FOIA Number: 2011-0586-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group:	Clinton Presidential Records
Subgroup/Office of Origin:	Press Secretary
Series/Staff Member:	Mike McCurry
Subseries:	

OA/ID Number:	11102
FolderID:	

Folder Title:
WHTO [White House Travel Office] [1]

Stack:	Row:	Section:	Shelf:	Position:
S	94	3	10	1

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	White House Travel Office; RE: USSS [partial] (1 page)	02/24/1995	b(7)(C), b(7)(E)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
WHTO [White House Travel Office] [1]

2011-0586-F
db4241

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

reporters
luggage
not on
Air
Force
One

• establish clear lines of authority
• what are the roles of each person

TRAVEL OFFICE DISCUSSION
June 23, 1995

AGENDA

- press questions need to be addressed

I. OVERVIEW/GOAL OF REVIEW

II. METHODOLOGY

III. SUMMARY RECOMMENDATIONS

A. <u>GENERAL MANAGEMENT ISSUES</u>
1. Clarify roles of WHTO and Press Advance Offices.
2. Develop closer relationships between all offices involved in the scheduling process.
3. Establish each office's point of contact on a trip-by-trip basis.
4. Improve use of electronic-mail communication.
5. Return hotel management duties to the Office of Scheduling and Advance.

B. <u>TRIP COORDINATION ISSUES</u>
1. Improve the process by which the press manifest is created.
2. Increase the number of WHTO Trip Coordinators and travel advance volunteers.
3. Reduce current reliance on verbal communication and commitments.
4. Conduct follow up meeting with advance staff after each trip.
5. Enter into an exclusive contract with a single air charter company.

C. <u>PRESS ADVANCE ISSUES</u>

who supervise?

1. Press Advance staff should resume using Purchase Orders for obligating costs on behalf of the traveling press.
2. Provide Press Advance staff with further training related to the work of the WHTO.
3. Press Advance staff should notify WHTO as costs are obligated to the press fund.

D. <u>TRAVEL MANAGEMENT CENTER ("TMC") ISSUES</u>
1. Encourage closer communication between the TMC and Scheduling/Press Advance.
2. Clarify TMC rules and policies to appropriate WH and advance staff.
3. Transfer the billing and financial management functions to the TMC.

E. <u>FINANCIAL MANAGEMENT ISSUES</u>
1. Invest excess press travel funds.
2. Replace existing financial management system.
3. Send bills to press organizations monthly, including past due items.
4. Add interest charge to invoices.
5. Continue aggressive collection of bills.

introduction

WHITE HOUSE TRAVEL OFFICE

Internal Operations Review

DRAFT -- June 23, 1995

INTRODUCTION

In its May 1994 Report to Congress on White House Travel Office Operations, the United States General Accounting Office ("GAO") recommended that the White House improve its managerial oversight of the White House Travel Office ("WHTO"). As a result of this recommendation, the White House has undertaken several initiatives to improve its oversight.

First, the White House contracted Tichenor & Associates of Woodbridge, Virginia to perform an independent financial statement audit of the WHTO. This audit was completed on April 24, 1995, when they issued an unqualified favorable report.

Second, the White House solicited suggestions and comments from some individuals associated with the WHTO. These recommendations have been reviewed by management, and many have resulted in marked improvements in WHTO operations in recent months.

Third, the White House commissioned an internal management review of WHTO operations. This report summarizes the conclusions and recommendations of this internal review. The members of the team that conducted the review are Brian Bailey from the Office of the Chief of Staff, Andris Kalnins from the Office of Administration, and Michael Malone from the White House Office of Management and Administration.

Over the past year, the WHTO has significantly improved its operations. In particular, WHTO officials have recently instituted a number of positive changes in the areas of general management and financial management. Despite the large number of recommendations contained in this report, the review team wishes to recognize that much progress has been made already.

In conducting this internal review, the team members sought to examine WHTO operations from an independent, unbiased perspective. While the team members did review the recommendations of GAO, Tichenor & Associates, and others, they did not seek to verify that any of these suggestions had been adopted or implemented by WHTO management. Instead, the review team developed its own independent list of observations and recommendations.

This document presents the methodology employed and the findings of this internal operations review. The review team's conclusions are divided into five distinct sections. In short, the team believes that these observations and suggestions would help develop the WHTO into a more effectively run organization.

It is important to recognize that many of these recommendations are interrelated. For example, moving the billing and financial management functions to the TMC would obviate the need for other recommendations in the "Financial Management Issues" section of this report.

The review team believes that the White House should continue its managerial oversight of the WHTO, by conducting subsequent internal reviews on an annual basis for the next few years.

METHODOLOGY

Before beginning field work, each member of the review team reviewed a packet of information which included the KMPG/Peat Marwick report, the GAO report, the handbook of Travel Office policies and procedures, and the Tichenor & Associates audit.

The team began its field work by conducting a series of initial interviews with each of the primary employees in the White House Travel Office. Persons interviewed included the Deputy Director, both Trip Coordinators, the Bookkeeping Accountant, and the Manager of the Travel Management Center. Due to the importance of the WHTO's interaction with the White House Press Advance staff, the team conducted subsequent interviews with each of the two primary press advance employees.

Following each interview, the team members met to discuss and evaluate observations made during the session. During this stage, the team reviewed additional information (including recommendations made by others) regarding potential improvements in WHTO operations.

Upon completion of the initial interviews, the team identified five specific subject areas on which its analysis should focus: (i) General Management, (ii) Trip Coordination, (iii) Press Advance, (iv) Travel Management Center, and (v) Financial Management. For each of these areas, the team identified specific topics which merited further review.

With these specific topics in mind, the team returned for follow up interview sessions with each of the primary employees involved in WHTO operations, including the Press Advance staff. In these sessions, every attempt was made to observe daily operations.

The results of this work are presented below. In each category, the team has presented a finite number of recommendations which it believes would help to improve WHTO operations. These recommendations were shared with both WHTO and Press Advance employees, as well as senior White House officials, prior to the final release of this report.

CONCLUSIONS AND RECOMMENDATIONS

I. GENERAL MANAGEMENT ISSUES

- **Clarify roles of the WHTO and Press Advance offices.**

Currently, on every trip, these two offices are responsible for making certain arrangements for the traveling press. Securing the charter aircraft is always the responsibility of the WHTO. All other arrangements however, may be made by either the Travel Office employees or by Press Advance officials. The assignment of such duties varies by trip. For example, in some cases the WHTO is responsible for securing the room for the press filing center while on other trips, the Press Advance agent in the field makes this arrangement.

Because specific duties are not clearly delineated prior to a particular trip, there is the potential for certain required elements to be overlooked until the last minute. There is also the potential for duplication of effort.

RECOMMENDATIONS:

- *Establish clear lines of responsibility for each office prior to future travel.*
- *Develop position descriptions for staff in both offices.*

It is important for the two offices to establish responsibilities prior to all future trips. It does not matter whether such a division is done before each trip (in a pre-trip meeting) or on a one-time basis (to apply to all trips). What is important is that a division of duties be made and adhered to. This would allow all involved in the process to know who was responsible for a particular element of each trip.

- **Develop closer relationships between all offices involved in the scheduling process.**

One common problem for all involved in the trip preparation process is that scheduling decisions are not made or finalized with adequate lead time. Late decisions or changes often necessitate last minute, and often expensive, modifications in travel plans. Thus, representatives from all involved offices should be in close contact with scheduling staff, and should receive prompt notification of any scheduling adjustments. In addition, WH staff should make every effort to solidify travel schedules several days in advance.

RECOMMENDATIONS:

- *Include Trip Coordinators in all relevant trip meetings and weekly schedule creation meetings.*
- *Have pre-trip meeting (involving parties from all related offices) for each trip.*
- *Include Trip Coordinators on electronic mail distribution lists regarding scheduling issues (see "Improve use of electronic mail communication.").*
- *Establish a schedule due date for each trip. All scheduling changes after this date must be approved by specific official such as the Deputy Chief of Staff or the Director of Scheduling and Advance.*

These actions would encourage increased communication and cooperation between trip coordinators and schedulers, and would help to reduce the volume of last minute scheduling changes now experienced.

- **Establish each office's point of contact on a trip-by-trip basis.**

Currently contact between the WHTO, Press Advance and Scheduling and Advance is made on a first-come, first-served basis. In some cases, this is because of working relationships that have been developed. In other cases, this is done because individuals in other offices do not know whom they should call for a particular service.

Such disconnect can lead to tasks being overlooked (when staff assumes someone else is doing the job) or in tasks being duplicated (when two people are tasked to do the same thing).

RECOMMENDATION:

- *At a pre-trip meeting before every trip, establish a point of contact in each office through whom all communication related to that trip should be funneled.*

Because the WHTO is frequently inundated with constantly changing information, it is important to ensure that one individual maintains a holistic view of a particular trip. This person would always know which tasks related to a trip have or have not been completed. As tasks are identified, it would be the responsibility of this contact person to either complete these tasks or assign them to available parties.

It is also important for the offices who contact the WHTO on a particular trip to do so through a consistent point of contact. It is unreasonable for the WHTO to track numerous requests which come from different staff members from Scheduling and Advance or Press Advance. Having a consistent point of contact in these offices would allow these offices to understand which issues are still pending in the WHTO.

- **Improve use of electronic mail communication.**

Currently, a significant amount of the communication between the WHTO, the TMC, the Scheduling and Advance office, the Press Advance office, and the press is conducted verbally, often over the telephone. Due to the constant flow of information, it often becomes difficult to keep up with the numerous requests associated with each trip. Different people in the WHTO are tasked to perform a broad range of tasks. Sometimes it is not clear from whom the tasking came.

Verbal communication also provides for no written record of conversations and commitments, and often results in decisions being made without the availability of complete information. Where possible, the WHTO should require that all communications be either written or electronic, so that accurate records can be maintained and stored.

RECOMMENDATIONS:

- *Require written confirmations for all reservations, purchases, and commitments.*
- *Provide Trip Coordinators with access to electronic mail while on the road.*
- *Provide the TMC with access to electronic mail.*
- *Place appropriate staff from the WHTO, the TMC, the Scheduling and Advance office, and the Press Advance office on e-mail distribution lists to ensure adequate communication.*

By encouraging the WHTO, the Press Office, Scheduling and Advance, WHCA, USSS and the White House Military Office to utilize e-mail as much as possible when communicating, written records would be created that can also help to serve as to-do lists for the WHTO staff. Additionally, this system would help reduce the potential for misunderstandings that sometimes occur in a system without full documentation.

It is important to keep accurate records in the trip folder. These actions would ensure that every party has written access to the information necessary to make key decisions. No reservation or scheduling changes should occur, and no funds should be obligated, without written documentation that can be placed in the relevant trip folder for future reference.

E-mail distribution lists are a simple method for ensuring that all parties involved are properly notified of schedule or logistical changes. This action would reduce the time it takes to notify each WHTO staff member when a schedule change is made by Scheduling and Advance.

- **Return hotel management duties to the Office of Scheduling and Advance.**

Currently the WHTO and other offices are asked to respond quickly after Scheduling and Advance makes final decisions about locations and other travel arrangements. Because these decisions sometimes come at the last minute, the WHTO and other offices are asked to make time consuming and costly last minute changes.

The area of hotel management is no exception to this rule. Each time the schedules are changed by Scheduling and Advance, a new hotel manifest must be prepared. In some cases, more than five hotel manifests have been created for a single trip. This causes redundant effort on the part of the WHTO staff.

It appears that the other offices for which rooms are reserved (WHMO, USSS and WHCA), all notify the WHTO in plenty of time before the trip. They do not add significant work to the hotel management process.

Scheduling and Advance was once responsible for preparing hotel manifests. Because they were not being done during this administration, the WHTO assumed the duty of putting them together. The Deputy Director of the WHTO claims that managing the hotel letters takes the largest portion of her time each day. However, because she is busy managing the office during weekdays, she often has to work on the billing letters after regular business hours.

RECOMMENDATIONS:

- *In the short-term, reassign the responsibility of preparing hotel manifests to the Scheduling and Advance office.*
- *In the future, hotel manifests could be prepared by the TMC at the time reservations are made by the TMC.*

Because Scheduling and Advance has immediate access to the information that frequently causes the hotel billing letters to have to be redrafted, and because the other offices for which rooms are reserved (USSS, WHMO, WHCA) do not add significant work to the process, Scheduling and Advance should begin preparing the hotel billing letters for all agencies involved. This duty would hopefully serve as an incentive for Scheduling and Advance to finalize scheduling decisions several days in advance of a trip.

Instead of providing the names of their traveling parties to the WHTO, WHCA, USSS and the White House Military Office would provide this information to the person in Scheduling and Advance tasked to prepare hotel manifests. As scheduling decisions are made further in advance, the TMC could provide hotel manifest information directly to the hotel at the time they are reserving rooms.

This change would allow the Deputy Director to focus on office managerial duties and to give him/her more time to serve as another Trip Coordinator as needed.

II. TRIP COORDINATION ISSUES

- **Improve the process by which the press manifest is created.**

Perhaps the most critical function performed by the WHTO is the development of the press manifest, as this is the document used to make most billing decisions. Thus, it is imperative that this list accurately reflects those press who actually traveled on the trip in question.

Several issues can lead to an incomplete manifest. First, the press often makes or revises reservations over the phone. These messages are taken by a number of different WHTO employees, and sometimes it is difficult for the Trip Coordinator to compile an accurate record of all messages that have been received. Second, the signature cards from the air charter are often illegible. This makes it difficult to determine exactly who flew on the plane. Third, in exceptional cases the Trip Coordinators allow certain press to cancel reservations after the plane and other assets have been contracted by the WHTO. This increases the bills of other press who adhere to their commitments. Finally, the manifest is created incrementally, with periodic changes due to telephone and written messages. Due to these changes, many manifests are typed and retyped up to five or ten different times. This frequent manual typing can eventually lead to inaccurate information.

RECOMMENDATIONS:

- *Establish a single Trip Coordinator as the point person for each trip. This should be the only person who can accept requests -- only if the requests are in writing and come from press with an active billing account.*
- *Prohibit cancellations, except in the case of emergencies. Clarify which types of emergencies warrant such cancellations. Permit substitutions if in writing. Enforce these policies strictly with no favoritism.*
- *Point person should check names on the manifest as the press enters the plane. Persons whose names are not on the manifest should be required to sign a card before boarding.*
- *Explore the use of bar codes, scanning equipment, and/or computers to automate the sign up process and to produce manifests automatically.*

These actions would streamline the manifest creation process, and would help to ensure that the press manifest accurately reflects which press actually traveled on a given trip.

