



DEPARTMENT OF DEFENSE
CIVILIAN PERSONNEL ADVISORY SERVICE
4800 MARK CENTER DRIVE
ALEXANDRIA, VA 22350-1100

Mr. Gregory J. Junemann
President
International Federation of Professional
and Technical Engineers
501 3rd Street, Suite 701
Washington DC 20001

AUG 19 2014

Re: Draft DoD Civilian Advisory Panel (CAP) initiatives concerning the integrated lodging program pilot, flat rate per diem expenses for long term temporary duty travel (TDY), and changes to incidental expenses

Dear Mr. Junemann,

In accordance with 5 U.S.C. §7113(b)(2), this responds to correspondence from the International Federation of Professional and Technical Engineers (IFPTE) dated July 2, 2014, and received that date, regarding the above captioned. We respond to your stated concerns as follows:

Flat Rate Per Diem for Long Term TDY – CAP 118-13(R)

1. **IFPTE Comment:** “Is this proposed reduction just Continental United States (CONUS) or will it also include Outside CONUS (OCONUS)? IFPTE is doubtful that 75% of the current rate would support someone on long term TDY in places like Pearl Harbor, Washington DC, or San Diego, for example.”

DoD Response: The reduced per diem for extended TDY will be used in both CONUS and OCONUS locations wherever suitable lodging can be obtained. The larger, higher-cost markets you identify as examples typically have multiple options for high quality extended-stay facilities at reduced costs. Thus, it is more likely in very small communities with fewer lodging options that the rates may be insufficient and traditional lodging plus meals and incidental expenses will be allowed at the locality per diem rates.

2. **IFPTE Comment:** “Where exactly and what would the DoD expect the quality of the lodging be for federal workers on long term TDY if the DoD is paying only 75% of the current rate in places such as DC, San Diego, San Francisco, etc.? Depending on the time of year and how far ahead of time you can make your reservations, DoD workers have had to pay higher than the current per diem rate to stay in the DC and San Diego areas, just to name a few. For example, it would be all but impossible to find a room in San Diego during ComiCon for the current per diem rates, if you can get a room at all.”

DoD Response: We expect the quality and conditions of extended-stay facilities to be greater for long-term travelers than a traditional hotel, as these lodgings typically have larger, separate living areas and partial to full kitchen facilities as is appropriate for longer-term travel. Even traditional hotels will frequently reduce their rates to below the per diem rate in order to ensure long-term occupancy of their rooms. In those exceptional cases where travelers cannot find lodging at a reduced rate, however, they will be eligible to receive traditional lodging plus meals and incidental expenses.

3. IFPTE Comment: Currently, the Portsmouth Naval Shipyard contracts out lodging for trips with numerous employees. Without endorsing this process, the purpose is to save the Shipyard money by contracting lodging at the lowest bid. These contacts can range from 12 to 300 rooms. Generally, on longer trips to Navy Bases in San Diego, Pearl Harbor, Groton, Norfolk, etc., the 'savings' have been 10% or less (depending on the area) over the last several years. For example, San Diego provided 2% to 3% on some rooms, but 0% on the majority of contracted rooms. The 10% savings is in Groton and Norfolk, not exactly tourist hot spots. Despite a concerted effort by the Shipyard to achieve savings, Portsmouth was lucky to achieve a 10% reduction. When you compare this to individual federal employees, who do not have the benefit that comes with bulk buying power, you wonder how it is the DoD expects these workers to find a 25% reduction? IFPTE believes it is unreasonable for DoD to put this burden on our members."

DoD Response: No burden is placed upon these travelers. If they are unable to find suitable lodging, then they are to contact their servicing commercial travel office to find quarters within the reduced per diem rate. If the travel office, with its extensive resources and expertise, is unable to find suitable lodging at the reduced rate, then traditional lodging plus meals and incidental expenses will be allowed.

4. IFPTE Comment: "The proposal is asking for a reduction in lodging and Meals and Incidental Expenses (M&IE). An employee traveling for 6 weeks will not always be able to find a place to stay that has a kitchenette. Therefore, they will be eating out for the duration of their trip. By reducing their allowance to 75% it will be even harder for them to afford a place with a kitchenette."

5. IFPTE Comment: "The process GSA uses to set the MI&E is based on a nationwide meals study which accurately reflect prices federal travelers have to pay to get food (per the GSA website). The process the GSA uses in setting the lodging rates is based on Smith Travel Research (contractor hired by GSA). The rate is based on average daily rate data from specific properties that meet the GSA criteria. Smith Travel Research ranked the properties into luxury, upper scale, mid-scale and economy categories. The GSA then selects only 'mid-scale' properties to base the lodging rate for federal travelers

(again per the GSA website). NOTE: The DoD sets the per diem rates for non-foreign OCONUS such as Hawaii, Alaska, Puerto Rico and Guam. These rates are based on the average of what a traveler is expected to spend while on official travel.”

6. **IFPTE Comment:** “Given the points made in the item above, it is clear that the DoD is proposing that IFPTE members and other DoD workers who are on travel (in many cases ‘forced’) be treated less than average, as they are being told to live in economy (the lowest rating from the Smith Travel research) or worse lodging and eat fast food burgers or sandwiches for six weeks. This is an unacceptable consequence of these DoD proposals.”

DoD Response to IFPTE Comments 4, 5, and 6: Per diem rates for MI&E are based on a traveler eating three (3) full meals per day in a sit-down, full-service restaurant. While travelers on short-term TDYs may eat all meals in a sit-down restaurant, travelers on extended TDY typically do not. Food costs for extended TDY are substantially less than for short TDYs. If particular situations dictate that a traveler must incur greater costs for meals, then the approving official will have the authority to authorize full per diem.

