to promote cost reduction across a wide range of administrative expenses, particularly travel and conferences.

GSA's Policies –

GSA has instituted rigorous new controls and oversight to ensure that all proposed travel and conference expenses are cost-effective, serve legitimate mission needs, and have appropriate levels of review.

Travel can only be approved when all other alternatives, including video-conferencing, teleconferencing, and webinars have been considered. Additionally, travel must be for work related to GSA's essential mission, such as building inspections or conducting litigation. To ensure all travel requests received appropriate review, GSA has instituted policies that limit the use of blanket authorizations and require that travel is authorized in advance on a trip-by-trip basis. And to make sure that what is often the most costly travel is only done for legitimate purposes, any international travel request must be approved by the Deputy Administrator.

Conferences can no longer be held without submission of a detailed justification, a proposed budget, and review and approval from multiple divisions. At minimum, this means any conference, no matter the proposed cost, is reviewed both by the head of the relevant division and GSA's Chief Administrative Services Officer (CASO). In line with Administration guidance, when the proposed cost of a conference is more than \$100,000, the Deputy Administrator must approve it, and if a conference is more than \$500,000, the Acting Administrator must approve it and document the justification for why it must be held. To ensure that we carefully scrutinize any internal management meetings, the Deputy Administrator must review and approve these regardless of cost. Additionally, even attendance at a conference requires multiple layers of approval, including by our CASO. Employees must justify their potential attendance and outline their expenses.

GSA now requires mandatory annual online training regarding conference attendance for GSA employees through the Conference Attendance Training module. This training highlights the importance of considering cost-effective alternatives like teleconferencing, and ensures every employee understands the difference between appropriate and inappropriate expenses. Employees learn about the Federal Travel Regulations, ensuring better compliance. To date, more than 11,000 GSA employees have completed the training, and we have presented the training to other agencies to either incorporate into their own training courses or to use our web capability for their own agency use.

In line with the Administration's policies, we also have provided greater transparency into our conference expenses. We have posted all approved, agency-sponsored conferences held last year with a cost of over \$100,000 on a publically available website¹ that includes the budget and a justification for why the conference was held. We are contemplating ways to provide additional transparency into our travel and conference expenses.

All told, these changes under our new leadership have dramatically reduced costs, improved oversight, and made certain that travel and conference expenses are fully justified and mission-related. Through the end of Fiscal Year 2012 alone, these policies have helped to save more than \$28 million in travel and transportation costs.

Government-Wide Efforts –

¹ "2012 Annual Conference Report for OMB Memorandum M-12-12." *U.S. General Services Administration*. January 31, 2013. U.S. General Services Administration. February 2013. <http://www.gsa.gov/portal/content/161587>.

This Administration has been clear about the need to cut wasteful spending and increase efficiency. Executive Order 13589, "Promoting Efficient Spending," directed agencies to cut waste in Federal government spending and identify opportunities to promote efficient and effective spending, including a reduction in conference and travel costs. This EO was further translated into guidance with OMB Memorandum M-12-12, "Promoting Efficient Spending to Support Agency Operations," which provided policies and practices to achieve these efficiencies. Among other items, this Memorandum directed agencies to reduce their travel expenses by 30 percent off a Fiscal Year 2010 baseline, require the approval of senior officials for conferences with expenses over \$100,000, prohibit conferences with expenses of more than \$500,000 (unless the agency's head provides a waiver finding that exceptional circumstances exist whereby spending in excess of \$500,000 on a single conference is the most cost-effective option to achieve a compelling purpose), and increase transparency on these costs.

The requirements on travel and conferences have already been implemented within GSA, and are outlined in detail above. To further these efforts government-wide, GSA has also looked for ways we can assist agencies by providing tools to help them better manage their travel and conference costs.

To help agencies prioritize use of Federally-owned space, GSA has created an online tool known as "Federal Meeting Facilities,"² which identifies Federal agencies that have conference and meeting space for agencies' use. Conducting business and hosting conferences in space controlled by the Federal government is one way to reduce travel and related costs. The tool allows agencies to search and sort through a variety of different offerings, with contact information for the agency point of contact to work with to secure the space.

Additionally, GSA intends to enhance our e-Gov travel system through the award of ETS2³ to help further consolidate online travel booking services, driving additional cost-savings and efficiencies while delivering improved accountability and reducing waste. ETS2 will be leveraged to standardize conference spend reporting to meet the requirements of OMB to provide greater transparency, as well as internal control enhancements that will allow agencies to track, monitor, and control conference attendee numbers and dollars spent.

GSA is also utilizing data to allow agencies to make better decisions about where to host conferences, when they are determined to be needed. GSA's Conference Planning Tool compares potential destinations by major cost drivers, such as airfare and per diem, enabling agencies to make data-backed decisions on where meetings should be held. GSA is training administrative officers in over 20 Federal agencies on how to identify low cost destinations and venues for conferences and meetings.

² "Federal Meeting Facilities." *U.S. General Services Administration*. February 2013. U.S. General Services Administration. February 2013. <http://fedmeetingspace.cfo.gov>.

³ "Transition Support – ETS2." *U.S. General Services Administration*. November 20, 2012. .S. General Services Administration. February 2013. <http://www.gsa.gov/portal/content/104420>.

As part of this effort, GSA is also utilizing its unique leverage, in coordination with the Office of Management and Budget (OMB) and the Department of Defense (DOD), to help achieve savings through government-wide travel policies. As a first step, GSA froze the Federal per diem travel reimbursement rates, keeping FY13 reimbursement rates at FY12 levels. This will result in an anticipated \$20 million in avoided costs in FY13, helping to meet the Administration's directives to reduce government-wide travel costs.

Additionally, GSA is proposing to eliminate what is known as the conference lodging allowance. This allows travelers attending a conference to exceed the maximum lodging per diem rate by up to 25 percent when authorized by the hosting agency or by the traveler's agency if a conference is hosted by a private party. We have already taken away this provision at GSA, and are currently following the process to eliminate this provision government-wide.

Finally, GSA is interested in finding ways to further reduce the government's travel costs long-term. Last year, we announced the formation of a Government-Wide Travel Advisory Committee (GTAC). The GTAC's purpose is to review existing travel policies, processes, and procedures to determine ways agencies can achieve their mission-related travel needs at the lowest possible cost. To ensure we get input from all relevant stakeholders, the Committee's members will be chosen from the travel industry, local and state governments, travel and convention bureaus, and representatives from corporations and the Federal Government. The GTAC will provide advice and recommendations for improvements to increase travel efficiency and effectiveness, reduce costs, and incorporate industry best practices. To ensure transparency on how these recommendations are formulated, Committee business will be posted publically, in line with the rules for Federal Advisory Committees.

In sum, GSA believes that these government-wide efforts will result in significant savings for government and the American people.

Conclusion –

The Administration is focused on improving the effectiveness and efficiency of the government, including reducing travel and conference costs. GSA is committed to helping with those efforts. We have already taken swift action on GSA's internal policies, provided tools to other agencies to help them make better travel and conference spending decisions, and are working with OMB and DOD on broader reforms that would result in even greater savings long-term.

GSA is fully dedicated to its renewed mission of delivering the best value in real estate, acquisition, and technology service to government and the American people. I appreciate the opportunity to be here today and I welcome any questions you have.

Mr. FARENTHOLD. Thank you very much, Ms. Metzler.

I will now recognize myself for five minutes of questioning.

I do think one of the important things that will come out of this hearing and the proposed regulations is a change in the culture on the part of government employees, to take to the mind set that this is the taxpayers hard earned money that we are spending and you actually need to spend it more carefully than even you would spend your own money.

Having gone to numerous conferences in my previous career as a lawyer, even working in the private sector, there were certain expenses I would not put on the blue slip. I would put the McDonald's lunch on there but if I decided to treat myself to a steak dinner, I would eat that cost myself.

Obviously, we cannot ask the federal workforce to buy their own meals, but when they are asking the taxpayers to pay for them, I think it is appropriate they think maybe I could do with a sandwich instead of a steak. It is that sort of incentive.

I think the GSA is taking the lead in that. Obviously it is unfortunate that it had to come as the result of a very public scandal. One of the impediments I see to taking advantage of that is actually educating the workforce and simplifying some of the tools like ETS and Fed Rooms and even though outside of the travel area, GSA purchasing websites, that are very often difficult to use for the end user compared to private sector equivalents.