- **Increase the number of WHTO Trip Coordinators and travel advance volunteers.**

The WHTO does not currently have adequate resources to perform the trip coordination function. With only two Trip Coordinators, the WHTO is often forced to send both out of the office for a single trip - one for travel advance, and the other for supervision of the press air charter. Clearly, this arrangement does not leave the office with adequate resources to plan upcoming trips or to follow up on trips recently completed. Given the fact that overall WHTO resources will not likely be increased, it seems that the WHTO should redistribute its staff so that it has four persons who are capable and qualified to serve as Trip Coordinators. In addition, the WHTO Director should be able to perform the trip coordination functions as needed.

In addition, the WHTO suffers from a declining pool of volunteers who are available to perform the travel advance function. Given the lack of trip coordinators, the WHTO recently decided that it would send a Trip Coordinator to advance only for overnight trips. While this appears to be a suitable policy, it amplifies the need for an increased number of capable travel advance volunteers.

RECOMMENDATIONS:

- *Reassign the billing, financial management, and most reservation functions within the WHTO (see recommendations under "TMC Issues" section) to enable more members of the WHTO staff who previously provided these services to serve as Trip Coordinators.*
- *The WHTO Director or Deputy Director should identify, recruit, and train a number of new volunteers to perform travel advance.*

These actions would provide the WHTO with additional resources to perform the trip coordination and travel advance function.

- **Conduct follow up meeting with advance staff after each trip.**

Currently, Trip Coordinators have difficulty collecting bills from advance staff. This forces the WHTO to send out a significant number of rebillings, which require additional time and expense. In addition, there is no follow up mechanism by which Trip Coordinators can meet with Scheduling and Advance staff and Press Advance staff to discuss problems and brainstorm about potential remedies for future trips.

RECOMMENDATIONS:

- *Conduct follow up meeting with lead advance person several days after trip is finished. This meeting should be called by the Trip Coordinator and should include representatives from Scheduling and Advance and Press Advance. The meeting should be held no later than one week after the trip ends. At this meeting, members present can discuss problems areas and complete the billing folder for the trip in question.*
- *Prepare a written summary of trip issues for inclusion in trip folder. Present a copy of this report to the Director and/or Deputy Director as a debrief.*

This meeting would enable Trip Coordinators to compile complete billing folders in a timely fashion, and would provide a venue for discussions regarding potential improvements on upcoming trips.

- **Enter into an exclusive contract with a single air charter company.**

Currently, the WHTO solicits bids from air charter companies on a trip-by-trip basis, and the winning bid serves as the official contract between the company and the WHTO. It could save both time and money if the WHTO entered into an exclusive contract with a single air charter company.

RECOMMENDATION:

- *Explore the possibility of entering into an exclusive, medium term (three to six months) contract with a single air charter company.*

This contract would eliminate the need to conduct a time-consuming bidding process before each trip. It is important that this sole contractor have access to the various types of aircraft required by the press.

III. PRESS ADVANCE ISSUES

- **Press Advance staff should resume using Purchase Orders for obligating costs on behalf of the traveling press.**

On several recent trips, pre-printed numbered Purchase Orders were issued as costs were obligated on behalf of the press. All who were involved in this process said that this was an effective method for accumulating costs. Even if it took a vendor extra time to forward a bill to the WHTO, the WHTO could bill from the Purchase Orders. These provided accurate estimates of the bills that the WHTO should expect to receive on behalf of the traveling press.

However, for unknown reasons, the system was abandoned after only a few trips.

RECOMMENDATION:

- *Resume using the Purchase Order system on all future trips.*

All indications are that the system was effective method for accumulating costs. Because we cannot identify why use of the system was halted, we recommend that it be reinstated.

The system would provide written records of all cost obligations as soon as the trip is completed. Instead of waiting to receive the bills, the WHTO would be able to bill from the Purchase Orders.

Additionally, the Purchase Order system would ensure that the WH staff member who obligates costs and the vendor who provides services agree, in advance, on which services are to be provided. Once a Purchase Order is signed, it is much less likely that a vendor will provide additional services and then bill for them when they were not specifically identified on the Purchase Order. Press Advance staff should welcome this system for accountability purposes.

A note of caution: the Purchase Order system will be ineffective unless the Press Advance staff are trained to use the forms and unless they understand their vital responsibility to the cost accumulation process.

- **Provide Press Advance staff with further training related to the work of the WHTO.**

It appears that many of the Press Advance staff are not aware of what the WHTO actually does and how Press Advance should interact with the WHTO.

RECOMMENDATION:

- *Provide training to all Press Advance staff members who are responsible for obligating expenses on behalf of the press.*

This action would provide information to Press Advance staff members about their role in the cost obligation and cost accumulation processes.

The best type of training would be on-site. It would be extremely valuable to bring the Press Advance to the WHTO and demonstrate to them the daily WHTO functions. If on-site training is not possible, a simple training manual should be prepared. This manual could include checklists for cost obligation and accumulation responsibilities for those staff who are new to the operation.

This increased education would go far towards solving some of the disconnects and increasing communication between these two offices.

- **Press Advance staff should notify WHTO as costs are obligated to the press fund.**

On each trip, Press Advance staff becomes involved in obligating expenditures on behalf of the traveling press. The WHTO then bills these expenses to those press organizations which traveled. However, it is not feasible for the WHTO to bill out a trip until all costs are known. Because the WHTO billing account frequently does not have an accurate record of the costs obligated by the Press Advance staff, the WHTO must wait for all bills to come in from vendors before billing out a trip. This sometimes leads to lengthy delays in billing. In addition, the WHTO often receives notice of expenditures after bills have already been sent to press organizations. This lack of communication forces the WHTO to resend bills to each of the organizations.

RECOMMENDATION:

- *Implement a system for ensuring that the WHTO is notified in advance, of all costs obligated on a particular trip.*

This could be successfully accomplished in two ways: 1) using a pre-trip checklist that consists of the usual expenses incurred on a trip, the Press Advance staff member should note any costs that are approved and place their initial next to them. At a follow-up meeting, this list is presented to the Trip Coordinator; or, 2) each time a cost is approved by Press Advance, they should send an e-mail to the designated point of contact in the WHTO. As e-mails are received, they are printed and placed in a billing folder for that trip.

Having a record of costs that they should expect to receive, the WHTO could then verify as invoices are received. This would give them an idea of how many bills they were missing before they could bill out a trip.

IV. TRAVEL MANAGEMENT CENTER ("TMC") ISSUES

- **Encourage closer communication between the TMC and Scheduling/Press Advance.**

The TMC needs to receive prompt notification of scheduling changes. These changes affect many of the functions performed by the TMC including hotel and airline reservations. Currently, there is no strict process by which the TMC and the WHTO are in close contact with both the Scheduling and Advance office and the Press Advance office on a regular basis.

RECOMMENDATIONS:

- *Provide TMC employees access to the EOP electronic mail system.*
- *Require the Scheduling and Advance office and the Press Advance office to post all scheduling changes to a fixed distribution list on electronic mail which includes the TMC employees.*

If the TMC receives immediate notification of scheduling changes, this will reduce the confusion, last minute pressure, and financial penalties often associated with such changes.

- **Clarify TMC rules and policies to appropriate WH and advance staff.**

The TMC has established a number of rules and policies that govern travel plans for WH and advance staff. For example, the TMC does not issue airplane tickets until the traveler produces a travel authorization form signed by the Chief of Staff. Also, if travelers elect to add a personal stop on the end of an official trip, they must pay the incremental increase in fare. The TMC, through the WHTO, should clarify and enforce these regulations for all potential travelers.

RECOMMENDATION:

- *Produce, distribute, and enforce a written set of TMC guidelines for WH and advance staff. This information could also be produced for distribution via electronic mail. All travelers should receive this information when they make initial reservations through the TMC.*

The clarification and enforcement of these policies would reduce the potential for confusion that may arise from the current lack of communication.

- **Transfer the billing and financial management functions to the TMC.**

Currently, press funds are held outside of Treasury, in a commercial bank account. The WHTO billing and financial management functions require one full-time accountant, several interns, and additional time from the Deputy Director. Third party TMCs exist which could manage the press funds and assume all the billing and financial management functions now performed by WHTO staff.

RECOMMENDATIONS:

- *Award the TMC contract to a third party which could hold and manage press funds.*
- *Transfer the WHTO billing and financial/cash management functions to the TMC.*

These actions would eliminate certain issues related to the WHTO holding the press funds in a commercial bank account.

Furthermore, moving the billing and financial management functions to the TMC would permit the WHTO to dedicate more staff to the trip coordination and other important functions. Also, these actions would eliminate the need for many of the recommendations mentioned in the "Financial Management Issues" section of this report.

V. FINANCIAL MANAGEMENT ISSUES

- **Invest excess press travel funds.**

The WHTO makes daily deposits of collections for press travel funds following standard collection practices. The daily balance of funds in the account averaged over $500,000, with the highest daily balance being $828,340, over the last three months. The FDIC provides insurance of $100,000 for each account held in a bank. This policy leaves the press travel funds at risk against loss.

RECOMMENDATION:

- *Invest funds in government securities to generate income and to protect funds from losses in excess of the FDIC $100,000 coverage.*

A repurchase agreement with the bank holding the collections for the press travel fund would invest funds in government securities which provides a safe haven for funds in excess of the FDIC limit of $100,000. Under the self-insurance rule, the government could be held liable for any loss of funds due to placing funds in under-insured accounts. Funds held in government securities are not at risk for loss. Also, based on an estimate from Riggs Bank, revenues would be approximately $20,000 per year. If this recommendation is adopted, the White House Correspondence Association should apply for a tax exempt status with the Internal Revenue Service to avoid any tax consequences from the income derived from investments.

Another option to protect funds against loss would be to open additional accounts with Riggs of Virginia and Maryland which would be treated as separate accounts for insurance purposes.

- **Replace existing financial management system.**

The current system will not be able to satisfy the additional demands of the press travel fund as travel increases in 1996.

RECOMMENDATIONS:

- *Evaluate the potential for the contractor for the TMC to assume the billing and collection functions related to press travel. (see "Travel Management Center Issues" section).*
- *Establish separate accounts for each press organization to facilitate collection by the TMC.*

If the TMC or another third party assumes the financial management function as recommended, this party would likely use its own system which might be better designed to meet the needs of the WHTO. However, if this reassignment does not occur, then the WHTO needs to make appropriate improvements in the existing system or investments in a new system.

The current system was an excellent choice for a cost-effective software to implement WHTO controls for managing the press travel fund and documenting financial transactions. These procedures and the controls have corrected most of the deficiencies which were inherited by the current administration. However, the system has reached its peak in performance and may not be able to handle an increased workload of the WHTO. The current system is labor intensive. WHTO staff must perform duplicative data entry since the current system does not have import capability (i.e., importing Lotus spread sheets to the accounting system). Many of the deficiencies of the system, including excess transactions beyond the system capability, have already been addressed by previous studies. However, some improved productivity could be realized immediately by implementing the automated check writing capability of the current system that posts disbursements automatically to the financial management system.

- **Send bills to press organizations monthly, including past due items.**

One of the labor intensive procedures is the billing function which requires many hours to bill on a per trip basis. Some of the bills are re-billed three or four times due to vendors sending invoices late or not having an accurate address to send bills. Each re-billing requires every invoice to be re-done for each of the 40-80 press organizations billed on each trip. The number of bills sent out last year was 6,200, which included numerous re-billings. A Purchase Order system has been designed, and is in process of implementation, which will enable the WHTO to know when a vendor has not billed for a service and thus will reduce re-billings.

RECOMMENDATIONS:

- *Bill press travel organizations on a monthly basis. This would be more efficient and would reduce the administrative burden of re-billing accounts when a late bill comes in.*
- *Include an overhead charge of 1%, or $500, whichever is lower, to reduce the number of accounts that need to be re-billed.*

The overhead charge would be used to pay small bills, subject to the approval of the WHTO Director, to avoid the expenses of re-billing of multiple accounts. Also, a monthly billing should reduce re-bills and make the process more efficient. Past due accounts should be incorporated with the monthly statement as part of the collection process.

- **Add interest charge to invoices.**

Collection of bills sent to press organizations has been a serious problem to the point of some vendors no longer bidding on press travel business. This results from slow payment to vendors in some cases in excess of 180 days. This adds to the cost of press travel when fewer vendors submit proposals and reduces competition.

RECOMMENDATION:

- *Add a 10% annual interest charge to past-due billings to the press.*

As a standard business practice, interest should be charged on delinquent accounts. A 10% annual rate would improve collections by providing the press organizations an incentive to pay the WHTO in a timely manner. Some businesses are taking as long as 200 days to pay their accounts. This causes serious cash flow problems for the press travel fund, resulting in late payments to vendors, increased costs of travel and reduced level of services to the traveling press.

- **Continue aggressive collection of bills.**

May was the first month that statements were sent out for delinquent accounts, for the period ending April 30, due to other workload priorities. The statements, along with phone calls to the press business offices, resulted in a noticeable improvement in collections of delinquent receivables and resolved several billing errors.

RECOMMENDATION:

- *Send statements out each month to keep news organizations informed of the status of their accounts. If the recommendation to bill monthly is adopted, the information contained in the statements on past due accounts should be combined on a single document sent to the press organizations.*

Periodic statements would provide the press organizations with an accurate accounting of past due accounts and assists with collection efforts. Timely collection of bills from press organizations is critical to the ability to secure vendors at the lowest cost who will provide the best service to the traveling press. Standard collection practices such as follow-up telephone calls at least once every 30 days after an account becomes delinquent should be followed.

The White House Conference for Trade and Investment in Ireland

Northern Ireland and the border counties of Ireland

Washington, D.C. • May 24, 25 and 26, 1995

Pg 3 - The travel office books filing centers over the phone. Often when the advance person gets to the city to see site - it does not work for our purposes.

The travel office should try to secure FREE conference space at Hotels, but not confirm until advance staff has seen space.

Additional Point, Hotel may be too far away from event site, especially if we are near filing deadlines.

(203)497-1977

The White House Conference for Trade and Investment in Ireland

Northern Ireland and the border counties of Ireland

Washington, D.C. • May 24, 25 and 26, 1995

Pg 6 - Would Travel still
Para 7 handle press Hotel
manifest?

Fettig
49276

TRAVEL OFFICE DISCUSSION
June 23, 1995

AGENDA

I. OVERVIEW/GOAL OF REVIEW

II. METHODOLOGY

III. SUMMARY RECOMMENDATIONS

A. <u>GENERAL MANAGEMENT ISSUES</u>
1. Clarify roles of WHTO and Press Advance Offices. communication
2. Develop closer relationships between all offices involved in the scheduling process. clarify roles
3. Establish each office's point of contact on a trip-by-trip basis.
4. Improve use of electronic-mail communication.
5. Return hotel management duties to the Office of Scheduling and Advance.

B. <u>TRIP COORDINATION ISSUES</u>
1. Improve the process by which the press manifest is created.
2. Increase the number of WHTO Trip Coordinators and travel advance volunteers.
3. Reduce current reliance on verbal communication and commitments.
4. Conduct follow up meeting with advance staff after each trip.
5. Enter into an exclusive contract with a single air charter company. – how long - check w/ Dale

C. <u>PRESS ADVANCE ISSUES</u>
1. Press Advance staff should resume using Purchase Orders for obligating costs on behalf of the traveling press. training
2. Provide Press Advance staff with further training related to the work of the WHTO.
3. Press Advance staff should notify WHTO as costs are obligated to the press fund.

