

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051
MINORITY (202) 225-6074
<http://oversight.house.gov>

Opening Statement
Chairman Gerald E. Connolly
Hearing on “Federal IT Modernization: How the Coronavirus Exposed Outdated Systems”
Subcommittee on Government Operations
Monday, July 20, 2020

The federal government’s response to the coronavirus pandemic has exposed a fundamental weakness it has yet to fix: legacy IT systems. Throughout this global health crisis, millions of Americans facing illness, unemployment, food insecurity, and an inability to pay their mortgages or rent have looked to the federal government for help. Yet despite urgent Congressional action to provide unprecedented levels of economic assistance, those in need have had their misery exacerbated by broken IT infrastructures that have prevented them from receiving timely support.

The CARES Act was signed into law on March 27th. It is July 20th. We still do not have the full post mortem on the failures of the Small Business Administration’s (SBA) E-Tran system tasked with facilitating more than \$600 billion in small business loans and grants, the Internal Revenue Service (IRS) has yet to deliver tens of millions of economic impact payments, and in my home state of Virginia certain types of unemployment claims will not be available until August due to necessary IT updates. The public policy response was there, but our IT couldn’t deliver. **In other words, the fate of the world’s largest economy rises and falls with the ability of government IT systems to deliver in an emergency. And that should galvanize us all.**

It has been reported that 21 million people were unable to receive their CARES Act stimulus payments because the IRS could not find accurate direct deposit information; hundreds of thousands of small businesses were shut out of SBA’s system for submitting loan applications; and for every 10 people who successfully filed for unemployment, an additional three to four were unable to submit claims online.

Issues with legacy IT systems are not news to us in the federal government. We enacted the Federal Information Technology Acquisition Reform Act, which I was proud to co-author, to help federal agencies prioritize federal IT modernization. And the Modernizing Government Technology Act was passed to enable agencies to establish working capital funds to help them use savings from IT modernization to further invest in upgraded, agile systems and transition away from legacy systems. The law also created the Technology Modernization Fund, which established a government funding source for agencies to remove and replace legacy systems with new and better systems. Yet the TMF remains chronically underfunded, and outgoing Chief Information Officer Suzette Kent has identified this underfunding as illustrative of the small bore thinking that has prevailed when it comes to making IT investments.

Agencies responsible for performing critical government functions operate on legacy systems with components dating back more than 50 years. The Government Accountability Office found that the ten most critical federal IT legacy systems in need of modernization are maintained by ten different federal agencies — each performing essential government operations. **As they age, these legacy systems become more expensive to maintain, more vulnerable to cybersecurity risks, and less effective in accomplishing agency missions.** If FEMA’s public alert and warning system fails, millions of lives could be lost during a natural disaster because life-saving information was not delivered to the public in time. If the Department of the Interior’s system that monitors power plants stalls, thousands of communities could be left without power. **Simply put, outdated and inefficient systems put American lives and livelihoods at risk.**

As we heard from organizations representing federal workers in our Subcommittee hearing two weeks ago, agencies have been able to leverage telework to ensure the continuity of government operations, while also protecting the health and safety of federal workers. Nonetheless, the large-scale shift to telework exposed critical cyber security vulnerabilities underlying outdated IT. Since the pandemic hit, IGs have reported increased risks of data security breaches, disclosures of classified information, and targeted cyberattacks and fraud schemes affecting financial aid to small businesses and people affected by the pandemic.

Going forward federal agencies will need to quickly retire their legacy systems and prioritize modernizing IT, like adopting cloud computing technologies through FedRAMP, a program that enables agencies to quickly secure and adopt new technologies. In 2019, 13 agencies reported to GAO that they achieved at least \$291 billion in savings from increasing their investments in cloud technologies. I hope we can continue to advance the bipartisan FedRAMP Authorization Act (H.R. 3941) which passed the House by voice vote and that will likely be included in the National Defense Authorization Act for FY2021 that the House will vote on this week. This legislation will reform and codify a vital program many agencies rely upon to provide secure cloud computing solutions a fundamental component of many IT modernization efforts.

Modern, reliable IT is not just a nice thing to have. Our federal government’s consistent failure to prioritize IT modernization and program delivery prevented the public from receiving the assistance Congress authorized to help the nation weather one the worst global pandemics and economic crises of our lifetime. We can no longer afford to defer upgrades. We can no longer allow outdated and legacy technology to stymie the delivery of vital public services. We will need to rip out, root and stem, systems that have hung around for decades because their replacement costs have been seen as prohibitively expensive. Because if doing so is a matter of being able to save the American economy from collapse, almost anything by comparison is cheap.

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