I know in my travel, I am able to book online. I do not use ETS. If I am on United, I can get government rates on their website. I think they are one of the few airlines that offer that. I would encourage you to work with your vending partners to make the process much simpler.

I am concerned the culture is not catching on. There were recent reports that the Post Office spent a ton of money and had a \$15 billion loss and cutting Saturday delivery, but they have a conference they set up in San Francisco that was going to cost \$2.2 million. That seems like that's not in the spirit.

Are we seeing the government actually following this? I will ask Mr. Werfel, have all the agencies complied and are they reporting their expenses over \$100,000? Are you getting that information?

Mr. WERFEL. Yes, absolutely. Thank you for the question.

I think there were one or two agencies that missed our January 31 deadline but for the most part, I believe all reports are now in. I think the key is that the reports do demonstrate what we believe to be happening post last year when GSA had the issue we have been describing and OMB issued its memorandum. There has been significant attention to this matter and a lot of aggressive action to cut back on this type of spending.

Mr. FARENTHOLD. Do you have any numbers on how many conferences have gone over the \$500,000 threshold?

Mr. WERFEL. Yes, I do have some of those summary statistics. I believe it is roughly between 130 and 140 conferences that were over the \$500,000 threshold. I can get you more precise numbers.

Mr. FARENTHOLD. I would like to see those for the record. Are we seeing them actually posted on the website in a manner that the public can find?

Mr. WERFEL. Yes. That is how we got the information I just shared with you.

Mr. FARENTHOLD. It is my understanding that the VA finally came in today with their report.

Mr. WERFEL. Yes. I think that was the last agency. I think we now have full compliance.

Mr. FARENTHOLD. Ms. Metzler, the GSA's job is to negotiate deals and save us money. Having grown up in and representing an area that the travel industry is important too, I understand the revenue streams of hotels are derived not just from the overnight stay of the rooms. In conference situations, often they will give you the rooms free but you end up paying a lot for the catering and cannot bring in food. There are reports of very expensive breakfasts and lunches at hotels.

Is there anything that GSA can do to leverage the government's buying power to bring some of those in line and bring the catering costs to where if you were going to do a conference at a hotel within the allowable per diem rate for government employees while traveling?

Ms. METZLER. Thank you for the question.

Since April 2012, in terms of the conferences that GSA itself has hosted, we have been able to negotiate with the conference sites and the hotel to bring the food costs under the per diem rate. We can begin working with OMB and other agencies to share our experience. It is possible to do it.

Mr. FARENTHOLD. I think it is an opportunity for the GSA to take leadership in making that available. I really do think it is consistent with the GSA's mission. I look forward to having you back here next year to hearing what a huge success it is.

I see I am running out of time. We need to let the other members get to questions. If we have time afterwards, I do have another round of questions if you will indulge me. At this point, I will yield to the Ranking Member, Mr. Lynch.

Mr. LYNCH. Thank you, Mr. Chairman.

I want to thank the witnesses for coming here today and helping us with our work.

This is for both of you. If OMB tracks costs for travel and conferences separately, what are the government-wide totals for these categories? Is that how we are reporting this? I am concerned sometimes we begin to pay attention when we have a scandal like we did with GSA last year but then things sort of get forgotten until the next scandal and it pops up on our radar screen again.

What are the ongoing procedures in monitoring methods that we are using to keep track of this?

Mr. WERFEL. Let me first start by saying that on the one hand, it is fortunate that our budget structure does enable us to isolate travel. Travel is a big category. There are a lot of diverse actions that take place under that category. We do collect information. One of the things in my testimony is that when you look at the overall cost of travel across government, they are steadily declining. In 2010, it was \$11.7 billion. We expect them to be closer to \$9.5 billion by 2013.

The challenge that arose was with respect to the issue when we learned there was this significant financial risk associated with

conference spending that we do not and have not historically disaggregated conference spending within our budget accounts. We needed to take action because part of the challenge here is not only taking the specific steps to be smarter about meals and lodging, but also to understand the macro numbers going on across government and agency specific.

We have now initiated this collection of information from agencies. We now have a baseline. I earlier mentioned a number to Chairman Farenthold in terms of the number of conferences over \$500,000. Next year, we will know the updated number and see where we are trending, the updated cost number of conferences because we are collecting this information.

The information we are collecting is imperfect. There might be a level of detail that you would like to know and we have to balance the burden that is imposed on agencies in collecting all this information. What we have done is to try to collect the right amount of information we think enables us to see trends and identify risk points.

As I mentioned earlier, I think as a general matter, what we have seen occur since the situation with GSA and the Las Vegas conference is an enormous amount of attention that is generating very important and positive results in terms of improving our overall approach, not just to travel and conferences, but administrative expenses across the board like information technology and other things.

Mr. LYNCH. Ms. Metzler?

Ms. METZLER. Since April 2012, GSA now tracks its conference spending separately from its travel spending. Partly that is because in order to hold a conference or attend a conference, the requestor must submit a detailed budget. That budget includes the expenses of the conference including booths, meals and travel. We can now begin to disaggregate the travel costs associated with conferences, the travel we have that is mission-related travel and has nothing to do with conferences and the cost of having a conference. We did not do that before April. We are continuing to evolve those.

Mr. LYNCH. Do either of you have any examples where we might incentivize agency departments or groups to spend less? Do we use the carrot and a stick or do we just say we want a 30 percent and by God, we have to have it?

Mr. WERFEL. I think one of the things I have learned through this process is that in response to a situation where many across government were angered and upset and continue to want to demonstrate to the taxpayer that we are way more often than not effective stewards of the taxpayer dollar.

This event has really incentivized a different set of behaviors across government. From secretaries down to the GS-9 or GS-7 employee that is involved in planning for these, there is an enormous amount of due diligence. Let me give you one anecdote.

My job is not to do specific conferences but every once in a while, I get invited to a conference where it is about financial management internal control. I was invited to participate in planning for a conference. The type of planning that went in, we were dedicated to doing it in a government facility, it had to be in Washington,

D.C. because that is where most of the people were to do one day and try to pack in the most substantive agenda we could.

On meals, since Chairman Farenthold asked about it, we held the facility near a food court and decided to do no catering. Everyone bought their own lunch at the food court. That is the type of culture we are transitioning to.

Mr. LYNCH. Did anyone come?

Mr. WERFEL. Yes, we had 800 people.

Mr. LYNCH. Thank you.

I yield back, Mr. Chairman.

Mr. FARENTHOLD. Thank you.

I will recognize Mr. Walberg for five minutes.

Mr. WALBERG. Thank you, Mr. Chairman. Thanks to the witnesses for being here.

Let me ask Mr. Werfel and Ms. Metzler a simple question. How frequently does conference spending on meals and incidentals exceed the GSA set maximum, allowable per diem of reimbursement? How frequently does that happen?

Mr. WERFEL. I am not sure I know the answer to that question. I apologize. I can try to work on data and get back to you.

I do not know if this will be responsive to your question, what we are concerned about are situations in which if a conference participant is given a meal that creates no out of pocket costs for them, then they have to adjust down their per diem appropriately to make sure they are not getting any extra funding or bonus as a result of this event. That is in a list we perceived as we were working through the conference activity.

In terms of your question, I do not have the specific data.

Mr. WALBERG. Ms. Metzler, do you?

Ms. METZLER. In our request to attend or host a conference, one of our line items is the food item and they have to justify that it is at per diem rate. That is part of the approval process.

In early April 2012, under the Acting Administrator, GSA limited the per diem cost for conferences, limited the cost for meals to the actual per diem.

Mr. WALBERG. They are not pushing it?

Ms. METZLER. We are pushing it, yes. We will not approve a conference or an activity that has not been limited to the per diem rate. That is part of our oversight. As Mr. Werfel said, when we are looking at a conference, we are looking at every alternative to make sure that people are not getting inappropriate food. If it is a local conference, they are not entitled to per diem, there cannot be any food provided.

Mr. WALBERG. But again I guess what we are saying is we do not know the frequency of them pushing this GSA rule?

Ms. METZLER. We know internally within GSA we are pushing it.

Mr. WALBERG. I guess my question was, the departments are coming to you with clean, clear requests for conferences. I guess what I am looking at is, are they getting it, are we getting it across?

Mr. WERFEL. I think I understand your question and the root of your concern. Let me back up a second and say, first, OMB, as an institution, does not approve conference by conference. We estab-

lish and work with GSA to establish government-wide regulations. Our regulations are getting stronger.