D. <u>TRAVEL MANAGEMENT CENTER ("TMC") ISSUES</u>
1. Encourage closer communication between the TMC and Scheduling/Press Advance.
2. Clarify TMC rules and policies to appropriate WH and advance staff.
3. Transfer the billing and financial management functions to the TMC.

E. <u>FINANCIAL MANAGEMENT ISSUES</u>
1. Invest excess press travel funds.
2. Replace existing financial management system.
3. Send bills to press organizations monthly, including past due items.
4. Add interest charge to invoices.
5. Continue aggressive collection of bills.

To: Steve Rewierts
Kim Johnson
Kris Engskov
Ann Hurel
Evelyn Lieberman
Anne Edwards
Josh King

From: Janna Sidley JS

Re: Thoughts from Travel Office Meeting

Some ideas about how to lower costs:

1) Press Advance should be responsible for bringing bills home with them some site visits.*

2) Travel Office personnel who travel should try to collect bills on site and bring them home with them.*

3) When placing orders with vendors, we should inform them that we must be invoiced upon receipt of goods.

4) Travel Office should call the Press Desk to discuss phone orders from sign-up asap.

5) Press Desk should receive a copy of the sign-up as soon as it closes.

6) There should be a meeting with Ellis Kitchen AT&T to discuss how we can keep costs down.

7) There should be a list of Hotels that we have used in the past that are already wired for phones.

8) We should make all press responsible for buses. We base orders on the fact that press will travel to event, not stay at filing center.

* This may be resolved by the new purchase order policy.

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E

12-Jan-1995 02:09pm

TO: Steven E. Riewerts

FROM: Anne M. Edwards
Office of Communications

SUBJECT: "Redefined role"??

Steve,

I ask that you call me as soon as you receive this. I can't reach you by phone right now.

I am told that the Press Advance in California has been informed by the Travel Office rep on the ground that Travel Office functions have been "redefined" and that the Travel Office has decided that it will no longer assist with set up of Filing Centers which are not in the Overnight hotel.

Given that the Travel Office has been the agent of Filing Center setup at Press Office direction for close to three decades, and given that it is probably single-digit percentage of events that the Filing Center is placed in the Overnight hotel, that is a huge decision for Press Office operations.

It comes at a time that we are in a very public position about our operations and as we are introducing a new Press Secretary.

Has the Travel Office "redefined" its role on the road?

If that is true, it leads to many other questions:

* What does this redefinition cover aside from jettisoning the Filing Center, which is the heart of our road operation?

* Was there any attempt to consult with me in the process of this redefinition? The Press Office has the lead at the direction of the Chief of Staff's Office for arrangements for the press on the road and in connection with any activity of the President. I am the agent of that for the press office. I didn't hear nothin' about this.

* If we weren't consulted ahead of time, why weren't we even

told after you came to some internal decision?

Aside from potential ramifications in this case, there have been a number of occasions when I have been suprised by decisions made by your office or by your folks on the road, because I was not informed ahead of time or after the fact.

It is very hard for any element in the intricate and tightly interactive trip-support system to make a decision on process which does not have profound impact on others.

We've talked about that, and you said it wouldn't happen again. I've stated that I felt I shouldn't have to beg, repeatedly, that I be informed if you've changed some procedure which affects our work or our expectations of what is happening on the road; nor that I discover that when I've asked for something specific, it gets reversed or omitted, and I'm not told.

Tell me it hasn't happened again: Has there been redefinition of the Travel Office role on the road?

If it is true, we'll need to talk ASAP about what your intention for redefinition is, and its impact on us and whether it works for the "us" as a whole.

Thanks.

Anne E
12 Jan 1995

The Checklist for International Travel

USIA responsibility begins once notified of the visit. We begin to locate hotels, , vehicles, sites. It becomes specific three weeks before and includes an analysis of the local press, the public affairs situation, important local events and reaction, additional needs; people, equipment, visa requirements, accreditation, and weather reports. USIA also prepares a "press ready reference" which includes President's schedule highlights, press facilities, accomodations,background on event sites, background on city, useful information, biographies, and maps.

White House Site Survey: sketch (outline of what's to happen)

The decision has been made to travel. The site survey is the initial contact with the foreign country. This is the first step in the logisitcal process. It is only useful if the following questions have been answered: Why is the President going? What does he hope to accomplish by the trip? What does he want the host contry to know about him? How does he want to be perceived at home? In the past foreign travel was used to showcase the President as a leader. (The President as Presidential). If the trip is not taken out of context (made a domestic trip in a foreign country) this goal can be achieved.

• head of sked office
• WHACA
• military

Based on these goals for the trip (the President as Presidential) the site advance should provide an outline or a sketch for everything which follows:

1. hotels selected
2. event sites determined
3. host government plans discussed -- diplomatic events
4. diplomatic needs determined
5. press center located
6. press needs determined
7. communication needs determined -- White House Communication
8. military needs determined
9. security needs determined
10. family needs determined

prepare diagrams of rooms + sites

\# Decisions are made at this point

The Pre-Advance Trip

Preliminary decisions (the sketch/outline) have been made. Washington has made communication and diplomatic (NSC) decisions. With all the needs assesed and information available from the site advance team and the White House (i.e. numbers of people travelling) the next step is to fill in the blanks with specifics:

1. decisions regarding hotel accomodations (special needs -- eating facilities?toilets) and vehicles (numbers and kinds)
2. negotiations and decisions regarding finances. What does the host country pay for, what do we pay for. What is a host country event, what is a US event? Diplomatically there are only two kinds of events -- host country or US. Our WH has

we circumvent them + they don't pay

• presidential
• diplomatic
• crowd event

Pres speak to crowd in a foreign country by asking them for help w/ an event created a third catagory which is the most costly for State, USIA, WACA. We should discuss this in our meeting.

3. exact event sites determined.

4. diplomatic (protocol) events determined.

5. decisions about open press and pool events

6. decisions about photo opportunities (this has developed into an issue area which we should discuss)

7. plans for press needs and logistics at each planned site are confirmed (site arrangments, platforms, lighting needs, backdrops, risers, flatbeds, vehicles, equipment, communication needs.)

8. security needs are discussed and confirmed with regard to press requirements and foreign govts (i.e. credentials, pool movements, vehicles, routes etc.)

9. develop a budget based on financial realities, parameters, and foreign policy/Presidential goals

Advance Trip

Final scheduling decisions do not have to be made in order to make any of the preceding decisions, however, if logostical decisions are not made in a timely manner the trip becomes very costly. Last minute decisions and cancellations are simply more expensive than those made in a timely manner.

What is learned and decided on in the pre-advance trip will help to facilitate the advance trip. This is when the plan and decisions are implemented. If decisions are not made during site selection and pre-advance than there is no reason to do a any pre-advance. It would make more sense just to send the advance team out with enough time to decide and implement. From the moment the President decides to travel the embassy begins preparation. It is possible, therefore, to make preliminary host country contacts and logistical arrangments without sending advance teams on three separate occasions.

During the advance trip final arrangments, based on budget, communication and scheduling decisions, are confimed and made as final as possible.

1. hotels or accomodations are checked to reconfirm all special and regular requirements are in order.

2. step by step logistical and communication arrangments for everything from sites (airport, hotels, events et al) are reconfirmed. This includes all family and VIP arrangments as well as press and staff arrangments.

3. step by step press, and security, and communication needs are outlined at every site and for every event (signs, sound, ropes, stantions, backdrops, refreshments, holding areas, water, notes, entrances and exits -- press, VIP, Presidential -- telephones, eqipment, elevators, introductions, assignments, job descriptions, luggage, podium, sound, credentials, or any special needs (i.e. language or signing) job descriptions for everyone at every event and site including press filing.

For example below are some thoughts on a site:

Is it air-conditioned? What is the room capacity? Can the room be made smaller or larger? Are there windows? If it is not a room but an area can it be made larger or smaller? What is the one photo opportuniry or message you want sent in that site? Where are the bathrooms? Where are the risers, platforms, VIP's, family? Where is the press, the pool? What are the security requirements? Are there rain plans if outside? What are the lighting needs? What is the effect of the natural light? Where will the sun be at that time? What are the equipment needs inside and out -- sound. Do you need flags, power, or balloons?

4. Who is in charge of each site? What are the staffing needs at each site? What is the exact job of everyone travelling -- to help or assist is not a job.

5. Finalize approved budget

what is everyone's job

AP network

20 March 1995

To: Evelyn Lieberman
Steve Riewerts
Janna Sidley

From: Anne Edwards

Re: Responses to Travel Office draft

To provide us with a start point, this note summarizes responses to the draft of the WHTO Policies manual. I include further in this memo the most widely-mentioned items and a recommendation for action on each. In snapshot, these are the strongest themes:

A. High praise for including press in the process and, in general, for trying to hold down costs and for trying to install more accountable finances; Not what I've heard
B. Howls of protest and suspicion re the 2% service charge;
C. Pretty unanimous refusal on the levying of any finance charge or levying as soon as 30 days after billing; truly until new procedures - place
D. Phone costs, phone costs, phone costs.

1. Item: The White House answers each letter immediately.

I recommend that we answer each letter quickly as a courtesy and as a practical matter. The practical matter is that the letters contain some misperceptions which surprised me, e.g., the AP thinks press pay for staff cell phone use and the truth is the press don't pay. Individual letters could address the misperceptions which do not apply to the group.

Action recommended: We draft a general response thanking them for their reaction. In the response, the most widely mentioned items are answered. The letters are individualized as needed. (Edwards, Riewerts).

Note: There needs to be a special response to the AP. It objected to many standard practices on journalistic grounds. There are some very serious departures in principle between what the AP thinks should be billed to news organizations, and what should not. This should be a separate discussion and response.

2. Item: You get ground support if you travel on "one leg of charter".

Responses are clear that this language in the draft is **NOT** clear. Enough news organizations misread this as meaning that all the people using the filing center need to be on at least one leg of the charter. Actual policy: That the news organization alone is required to be represented, even if just by one person, on one leg, and then their colleagues can join merrily.

There is also real misunderstanding that somehow these ground services would occur if there were no charter. That's not true. Without a press charter, some physical support could be put into place, but without flying in the necessary staff, the magic of having a press office around to inform you from the White House *doesn't happen*. Even Carl Leubsdorf in the meeting incorrectly assumed the back-up was big enough to fly the press office (but the back-up isn't the size of a troop transport).

> *Action recommended:* Rewrite the section to reflect the actual policy, including reference that this policy came about after discussion with, and concurrence of, the WH Corr Assn.
>
> *Action recommended*: For clarity and understanding, include language that a press charter is seminal to the delivery of ground operations, both because of its press population and the press and support staff it transports.

3. Item: Formula to determine that a charter aircraft is not financially viable.

This is not a new practice or policy but it seems to be news to several large organizations. We have made the decision several times in this administration that the cost per traveler makes the press plane prohibitive.

> *Action recommended:* The AP asks what our formula is. We need one. Perhaps we set this: If the per traveller cost for charter accommodation would be higher than unrestricted business class, we nuke the charter.

GAO demands a signature

4. Item: Blow up boarding Cards, bring back clipboards:

This was nearly unanimous. News organizations protested, or asked for reversal of, Travel Office practice of verifying manifests with boarding cards distributed and collected in flight. The clear concern: The fear that this practice enables cheating. They request a return to the practice of a clipboard at the door for accuracy.

> *Action recommended:* Travel Office could do both. Travel Office could return to checking a clipboard manifest at the door at aircraft boarding which would, at a minimum, raise the comfort level. And, since signed boarding cards have proved useful to Travel when a flight is contested by a traveller, why not keep the practice. just make the cards an ADDED practice.
>
> **Note:** The networks have several additional suggestions worth incorporating into internal practice. Procedural, not earth-shaking.

5. Item: The Service Charge of 2%:

A. Huge objections to this both in principle and because of lack of clarity on accountability and use: The AP thinks this fund is to support White House operations.

> *Action recommended:* Rename it an operating fund, which it is. Too many people think it would support Travel Office operations, when it actually supports PRESS costs. Flatly state again, that it supports only press activities, and state how the accounting will be conducted and reported and how press would get access to its accounting at any time.

B. On what costs is the 2% calculated? The nets ask that the 2% is not computed on the 10% FET. That leads to a larger question: Does Travel include phones? Charter costs?

> *Action recommended:* That Travel clarify what costs will be included when a 2% operating costs charge is calculated.

6. Item: Levying finance charge at 30 days.

Pretty close to unanimous: 30 days is too soon for a finance charge to kick in. Many news organizations kick billing to separate locations for approval and payment.

Action recommended: Propose that a finance charge kick in at 90 days.

7. Item: "Event costs".

This is widespread and flat refusal to pay any event costs at an appearance of the President. Historically, it was charged to the press if it was used by the press.

Over years, that has shifted. I state flatly that we have been the most careful and responsible White House about getting those costs taken care of as event costs, since they are in the President's interests when they help him look good. We have driven those costs down in general, no matter who pays.

Action recommended: The networks suggest language: Spell out that press will "...**NOT** be charged for lights...", etc.

when lights

I suggest we add that language explaining what we do: (1) That every effort is made to find funding for such equipment other than billing press; (2) That press will not be charged for event equipment used by the President or the staff; (3) That all such expenditures go through a rigorous system of prior approval and documentation; (4) that press are never charged for facilities used by non-press entities, whether government, campaign, whatever; (5) that when White House traveling press are charged it is on a proportionate basis for what they actually used.

8. Item: How to bill that last leg:

That paragraph is hard to write, as reflected by letters of people who did not understand that we have created some equitable formula to prevent those who stick with a charter from getting inequitably stiffed with the tab because of all the people who drop off on vacation.

Action recommended: We need to rewrite that troublesome graph yet again, and get someone with fresh eyes to read it as the editor, until it makes sense.

9. Item: Who flies for "free".

Concern from large news organizations over potential misuse of this.

only WH press office staff

> *Action recommended:* The networks want clear wording that no campaign official will fly for free, no matter what. I recommend we include it.
>
> *Action recommended:* A number of people want AT&T to pay full freight. I recommend we discuss this with AT&T first, but that we do it.

10. Ground expenses: Who pays. phones

The nets say: If still photogs don't have to pay for ground/phones, neither should videographers or techs. The nets and others are concerned that there is not equitable policing of who is in a filing center and who isn't.

> *Action recommended:* (1) The TO draft should include language explaining that special methods and staffing are used to make sure that those in a filing center are those paying for it. (2) Why DON'T the stills pay some phone costs? We've all seen them use the phones set out for poolers. They don't use them as much as the writers, but they use them. All the techs use them some degree. We should re-open this with the stills.

