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before the
Subcommittee on Federal Workforce, U.S. Postal Service, and the Census
House Committee on Oversight and Government Reform

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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]

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[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.

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[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 Regulations[6] (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.

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[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.