They were already strong. A lot of things that happened in Las Vegas were violations of existing regulation. Nevertheless, it was still important to tighten those regulations even further. It is really up to the agency to abide by those regulations.

My bottom line point is I do believe, based on everything and all my involvement in this issue, this issue is being taken as seriously as any in government right now.

Mr. WALBERG. Mr. Werfel, what was the total spent for administrative costs for all fiscal year 2012 conferences that cost in excess of \$100,000, administrative costs?

Mr. WERFEL. I think the total costs, There is a slide up there we are still working through the numbers. For example, VA's report has just come in, but I think that is in the right range. It is somewhere between \$250 and \$300 million in conference costs in 2012 for conferences above \$100,000 in total costs.

Mr. WALBERG. Let me ask, Mr. Werfel, it appears that military travel is not on pace to meet the 30 percent reduction goal. We are facing sequester issues now and great concern about the defense budget and capabilities. If this is the case, could you discuss what specific steps OMB has taken to ensure that the Department of Defense meets this target by the end of this fiscal year?

Mr. WERFEL. I think this echoes some of what Congressman Holt was saying. In taking the 30 percent cut, we wanted to make sure that we were protecting mission critical activities where there was a real sense that a reduction or steep reduction would compromise the agency mission. The goal in eliminating the 30 percent is making sure we are eliminating excess or somewhat discretionary travel activities.

All of it is important but there is a difference between, for example, military travel or civilian travel to support particular military operations, scientists getting together to study molecular biology and study different diseases and FBI agents getting together versus accountants getting together to train, and procurement officials getting together to train. That is important but what we perceive there is an ability to drive some greater efficiencies.

In the area of military travel, we have essentially excluded that from our 30 percent reduction category because we believe when the military travels, it is extremely important to give them some flexibility in terms of how they take those reductions due to some of the really acute operational issues that emerge.

Let me close with this point which is really important. One of the challenges we have here is one in which we invite your feedback, that the definition of conferences is extraordinarily broad. When this whole issue came up, we had to make a decision, do we try to narrow the definition of conference and then try to attack the problem on a narrow definition.

If employees are co-locating to work, it is technically a conference. That can even come up with respect to FBI agents co-locating to do an investigation. If scientists are co-locating in Africa to study a particular outbreak of a virus, that is technically a conference. When you pile that into all the other conferences and at-

tempt to take a 30 percent cut, it creates some mission complications.

We have decided for the time being to take this approach. We have not changed the definition of conferences; we have established a 30 percent cut and then we have asked each agency to meet that 30 percent cut but protect certain activities. We have had numerous discussions with agencies to make sure they are not over protecting or under protecting.

Military travel falls in the area of protection. If there are concerns about that, we should definitely have more discussions with you about how we can resize that. That is our approach right now.

Mr. WALBERG. I appreciate those details. Those are very helpful. Thank you.

Mr. FARENTHOLD. I see with just three of us present, we do have time, if you will indulge us, for a quick second round of questioning. Then I think we all need to be off to our other responsibilities.

Where are we, Mr. Werfel, in reaching the 30 percent goal of reduction? Do you have a number? Are we at 10 percent, 20 percent, or 30 percent? Are we close? How is it coming?

Mr. WERFEL. We are close. We are right in range. I mentioned earlier that the total travel costs in 2010 were roughly \$11.7 billion. We are on track for there to be a slightly more than \$3 billion lower spend rate in 2013 versus 2010. I mentioned in my oral testimony that we are \$2 billion of the way there. We are zeroing in on a rough 30 percent goal in terms of seeing the overall travel spending reduction.

Mr. FARENTHOLD. Since you monitor this, are you hearing anything through the grapevine or around the coffee machine that these effects are having an adverse effect or are we getting the cost savings we are after?

Mr. WERFEL. I am hearing a mixture. This is something I think government agencies should be proud of. As you mentioned, it is unfortunate that we had this event occur that drove some of this but the reality today is that the culture has changed dramatically in terms of travel and conference spending. The public transparency we are providing I think feeds into more accountability and better results.

The biggest area that I face criticism and concern is coming from the scientific community as Representative Holt mentioned. I think it is legitimate. These are very tough questions of public policy.

I have learned through this process and have a growing appreciation for how critical to the advancement of science collaboration is. When there is a scientific advancement or a setback, the whole engine of science runs by co-locating and collaborating around it.

Mr. FARENTHOLD. Some of the best inventions and breakthroughs have been the result of accidents. You learn that in elementary school science.

Let me ask you a question. A lot of government employees who travel are issued a GSA travel card much like the one I use for official travel expenses. I had a speaking engagement in Austin, Texas last week and bought my meals with this card. Under the supremacy clause to the United States Constitution, the States cannot tax us but at every restaurant they tried to tag me with sales tax. Had

I used this card for a hotel, they would have tried to charge me hotel and motel tax. There is a complicated procedure and form I have to fill out to save that money. In Texas, sales tax is 8 percent plus depending on where you are.

Is there a way GSA can work with the credit card vendors or come up with a way where the taxpayers are not paying taxes to the State when we do not have to?

Ms. METZLER. Mr. Chairman, yes. GSA is looking at that. There are only 11 States that do not charge the travel card because they are, as you know, individually issued to the federal employee.

With our Fleet Card, which is another part of the Smart Pay Program, that card and the purchase card are government cards and there are no taxes charged to those. There is a recovery effort with the Fleet Card programs but we are working with those other 11 States on the issue that you are raising.

Mr. FARENTHOLD. Thank you very much.

This is a huge savings with absolutely no cuts for anybody if we do not pay stuff we do not owe. To me that seems like a no brainer.

Mr. Werfel, you mentioned redefining what a conference is. I know the FAA struggles every year in Oshkosh with a big air show of private airplanes. They take the best of the best of their controllers to Oshkosh to be the air traffic control for what becomes for one week's time the busiest airport in the world. They are concerned that under conference definitions, sending those people there to do their job is a conference. I understand your concern.

That leads me to the next question which I will pose to you both. What are we missing here aside from defining conference? Is there anything else that is too much or not enough in the proposals that we need to look at if we decide to pursue something on a legislative front?

Mr. WERFEL. That is a good question. I think the definition of conference is one we need to sort through, as I mentioned. I think the keys here are public policy tension, which I mentioned before. We want to be very protective of taxpayer resources and make good decisions, but at the same time, an across the board cut of 30 percent or whatever it is needs to have a very well thought out exception clause.

We need a good structure in place to ensure that we are filtering through the exception clause things that should move forward as they were intended. Maybe the air show example is a good one of that versus things that we might make a mistake on and it would filter through. That is a collaborative effort amongst professionals, both science, financial management and maybe GAO could be helpful and involved in that as well.

I think the other key thing to look out for that we struggle with is how much data to put on the Web and to make clear. Clearly we have a great start. We have total conference expenses, location, date, explanation of how the conference advances mission, number of individuals that are going that are paid by the agency, etc. There is a good footprint of information.

However, I cannot answer all the questions that are being posed because I would add 20 or 30 more line items. With each additional line item of data, you are asking agencies to collect that information and that has an underlying administrative cost. I think one of

those areas to help us is what is the optimal point in terms of data collection. I think there is more to be looked at to make sure we are at the right spot.

Mr. FARENTHOLD. I am out of time. I want to give Ms. Metzler an opportunity before we go back to Mr. Lynch.

Ms. METZLER. I would just concur with what Mr. Werfel said. I don't think I can add anything to that.

Mr. FARENTHOLD. Thank you very much.

Mr. Lynch.

Mr. LYNCH. Thank you, Mr. Chairman.

I do notice that if you look at the text of the OMB memorandum and then look at H.R. 313, it actually limits the number of people who can go to a conference to 50. I have heard grumblings from some of the folks in our scientific community. Mr. Holt raised some of these concerns.

I know the International AIDS Conference is attended by hundreds and hundreds, probably thousands of scientists and other experts. Also, I think the Human Services Department and the National Institutes of Health have, in the past, sent hundreds of scientists. Are we hurting the efficacy and the value of those conferences by severely limiting it to 50 people?

Mr. WERFEL. Yes, I think so potentially in two ways. One, if we don't enable the head of the agency or the leader of that particular program area to make a best judgment in terms of are we effectively serving our mission by getting more people there and we have kind of a strict rule of construction? That is one thing.