11. When cancellations can be made.

at the point money is committed, the

There are a number of respondents looking for more time, tying their ability to make decisions committing resources to our delivery of information about what is going to happen on a trip, and what the President (and the press) are actually doing.

The policy on cancellations was created to protect the money at the point we have had to start to commit money. It is not a good practice, but it is reality, that we have very, very frequently been in position that we do have to start committing press and taxpayer money when trip decisions are only partly completed.

> *Action recommended:* The trip cancellation policy is already tight and directly tied to money expended. Is there anyway to amend the policy to have it read that trip cancellations will be accepted except for money already committed on the basis of the sign-up (including the costs of contracting a charter)?

12. Phones cost a lot of money and it is everyone's concern and we know it.

(A) There is misunderstanding of AT&T's role. Some press believe AT&T provides the phones and service, when all AT&T does is broker.

> *Action recommended:* We need clarity. WHTO Draft should include language explaining the AT&T role, especially regarding matters like: AT&T uses the local carrier and most times there is no competition, etc.
>
> WHTO Draft should also include clear mention that process for **sharing phones** has been introduced and must be indicated on sign-up and that phone installation is directly tied to sign-up.

(B) Westwood asks: Why not have AT&T broker ALL phones, and take Travel out of the middle. Is this an option? What would it save, or cost, us?

13. Other suggestions offered for business practices:

The letter from the combined networks and the letter from Reuters have a series of little items which are interesting for business practice and clarity. I suggest they be collected and put forth as proposed language for inclusion in policy and practice.

14. Restate that this is NOT a contract: That these are guidelines.

The language from the networks' letter especially teeters on the legal-beagle. I suggest that we need STRONGER language that the WHTO Policies & Procedures Manual is a working guideline and that every good faith effort will be made to meet it, but that it hasn't the force of a contract.

> *Action recommended:* Strengthen the language and: Has our Legal Counsel reviewed it for binding liabilities? Are we bound? Is that okay?

Talking Points
Financial Statement Audit of the White House Press Travel Fund

March 3, 1995

- As recommended in the GAO report White House Travel Office (May, 1994), an independent CPA firm is performing an audit of the 1994 White House Press Travel Fund financial statements.

- Tichenor and Associates, an independently-owned CPA firm with offices located in Woodbridge, VA, will be verifying that the 1994 Balance Sheet, Income Statement and Statement of Cash Flow for the White House Press Travel Fund were properly prepared and that they reflect accurate information. (A profile of the firm is attached. See below for information about how this firm was selected.)

- The independent CPA firm will send letters to members of the press and press organizations that they select to verify outstanding receivable balances. Vendors will also be sent similar letters to verify outstanding payables. Sending verification letters is a routine part of financial statement audits.

- This audit is for the 1994 operating year which ended on December 31, 1994. This date represents the end of the first full calendar year under the current White House Travel Office operational system.

- In providing for an independent financial statement audit, the White House is keeping a commitment made in the May, 1994 GAO report. (On page 74, the report states that "White House officials promised to...arrange for an independent financial audit in early 1995.")

- The audit of the 1994 White House Press Travel Fund financial statements is anticipated to take 4-6 weeks to complete. The 1994 financial statement audit will be paid for by the White House Office.

- After completion of the audit, a copy of the final report will be provided to the White House Correspondents Association.

Procurement of Independent Auditing Firm --

- Procurement of the contractor was conducted by the Department of State -- initially for Department of State independent auditing needs.

- The Department of State identified this particular firm to perform the White House Press Travel Fund audit from the four auditing firms they had on contract at the time. Of the four firms, the Department of State determined that this firm had the most experience with financial audits similar to the one required of the White House Press Travel Fund's 1994 financial statements.

- The resumes provided by the independent CPA firm for the specific individuals working on this project illustrate extensive experience on the part of the auditors with auditing travel related functions and with auditing non-appropriated fund activities (the White House Press Travel Fund is comprised entirely of the non-appropriated funds).

- Because of similar auditing needs, the Procurement Branch of the Office of Administration was able to issue a Delivery Order against the previously arranged contract between the independent CPA firm and the Department of State. The Department of State contract specifically allows Delivery Orders to be issued on it by other agencies.

- Issuing Delivery Orders against contracts of other agencies for similar services is a practice that is common throughout the federal government. Doing so allows the agency to expedite the procurement process and save money, while still being able to ensure that a contract was fully competed.

Note: After the report is completed, additional talking points will be provided.

Tichenor & Associates Background

THE FIRM

Tichenor & Associates, a "Small Business Concern", was formed in Louisville, Kentucky in May 1983. In order that the firm might have closer and more prompt contact with its Federal Government clients, an office in Woodbridge, Virginia was established in October 1989. Currently the firm has 39 professional and support personnel available to provide auditing, accounting, and EDP services.

Tichenor & Associates' personnel have gained extensive auditing and accounting experience through prior employment with Government Agencies and auditing organizations as well as under our numerous contracts with the Federal Government. They provide quality and timely responses for government financial statement audit, financial and compliance audit, indirect cost determination, performance audit, pre-award, and closeouts. Organizational experience includes for-profit, not-for-profit, and Federal, state, and local government agencies.

Our Federal clients include the Offices of Inspectors General and contracts at the following agencies. Attachment 1 includes a list of our current and past clients for reference purposes.

1. Department of Labor (DOL)
2. Appalachian Regional Commission (ARC)
3. Resolution Trust Corporation (RTC)
4. Department of Health and Human Services (HHS)
5. Department of Transportation (DOT)
6. Environmental Protection Agency (EPA)
7. Agency for International Development (AID)
8. Department of State (DOS)
9. Public Health Service (PHS)

Our auditing services provided to these agencies are performed in accordance with the United States General Accounting Office (GAO) Government Auditing Standards.

Tichenor & Associates is licensed to practice as a certified public accounting firm in the states of Indiana, Kentucky, Virginia, Maryland, Pennsylvania and the District of Columbia. The firm performs its auditing and accounting work in every state of the union and in foreign countries when necessary.

cc: MEG
Ginny

EXECUTIVE OFFICE OF THE PRESIDENT

28-Apr-1995 09:08am

FYI
Re: Travel Office Contracting

TO: (See Below)

FROM: Patsy L. Thomasson
Office of Administration

SUBJECT: TRAVEL Manager Procurement

As we have discussed, the advertisements for Travel Manager will go out today after 1:00 p.m. along with a number of proposals for travel managers for other government agencies in the DC area.

X The information to give to Mike McCurry is as follows:

The General Services Administration in its role of purchaser of travel services across the government is responsible for all aspects of the procurement of a travel manager at the Executive Office of the President.

All questions concerning the procurement should be directed to Hap Conner at the General Services Administration Headquarters. He may be reached on 202-501-0705.

Distribution:

TO: Evelyn S. Lieberman
TO: Jodie R. Torkelson

CC: Steven E. Riewerts
CC: Kim Johnson
CC: John W. Cressman
CC: Robert D. Helms

amex - contractor
For new group to do travel.

Request for Travel contractor.

MEG
Ginny } ~~adm~~ req for proposal automation adm - here is comment

ABC NEWS
1717 DeSales Street, N.W., Washington, D.C. 20036-4401 (202) 222-7600

Ellsworth M. Lutz
Assignment Editor, Radio News

March 16, 1995

Mr. Steve Riewerts
Director, White House Travel Office
The White Office
Washington, D.C. 20500

Dear Mr. Riewerts:

As per your request for comments on the draft travel policies and procedures for the White House traveling press corps, I have the following concerns:

On page three, it is mentioned that support will only be provided to those news organizations traveling on the press charter for at least one leg of the trip. It is frequently not cost effective for news organizations, like ABC Radio News, which have numerous domestic and foreign bureaus to staff all trips from our Washington bureau on the press charter.

ABC News, Radio has always notified the White House Travel Office when we staff Presidential trips with journalists from our other bureaus so we will be billed for our share of the costs of filing centers and ground transportation. We would hope to continue to receive support for our out of town colleagues.

As an organization which has in the past frequently signed-up for trips by telephone, I will follow up these telephone calls in the future with written confirmation.

On page ten, the draft proposal mentions using boarding cards. I feel the system used by the former travel office personnel of a check-off at the door is preferable to boarding passes. The pass system could be subject to "cheating" on the part of other members of the press corps.

I appreciate the opportunity to provide some comments on your possible changes.

Sincerely,

Associated Press

G. Evans Witt
Assistant Chief of Bureau/Administration
Washington

March 15, 1995

Steven E. Riewerts
Director
White House Travel Office
White House
Washington, D.C.

Dear Steve:

Thank you for the opportunity to comment on the draft *White House Press Corps Travel Policies and Procedures.*

The Associated Press is pleased to see a diligent effort being made to codify some existing practices and bring predictability to the White House Travel Office operations. We applaud the effort to have a standard set of written policies. Timely invoices and monthly billing summaries are essential to AP and other news organizations.

The White House must recognize that regular billing and written procedures do not address the major problem: spiraling travel costs borne by the press corps. Simply put, the White House must bring the travel costs under control or the Associated Press will have to join other news organizations and cut back on travel with the president. Since the AP still sends at least four staffers on each presidential trip -- and sometimes more -- an AP decision to cut back would have an impact.

Here are some specific AP comments on the draft.

Charter Aircraft Service

We are pleased to see a statement that the WHTO will not provide charter service if the cost is too high. We would like a guideline provided on what an excessive cost would be -- 150 percent of First Class fare, 200 percent of Economy Class fare?

Service Charge

The proposal for a continuing service charge of 2 percent is not acceptable to the AP. The press corps cannot subsidize any part of the White House operations, particularly under circumstances where the press corps does not have access to the audits to determine how its money was spent. A service charge would create exactly such an unacceptable situation.

Expense Categories

The area of expenses that are properly charged to the press corps has been an increasingly contentious one since 1987. For example, the AP objects to any charges to the press corps for "Event Site Equipment." All the costs of setting up an event site for the president are properly paid by the White House. Similarly, the relatively recent practice of charging the press corps for filing center space ignores the reality that the White House obtains this space for access to the press corps, not the other way around.

Telephone charges have gotten completely out of hand -- and part of the reason is White House effort to shift their costs onto the press corps. The cellular phones "shared by travel pools" are, in reality, cellular phones used by White House and advance staffers. They must be paid for by the White House. In addition, on a presidential trip to New York during the Clinton administration the press corps was charged the cost of the line to bring sound of the president's speech back to a press room. That should have been paid for completely by the White House.

Expense Allocation

Three main issues are troubling in this area.

A. The press corps should not be required to subsidize the air travel costs for 11 to 25 White House staffers as listed in the draft as press support personnel. Such travel costs are clearly government expenses and should be paid by the government. Using this system during a presidential campaign might violate Federal Election Commission regulations.

B. The allocation of air fare costs on all trips must reflect the economic reality of the trip -- not simply the whims of individual members of the press corps. Currently, many reporters drop off the press charter on lengthy return legs of long trips, boosting the costs for the reporters who remain on the charter. The WHTO must come up with an allocation formula that levels the air fare charges equitably across all those who take a substantial portion of any trip -- and avoids penalizing those who take every leg of the trip.

C. The AP is convinced that it is being overcharged on air fare because of the calculations explained at the meeting in early March with the press corps. On a typical flight, the AP has at least two staffers on Air Force One and another two on the press charter plane. The AP should be billed a standard rate for the Air Force One flights -- using a formula such as business class airfare plus a dollar -- plus two pro-rata shares of the press charter. Now we are paying four pro-rata shares of a press charter.

Customer Invoices

Bills received more than three months after a trip are difficult to verify and thus take much longer to pay. Additional bills received up to 10 months after a trip -- and six months after initial bills -- are simply unacceptable.

Customer Statements

The AP applauds the institution of monthly statements. The AP must object in strongest terms to the attempt to reach back to January 1993 with these statements to be issued in April 1994. The WHTO simply made a mess of the billing in 1993. It must start with a clean slate as of Jan. 1, 1994. Any attempt to require the AP to pay any disputed bills from 1993 will be challenged, forcefully.

Finance Charges

The AP objects to any attempt by the White House to levy finance fees. Unless and until the White House Travel Office is on a firm, businesslike footing with reasonable charges for travel, any talk of finance charges is ludicrous. The AP will not pay any such charges.

Customer Billing Rights

Customer billing rights are an interesting concept, but there must a better mechanism that simply one that allows the press corps to ask for more information.

Customer Payments

The schedule of payment dates and past due dates is simply out of touch with current business practice. The WHTO is not a credit card company and cannot pretend to impose finance charges 30 days after its mythical invoice date. Invoices can certainly be payable upon receipt. There must be no penalties of any kind for any invoice paid within 60 days of the invoice date.

The "death penalty" -- kicking reporters off the press charter -- can be allowed only when the delinquent and undisputed amounts owed by a news organization reach a very substantial level -- say $100,000. It is unacceptable to propose that major penalties be imposed over minor billing disputes. The $100,000 floor would eliminate that problem.

Again, the Associated Press is pleased to see progress being made in getting the White House Travel Office on a more businesslike footing. But there is still a distance to go in that effort.

Regards,

TO: Steve Riewerts, White House Travel Office
FROM: ABC, CBS, CNN & NBC Bureau Chiefs and White House Producers
DATE: March 17, 1995
RE: Proposed White House Press Corps Travel Policies and Procedures

The four major television networks wish to commend you on your thorough review and codification of White House Press Corps travel policies and procedures. As you asked at your March 2 meeting, we have studied the proposals and we here outline areas of agreement and offer suggestions for change.

We look forward to working with you further as you refine and institute these policies. Please call on any of us as questions or problems arise.

Draft Page 5, "Phone-in Requests"
Add language stating:

> "News organizations signing up multiple persons on a trip may do so by faxing the information directly to the travel office in lieu of signing up on the posted roster."

(Perhaps you've already envisioned this in your "over the phone by exception only" section. But to clarify, we need this capability for at least two reasons: One, network travel plans are often coordinated by producers and assignment desks who may not be present in the White House to accurately mark the roster. Two, by faxing you sign-up lists directly, we are able to maintain copies on file to help us verify bills when they arrive.)

Draft Page 6, "Sign-Up Deadline"
Add a sentence stating:

> "However, no penalties or cancellation charges shall be imposed for cancellations or changes made up to 24 hours after the posting of a preliminary trip schedule by the White House Press Office."

(Note that while the networks wish that penalties would be applied no sooner than the posting of a *final* schedule, we recognize that final schedules often come out too late to make such a deadline feasible. We hope that adding this sentence and the sentence below would give news organizations some flexibility while allowing the WHTO to plan ahead.)

Draft Page 6, "Changes"
Add a paragraph stating:

> "Cancellation penalties may be waived by the WHTO after the sign-up deadline when the nature, schedule or duration of a trip has significantly changed."

Draft Page 8, "Charter Aircraft Service"
Language should be added clarifying the sentence that "charter service will not be provided if it is determined that such service is cost prohibitive."

