

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051

<http://oversight.house.gov>

Opening Statement Rep. Elijah E. Cummings, Ranking Member

Hearing on "Federal Agencies' Reliance on Outdated and Unsupported Information Technology: A Ticking Time Bomb"

May 25, 2016

There has been an increasing number of sophisticated cyber-attacks against federal agencies like the Office of Personnel Management, as well as private sector companies like Anthem, Premera, and Sony Pictures.

These devastating cyber-attacks highlight the challenges faced by public agencies and the private sector in keeping their systems secure from determined, sophisticated cyber spies. They also highlight the need for strong Congressional action to help agencies strengthen their security and modernize their information technology systems.

The problem, however, is that Republicans in Congress have spent the last several years making massive cuts to federal agency budgets, making it harder for these agencies to upgrade their information systems, let alone maintain the systems they have.

The Internal Revenue Service (IRS) is a prime example. Republicans slashed the IRS budget by almost 17% over the past five years, cutting it from about \$12.2 billion in 2010 to \$11.2 billion in 2016. They cannot pretend that budget cuts of this magnitude have no effects.

Obviously, these massive cuts reduced the amount of funding the IRS could devote to system upgrades. These cuts also impair the ability of the IRS to hire and retain the staff needed to modernize and replace outdated information systems. As a result of these massive Republican cuts, the IRS IT staff has dropped from 7,385 employees in 2011 to 6,730 employees today.

I completely agree that federal agencies desperately need to upgrade their information technology systems. But if we want to talk about a ticking time bomb, let's talk about it. The ticking time bomb here is that Republicans keep slashing agency budgets year after year and pretending that their actions have no negative repercussions.

Just yesterday, Republicans on the House Appropriations Committee released their Fiscal Year 2017 budget, and it would slash another \$236 million from the IRS budget.

We cannot expect federal agencies to modernize, replace, and strengthen their information systems against determined, sophisticated cyber attackers without giving them the resources and tools to do so.

This is why I am a proud co-sponsor of the Information Technology Modernization Act that was recently proposed by the Obama Administration and introduced in the House by Congressman Steny Hoyer. Our fellow Committee Members, Representatives Connolly, Lieu, Kelly, and Duckworth, are also co-sponsoring this bill.

The bill would improve cybersecurity by establishing a dedicated \$3.1 billion Information Technology Modernization Fund to help agencies replace their outdated information systems with more modern, adaptive, and secure systems.

The bill would take some of the best practices from the private sector by establishing a revolving loan fund that would be dedicated for the purpose of funding whole-sale upgrades and replacing outdated information technology infrastructure.

The fund would be self-sustaining because agencies that receive money for modernization projects would be required to repay it over time. By doing this, the bill would ensure that the fund can continue to support modernization projects into the future.

The bill also would create an independent review board with experts in acquisition and cybersecurity to oversee the fund and review proposals from agencies to upgrade their systems.

The board would provide technical support to agencies in implementing modernization plans, and it would provide regular monitoring to ensure that every project that receives funding would be subject to centralized oversight and expertise.

As the Government Accountability Office's newly released report on federal legacy IT systems found, federal agencies spend almost 75% of their IT budgets on maintaining current computers systems, which leaves little for funding the development of more modern, but costly technologies that are more secure.

We hope to have the support of our Chairman for this landmark legislation.

I want to thank you, Mr. Chairman, for calling this important hearing, and I look forward to the testimony of our witnesses here today.

Contact: Jennifer Werner, Communications Director, (202) 226-5181.