I will tell you where I come from, my expertise is more around financial management and cost savings. Often we are sending more people in order to drive more efficiency because if we have to train these people, if we decentralize training and send 30 people and 30 people and 30 people to three different trips versus 90 people to one trip, that can have cost implications. Let me give you one example to drive that home.

Law enforcement, FLETC, we have developed these training centers around geographic locations to bring a bunch of people together to co-locate for that training. If we set a limit of 50 people, you are devolving back into not co-locating for training but a lot of disparate training, and that cost issue.

Mr. LYNCH. Ms. Metzler, anything on that?

Ms. METZLER. GSA does not send a lot of people to international conferences.

Mr. LYNCH. Thank you. I yield back.

Mr. FARENTHOLD. Thank you very much, Mr. Lynch.

I have enjoyed our first hearing. I look forward to continuing to work with you, your staff and the rest of the committee.

I would like to thank our witnesses for taking the time from their very busy schedules to appear before us. I charge you to go back and save the taxpayers some money.

With that, we are adjourned.

[Whereupon, at 1:28 p.m., the subcommittee was adjourned.]

February 26, 2013

The Honorable Blake Farenthold
Chairman
Subcommittee on Federal Workforce, U.S. Postal Service and the Census
Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, D.C. 20515-6143

Dear Chairman Farenthold:

The undersigned U.S. science, engineering and higher education organizations write to share our thoughts with your committee as you oversee existing and proposed federal travel and meeting policies. We believe it is possible to provide effective oversight without adding to the administrative burden and expense or cutting off the participation of federal scientists and engineers at conferences. As this committee gives thoughtful consideration to how to accomplish the goals of increased transparency and accountability of government conference travel, the undersigned organizations welcome the opportunity to work with you.

Federal participation in scientific and technical conferences runs the gamut from small, specialty meetings targeted to specific areas of federal interest to broad disciplinary or multi-disciplinary conferences that offer access to tens of thousands of research papers and hundreds of sessions, many of which are concurrent. Meetings are often organized as venues for interaction between scientists and engineers across government agencies and laboratories working in areas of common interest. Conferences provide a variety of opportunities for federal agencies to advance their research missions in real and tangible ways:

- Scientific, engineering and technological innovation is increasingly a joint effort between researchers from government, universities, industry, and other institutions. Information exchange through scientific and technical conferences happens three times as fast as through published journals, leading to more rapid innovation. Professional conferences benefit federal researchers and their organizations by exposing them to findings from other institutions.
- It is critically important for federal scientists and engineers to know the top researchers in their fields personally and to be as current as possible on promising research directions. This is especially true when they are responsible for funding research outside their agencies or for gathering information on worldwide breakthroughs.
- Many federal program managers use technical conferences as opportunities to engage with a wide collection of researchers for peer review, program reviews and future program planning, and to efficiently examine a large collection of independent research projects. Because the alternative is multiple visits to individual research laboratories, this approach represents a significant savings of both cost and time.
- Federal researchers and program managers who participate in formal talks, symposia and poster presentations associated with conferences are exposed to thought-provoking questions and comments from fellow researchers and are engaged in informal conversations that may continue

long after the conference or meeting. Such interactions foster productive collaborations and accelerate and improve the work of federal researchers and funders.

- Many science and technology conferences provide undergraduate and graduate students with an opportunity to present their research through poster sessions, allowing federal researchers and program managers an opportunity to recruit prospective researchers.

As a community, we recognize that the government has a responsibility to prevent wasteful government spending and that the existing policy governing travel was developed to achieve that end. However, uncertainties on how to implement these policies have led to unintended consequences and have negatively impacted participation by federal scientists and engineers in science and technology conferences. This impedes the dissemination of research that results in useful innovation and will have adverse, long-term consequences on our national competitiveness.

We appreciate that the current policies were created with the intention of carefully reviewing public expenditures allocated for travel and meetings. However, in addition to limiting the benefits derived from federally funded research, policy-makers should take into consideration that new accounting and reporting policies will also add to the administrative costs of travel and conferences.

The science and engineering research community understands that fiscal constraints are currently forcing agencies to administer travel budgets more stringently. We support efforts by Congress and the Administration to ensure the transparency and accountability of federal expenditures. Opportunities such as the hearing before the House Government Reform and Oversight committee provide a mechanism for understanding the positive and negative consequences of new oversight endeavors. With that in mind, we encourage you to reach out to stakeholders in the science, engineering and higher education community as you carefully consider oversight policies.

For further information from representatives of this community, please do not hesitate to contact Joanne Carney of AAAS at jcarney@aaas.org or 202-326-6431, or Ray Garant of ACS at r_garant@acs.org or 202-872-6063.

American Association for the Advancement of Science
American Chemical Society
American Geophysical Union
American Physical Society
Computing Research Association
Federation of American Societies for Experimental Biology
IEEE-USA
Materials Research Society
SPIE - The International Society for Optics and Photonics
The Alliance for Science & Technology Research in America
The American Institute of Aeronautics and Astronautics
The Optical Society
U.S. Public Policy Council of the Association for Computing Machinery

copy: The Honorable Stephen Lynch, Subcommittee Ranking Member
The Honorable Rush Holt, U.S. House of Representatives (NJ-12)



American Institute of CPAs
1455 Pennsylvania Avenue, NW
Washington, DC 20004-1081

February 26, 2013

The Honorable Blake Farenhold, Chairman
Subcommittee on Federal Workforce,
U.S. Postal Service and the Census
Committee on Oversight and Government Reform
United States House of Representatives
Washington, DC 20515

The Honorable Stephen Lynch, Ranking Member
Subcommittee on Federal Workforce,
U.S. Postal Service and the Census
Committee on Oversight and Government Reform
United States House of Representatives
Washington, DC 20515

Dear Chairman Farenhold and Ranking Member Lynch:

On behalf of the nearly 386,000 members of the American Institute of Certified Public Accountants (AICPA), I want to bring your attention to the importance of federal government officials' attendance at professional conferences and meetings sponsored by organizations such as the AICPA. The AICPA regularly hosts meetings and conferences in Washington, DC and elsewhere in the United States and invites federal agency officials to participate because of the unique knowledge of their agency's approach to implementation of laws and regulations affecting our members.

Federal officials are often asked to address our professional meetings and conferences to provide information about the current status of laws and regulations affecting the work done by the profession, as auditors of public company financial statements, preparers of tax returns and other services. As an example, IRS officials often make presentations to AICPA tax conferences helping tax practitioners better understand new laws and regulations, ultimately benefitting taxpayers. Importantly, these conferences are not only held in Washington, but around the country to facilitate regulators' accessibility to those affected by federal regulations.

Additionally, CPAs who are also federal officials often attend these educational conferences sponsored by the AICPA and state CPA societies to complete their continuing professional education requirements for their CPA license. We believe that the exchange of information that occurs at these conferences between regulators and CPAs, whether federal officials are speakers or participants, has significant positive benefits creating transparency and understanding of government's regulatory impact on business and the public at large.

We are concerned that any actions that unduly limit federal government officials from attending meetings and conferences, such as those held by the AICPA, will have a significant negative affect on government as well. Without interaction with those who are affected by governmental actions, federal officials can be effectively cut off from understanding the impact their actions have on the lives and business interests of all Americans. We hope that in your oversight role of federal government travel and conference spending, you will also call for continuing the open and honest dialogue that occurs at professional conferences and meetings like those between these officials and CPA practitioners who work with taxpayers, businesses, state and local governments, and other stakeholders in that make up the federal regulatory framework.

We would be happy to further discuss these issues with you or your staff. Please contact Diana Huntress Deem in our Washington office at 202.434.9276 or ddeem@aicpa.org. Thank you for your consideration of our request.

Sincerely,

Barry C. Melancon, CPA, CGMA
President and CEO

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Congress of the United States

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Opening Statement of
OGR Federal Workforce Subcommittee
Ranking Member Stephen F. Lynch

Hearing on "The Road Less Traveled: Reducing Federal
Travel and Conference Spending

February 27, 2013

Thank you, Chairman Farenthold.

At the outset, let me congratulate you on your appointment as Chairman of our Subcommittee. From addressing comprehensive reform of the United States Postal Service and challenges facing our dedicated federal workforce to examining important Census Bureau issues, our Subcommittee has a lot on its plate and I look forward to working with you in this new Congress.

I appreciate the Chairman calling this hearing to monitor the federal government's progress in reducing travel and conference spending, strengthening internal controls, and enhancing cost transparency. It is important for Congress and the American taxpayers to be assured that the government spends money only for what is absolutely necessary on travel and conferences.