Also, add a sentence stating:

> "The WHTO will maintain and observe minimum aircraft standards, including but not limited to minimum pitch between rows of seats."

Draft Page 9, Seat Assignments
Add a sentence stating:

> "White House staff shall not be given any greater priority than the press in seating assignments."

Draft Page 10, "Boarding Cards"
Add a sentence stating:

> "Boarding cards presented for signatures shall be dated or coded to indicate the leg of the trip being signed for."

Add a paragraph stating:

> "In addition to signed boarding cards, the WHTO shall maintain its own manifest of all passengers on each leg of each flight."

(We do not oppose boarding cards, but feel the old system of checking off names on a manifest as passengers board or while they are enrollee is more accurate than just blank boarding cards alone.)

Also, add a paragraph stating:

> "The WHTO will be responsible for comparing sign-up information with manifests and boarding cards to ensure that individuals and news organizations are billed accurately."

Draft Page 11, "Service Charge"
We recognize the WHTO's need for a 2% service charge. As we know, the travel office needs some flexibility in paying its bills, maintaining balances to correct accounts, etc. We emphasize the need for regular accounting of such a fund, at least annually. Language should be added to indicate that the 2% surcharge will not apply to the 10% Federal Excise Tax.

Draft Page 12, "Ground Expenses"
Add a line to item 3, "Filing Center Equipment and Electrical Support" clarifying that such equipment and electrical charges will not include costs for event lighting, sound systems, etc. Also, clarify that news organizations will not be charged for electrical or other charges incurred to support any political organization (committees to nominate, re-elect, etc.).

Change item 6 to indicate that television networks shall *only* be charged for pre-advance expenses incurred by television network personnel, and not by government, print, radio, still or other poolers. Such bills should be sent directly to the network(s) involved. Further, pre-advance expenses shall be separately identified on any bills where such expenses are included.

Draft Page 13, "Air Transportation"
In the fourth paragraph, add words so that "press passengers traveling on the last leg of the trip will be billed at the comparable, commercial, business class fare" becomes "press passengers traveling on the last leg of the trip will be billed *for that leg* at the comparable, commercial, business class fare, *or less, if appropriate*." The intent of this graph is to limit costs for those traveling on the last leg home -- it shouldn't end up making them pay more.

In the fifth paragraph and subsequent chart, clarify whether the numbers in the chart are guidelines, suggested limits, absolute limits, or what (since paragraph five says "NOTE: numbers may vary depending on trip complexity...).

After the fifth paragraph, insert language to the following effect:

> "Any person traveling on the press plane who is working for a political party or for any committee to re-nominate or re-elect the President shall be charged at full rate for all air and ground arrangements (not at government rate). Further, such persons may only travel on the press charter in direct support of press activities."

Draft Page 14, first paragraph
Delete the phrase "and AT&T employees."

Draft Page 14, "Ground Expenses"
Insert a paragraph stating:

> "Persons using ground facilities (such as the filing center) but not using air services will be billed for appropriate expenses. The WHTO will be responsible for identifying and billing such persons and organizations."

Delete the sentence stating that "still photographers are exempt from paying event site phone installation charges." If that sentence is not removed, then add a sentence equally exempting video photographers and television engineers. We believe that all who use pool facilities should pay for pool costs. But if there's a prevailing belief that photographers should be exempt, then that logic must apply to television photographers and technicians as well, and in such a case, neither still photographers nor television crews will be permitted to use any such phones under any circumstance.

Draft Page 14, "Customer Invoices"
Insert language indicating that invoices will indicate the total numbers of press and non-press persons traveling on each leg of a flight. Invoices will also include the number of persons on each leg billed at press rates, at dependent rates, at government rates, and the number of persons allowed free travel. The names of persons traveling free or under government rates will be available upon request to any news media organization traveling on the leg in question. Additional supporting data will also be available upon request.

Also, insert the following language:

> "Within 15 days of the conclusion of an international trip, the WHTO will send out preliminary notices of billing, notifying each news organization of the names of each of their personnel who were manifested on and who will be billed for each leg of that trip. Each news organization will then have 15 days to respond with any additions, deletions or corrections. Accurate final bills can then be distributed, following all the guidelines and deadlines detailed elsewhere in this document. The WHTO may, at its discretion, follow such procedures for domestic travel, when, in the opinion of the WHTO, doing so will further the goal of accurate billing."

This will help alleviate the problem of how adding or subtracting someone to a manifest after bills are distributed causes everyone's per-leg bill to be incorrect. This problem is worst on foreign (expensive) trips, and impacts most those organizations with large numbers of persons on a trip.

Draft Page 15, "Finance Charges"
The networks suggest that if finance charges are enacted they accrue starting *sixty* days after bills are postmarked.

Draft Page 15, "Customer Billing Rights"
Change language so billing inquiries must be received in writing within *sixty days*, not thirty days, of the date of the invoice.

There should be language as to how billing disputes will be judged and handled.

Also, there should be language as to how bills will be corrected and as to how refunds or credits for incorrect charges will be made by the WHTO within 60 days of such errors being acknowledged.

Draft Page 16, "90 Days Past Invoice Date"
The networks agree that any news organization which fails to pay undisputed bills (or undisputed portions of disputed bills) should be denied access to all press facilities, including air charters, filing centers, etc.

#

The Dallas Morning News

Washington Bureau
1012 National Press Building
Washington, D.C. 20045
Telephone, 202/662-7575

FAX TRANSMITTAL INFORMATION

DATE: 3/3/95

TO: Steve Rienerty

FROM: Carl Leubsdorf

NUMBER OF PAGES, INCLUDING THIS ONE: 3

Our FAX number is: (202) 662-7590

Any questions, please call: (202) 662-7575

The Dallas Morning News

Washington Bureau
1012 National Press Building
Washington, D.C. 20045
Telephone, 202/662-7575

March 3, 1995

Mr. Steve Riewerts
Director
White House Travel Office
The White House
Washington, D.C. 20500

Dear Steve:

Before making some specific comments on the proposed statement on travel policies and procedures, I want to commend you and your staff for the effort contained in this document. As I indicated at the meeting, I think this is an excellent document and requires only minimal changes. In a number of cases, a flexible administration of the procedures should go a long way towards easing possible problems.

In particular, I want to voice my strong personal support for the creation of an emergency fund through a 2 percent surcharge and for the institution of a policy denying White House travel facilities to organizations that fail to pay their bills within 90 days.

I have a number of specific comments and suggestions, as follows:

1. On Page 3, I understand the intent behind the proposal to deny support to those who don't use the charter. I agree with those who said that this should not be used to deny access to filing centers to paying customers on trips.

2. On Page 6, I would hope for flexible administration of the no show rule, especially in cases where changes are made in domestic trip schedules. While phones that have been ordered clearly must be paid for, there may be cases where no assessments should be made for the charter for people who are not actually on it.

3. On Page 10, I fear that the boarding card system that has been utilized the past year and a half is an open invitation to cheating. I would favor a return to the prior system where a Travel Office staff member had a manifest based on sign-ups and checked off names as people boarded the plane.

4. On Page 11, while I favor the service charge, there may be some reason to suspend its implementation at any point that the size of the fund reaches a certain level, such as $100.00, rather than only making refunds at the end of the year.

5. On Page 12, I share the concern that was expressed about item 6 under ground expenses. I know you have been making sure that we are not assessed for non-press expenses. There is frankly a related issue that was not raised at the meeting, which is that much of the event site press equipment is solely for the use of local and network television and for still photographers, rather than for newspaper, wire and magazine reporters. One source of conflict over late bills from the 1992 Clinton-Gore campaign was the fact that we were all billed for T.V. stands, in some cases for hundreds of dollars.

6. On Page 14, I question why AT&T employees should travel at the government rate. I suppose we may end up paying for them anyway.

7. Also on Page 14, I question why still photographers should be exempt from event site phone charges. They have been known to use them, and I think all of these pool charges should be shared by all.

8. On Pages 15 and 16, I question the benefit of the finance charge. While I understand what you are trying to do, I think that a 30-day period is too short, given the payment procedures at many organizations. And I think the entire concept might cause more trouble than it is worth, leading to endless haggling over small finance charges. You'll have enough problems dealing with questions about the bills themselves. Besides, the 90-day cutoff of services is a better sanction. My suggestion would be to send a delinquency notice at 60 days and implement the cutoff at 90 days.

I would hope that a number of these changes will be implemented. Assuming that the final document is as acceptable as this one, it is my current intention to sign the document as the vice president of the White House Correspondents Association.

On a related matter, I'm glad we had some discussion of the continuing problem of high phone bills and that Evelyn seemed interested in it. I realize that this has not been handled by your office, but I raised it in hopes of attracting some interest, which seems to have happened. I plan to send her and Anne a note with some blatant examples.

Please get in touch if you have any questions about my suggestions or if you need any help on any matters that might arise.

Sincerely,

Carl P. Leubsdorf
Washington Bureau Chief
The Dallas Morning News

CPL:ns

Hearst Newspapers

Washington Bureau
1701 Pennsylvania Avenue NW
Washington DC 20006
202 298 6920

An Operating Group of The Hearst Corporation

FACSIMILE TRANSMISSION COVER SHEET

DATE: 3/8

TO: Steve Riewerts

FAX NUMBER: 456-6670

TOTAL PAGES: 7
(including cover page)

NAME OF SENDER: Chuck Lewis

WASHINGTON BUREAU FAX # 202 298 7862

OFFICE PHONE # 202 298 6920

REMARKS:

IF YOU HAVE PROBLEMS RECEIVING THIS TRANSMISSION PLEASE CALL OUR OFFICE NUMBER ABOVE. THANK YOU!

Hearst Newspapers

Charles J. Lewis
Bureau Chief

Washington Bureau
1701 Pennsylvania Avenue NW
Washington DC 20006
202 298 6920

An Operating Group of The Hearst Corporation

March 8, 1995

Mr. Steven E. Riewerts
Director
White House Travel Office
The White House
Washington, D.C.

Dear Steve:

I have four points to make in accepting your invitation to comment on the draft policies and procedures you provided us at the meeting last week.

First, I want to thank you for the ''open process'' you've designed as the Travel Office updates its policies and procedures. Those of us who pay that $15 million-a-year to travel with the president appreciate the opportunity to comment about exactly how that money is spent.

Second, I offer these specific comments about the draft document.

A) In addressing individual aspects that may be troublesome, most of the draft makes sense, appears reasonable and realistic and attempts to solve problems that have no obviously better solutions.

B) No policy should be adopted that would deter news organizations from signing up for individual segments of trips or for only some of the services arranged by the Travel Office such as hotel reservations, filing center space, telephones or ground transportation. This ''modular approach'' is essential to help news organizations make the most of their news budgets by giving correspondents the flexibility to travel to distant locations by commercial air and then to join the White House press corps on the ground to use services arranged by the Travel Office and pay their pro rata share for those services actually used.

C) As pointed out in our meeting, the proposal for boarding cards (p. 10) is too loose and would allow abuse. ''Generally accepted accounting principles'' would prefer a check-in procedure at the door of the airplane.

D) I believe the 30-day rule for finance charges is going to cause problems across the board. It is likely to cause problems within my organization where payables are initially processed here and then forwarded to Charlotte, N.C., for payment. It often happens that 30 days just isn't enough time. I recommend you drop the finance charge and substitute an iron-clad 60-day payment rule upon receipt of bill. Failure to pay within 60 days means no more travel.

Third, I hope the Riewerts administration makes its mark by helping traveling press -- finally -- get a grip on our outrageous telephone costs. As I indicated at our meeting, the time is at hand to stop talking about this and do something. I know the Travel Office isn't AT&T. However, we need your support and creative contributions on how we can cut down on this ridiculous expense.

Finally, I want to repeat a point I made to you after the meeting. Catherine Cornelius criticized your predecessors at the White House Travel Office for being ''too pro press.'' Her remark failed to take into account the fact that the Travel Office exists to serve the press corps. We expect the White House Travel Office to be totally ''pro press'' and we thank you for your efforts to serve us well.

I look forward to working with you and your staff to go forward with the improvements you've outlined.

Sincerely,

Ann Lewis

cc: Stewart M. Powell, White House correspondent

Houston Chronicle

Washington Bureau

FACSIMILE COVER SHEET

DATE: 3 MARCH 95

TO: S. RIEWERTS

FROM: C. HINES

NUMBER OF PAGES: 4 plus cover.

ADDITIONAL COMMENTS:

CH 4005

Suite 201 • 1341 G Street, N.W. • Washington, D.C. 20005
Telephone (202) 393-6880 FAX (202) 393-6889

Houston Chronicle
Washington Bureau

March 3, 1995

Mr. Steven R. Riewerts
Director
White House Travel Office
The White House
Washington, D.C. 20500

Dear Steve:

Thank you for developing the written proposal on travel policies and procedures for the White House press corps. Although I have questions about several and am opposed to a few of the proposed provisions, I hope your effort to improve the service of your office will bear fruit, because some deficiencies in your operation, especially the unacceptable billing delays and apparent inability to control telephone costs on the road, are a significant and continuing problem.

As for specific comments on your draft proposal:

1. Refusal of local ground and filing center support unless an organization has traveled on the press charter for at least one leg. (Page 3).
This would be a new policy and very hurtful for organizations such as the Chronicle which from time to time for specific travel or coverage needs send a reporter independently to a presidential event. White House reporters should be able to sign up and be billed for local ground and filing center services regardless of whether they fly on the White House press charter. This is especially true on domestic trips and becomes an issue on foreign trips such as annual economic summits and other major international events attended by the

Suite 201 • 1341 G Street, N.W. • Washington, D.C. 20005
Telephone (202) 393-6880 FAX (202) 393-6889

president when an organization might have a reporter already in place to cover an event. To deny those reporters the ability to sign up for, be billed for and use local ground and filing center services would put them at a competitive disadvantage, which should not be the role of the White House Travel Office.

2. Cancellations. (Page 6)

Given the often late, haphazard and frequently changing nature of the announcement of travel by the current administration, you need to recast the hard-eyed nature of the proposed cancellation policy. This is especially true when the number of cancellations does not affect the size of aircraft, number of buses etc. that would be required for a trip. In the instance of hotels reservations, a generous cancellation policy should be negotiated when the rooms are reserved, as the industry standard, other than for resorts and special meeting situations, is day of arrival. There is no reason the White House Travel Office, as something of a bulk charter agent, albeit an unusual one, should accept less advantageous arrangements than the general traveling public.

3. Service charge. (Page 11)

While I appreciate your need to have a reserve fund on which to operate and support the concept, I would be unwilling to pay a service charge without a legal opinion, which I assume would come from the White House counsel's office and be reviewed by the Department of Justice, that your office can accumulate, use and rebate revenue from such a charge. I appreciate your assurances at Thursday's meeting that an internal legal review is underway and await seeing the formal, written result of that process.

