Chairman Gerald E. Connolly (D-VA)
"Making IT a Priority for the Federal Government"
Subcommittee on Government Operations
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2154 Rayburn House Office Building

Two years ago, I attended a White House Roundtable on Modernizing Government Technology where I met with White House officials, including Matt Lira and Jared Kushner, who at the time headed the Office of American Innovation. They discussed the Trump Administration's plans to modernize the federal government's legacy information technology (IT) systems and leverage emerging technology. I found myself agreeing with many IT goals set forward by the Administration: moving to the cloud, using technology to improve customer experience, finding ways to incorporate machine learning and improve agency processes, and prioritizing cybersecurity to make our nation more secure.

However, agreement with the Administration's technology modernization goals does not mean giving the Administration carte blanche to pursue those goals. The federal government spends nearly $90 billion per year on information technology, and as we have learned through the biannual FITARA Scorecard hearings, many IT efforts go sideways because they lack proper leadership and oversight. Taxpayers deserve a government that leverages technology to serve them, and also one that invests dollars wisely and transparently.

That has not always happened. In 2016, this Subcommittee – along with the then-Subcommittee on Information Technology – held an oversight hearing to examine whether 18F and the U.S. Digital Services were fulfilling their mission. 18F was launched in 2014 to help agencies improve their digital services. What began as a 15-person startup soon morphed into an office of 185 people that was spending approximately $1 million more per month than it was recouping in revenue. This Subcommittee is conducting oversight to ensure that other IT modernization efforts do not have the same problems and bad habits.

Across several administrations, the General Services Administration (GSA) has been tasked with operating programs designed to facilitate the modernization of existing federal technology. The Obama Administration launched the Presidential Innovation Fellows and 18F to help agencies tackle technology challenges. More recently, the Trump Administration launched the Centers of Excellence (CoE) initiative to help federal agencies move to the cloud, adopt artificial intelligence, and better use data analytics, among other efforts. What are the results of these various efforts? Are they achieving their stated purposes? Are they providing

services that can be better delivered by the private sector? These are questions I hope to address at this afternoon's hearing.

GSA is also responsible for ensuring agencies have access to the telecommunications and IT solutions that they need to meet mission requirements through the new Enterprise Infrastructure Solutions, or EIS, contract vehicle. EIS is critical to the federal government's IT modernization efforts and will help facilitate major improvements, efficiencies, and cost savings. However, to take advantage of the lower prices and modern technology offered under EIS, agencies must move off of Networx, the current and outdated telecommunications contract. This transition is easier said than done. GAO reported that the previous transition *to* Networx was plagued with delays and ended up taking 33 months longer than anticipated. These delays eventually led to an increase of $66.4 million in costs to GSA and an estimated $329 million in lost savings because agencies continued to order services from a predecessor contract even after improved services were available through Networx at generally lower rates. I am concerned that agencies are now repeating the same mistakes in the transition to EIS, which will result in a greater cost to taxpayers.

GSA is also working to simplify certain government purchases by establishing a program for all agencies to procure commercial products through an online marketplace or e-commerce portal, a requirement in the Fiscal Year 2018 National Defense Authorization Act (NDAA). The online marketplace could allow those with agency purchase cards to use an online portal to more efficiently buy office supplies and some information technology goods that are under the micro purchase threshold of $10,000.

While making these types of transactions simpler is a shared goal, GSA must work with agencies and stakeholders to ensure that we are not introducing unneeded risk across the government. Would an online marketplace make it easier for agencies to purchase counterfeit goods, foreign manufactured telecommunications equipment that has been deemed a threat to national security, or other IT goods with inadequate cybersecurity protections? This Subcommittee needs assurance that GSA is appropriately considering the consequences of letting agencies purchase cheap, potentially counterfeit goods or products with supply chain risks. We must ensure that GSA has a plan to mitigate these risks in the development of the online marketplace.

GSA plays a key role in helping federal agencies modernize their IT systems and leverage technology to deliver better services to taxpayers. I am hopeful that the programs we are examining today can achieve their promised savings and deliver better government services to Americans.

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