We all remember the excessive and improper spending by the General Services Administration on a 2010 Las Vegas Conference and by the Veterans Affairs Department on two conferences held in Orlando, Florida. These conferences were regrettable instances of wasteful spending which justified heightened scrutiny by Congress and the Administration. In particular, the Committee held a hearing last April looking into the GSA conference, and the Administration issued a subsequent directive to all executive branch agencies mandating 30% reductions in travel and conference spending and imposing conference cost restrictions and public posting and reporting requirements.

We all agree that the government needs to be a good steward of American taxpayers' money, and that it's important to shine light on government travel and conference spending. As part of our oversight responsibilities, this hearing will help us examine agencies' progress in implementing the Administration's directive. It is critical for us to know how much the federal government as a whole spends on travel and conferences. We need to ensure that only necessary

conferences are held, that only those who need to attend participate, and that there are no improper expenses.

I also look forward to examining whether revisions to the Administration's directive would be helpful and whether additional legislation is necessary. Moreover, this hearing should also explore any negative impacts on agency mission and the services provided to the American people that restrictions on travel and conference spending may cause. I fully appreciate that spending reductions need to be made to address our nation's fiscal problems, but we also need to be aware that cuts may affect agencies' missions and services.

In this regard, I look forward to Representative Holt's testimony about the impact on the scientific community. In addition, Mr. Chairman, I received two letters yesterday expressing their views about federal travel and conference policies -- one from the American Association for the Advancement of Science and several other scientific organizations and another from the American Institute of CPAs. I ask for unanimous consent that the letters be included in the hearing record.

Lastly, I would like to note that we only have 2 legislative days before sequestration takes effect and 14 legislative days before a possible government shutdown. Accordingly, I would urge this Committee to dedicate its oversight efforts to examining the potential impact of these budgetary events so that we can best address the corresponding needs of our agencies and federal employees.

Thank you, Mr. Chairman, and I yield back.

**Questions for the Honorable Daniel Werfel
Controller
Office of Management and Budget**

**Rep. Blake Farenthold
Subcommittee on Federal Workforce, U.S. Postal Service and the Census
House Committee on Oversight and Government Reform
“The Road Less Traveled: Reducing Federal Travel & Conference Spending”**

1. Please provide the committee with all reports for departments and agencies on reductions in travel expenses as required from the May 11, 2012, OMB Memorandum (OMB memo) to the Heads of Executive Departments and Agencies, entitled “Promoting Efficient Spending to Support Agency Operations”. In addition, please include a detailed breakdown of all travel costs that departments and agencies intend to exclude because these expense are critical to national security, international diplomacy, health and safety, law enforcement, or other related exemptions as laid out in the OMB memo.

OMB Memorandum-12-12 required the 24 Chief Financial Officers (CFO) Act (31 U.S.C. § 901) agencies to report information on two primary areas. Agencies were required first to provide information on their Fiscal Year (FY) 2010 travel spending levels as categorized under budget object class 21.0 (travel and transportation of persons), which is described in OMB Circular A-11 (Section 83.6). A detailed break-down showing each agency’s FY2010 travel obligations is provided in our response to question two.

Given the relationship of conference activity and Federal travel, Memorandum-12-12 also required agencies to begin formal reporting on agency-sponsored conferences from the prior fiscal year. These reports list details on all conferences where net expenses are greater than \$100,000 and include the total conference expenses incurred by the agency, the location and date of the conference, total number of individuals whose travel or conference expenses were paid by the agency, and a brief explanation of how the conference advanced the mission of the agency. The annual reports are posted on each of the 24 CFO Act agencies public websites. Agencies are required to post the reports for the prior fiscal year to their public website on January 31st of each year.

2. Instructing agencies to reduce travel expense to 70 percent of FY2010 levels, the OMB memo allows each agency to create a baseline level of travel expense that excludes travel costs the agency deems critical due to reasons of national security, international diplomacy, health and safety, law enforcement, or other related reasons. For each agency, provide the total level of FY2010 travel expenses incurred by the agency, as well as the baseline level of travel expenses it established as the starting point from which it is pursuing a 70-percent reduction. Also provide the aggregate level of travel expense incurred Government-wide during FY2010, and the aggregate level of travel expense that will be incurred Government-wide during FY2013 if each agency achieves a 70-percent reduction from the revised FY2010 baseline it established pursuant to the memo.

OMB Memorandum-12-12 defined “travel expenses” as obligations categorized under budget object class 21.0 (travel and transportation of persons), which is described in OMB Circular A-11 (Section

83.6). The FY2012 Budget includes the FY2010 obligations for budget object class 21.0 by agency and is shown in the table below.

Table 2 - OBLIGATIONS BY OBJECT CLASS AND AGENCY
OBJECT CLASS - PRESIDENT'S BUDGET (in Millions of Dollars)

21.0	Travel and transportation of persons	2010 actual	2011 estimate	2012 estimate
	Legislative Branch	74	91	65
	Judicial Branch	117	122	124
	Department of Agriculture	285	302	272
	Department of Commerce	565	516	443
	Department of Defense - Military Programs	10,421	6,757	9,033
	Department of Education	72	14	19
	Department of Energy	93	70	94
	Department of Health and Human Services	264	264	271
	Department of Homeland Security	1,464	1,166	1,237
	Department of Housing and Urban Development	37	26	25
	Department of the Interior	214	199	177
	Department of Justice	492	490	513
	Department of Labor	72	65	70
	Department of State	524	604	2,142
	Department of Transportation	268	292	261
	Department of the Treasury	312	305	285
	Department of Veterans Affairs	1,212	1,072	1,065
	Corps of Engineers - Civil Works	72	60	69
	Direct Defense Civil Programs	1	1	1
	Environmental Protection Agency	59	46	51
	Executive Office of the President	6	8	11
	General Services Administration	4	4	4
	International Awareness Programs	139	156	147
	National Aeronautics and Space Administration	67	60	78
	National Science Foundation	33	31	34
	Office of Personnel Management	1	3	3
	Small Business Administration	5	7	7
	Social Security Administration	67	67	64
	Federal Deposit Insurance Corporation	59	75	76
	Fiscal Service	0	0	0
	Railroad Retirement Board	1	1	1
	Other Independent Agencies	102	119	140
	Total Direct obligations	16,919	12,632	16,475
	Reimbursable obligations	2,339	2,128	2,179
	Total obligations	19,252	14,760	18,654

Using the information provided, OMB worked individually with each CFO Act agency to make adjustments to this baseline in order to more accurately capture the travel expenses targeted in the Memorandum-12-12 travel reduction initiative. This analysis included all types of travel funds, regardless of whether they were direct/reimbursable, mandatory/discretionary, or generated from appropriations or user fees. During this review we found some of the budget object class 21.0 obligations included travel related cost that was not directly related to Federal employee travel. For example, the Department of Veteran Affairs captured reimbursement of veterans' mileage cost related to patient care for veterans under budget object class 21. This cost was removed from the agency's baseline. After making these types of adjustments, the travel baseline we used for FY2010 was nearly \$12 billion. OMB then worked with agencies to determine the appropriate exclusions, that if subjected to the 30% reduction, would undermine such critical Government functions as national security, international diplomacy, health and safety inspections, law enforcement, or site visits required for oversight or investigatory purposes. To date, agencies have reduced travel spending by approximately \$2 billion dollars and are planning to maintain the reduced spending levels through FY2016 as directed by Memorandum-12-12. We are continuing to work with agencies to monitor the appropriate level of exclusions as funding levels change and as more information becomes available.

3. Please provide detailed agency by agency breakdown on where travel spending reductions have been made since FY2010.

Agencies have worked diligently to adopt numerous strategies and best practices to cut back on travel expenses where feasible, making sure that such cuts will not hinder the ability of the agency to carry out its mission. In addition to those listed in my testimony, we are seeing numerous examples of how agencies' increased scrutiny on travel activity is resulting in millions in cost reductions. Agencies

have reduced travel costs by taking fewer trips and introducing stronger internal controls for travel approval. Agencies are also adopting numerous best practices such as strategically choosing event locations that result in the lowest travel cost for attendees and shortening and consolidating training and conferences events when possible. Smarter planning of travel, such as taking an earlier flight home to avoid extra nights' lodging cost, broader use of both GSA City Pair and non-refundable airfare tickets, when permitted by the Federal Travel Regulation (FTR), and booking travel as early as possible, have also helped agencies reduce travel spending.