4. Air transportation -- Air Force One press pool airfare. (Page 11)

I strongly support continuing the practice of lumping the total pool costs from Air Force One into the total charter costs and dividing the amount on a pro rata basis among the charter travelers.

5. Ground expenses. (Page 12)

You should make available a detailed list of the filing center equipment and event site press equipment which the White House Travel Office, and by extension the press advance office, considers legitimate expenses to be passed on to press travelers. I make the point because these items were a major source of contention in extended negotiations which several news organizations had with the Clinton-Gore campaign and its travel agency following the 1992 election. As a daily newspaper, the Chronicle has a generic and abiding opposition to financing any equipment which is for the exclusive use of broadcast agencies.

6. Expense allocation -- air transportation. (Page 13)

AT&T employees travelling on the press charter should be billed a pro rata share, not at the government rate.

7. Finance charges. (Page 15)

In addition to believing that your would be creating a lot of work for yourself and a negligible amount of revenue, I oppose imposition of a finance charge without a legal opinion, which I assume would come from the White House counsel's office and be reviewed by the Department of Justice, that your office can levy such charge. As with the service fee, I await seeing a formal, written opinion on the issue. Further, however, for what would the revenue from such a charge be used? As for some enforcement mechanism, I believe you would be much better off denying service to any organization that is 90 days in arrears.

8. Approval authority. (Page 17)
I believe the role of the White House Correspondents' Association in this matter is consultative and that neither the association nor its officers can bind members, or news organizations which its members represent, with regard to the travel policies and procedures you propose.

Sincerely,

Cragg Hines
Bureau Chief

McClatchy Newspapers
A Customer Communications Company Since 1857

FACSIMILE TRANSMISSION

Date: 3/8/95

Total number of pages, including Cover Sheet: 2

To: Steve Riewerts, Director

Firm: W. H. Travel Office Fax Number: 202-456-6670

From: Leo Rennert, Bureau Chief

Firm: McClatchy Newspapers Washington Bureau

Office Telephone: (202) 662-8740 Fax Number: (202) 662-8738

If you do not receive the correct number of pages, please call: Mary (202) 662-8740.

McCLATCHY NEWSPAPERS
Since 1857

March 8, 1995

Mr. Steve Riewerts, Director
White House Travel Office
White House
Washington, D.C.

Dear Steve:

The proposed manual for White House Travel Policies and Procedures looks fine to us, with one major exception.

We take strong issue with the idea that news organizations would lose White House ground support, including access to filing centers and pool rotation, if the charter is not used on at least one leg of the trip.

Our bureau's normal pattern is to use the press charter. However, there have been a few occasions when we have flown commercial because we wanted a reporter on the ground for a longer period than the official event. This was true last December in Jakarta for example, when we signed up for the filing center and related expenses.

It is my view that the proposed new rule would work not only against the interest of our bureau, but also would needlessly deprive your operation of rightful revenues. On those rare occasions, we still would go commercial and you would lose payments for filing center and ground transportation. That doesn't seem to make a lot of sense for either your purposes or mine.

Thanks for considering these observations and for your help with our travel arrangements.

Sincerely,

Leo Rennert

Leo Rennert
Bureau Chief

LR/mjs

Washington Bureau
The National Press Bldg. Rm. 624
Washington D.C. • 20045
202 • 662-8740

REUTERS

To: Steven Riewerts
White House Travel Office
From Rob Doherty
Washington news editor, Reuters
Re: White House Press Corps Travel Policies & Procedures
March 14, 1995

This memo responds to the recent draft of policies and procedures issued by the White House Travel Office. It deals only with the issues with which we take exception. On issues that are not addressed you may assume we have no problem with the proposed course of action.

On principle, we strongly oppose the institution of a 2 percent service charge (page 11) to cover advance payments to vendors and miscellaneous costs because it appears such a charge is necessary only because of late billing by the travel office and the failure of some members of the press corps to pay their bills promptly.

We are willing, however, to go along with the 2 percent service charge:

-- for trips in which the Travel Office provides accurate billing information within 15 days of the end of the trip;

--provided the Travel Office strictly enforces both the finance charge for payments more than 30 days overdue (page 15) and the travel prohibition for news organizations more than 90 days in arrears (page 16), and;.

-- provided that the service charge be in effect for only one year.

We believe that if billing is done within 15 days and if news organizations pay within 30 days, the need for a large fund to cover advance payments and miscellaneous costs will be minimized, and that the amount accrued from the service charge over the one year will be able to meet future needs.

We also feel strongly that the Travel Office must:

-- accurately date future invoices;

--provide by Dec.1 of each year a list of expenses that will not be billed by year's end and ensure that those invoices will be issued no later than January 31 of the following year;.

-- work to hold down costs as much as possible where such action does not impede the quality of service. The ordering of telephone lines for events planned well in advance (the presidential trip to the United Nations each fall; the yearly economic summit etc.) is a prime example.

If you'd like to discuss these matters further, please let me know.

1333 H Street, NW Suite 410 Washington, DC 20005 (202) 898-8300

1090 VERMONT AVENUE, N.W
10TH FLOOR
WASHINGTON, DC 20005
202-408-1484

DAN K. THOMASSON
VICE PRESIDENT/NEWS

SCRIPPS HOWARD NEWSPAPERS

March 10, 1995

Mr. Steve Riewerts
The White House Travel Office
The White House
Washington, DC 20500

Dear Mr. Riewerts:

I am writing to express my concerns about billing practices with regard to White House press travel as per your request for comments on the proposed new policy.

1. The 30-day period before finance charges kick in is too short. It takes several weeks to review such bills and pay them, if there are no questions.

2. Finance charges will be cumbersome to enforce and excessively irritating if improperly applied. Furthermore, they will not be necessary if travel bills are sent promptly after a trip and are properly itemized. We have never had delinquent bills outstanding in our many years of White House travel until this administration.

3. We would like prompt attention when we question a bill. Is there someone in particular we can call with questions?

4. We have no problem with the two percent surcharge to set up a fund for emergencies and advance payments where necessary.

5. If we decide to send a reporter to cover a presidential event in another city or another country and do not use the White House chartered press plane, we expect access to the filing center at the site. We, of course, are willing to pay a pro rata share of ground costs.

6. Phone installation charges have become ludicrously high. We want easy provision made for sharing phones with other reporters of our choosing and being properly billed. We understand that AT&T handles this but believe a procedure needs to be put in place by the travel office so that this is no longer an awkward, catch-as-catch-can experience. Obviously, when two or three reporters are sharing a phone, there have to be two or three seats in the filing center at that phone. This was a problem on nearly every foreign trip last year.

We look forward to improved procedures in the future. If we receive prompt bills, properly explained and itemized, we will pay them promptly. We commend your efforts to improve what has become a frustrating experience for all of us.

Sincerely,

Dan K. Thomasson

Westwood

WESTWOOD ONE COMPANIES

MUTUAL BROADCASTING SYSTEM | NBC RADIO NETWORKS | WESTWOOD ONE RADIO NETWORKS

TO: Evelyn Lieberman
Deputy Press Sec.

FROM: Bart Tessler
Pres of News

NUMBER OF PAGES TO FOLLOW: 9

If you have any questions, or experience problems receiving this transmission, please call 703-413-8390.

THANK YOU.

DATE: 3/17/95

TIME: 5:15pm

WESTWOOD ONE COMPANIES
MUTUAL BROADCASTING SYSTEM
NBC RADIO NETWORKS
WESTWOOD ONE RADIO NETWORKS

1755 South Jefferson Davis Hwy.
Arlington, Virginia 22202
Telephone: (703) 413-8300

BARTON J. TESSLER
Vice President
Network News
Mutual/NBC
(703) 413-8498

May 16, 1995

Mr. Steven E. Riewerts
Director, White House Travel Office
Old Executive Office Building
Washington, D.C. 20500

Dear Steve:

Thank you for your efforts to organize and confirm appropriate policies and procedures for White House press corps travel. Westwood One looks forward to the guidelines as well as timely and accurate billing. The latter would be a much needed and marked improvement over the last two years when, as you know, bills were frequently months late, even after promises of initial billings 30 days after trips.

This is a good effort and Westwood One agrees with much of the document. But we do have several serious concerns. They generally fall into three categories:

1) Overall cost
2) Finance and service charges
3) Access to coverage

Attached are page by page comments on your draft policies and procedures. But first a summary of our major concerns.

OVERALL COST. Travel with the President is about to burst our budget as well as those of many other news organizations. The costs have increased dramatically since the travel office was overhauled by this Administration. I don't know what was being done differently as recently as two years ago but costs have exploded since then. This is the only reason why we choose to travel commercial when we can. The inconvenience is worth the incredible savings on the charter.

RECOMMENDATION: We urge all avenues be pursued to negotiate competitive charter rates, including a longterm arrangement with a carrier if at all possible.

The phone costs are also excessive. Westwood One finds that when we order our phones unilaterally, direct from ATT, the rates are far better then when phones are brokered through the White House. Just as an example, I've enclosed two invoices from ATT when we were billed directly for press room phones on two recent trips. Hawaii and Europe are not cheap but these charges compare very favorably with the $600 and higher costs per phone you've billed us for several recent domestic trips. Additionally, the rates of other vendors may be preferable to ATT.

RECOMMENDATION: Let ATT (or other vendor selected by White House) deal direct with the news media for ordering press room phones. This gets the travel office out of it. ATT does it now for all foreign trips, there's no reason it can't be done for domestic trips as well. The travel office would then only order the very few on-site phones, which would be billed out pro-rata with other travel costs. We'd also be assured we'd be paying for just the phone(s) we ordered. I'm not sure that's the case now.

FINANCE AND SERVICE CHARGES. Westwood One opposes both. The service charge seems to create a fund with the potential for a lot of accounting problems. We prefer additional costs be billed out when those costs are received. This is the way the network pools work now on all overseas trips.

RECOMMENDATION: Negotiate final prices whenever possible and bill out as quickly as possible. If any additional costs are outstanding, note that on the invoices and bill out as soon as available.

The finance charge proposal does not reflect the realities of the current marketplace. Our clients are mostly ad agencies and they generally pay us in 90-120 days. We, in turn, pay our vendors on the same schedule. Westwood One has corporate offices in New York and Los Angeles. When you send me an invoice, I immediately review and approve it, when accurate, and forward to Accounting in our offices here for approval. Then it must be sent to LA and NY for approval. A check is cut in Washington and must have two signatures, one from LA and one from NY. As you can see, it can take weeks just to go through this procedure. This is not uncommon among other news organizations.

RECOMMENDATION: No finance charges, or consider 90 days from receipt of invoice as a minumum window for receiving payment before finance charges.

ACCESS TO COVERAGE. There are two issues involved here, both of which are still being reviewed by our legal department and outside counsel. The first is a change in the current policy to require travel on the charter for credentialing and admittance to press rooms. In addition to the legal problems this creates, it will also increase the costs for those who do travel.

As an example, Westwood One, like other news organizations, has news bureaus in New York and Los Angeles. When the President travels to these locations, we occasionally cover his trip with reporters on scene. Depending upon the length and nature of the trip, there may be no editorial reason to send our White House correspondent. There certainly is no financial reason to do so. In addition, there may be scheduling conflicts. We still pay our full share of all on-scene costs, including phones, ground transportation, press room, on-site costs, catering, etc. This lowers the pro-rata share for everyone, including news organizations on the charter.

If you preclude our participation, you increase the costs for those who travel. We'll pursue the legal denial of access at a later date but just practically, it makes no sense. The current policy is working.

RECOMMENDATION: Keep the current policy. Those who cover but do not travel on the charter are responsible for all non-charter costs. The other access issue is denial of charter travel based on the schedule of invoice payments. Outside of the legal issues, we're concerned because inclusion of as many travelers as possible will reduce everyone's costs. The 90 day proposal is completely unworkable, you'll wind up with no one on the charter.

RECOMMENDATION: At a minumum, consider pushing back to 180 days.

We would look forward to our upcoming meeting with you and your response to our recommendations on new travel office policies and procedures.

Sincerely,

Barton J. Tessler

Barton J. Tessler
VP, News

cc: Evelyn Lieberman
    Deputy Press Secretary

ADDITIONAL COMMENTS ON WHITE HOUSE TRAVEL OFFICE DRAFT POLICIES

FEBRUARY 24, 1995 cover letter; page 1 OVERVIEW; page 1; and page 11 CUSTOMER BILLING: Please note that the White House Correspondents Association (WHCABD) does not speak for us and has no authority at all. It does not represent news organizations in any way. WHCABD represents White House correspondents. This organization should continue to deal with the travel office on issues like charter seating, hot meals on the plane, smoking, use of seat belts, etc. But that's all, it's just an advisory group. WHCABD cannot and will not make any billing, financial or policy decisions for news organizations.

Westwood One is also unaware of any network representative meetings with the travel office. We have not been advised of or included in any way in such meetings. Until now we have not been offered a chance to forward ideas or suggestions. Any such meetings which may have taken place are not representative of Westwood One. We would be willing to include a radio network pool representative who would represent us in meetings with the travel office.

Page 4, "The policies and procedures contained in this document were approved by the WHCABD and network representatives." This is not true, they have not been approved. And as indicated above, approval by WHCABD is unnecessary and irrelevant.

Page 3, GENERAL INFORMATION paragraph 3: The White House Travel Office should not be providing financial reports only to WHCA, since it is an advisory group which does not represent the networks. Such reports should be provided to news organization representatives, including the radio network pool member.

Page 3, paragraph 6, "Support will only be provided to those news organizations travelling on the press charter for at least one leg of the trip..." As indicated above, any news organization should be included in press rooms and billed a pro-rata share of all costs excluding charter if not on the plane. Continue the current policy.

Page 9, FIRST-CLASS/FORWARD SEATING: Westwood One objects to the listing of news media given priority on first-class seats. This could change based on consolidation, re-structuring, companies being created, sold or folded, or simply changing their travel policies. There's absolutely no reason to list them and we do not agree with the list. In terms of practice, we object to a foreign wire service being given priority over U.S. radio networks regularly on the charter, for first-class travel.

Page 10, DEPENDENT TRAVEL: The figure for such travel is arbitrary and very low. What is the basis for the amount?

Page 11, SERVICE CHARGE: This hasn't been needed in decades of travelling. The travel office's cash flow problem would be reduced if it sent out timely and accurate invoices. As recommended in the recent meeting with news organizations, the WHTO should seek to get final signoffs from vendors and then refuse to pay any additional invoices. The WHTO should follow the procedures of network pools when dealing with overseas vendors and billing.

Pages 11-12, EXPENSE CATEGORIES, AIR TRANSPORTATION: This doesn't recognize that some of these categories are network pools and billed just to the travelling network, which in turns invoices other news organizations participating in the pool. Occasionally there is no charter and the pool travels only on Air Force One or via chopper. In these cases, the commercial rate is billed by the White House. Similarly, any pre-advance costs are billed just to the pool networks.