7. **IFPTE Comment:** “The premise for the reduction is the belief that the current policy does not include any incentive for the traveler to save government funds. Without going into challenging the underlying premise, IFPTE will point out the obvious: Since there is a belief that there are no ‘incentives’ to save money, the Department’s proposal is to force the savings from the skin of the backs of our members who travel, rather than addressing the incentive issue directly. This is a misguided effort to solve a perceived problem.”

DoD Response: This change brings DoD more in line with other federal agencies, although those other agencies actually reduce per diem by a greater amount for their employees on extended TDY. The change is not done at the expense of the traveler. Rather, it will provide travelers sufficient funds for food and lodging and allow travelers to decide how they wish to allocate those funds. If they find suitable quarters at a lower cost, then they will be able to keep the difference for themselves. Today, if travelers act as prudent stewards of taxpayer funds and find lodging at a reduced cost, the Department benefits, but the traveler realizes none of the savings. As such, there is no incentive for the traveler to find lodging at a reduced cost.

8. **IFPTE Comment:** “The mandatory use of the government credit card was not IFPTE’s or any other federal workers’ idea. Rather, it was forced on DoD workers, only now to suggest that DoD workers’ [sic] pay for the cost of using the credit card out of incidental expenses. It is yet another unjust cost to IFPTE members employed by DoD.”

DoD Response: Use of the Government Travel Charge Card was mandated by Congress when they passed the Travel and Transportation Reform Act of 1996. There is no cost to travelers when they use their card to pay for meals and lodging. Moreover, there is little or no need to use cash when traveling today and credit cards are now the normal method of payment. The only costs that are incurred are when travelers use the card to draw an ATM cash advance.

9. **IFPTE Comment:** “Civil works mission – Long term TDY is essential to maintenance and long term support of the flood and hydro power producing dams, as these items require a special maintenance and retro fit that occurs on a biannual or longer cycle. Use of long duration TDY offsets the cost of hiring individuals at site to perform these tasks. Another area of concern is turn-over at remote locations, resulting in difficulty in quickly hiring individuals for remote locations with the skill sets that are needed. Long durations TDY’s [sic] become a measure to fill gaps in personnel during the hiring process to support the mission.”

DoD Response: With the congressional mandate to cut travel costs by 30%, this initiative will actually assist the U.S. Army Corps of Engineers in achieving its mission while providing appropriate lodging and achieving the required savings.

10. **IFPTE Comment:** “Emergency response – The Emergency response capability of the corps of engineers often times requires long duration TDYs to provide assistance to other agencies and to rebuild critical infrastructure. The proposed new TDY policy would obviously have a negative impact to these employees and the taxpayers who depend on these emergency response services.”

DoD Response: Emergency response capabilities would not be affected by this change. In unusual situations such as emergencies, where travelers cannot find lodging at a reduced rate, they would be eligible to receive traditional lodging plus meals and incidental expenses, if available.

11. **IFPTE Comment:** “Environmental cleanup – The support of environmental cleanup is very difficult without long duration TDYs, as a lot of the time these projects can be in remote areas such as abandon mines or old government facilities that are located in areas where limited choices are available for employees to be able to cut costs to fit the new policy.”

DoD Response: Environmental cleanup capabilities would not be affected by this change. In unusual situations such as travel to remote areas without suitable lodging,

travelers would be eligible to receive traditional lodging plus meals and incidental expenses, if available.

12. IFPTE Comment: “Military construction and maintenance – This mission often requires long duration TDY for subject experts or for quality assurance. Many times these are located near or in large cities and depending on the area the choices for lodging that have a government rate or cheaper are very difficult to find if not impossible.”

DoD Response: It is in these very markets that high quality extended-stay facilities can be found at reduced costs. It is more likely in very small communities with fewer lodging options that the rates may be insufficient and traditional lodging plus meals and incidental expenses will be paid at the locality per diem rates.

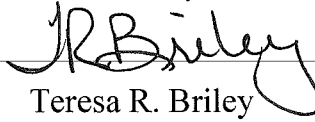
Integrated Lodging Program Pilot – CAP-119-13(R)

13. IFPTE Comment: “IFPTE is very dubious about the recommended ILP.”

DoD Response: The benefits of a managed lodging program fall into five (5) broad categories: 1) safety and security; 2) quality; 3) convenience; 4) amenities; and 5) rates. The sourcing requirements specify such safety/security features as interior opening room, secure locks, doors with observation openings, fire safety standards, American with Disabilities Act (ADA) standards, etc. The sourcing requirements will specify quality standards such as room renovation within the last five (5) years, minimum size, hotel chains with minimum star ratings, etc. the hotels in the program will all be able to be booked through the Defense Travel System (DTS) with changes and cancellations online protecting employees from additional charges. Moreover, the government travel charge card (GTCC) integrated into DTS can auto reserve the room and eliminate calls to the hotel and at the end of the trip auto populate the settlement voucher. Additionally, consideration is given to the hotel’s location in proximity to major installations. These conveniences will be readily available to employees. The sourcing requirements will weigh the selection of hotels with the best amenity package like free internet, parking, breakfast, etc. Through competitive sourcing, lodging will be available at a reduced per diem with the above benefits. Travel spent per OMB Memo 12-12 is to be reduced 30%. DoD is obligated to move forward with a program to meet this mandate, while protecting its travelers.

Thank you for taking the time to provided comments on these initiatives. I hope this information is helpful to you.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Briley", written over a horizontal line.

Teresa R. Briley
Acting Director

Labor and Employee Relations Division