Agencies are also increasingly using travel alternatives such as teleconference solutions, web-based training, and web-based meetings. Efforts to limit the number of Federal conferences, reduce the number of staff attending these conferences, and plan more strategically have also led to reduced travel spending by agencies. These practices again demonstrate the renewed focus agencies have put on ensuring their travel budgets are spent smartly and efficiently.

While the travel reductions to date are indeed significant, it is also important to point out that the purpose and function of travel varies greatly across the Federal Government. Given the vast variation in mission and purpose, agencies often have unique travel needs requiring careful consideration to ensure that decreased spending will not hinder the ability of that agency to carry out their core mission. For example, a substantial percentage of the travel budgeted for the Office of Personnel Management is used for agents performing background investigations on behalf of other Federal agencies. At the Department of Transportation, a significant portion of the Department's travel budget is used by the Federal Aviation Administration to conduct safety inspections and oversight activities related to the Nation's flight and aerospace system. Furthermore, recent natural disasters, such as Hurricane Sandy, have required agencies whose mission is to provide immediate relief to American citizens in need, to send personnel to those areas hit by the natural disaster. The Federal Emergency Management Association and the U.S. Army Corp of Engineers are two agencies where travel budgets vary based on the frequency and severity of National emergencies. In addition to instances where travel requirements are not always predictable there are certain travel requirements that are vital. For example, the Department of Veterans Affairs' Veteran Health Administration must ensure that its health care employees have the knowledge and skills necessary to provide our nations' veterans with the highest quality health care and services. Often traveling to a training site is necessary to satisfy the education and training needs. These instances highlight the challenges in affirming a static across the board cut in travel spending and reiterate the importance of working with agencies to determine the appropriate exclusion level in establishing travel target reductions based upon each agency's unique mission.

4. Please provide any guidance OMB has given to agencies on ways to help achieve the 30 percent reduction as prescribed in the OMB memo.

In May 2012, OMB issued Memorandum-12-12, Promoting Efficient Spending to Support Agency Operations, which requires agencies to achieve a 30 percent reduction in travel spending as compared to FY2010 levels, and imposes additional limitations and policies related to conferences to ensure greater transparency and accountability.

Based on feedback from agencies, in August 2012, OMB provided best practices to the agencies for reducing travel expenses. These practices included agencies considering alternative means at the beginning of the conference review process such as the use of remote collaboration tools (e.g. teleconferencing, videoconferencing, webinars, and online sharing applications) and other real-time communication methods. These alternative means mitigate the need for physical collocation of Federal employees.

These best practices also recommended that in making such determinations, agencies' Deputy Secretaries should consult with their Chief Information Officers and other relevant officials, who may also advise on alternative means to carry out the mission or activity in question.

5. Please provide an update on the review of the Joint Federal Travel Regulations and the Federal Travel Regulation.

OMB Memorandum-12-12 requested that the Department of Defense (DoD) and the General Services Administration (GSA) review the Joint Federal Travel Regulation (JFTR) and the FTR to ensure that those policies reduce travel costs without impairing the effective accomplishment of agency missions. GSA and DoD are working in close coordination to develop solutions that support the Federal Government's effort to reduce travel cost and improve efficiency.

GSA is committed to revising the FTR to strengthen and clarify Federal travel policy where appropriate to ensure Federal travel is completed in the most economical and efficient manner, including by recommending the use of travel alternative technologies (e.g., teleconferencing, video conferencing, webinars) in lieu of traditional travel. Revising the FTR will help strengthen the Government's purchasing power in order to reduce overall travel costs. By expanding the purchasing power, agencies will be better equipped to identify the lowest logical transportation costs, including both contract and non-contract airfare carriers (as permitted via FTR § 301-10.107(c)), which when purchased, would result in a lower total trip cost to the Government. GSA will also strengthen audit policy to ensure agency controls are in place to collect refunds for unused or partially used tickets for Federal employees.

To support the FTR revision, GSA is chartering a Federal advisory committee, the Government-wide Travel Advisory Committee (GTAC), which will provide an opportunity for travel industry leaders to offer their expert advice and recommendations to GSA. The GTAC will review existing travel policies, provide advice and make recommendations for improvements to increase travel efficiency and effectiveness, reduce costs, promote sustainability, and incorporate industry best practices.

DoD also is working closely with GSA's Government-wide Policy Directorate to review current travel policy and will fully support the new GTAC. Work to reform the JFTR had started after Congress passed the 2012 National Defense Authorization Act – specifically the corresponding Consolidation and Reform of Travel and Transportation Authorities. Changes are underway to work through the uniformed services governance, including transportation (e.g., consolidation of POC mileage rates, standard rates when en route two+ days), lodging (e.g., reduced per diem for long-term stays, elimination of conference rate), and consolidation of miscellaneous and incidental expenses (e.g., ATM fees, laundry). Several supporting efforts to make travel rules more efficient and simple

are also in progress, such as the standardization and consolidation of the Joint Travel Regulations (JTR) and JFTR into a single, more streamlined document.

GSA and DoD will continue to update OMB as they work on ways to simplify and improve travel in today's fiscally constrained environment in support of the Administration's goal to eliminate waste and promote efficient spending in Federal travel operations.

6. Please provide a copy of all waivers department and agency head have provided as justification for conferences costing in excess of \$500,000 from the date of the OMB memo to the present.

Agencies are not required to obtain OMB approval for conferences. As outlined in OMB Memorandum-12-12, Deputy Secretaries (or their equivalents) should approve conference spending where the net conference expense is greater than \$100,000. Conferences with expenses greater than \$500,000 generally should be prohibited, but agency heads can provide a waiver from this policy in exceptional circumstances. Pursuant to OMB Memorandum-12-12, agencies report publicly on their website the waivers that are used to identify the exceptional circumstances necessitating costs in excess of \$500,000. Agencies are not required to submit these waivers to OMB for approval, nor does OMB maintain a consolidated list or repository of the waivers.

7. H.R. 313, the Government Spending Accountability Act would require additional reporting requirements for conferences to ensure transparency and accountability. The requirements set forth by the legislation are listed below. If any, please identify any of the requirements OMB would object to and why.
- a. Report on Travel Expense Required – At the beginning of each quarter of each fiscal year, each agency shall post on the public website of that agency a report on each conference for which the agency paid travel expense during the preceding 3 months that includes –
 - b. The itemized expense paid by the agency, including travel expenses, and any agency expenditures to otherwise support the conference;
 - c. The primary sponsor of the conference;
 - d. The location of the conference;
 - e. The date of the conference;
 - f. a brief explanation of how the participation of employees from such agency at the conference advanced the mission of the agency;
 - g. the title of any employee, or any individual who is not a Federal employee, whose travel expenses or other conference expense were paid by the agency;
 - h. the total number of individuals whose travel expenses or other conference expenses were paid by the agency; and
 - i. in the case of a conference for which the agency was the primary sponsor, a statement that –
 - i. describes the cost to the agency of selecting the specific conference venue;
 - ii. describes why the location was selected, including a justification for such selection;
 - iii. demonstrates the cost efficiency of the location;
 - iv. provides a cost benefit analysis of holding a conference rather than conducting a teleconference; and

- v. describes any financial support or other assistance from a private entity used to pay or defray the costs of the conference, and for each case where such support or assistance was used, the head of the agency shall include a certification that there was no conflict of interest resulting from such support or assistance.

OMB strongly supports increased transparency of conference activity and spending. Our support is demonstrated through the OMB Memorandum-12-12 requirement that agencies post on their public website a report on conference activity for the prior fiscal year – including several specific details on conferences over certain spending thresholds. Specifically, it is the Administration’s current policy that for conferences with costs that exceed \$100,000, Federal agencies must publicly report:

- the total conference expenses incurred by the agency for the conference;
- the location of the conference;
- the date of the conference;
- a brief explanation how the conference advanced the mission of the agency; and
- the total number of individuals whose travel expenses or other conference expenses were paid by the agency.

In establishing these reporting requirements, OMB set out to strike an appropriate balance of reporting detail that ensures the proper level of oversight without causing an overly burdensome level of work for agencies.

8. Should there be a limitation on the number of Federal employees who are allowed to attend an overseas conference? If so, what should that number be? If not, please provide a justification for international conferences where 50+ employees attend.