Page 12, GROUND EXPENSES, #5: Be sure event site press equipment being billed is only for the travelling press corp and not local reporters. Also, the media should not be paying any White House government information costs, such as for a public address system so crowds can hear speeches. If exclusions are being made for some travelling news organizations, i.e. still photographers not paying for phones, then Radio should not share in the cost of on-site bleachers and other expenses which are strictly for Television and still photographic coverage.

Page 12, PHONES: As recommended above, Westwood One prefers dealing direct with telco vendor. We just want to pay for our phone.

Page 12, PHONES-SITE: On-site phones should be just for the pool, with a very limited number of phones ordered. Cell phones are generally rented by pool networks, especially on foreign trips, and not the White House.

Page 13, EXPENSE ALLOCATION: OK, except for pool costs, which are billed directly to pool organizations.

Page 13, AIR TRANSPORTATION: Please review the number of government workers travelling at media expense on the charter, particularly on foreign trips when 25 travel.

Page 14, paragraph 1: Why should government employees not travelling in support of the media, along with ATT staff, pay reduced government air rates rather then a full pro-rata share of the charter? There's no justification for that. We propose they pay a full share.

Page 14 paragraph 4: Government travellers should pay ground expenses that they use, i.e. busses.

Page 14, PHONES: The language is confusing, please clarify. As indicated above, Westwood One wants to pay for just its phone, preferably ordering it direct from vendor.

Page 14, PHONES - SITE: We agree that all news organizations on site should share costs of the very limited number of pool phones at the site. This paragraph indicates that you can sign up for workspace or phones without travelling on the charter, which is the current policy that we recommend.

If still photographers use phones, they should share costs of phones.

Page 15, paragraph 1: Westwood One agrees that secondary invoices for incidentals may need to be sent in some cases. This should be instead of a service charge fund.

Page 15, FINANCE CHARGES: Please see above recommendations.

Page 15, CUSTOMER BILLING RIGHTS: We agree, except change 30 days from date of invoice to 30 days after receipt of invoice. Invoices frequently arrive days or weeks after the invoice date, making the current language unworkable.

Page 16, CUSTOMER PAYMENTS: See above recommendations. Also change invoice date to date of receipt of invoice.

Page 17, APPROVAL AUTHORITY: As indicated above, WHCABD has no authority to represent us. Westwood One would be willing to include a representative of the Radio Network pool as a signatory, after new policies and procedures are approved by the radio network bureau chiefs.

A_K INV.001(11/94)

INVOICE

AT&T (INTEGRATED SOLUTIONS)

GUILFORD CENTER
P.O. BOX 26073
GREENSBORO, NC 27420
1 (800) 264 6849

Payment Terms: Invoices are payable in US currency net 30 days from date of billing and overdue amounts shall bear interest at a reasonable rate

AT&T ORDER NO.	INVOICE NO.	DATE
AAAAWH (361391)	SC9412P090	1/24/94
CUSTOMER / CONTRACT NO.		
CHICKENCOOPPRESTRIPS		

PAGE 1 OF 1

MAIL TO:	PAYMENT WILL BE MADE BY:
WESTWOOD ONE RADIO WHITE HOUSE TRIP 1755 S. JEFFERSON DAVIS HWY. ARLINGTON, VA 22202	WESTWOOD ONE RADIO WHITE HOUSE TRIP 1755 S. JEFFERSON DAVIS HWY. ARLINGTON, VA 22202

ITEM NO.	CLIN	QUANTITY SHIPPED	DESCRIPTION	UNIT PRICE	AMOUNT CURRENT	AMOUNT CUMULATIVE
			TELEPHONE SERVICES PROVIDED DURING PRESIDENT CLINTON'S TRIP TO RAMSTEIN, GERMANY DURING JULY 1994		$141.50	
		1	LINE IN TERMINAL BLDG.			
			OK gmb 2-28-95 140 202 51402 Battaglia 2/27/95			
			SHOULD YOU HAVE ANY QUESTIONS, PLEASE CONTACT MIKE CRANCE ON 202-457-3580.			
			TOTAL AMOUNT THIS INVOICE		$141.50	

"REMIT PAYMENTS TO"

AT&T - FBS
P.O.BOX 198401
ATLANTA, GA 30384-8401
ATTN: ACCOUNTS RECEIVABLE

Prepared by Bernita Elam
AT&T Project Accountant

ORIGINAL

INVOICE

AT&T (INTEGRATED SOLUTIONS)

GUILFORD CENTER
P.O. BOX 26073
GREENSBORO, NC 27420
1 (800) 264 6849

Payment Terms: Invoices are payable in US currency net 30 days from date of billing and overdue amounts shall bear interest at a reasonable rate.

AT&T ORDER NO.	INVOICE NO.	DATE
AAAAWH (361414)	SC9412P067	1/24/94
CUSTOMER / CONTRACT NO.		
CHICKENCOOPPRESTRIPS		

MAIL TO:	PAYMENT WILL BE MADE BY:
WESTWOOD ONE ATTN: CAROL ZIMMER 1755 S. JEFFERSON DAVIS HWY. ARLINGTON, VA 22202	WESTWOOD ONE ATTN: CAROL ZIMMER 1755 S. JEFFERSON DAVIS HWY. ARLINGTON, VA 22202

ITEM NO.	CLIN	QUANTITY SHIPPED	DESCRIPTION	UNIT PRICE	AMOUNT CURRENT	AMOUNT CUMULATIVE
			TELEPHONE SERVICES PROVIDED DURING PRESIDENT CLINTON'S VISIT TO HAWAII DURING NOVEMBER 17, 1994 THRU NOVEMBER 20, 1994 ON HIS RETURN FROM APEC IN JAKARTA.			
		1	LINE		$233.59	
			SHOULD YOU HAVE ANY QUESTIONS, PLEASE CONTACT MIKE CRANCE ON 202-457-3580.			
			OK Emb 2-28-95 140 202 51402 Barbara Fessler 2/28/95			
			TOTAL AMOUNT THIS INVOICE		$233.59	

"REMIT PAYMENTS TO"

AT&T - FBS
P.O.BOX 198401
ATLANTA, GA 30384-8401
ATTN: ACCOUNTS RECEIVABLE

Prepared by: Bernita Evans
AT&T Project Accountant

ORIGINAL

WHITE HOUSE PRESS TRAVEL POLICIES AND PROCEDURES

SYNOPSIS OF RECOMMENDED CHANGES

Ann **Page 3, Travel on one leg of the trip:** Applies to the organization and not the individual. This policy encourages travel on the charter to reduce the overall pro rata cost.

" **Page 6, "No Shows/Cancellations":** There is a request to amend the cancellation policy to read, "trip cancellations will be accepted except for money already committed on the basis of the sign-up (including the cost of a charter)." For the most part, this has always been the policy. The Travel Office makes every attempt to cancel phone and hotel reservation without incurring cost for the traveller who cancelled.

Steve **Page 8, "Charter Aircraft Service":** Charter service is deemed cost prohibitive when the prorata share exceeds the commercial unrestricted first class airfare for the route of flight.

" **Page 10, "Boarding Cards":** The Travel Office trip coordinator will use the aircraft manifest to check off passenger names at the top of the steps.

Janna **Page 11, "Service Charge":** Billed at 2% of the total trip invoice amount less FET. This operating fund will be used to cover advance and same day payments as required by certain vendors. The fund will be capped at $100,000.00 adn be used for White House press corps support only.

Ann **Page 12, "Ground Expenses/Event Costs":** White House press corps are billed only for those expenses which DIRECTLY SUPPORT the White House Press Corps.

" **Page 13, Who flies for free:** Wording will be changed to clearly prohibit free travel for political staff, government employees and other passengers which do not directly support of the White House press corps.

Janna **Page 15, "Finance Charges":** The finance charge will be omitted. The Travel Office reserves the right to explore this possibility in the future. The 90 day "no-fly" rule will remain as stated.

Rinnerty **Page 17, "Approval Authority":** Each news organization will be asked to sign a letter of agreement prior to travelling with the White House press corps. Statements will be provided with the Policies and Procedures manual and should be returned to the Travel Office at the earliest possible time. The statements will be maintained on file in the Travel Office.

1 Steve **Report on unbilled trips:** The Travel Office will provide a listing of all unbilled trips before the end of the calendar year and monthly with each customer statement.

~~AAAE~~
MEG, GT - FYI.
Evelyn - Circulate & follow-up to ensure total Press Office compliance. - MM
12/21

THE WHITE HOUSE

WASHINGTON

December 19, 1995

MEMORANDUM FOR: ALL STAFF OF THE WHITE HOUSE, THE EXECUTIVE OFFICE OF THE PRESIDENT, THE OFFICE OF MANAGEMENT AND BUDGET, THE OFFICE OF THE VICE PRESIDENT AND THE EXECUTIVE RESIDENCE

FROM: JANE C. SHERBURNE JCS
SPECIAL COUNSEL TO THE PRESIDENT

NATALIE R. WILLIAMS NW
ASSOCIATE COUNSEL TO THE PRESIDENT

JONATHAN YAROWSKY JY (sign)
SPECIAL ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Document Request of the House Government Reform & Oversight Committee

The House Government Reform & Oversight Committee has requested certain White House records in connection with its investigation of the Travel Office matter. Please review your records, including your computer files, and retrieve the following White House records **created as of May 31, 1995:**

1. "All records related to the General Accounting Office review of the White House Travel Office."

2. "All records related to the Justice Department's Office of Professional Responsibility review of the White House Travel Office."

3. All records related to American Express obtaining the White House Travel Office business including all records related to any contact with GSA or American Express relating to the original contract and subsequent renewals by the White House.

4. "All records (and subsequent contacts) related to the Peat Marwick review of the White House Travel Office and any subsequent reviews such as that performed by Tichenor and Associates."

5. "Any records related to any actions taken by the IRS regarding UltrAir and any other White House charter company, any of the fired seven travel office employees, or any other IRS matter related to the White House Travel Office."

6. "All records related to the Treasury Inspector General's investigation of the IRS audit of UltrAir completed in March 1994."

7. Any records relating to any proposal to use excess Presidential Inaugural Committee funds or other types of independent financing to augment White House staff, outsource White House duties or tasks, or otherwise support White House operations. This would include records regarding any efforts, both inside and outside the White House, to explore, evaluate or implement such proposal. It also would include records of any subsequent analysis of such efforts.

8. Any records relating to the activities of the following individuals at the White House: Harry Thomason, Darnell Martens, and any World Wide Travel or Air Advantage employees, including Betta Carney, Steve Davison and Penny Sample. This would include "personnel records, requests for passes or pass forms, requests for office space and any forms related to office space, phones or other equipment, and any records relating to any actions taken by these individuals regarding the White House Travel Office. (For Ms. Sample, this request would also include all trip files for trips she had any involvement with while at the White House)."

9. "All videotapes produced by Mr. [Harry] Thomason or any associates of his for the White House, the Bill Clinton for President Committee or the Clinton/Gore '92 Committee and all billings and financial statements relating to such work."

10. Any records relating to a proposed study of federal aircraft by Harry Thomason and/or Darnell Martens, including any documents relating to discussions or pursuit of this project with the General Services Administration (GSA), the Interagency Committee on Aviation Policy (ICAP) or the National Performance Review.

You do not need to provide any documents called for in this Memorandum that you already have produced to the Counsel's Office in response to prior requests. If you have sent records that may contain responsive material to the Office of Records Management (ORM), please let us know and we will ask ORM to search your material.

Please provide any records that fall within the categories described above to Associate Counsel Natalie Williams (OEOB Room 142) **by no later than 12:00 noon on Friday, December 22, 1995.** If you believe you have responsive material but are unable to retrieve it by December 22, or if you have any questions about this request, please contact Jane Sherburne (6-5116), Natalie Williams (6-5079) or Jonathan Yarowsky (6-7911).

Thank you for your cooperation.

DRAFT

WHITE HOUSE TRAVEL OFFICE

WHITE HOUSE PRESS CORPS
TRAVEL POLICIES & PROCEDURES

THE WHITE HOUSE

WASHINGTON

February 24, 1995

Dear White House Press Corps,

The White House Travel Office has received numerous questions concerning the policies and procedures governing White House Press Corps travel. In response to your concerns, the White House Travel Office worked with the Board of Directors of the White House Correspondents Association (WHCABD) and network representatives throughout 1994, to develop a comprehensive set of policies and procedures which will streamline support, strengthen communications, improve customer and vendor relations, and ensure a fair and equitable distribution of expenses.

The policies contained on the following pages have been reviewed and approved by the WHCA Board of Directors and supersede all previously stated policies.

The information contained in this document is intended for the sole use of the travelling members of White House Press Corps and not for release.

Sincerely,

STEVEN E. RIEWERTS
Director
White House Travel Office

Travel Policies and Procedures

OVERVIEW

This document establishes written guidelines by which the White House Travel Office will manage the White House Press Corps travel program. The policies and procedures contained in this document were developed through a cooperative effort between the White House Travel Office, White House Correspondents Association Board of Directors and network representatives. The overall goal is to streamline support, strengthen communications, improve customer and vendor relations, and ensure a fair and equitable distribution of expenses. These policies apply to all press travel support as provided by the White House Travel Office. This document becomes effective on April 1, 1995.

GENERAL INFORMATION

The White House Travel Office (WHTO) provides a full range of travel services for the members of the White House Press Corps when accompanying the President, Vice President and First Lady, or when requested by the White House Press Secretary. Services include the following: air and ground transportation, hotel accommodations and convention services.

The level of travel services varies with each trip site and is determined by scheduled events. Specific service requirements are obtained from the following three sources:

- White House Press Corps, "Trip Sign-up Sheet"
- Established Policy Requirements
- Individual Special Requests

The WHTO will maintain a full and accurate accounting of all expenses incurred in support of the White House Press Corps. Annually, the WHTO will provide a full range of financial reports to the President and board of the White House Correspondents Association. Cost allocation will be performed in accordance with the policies outlined in this document.

Upon completion of a trip, news organizations will receive a customer invoice for each individual traveller. In addition, each organization will receive a monthly statement. The statement will provide a record of aggregate account activity which will include payments, current charges and amounts past due for all travellers.

Press cooperation is critical to the overall success of the White House Press Corps travel program. The quality of support and billing accuracy is dependent upon accurate and timely information.

Support will only be provided to those news organizations travelling on the press charter for at least one leg of the trip and who have

- signed-up on the "Trip Sign-up Sheet" (Domestic trips), or

- submitted a "Trip Sign-up Packet" (International trips), or

- phoned in their request directly to the WHTO, and followed-up with written confirmation. (Phone requests should only be used as a last resort.)

The Director of the White House Travel Office and the Director of White House Press Advance will conduct joint quarterly meetings with the White House Correspondents Association Board of Directors (WHCABD) and network representatives. All issues relevant to White House Press Corps support will be discussed. The policies and procedures contained in this document were approved by the WHCABD and network representatives. Revisions must be approved by the signatories to this document.

TRIP SIGN-UP PROCEDURES

The "White House Press Sign-Up" roster is the primary source document for determining the level of support afforded individual members of the White House Press Corps.

DOMESTIC TRAVEL

A "White House Press Corps Sign-Up" roster will be posted on the bulletin board in the White House Press Briefing Room immediately following public announcement by the White House of the trip.

NOTE: In addition, Sign-Up rosters will be provided in the filing center on trips underway during the sign-up period.

INTERNATIONAL TRAVEL

A "White House Press Sign-Up Packet" will be available for pick-up in the White House Press Office and the USIA Foreign Press Center following public announcement by the White House of an international trip.

NOTE: "Sign-up Packets" can be obtained directly from the White House Travel Office by calling (202) 456-2250.

PHONE-IN REQUESTS

The Travel Office will accept Sign-up information over the phone by exception only. A Travel Office Trip Coordinator can be reached by calling (202) 456-2250.

NOTE: All phone-in requests must be confirmed in writing by the close of the same business day. Confirmations can be faxed to the White House Travel Office at (202) 456-6670.

SIGN-UP FORM ENTRIES

All sign-up information must be complete, accurate and legible. Mark only those spaces where support is required. Blank spaces are considered negative responses.

SIGN-UP DEADLINE

The sign-up deadline date and time will be posted on each sign-up roster. ***After the deadline, all requests are considered confirmed and constitute a binding agreement to pay for the services ordered (See No Shows/Cancellations).***

NO SHOWS/CANCELLATIONS

T, ED to Expenditures

Cancellations will be accepted prior to the sign-up deadline without incurring cost to the traveller.

No-shows and cancellations received after the deadline will be liable for all air, phone, ground and hotel expenses as requested on the sign-up roster. Expenses will be billed on a pro-rata basis, except for hotel cancellation charges which if incurred will be billed directly to the organization.

CHANGES

Increases in the level of service will be accepted throughout the duration of the trip as possible. Substitutions or increases in the number of personnel travelling will be accepted at any point during a trip within limitations (e.g., credential, visa and or passport requirements, hotel availability).

EMERGENCY CANCELLATIONS

Cancellations due to personal emergencies such as: death in the family, serious illness, personal injury, hospitalization, etc., will be accepted on a case-by-case basis without charge. The WHTO must be notified of emergency cancellations as soon as possible but not later than end of the trip to receive credit. Verbal notification must be followed by a written confirmation.

LATE SIGN-UP

Requests for travel services received after the deadline will be accepted only on a space available basis. ***Travellers cannot be guaranteed a seat on the charter, a hotel room, a phone, or workspace in the filing center after the deadline.***

PRESS CHARTER AIRCRAFT PROCEDURES

The WHTO will provide competitively-priced charter service for the White House Press Corps. Passenger safety and reliability will never be compromised.

CHARTER AIRCRAFT SERVICE

The WHTO will arrange for air charter service based on the number of press who sign up. Charter service will not be provided if it is determined that such service is cost prohibitive.

PASSENGER SAFETY

Passenger safety is the highest priority. In furtherance of this goal and in accordance with Federal Aviation Regulation, Part 121.311 - 317, all passengers must be seated with seat belts fastened for all takeoffs and landings, and when instructed by the pilot.

INFLIGHT SERVICE

The WHTO will ensure the same level of service is provided to all passengers regardless of their seat assignment.

CHECK-IN AND DEPARTURE

All passengers should check-in by the scheduled deadline and board the aircraft a minimum of 20 minutes prior to the scheduled departure time. All passengers must comply with scheduled baggage and equipment check-in times so departure schedules can be met.

SMOKING

Smoking is not permitted on White House Press charter aircraft. For safety reasons, smoking is never permitted in or around aircraft during ground servicing operations.

SEAT ASSIGNMENTS

Seat assignments will be provided at check-in. Seating diagrams will be posted in the Press Center at Andrews AFB and in the filing centers at each trip site. A WHTO Trip Coordinator will be available at each location to provide assistance. The WHTO will assign seats by news organization and not by the name of the individual. News organizations are responsible for individual seat assignments within their allocation.

Every effort will be made to ensure seat assignments do not change for the duration of the trip. In the event changes are required due to an increase in the number of press passengers, they will be kept to a minimum and the affected passengers will be notified prior to boarding the aircraft.

FIRST-CLASS/FORWARD SEATING

Priority in first-class or forward seat assignments will go to news organizations which routinely travel on White House Press charters. The following organizations will always be assigned one first-class or forward seat: ABC, CBS, NBC, CNN, AP, AFP, Reuters, and UPI. In addition, one seat each will be provided and rotated among the radio correspondents, news magazine correspondents, and print correspondents. Preference will be given to those who travel most frequently on WH Press charters.

MEAL SERVICE

The WHTO will ensure a full hot meal service is provided on every flight exceeding 1 hour in duration unless otherwise requested. Passengers will be advised of any exceptions to this policy.

DEPENDENT TRAVEL

Dependents are allowed to accompany travelling members of the White House Press Corps on the press charter if:

- aircraft seating is available, (NOTE: Journalists, official staff and support travellers have priority over dependents.)
- the trip is within the continental United States, and
- The primary purpose for the trip is to accompany the President on vacation.

Dependents are charged $100.00 per person for the entire trip -- not $100.00 per leg.

BOARDING CARDS

During each flight, the onboard WHTO representative will distribute boarding cards to all persons travelling on the White House press charter. Individuals must complete all sections of the boarding card and have it ready for collection during the flight. The cards are used to verify passenger manifests and become a permanent part of the trip file.

CUSTOMER BILLING

The White House Press Fund is funded solely through direct reimbursement from the news organizations travelling as part of the White House Press Corps. Funds are disbursed to vendors as they are collected from the news organizations. Timely billing and reimbursement is critical in ensuring future support for the White House Press Corps. The WHTO in cooperation with the WHCABD and network representatives has developed policies to ensure timely payments to vendors and guarantee adequate working capital to accommodate advance payments and to reduce billing of extraneous expenses received after the trip has been billed.

SERVICE CHARGE

Effective March 1, 1995, a 2% service charge will be assessed on the total amount of each traveller's invoice. Proceeds will be used to provide working capital for White House Press Fund disbursements, advance payments to vendors and to cover miscellaneous administrative costs (e.g., delivery fees, press entry visas, bank fees), associated with providing White House Press Corps support. In addition, these funds will be used to pay for late or adjusted vendor invoices received after the trip has been billed. This procedure will be limited to bills which are equal to or less than $500.00 or 1% of the overall trip expense whichever is lower. This will reduce the need for additional billing.

At the end of each fiscal year (calendar year) and during the annual audit process, the balance in the service charge account will be verified. Any and all amounts exceeding $100,000 will be refunded to the news organizations based upon their contributions during the fiscal year being audited.

EXPENSE CATEGORIES

Expenses are allocated on a pro-rata basis in accordance with the following categories:

AIR TRANSPORTATION

1. Air Force One Airfare (Press Pool only)
2. Press Charter Air Transportation Expense
3. Helicopter Airfare

AIR TRANSPORTATION - CONT.

4. Air Force One Inflight Service
5. Press Charter Inflight Service
6. Pre-Advance Airfare (Press travellers only)
7. Pre-Advance Inflight Services (Press travellers only)
8. Additional fees and tariffs associated with operating the press charter

FEDERAL TRANSPORTATION EXCISE TAX (FET)

For Domestic Trips: FET is equal to 10% of the air transportation charges less any catering and fees.

For International Trips: FET is $6.00 per traveller; it is a one time fee.

GROUND EXPENSES

1. All Ground Transportation (e.g., buses, motorcade vehicles, baggage trucks, etc)
2. Filing Center Space Rental
3. Filing Center Equipment and Electrical Support
4. Catering
5. Proportionate Share of Event Site Press Equipment, as necessary.
6. Pre-Advance expenses incurred by press organizations selected to represent the press corps on the pre-advance.
7. Miscellaneous expenses - (ex. bottled water, visas, excursion fees, etc.)

PHONES

Installation charges for filing center phones as specifically requested on the WH Press Sign-up.

PHONES-SITE

1. Installation charges for shared phones at event sites.
2. Rental fees for cellular phones shared by travel pools.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	White House Travel Office; RE: USSS [partial] (1 page)	02/24/1995	b(7)(C), b(7)(E)

COLLECTION:

Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:

WHTO [White House Travel Office] [1]

2011-0586-F
db4241

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

EXPENSE ALLOCATION

All expenses incurred in direct support of the White House Press Corps are allocated on a pro rata basis.

AIR TRANSPORTATION: Each leg of the itinerary is assigned a proportionate cost which is divided equally among all press passengers. The following formula is used to compute the proportionate cost for each leg of the trip:

(Leg flight time / Total flight time) x Total air transportation expense

The cost for individual legs of international trips may be adjusted to create an equitable distribution of overall charter costs for that trip. When so adjusted, a greater percentage of overall charter costs will be assigned to the legs carrying the greatest number of passengers. This procedure is especially applicable to international trips.

For international trips, press passengers travelling on the last leg of the trip will be billed at the comparable, commercial, business class fare. The business class fare will be computed as an average of all business class fares offered by the airlines, for the specific market, on the day of travel.

Government employees travelling in direct support of the press will travel on the charter at no expense. (NOTE: numbers may vary depending on trip complexity, events and staffing requirements.)

ORGANIZATION	DOMESTIC TOTAL STAFF	INTERNATIONAL TOTAL STAFF
White House Press Office	3	6
White House Press Advance	0	2
White House Stenographers	4	6
U.S. Army Transportation Agency (a/k/a "Carpet")	2	4
White House Travel Office	1	2
U.S. Secret Service	(b)(7)c, (b)(7)e	
U.S. Customs	0	1
U.S. Immigration	0	1

[001]

Government employees not involved in press support and AT&T employees travelling on the press charter are billed at the applicable government rate. The total government share per leg is subtracted from the total leg cost and the remaining portion is divided among the press travellers.

GROUND EXPENSES: Press travelling on transportation provided by the White House and/or those requesting filing center workspace or phones at a trip site are charged a pro rata share of all ground expenses incurred in that location.

Catered food in the filing center is provided only for the travelling White House Press Corps and support staff. Catering will not be provided in the filing center in areas where reputable food establishments are available within walking distance and events allow ample time to eat.

The government travellers listed above are not billed for ground expenses.

PHONES: This expense is for installation charges for phones ordered in the filing center. The charges are billed pro rata based on the number of filing center phones an individual requested on the WH Press Sign-up sheet, via a phone request, or requests honored and confirmed in writing after the trip departed (availability permitting).

News organizations choosing to share a phone in the filing center must indicate on the WH Press Sign-up sheet or in writing with whom they intend to share. These organizations will be billed the appropriate amount of the pro rata share based on the number of organizations sharing a phone.

PHONES - SITE: All press travelling on White House provided transportation, and/or those requesting filing center workspace, phones or credentials at a White House trip site are charged a pro rata share of all installation charges for phones installed at event sites for the shared use of the White House Press.

Still photographers are exempt from paying event site phone installation charges.

CUSTOMER INVOICES

Effective March 1, 1995, individual trip expenses will be provided on a White House Travel Office invoice form. The Travel Office will make every attempt to provide accurate billing information within 15 days of the return of the trip.

Additional billing may be required when late or adjusted bills are received after the trip has been billed. Amounts exceeding $500.00 or 1% of the overall trip expense, whichever is lower, will be billed in accordance with the guidelines established for billing expenses. All other amounts will be satisfied through disbursements from the service charge account.

CUSTOMER STATEMENTS

Statements will be printed at the end of each month and mailed to news organizations. Statements will provide a history of account activity to include outstanding invoices, payments received since the last statement, finance charges and amounts past due.

FINANCE CHARGES

At the end of each month, Finance Charges will be assessed against all outstanding balances on a per invoice basis for all amounts in excess of thirty days past due. Finance Charges will accrue at a daily rate of 0.03288%, or a corresponding annual percentage rate of 12%. The WHTO computes Finance Charges at the end of each month by applying the daily periodic rate to the outstanding balance of each invoice (including unpaid Finance Charges) in excess of thirty days past due. Invoice balances paid prior to the end of the month will not be subject to Finance Charges.

CUSTOMER BILLING RIGHTS

If you think your account is wrong, or you need more information about an invoice, write to: **White House Travel Office, OEOB Room 87, Washington, D.C. 20500.** You can telephone the WHTO accounting staff at (202) 456-2250, for information, but billing inquires must be received in writing within thirty days of the date of the invoice to be valid. Inquiries will be handled on a case-by-case basis and will not be accepted after thirty days. In your inquiry, give the WHTO the following information:

- Name of the news organization.
- Traveller's name.
- Invoice number.
- Dollar amount of the suspected error.
- Describe the error and explain why you believe there is an error.

You do not have to pay any amount in question while the WHTO is investigating, but you are still obligated to pay the parts of your bill that are not in question. While the WHTO investigates your question, Finance Charges will not be assessed against the disputed amount, nor will action be taken to collect the amount you question.

CUSTOMER PAYMENTS

Invoice amounts are due and payable upon receipt. Past due dates are determined using the invoice date shown on the top right of the customer invoice. Payments must be remitted by check, money order, or cashier's check.

30 DAYS PAST INVOICE DATE - Accounts are considered delinquent 30 days after the invoice date as shown on the top right corner of the invoice. Finance charges will be assessed at the end of each month against all outstanding balances on a per invoice basis for all amounts in excess of 30 days past due. Finance charges will accrue at a daily rate of 0.03288% or 12% per annum.

60 DAYS PAST INVOICE DATE - A delinquency notice will be sent to all news organizations with accounts 60 days or more past due.

90 DAYS PAST INVOICE DATE - Organizations with accounts 90 days or more past due will not be allowed to travel as part of the White House Press Corps. WHTO support will be denied to any organizations with accounts 90 days or more past due, to include: filing center access, phones, transportation, hotel accommodations and press credentialing.

WHITE HOUSE PRESS CORPS

TRAVEL

POLICIES AND PROCEDURES

APPROVAL AUTHORITY

PRESIDENT,
WHITE HOUSE CORRESPONDENT'S ASSOCIATION

SPECIAL ASSISTANT TO THE PRESIDENT
AND WHITE HOUSE PRESS SECRETARY

VICE PRESIDENT
WHITE HOUSE CORRESPONDENT'S ASSOCIATION

DEPUTY ASSISTANT TO THE PRESIDENT FOR
MANAGEMENT AND ADMINISTRATION

NETWORK POOL CHAIRMAN

DIRECTOR
WHITE HOUSE PRESS ADVANCE

STILL PHOTOGRAPHER'S REPRESENTATIVE

DIRECTOR
WHITE HOUSE TRAVEL OFFICE

Political People will pay full rate

Plan to provide transport in lieu of Charter

- List all categories on invoice every time. Enter 0 when no charges are incurred.
- Photographers to be
- flexibility