OMB is working with agencies to help them plan and carry out Federal conferences in a cost-effective and efficient manner and has worked diligently to issue guidance to aid agencies in their conference planning and execution. Given the unique travel and conference needs of each Federal agency, OMB believes placing a cap on the number of attendees to conferences, domestic or international, would not be an effective mechanism to eliminate excessive conference spending. For example, in communities such as science and technology, regular engagement with domestic and international science communities is critical because it keeps our Military Services at the leading edge of capability to avoid technological surprise, and allows us to anticipate potential ally and adversary focus and advancements. Also, given the fixed cost elements that exist within a conference’s total expenditure, there is an economy of scale benefit that agencies may receive by planning larger, single conferences rather than several smaller events. In addition, many agencies have personnel stationed overseas. Attendance at an overseas conference may actually be less costly than attendance at a domestic conference for these individuals. As such, a limitation on conference attendees may instead have the unintended consequence of leading to higher conference cost for a selection of agencies.

In recognition of this benefit, one of the best practices identified by agencies in their increased focus on conference activity is to consolidate multiple conferences into a single event when feasible. Combining multiple conferences with related topics into a single conference can lower travel cost, reduce facility charges, and ultimately result in a net cost-savings to the agency. Two examples by the Department of Defense demonstrate the savings already occurring through this type of action.

The 2012 Military Health Research Symposium combined three service specific conferences into a single event with an estimated cost-savings of more than \$300,000. The National Guard Bureau and the State of Missouri consolidated six different events to one week long conference, significantly reducing travel for core headquarter personnel and eliminating the potential for redundant travel, resulting in a savings of nearly \$800,000 in FY2012. A cap on the number of attendees to conferences could hinder this cost-reducing practice.

9. Please provide OMB's recommendation for a definition of the term "conference."

As noted in my testimony, the current definition of "conference" in the Federal Travel Regulation (FTR) is broad, encompassing multiple activities such as national defense training, food inspections, and criminal investigations. GSA's Office of Governmental Policy is responsible for development and implementation of the FTR. As noted in response to question five, GSA is working on an update to the FTR with the objective of streamlining and clarifying current language within the FTR across several travel components. OMB supports efforts that could assist in clarifying activities that involve the collocation of Federal employees and we look forward to the opportunity to work with Congress and GSA to further clarify the term "conference" with the goal of building common understanding of Federal conference activity.

10. The Committee received information regarding a September 2012, OPM OIG conference outside of Richmond, VA. The conference cost over \$142,000. Included in that cost was \$53,000 for what appeared to be largely administrative fees and costs. Has OMB provided guidance to departments and agencies on how to keep administrative costs from conferences at a minimum?

The Administration has taken aggressive steps to institute strict policies and controls over conferences in order to ensure that conference expenditures are cost-effective, clearly advance the mission and programmatic goals of the agency, and represent the optimal use of Federal funds. For example, Section 3 of Executive Order 13589, "Promoting Efficient Spending" (November 9, 2011), directed agencies to host or sponsor conferences in space controlled by the Federal Government where possible in order to reduce costs. On September 21, 2011, OMB issued Memorandum-11-35, which instructed all agencies "to conduct a thorough review of the policies and controls associated with conference-related activities and expenses." To build upon these reviews, on May 11, 2012, OMB issued Memorandum-12-12, which established additional controls over expenditures for specific conferences to include new reporting requirements and senior management approval highlighted in my written testimony to the Committee. OMB, in partnership with GSA, is continuing to work with agencies to help identify and promote practices that ensure conferences are planned and executed in a cost effective and efficient manner.

11. The Committee received information from another OPM OIG conference in August 2011, in National Harbor, MD. The cost for the lunches alone at the conference was, on average, over \$47 per employee per day. The allowable reimbursement for lunches in that region per GSA per diem rates is \$18. What has OMB done to help ensure the cost of meals, travel, lodging at conferences is in line with GSA per diem rates?

OMB instructed agencies in both Memorandum-12-12 and Memorandum-11-35 to exercise continued vigilance to guard against any unnecessary or wasteful expenditures associated with conferences of

all sizes. Furthermore, the Joint Federal Travel Regulation (JFTR) and the Federal Travel Regulation (FTR) have established requirements outlining the appropriate use of per diem. Accordingly, agencies must ensure that appropriate policies and controls are in place to limit expenses related to food, beverage, or other refreshment costs at conferences sponsored or hosted by the agency.

In addition, as noted in our response to question five, GSA recently announced the establishment of the Government-wide Travel Advisory Committee (GTAC). The Committee provides an opportunity for travel industry experts to offer recommendations to GSA, as the agency responsible for developing and maintaining the FTR, on how to adopt industry best practices into Federal travel policy and procedures. The committee's first agenda item will be to examine the current per diem methodology and to gather input on how the current policy could be enhanced to further reduce overall travel cost.

12. Please conduct a technical review of H.R. 313, the Government Spending Accountability Act.

The purpose stated in the bill is to institute spending limits and transparency requirements for Federal conference and travel expenditures by requiring agencies to post additional information on conferences and restricting certain expenditures on conferences. The Administration does not have a position on HR 313.



February 26, 2013

House Committee on Oversight & Government Reform
2157 Rayburn House Office Building
Washington DC 20515
Re: Hearing entitled “The Road Less Traveled: Reducing Federal Travel & Conference Spending”

The American Society of Association Executives (“ASAE”) is a section 501(c)(6) individual membership organization representing more than 21,000 association executives and industry partners from nearly 10,000 tax-exempt organizations. Our members manage leading trade associations, individual membership societies, and voluntary organizations in every state as well as in 50 countries around the globe. All of our members host meetings and educational events designed to provide information and training to the membership aimed at giving them the most up-to-date information and best practices of their industry or profession.

Last year, we worked with Congress and the Office of Management and Budget (OMB) to ensure that any response to the lavish conferences hosted by the General Services Administration would not unduly harm the ability of federal employees to attend legitimate and necessary training sessions and conferences held by the private sector. We continue to urge Congress and the Obama Administration to (intentionally or inadvertently) not wholly restrict federal employees from attending association conferences and educational events.

With the growth of technology and tightening budgets, many federal agencies have forced employees to rely on remote communications – like Skype or Facetime – to meet with associations or private industries instead of sending them to in-person educational meetings. While there is a value to virtual networking, independent studies have shown that face-to-face meetings still retain immense value. A report in the Harvard Business Review¹ found that in a survey of 2,300 readers, 95% felt that face-to-face meetings were key to successful long-term relationships and 89% agreed that these meetings are essential to “sealing the deal”. Just 20% said they could achieve the same results holding virtual meetings in place to in-person meetings and 60% said their business relationships have suffered due to travel budget cuts in their workplace.

A separate survey study² on the views of business travelers reaffirmed this information. Travelers surveyed estimated that 1 hour of face-to-face contact at a meeting equaled 5 video conferences, 10 telephone calls, or 20 emails. Almost 20% reported that they had lost business because they were unable to travel and meet a client, and in order to maintain their face-to-face opportunities travelers are cutting back on meals (19%) or looking for better hotel values (22%). These private sector studies tell us that in this digital age, face-to-face meetings and education are alive and well.

¹ “Managing Across Distance in Today’s Economic Climate”, 2009

² Wakefield Research Fourth Annual Business Travel Survey 2012

For federal employees, these opportunities to meet the private sector are critical to the policymaking process. In every sector, a federal agency needs to hear and learn from the experts in their field and very often those experts come together under the umbrella of a trade or professional society. From technology to protect the military to new cures for deadly diseases to better building techniques for federal facilities, the knowledge and technology to save the government money while creating better public policy exists at the association meetings and educational programs occurring every week. The ability to bring together so many knowledgeable experts happens through associations and cannot be replicated in a government office.

Often we hear pushback from agencies that virtual technologies such as Skype are adequate to replicate the in-person experience. However, our members' experience is that often virtual participation falls short. Many times necessary federal firewalls prevent working internet connections from being established between offices and meetings. Also, projecting into a meeting or tradeshow prevents federal employees from creating working relationships with trade show attendees and limits who they can communicate with and at what time. So often the best working relationships are formed by post-speech discussions following up on the topics presented.

In these times of tight budgets and economic uncertainty, it would be foolish to not recognize the necessity of controlled government spending. However, blanket restrictions that universally prohibit travel either in response to an unrelated type of conference or just the need to rein in spending does the country a long-term harm. The dual goals of public-private partnership and good government can be achieved simultaneously without severing attendance at private meetings.

Mr. Chair, I encourage you during this important hearing to consider the value of education and training meetings for the federal workforce and how the association community is driving this sector of the economy. I am happy to work with you and your subcommittee on the issue and am ready to provide numerous examples of how associations are driving society and the economy through their meetings and trainings. If I can answer any question, please contact me or Jim Clarke, senior vice president of public policy, at 202.626.2865 or jclarke@asaecenter.org.

Sincerely,



John H. Graham IV, FASAE, CAE
President & CEO

GOVERNMENT MANAGERS COALITION

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February 27, 2013

The Honorable Blake Farenthold
Chairman
Subcommittee on Federal Workforce, Postal Service & Census
2157 Rayburn House Office Building
Washington, DC 20515

The Honorable Stephen Lynch
Ranking Member
Subcommittee on Federal Workforce, Postal Service & Census
2157 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Farenthold and Ranking Member Lynch:

On behalf of the member organizations of the Government Managers Coalition (GMC), we write to express our concern with on-going attempts to place extreme restrictions on conference and travel spending, especially in light of the subcommittee hearing today. Although questionable conference spending appears to have occurred in the past, there are legitimate purposes for conferences, meetings and travel which should not be cut due to alleged abuse by a few people.

As you know, the GMC consists of the five major federal sector executive and managerial professional associations representing over 200,000 executives and managers in the federal government. GMC works to advocate good governance and policies throughout the federal workforce. As managers and executives across the government, we respect and agree with the idea that dollars are spent wisely and sufficient oversight mechanisms are in place to ensure effective government. However, following the conference spending scandals last year that occurred at GSA and VA, attempts at oversight have been too broad and are actually limiting necessary government business and important opportunities for engagement with stakeholders.

Several pieces of legislation were introduced in the last session of Congress to limit agency travel budgets to 70 or 80 percent of 2010 levels. While this may seem appropriate on its face, blanket reductions do not generally address the problem of mismanagement. Furthermore, budget pressures and the threat of further cuts have already had a chilling effect on agency travel budgets, rendering further cuts more harmful than effective.

Government conferences, meetings and trainings – some of which require travel – can serve many beneficial purposes. They bring experts together from academia and the public and private sectors, provide a forum for idea-sharing and collaboration on innovative projects, and

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dissemination and discussion of best practices. Further, many federal employees require certain training or certifications to effectively and efficiently do their jobs. For these positions, failure to maintain professional accreditation could result in a skills lapse, or worse, a loss of security clearance. Conferences, meetings and trainings also provide case law, regulatory and practice updates so that employees in particular professions, such as human resources, are up to date on any changes.

Travel to conferences and other meetings is often necessary to meet these requirements as many agency training installations are located around the country. For example employees from the Federal Aviation Administration (FAA) and Social Security Administration (SSA) receive mission critical training and developmental opportunities at their meetings. In rapidly changing fields of science and technology, government professionals from agencies like NASA, NIH, DoD, USDA, and DHS benefit from knowledge exchange and networking opportunities with practitioners from private industry, academia, and state and local government.

The specific experiences of GMC member organizations highlight the pressure on legitimate meetings, conferences, and trainings. For example, at the Internal Revenue Service, training classes have been cut at the last minute and many employees have been told not to conduct outreach activities, roundtable discussions, or attend information sharing meetings. These are legitimate meetings that are cut at the expense of employee engagement, development, and efficient agency communication. At SSA, critical management training on the newly ratified contract with the union was cancelled last year. This training would have been timely and essential for supervisors (many of whom are new to their positions and were never even trained on the prior union contract) to correctly understand and fulfill their labor relations obligations, thus avoiding costly grievance procedures.

The GMC urges you to consider alternate ways to increase oversight of travel, meeting and conference spending. Rather than across-the-board budget cuts, each meeting, conference or travel request should be considered on a case by case basis. If the requested event fulfills requirements for training or certification, it should be approved. Agencies should be required to ensure that meetings and conferences sponsored by an agency follow strict policies – perhaps even capping limits on spending for certain promotional items or speakers. Any oversight mechanisms should be clear, straightforward, and government-wide. However, it is our experience that there is never a one size fits all policy and exceptions always exist. Agencies should have flexibility to determine what travel, meetings and conferences are a necessary expense. If additional oversight is required, agencies should be able to receive an opinion from OMB on whether certain spending is warranted.

As the subcommittee continues to examine these issues, the GMC would also like to remind the subcommittee that mechanisms are already in place to hold employees accountable. Where any improper spending did occur at GSA and VA, inspector general investigations identified improprieties and employees were held accountable. The GMC believes that weaknesses in the system are due more to a lack of training for managers in how to deal with problem employees and a lack of support from political leadership. The GMC encourages you to consider

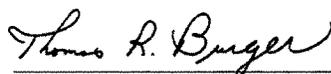
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investments in areas such as training instead of making the perhaps easier choice to cut budgets.

We offer our assistance in identifying areas of investment within agencies and we look forward to working with you to ensure dollars are spent wisely. Thank you for your continued interest in an effective and efficient federal workforce.

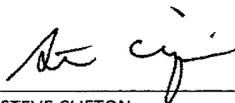
Sincerely,



THOMAS R. BURGER
Executive Director
Professional Managers Association



PATRICIA J. NIEHAUS
President
Federal Managers Association



STEVE CLIFTON
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National Council of Social Security
Management Associations



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Shawn Douglas Lamb

Chairman Blake Farenthold and Members of the House
Subcommittee on Federal Workforce, US Postal Service and the Census
Room 2157 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman and Members of the Subcommittee:

We are writing on behalf of the Society of Toxicology (SOT) to request that you include the following comments in the record of the hearing entitled *The Road Less Traveled: Reducing Federal Travel and Conference Spending* that was held on February 27, 2013.

Mr. Chairman, we urge you to seriously consider the value of scientific exchange that can only come through collaborative scientific meetings like those organized by SOT. Government employee participation with the greater scientific community enhances training, scientific and medical advances, and interagency collaboration, across employment sectors and globally.

With respect to the focus of your recent hearing, we wish to indicate that the Society has working agreements with various government agencies to promote the training of their personnel and to work together to further scientific research and their respective missions. If funding cuts are implemented, it becomes even more important this collaboration continue because scientific advances come when scientists can share data and other important information. Moreover, many leaders of the Society work for the federal government and are making valuable contributions to their respective agencies as well as to the community of scientists who belong to the Society. The Annual Meeting of the SOT allows federal employees the opportunity to seek additional professional education and to network with other governmental agencies, members of the private industry, and professionals from the academic community. Additionally, this meeting attracts scientists from around the world, providing all attendees with global perspectives on important new findings in toxicology research. It also provides a vital forum that enables the sharing of views and perspectives on drug and chemical regulation; a very important exchange for all attendees, regardless of affiliation.

The 2013 Annual meeting of the SOT, held later this month in San Antonio, features a Plenary lecture from Dr. Bruce Beutler, a 2011 Nobel Laureate in Physiology and Medicine. Additionally there will be featured sessions on the toxicological data emerging from hydraulic fracturing, the contribution of environmental and chemical factors to neurological disorders such as Parkinson's and Alzheimer's disease, emerging issues regarding the health effects of air pollution (and numerous sessions

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that focus on regulation), and the application and health effects of nanomaterials. These examples illustrate the multi-disciplinary aspects of toxicology, as well as the timely and relevant science that will be shared and discussed in the meeting. With this type of program, the annual meeting of the SOT is internationally recognized as the most important event of its kind. Attendance and participation at this meeting is a vital part of continuing education and professional development within the field of toxicology.

By way of background, the SOT is a professional organization of nearly 7,500 toxicologists from more than 50 countries around the world. The field of toxicology is an integrated science that uses a variety of research tools to determine the effects of drugs and chemicals on human and environmental health. An important aspect of toxicology research is to develop risk assessment and risk management approaches that influence decisions on whether drugs and chemicals can be used safely. Approximately one third of the members of the Society are scientists who work for the federal government. The remainder of the Society's members are professionals who either teach or conduct research at universities around the world, or those that work (or are consultants) for private industry.

The Society remains committed to its mission of creating a safer and healthier world, and welcomes the opportunity to work with you and the members of the subcommittee with the hope that we can continue our scientific advancements collaboratively.

Sincerely,



Lois Lehman-McKeeman
Society of Toxicology Vice President