TOM CARPER

UNITED STATES SENATOR *for* DELAWARE

FOR RELEASE: May 24, 2012
CONTACT: Emily Spain (202) 224-2441 or emily_spain@carper.senate.gov

U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY

HEARING: "Innovating with Less: Examining Efforts to Reform Information Technology Spending "

Opening Statement of Senator Tom Carper, Chairman
As prepared for delivery

This hearing will examine the Obama administration's progress in implementing its plan to transform the management of our Federal Information Technology assets.

At a time when we're fighting to create jobs and grow our economy while also grappling with historic budget deficits, the American people are rightfully skeptical of a government that continues to squander too many of the tax dollars they entrust to us. They want better results from federal programs. It's our job to ensure that they get those results, and that they're delivered in a cost-effective manner.

When it comes to the information technology investments that agencies rely on to provide the services Americans need, the federal government has consistently thrown good money after bad. We've built an IT infrastructure that is bloated, inefficient, and actually makes it more difficult for the government to serve its citizens.

With more than $80 billion spent each year on federal information technology, can we say that we're getting what we paid for? Can we say that we have looked at every nook and cranny of our IT investments and can tell Americans that we have managed their money effectively? I'm afraid that the answer to both questions is "no." However, all is not lost.

Nearly 18 months ago, President Obama directed our nation's first federal Chief Information Officer, (CIO) Vivek Kundra, to embark on an ambitious effort to bring the federal government's use of technology into the 21st century and ensure that we're operating in the most cost-effective manner possible. I commend the President and Mr. Kundra and his team for the sense of urgency and attention they have brought to these problems. We are now on a path to cut what we can't afford and nurture an environment

in which innovative and more cost-effective technologies are being deployed throughout government.

As we approach the June 2012 deadline for the implementation of the 25-point plan Mr. Kundra developed, I'm reminded of what Vince Lombardi once said: "If you're not keeping score, you're just practicing." It is important that we have a good game plan in place, but we must also be clear in keeping score and tracking our progress.

In keeping score, there are a number of areas that we can look to in order to measure the progress of the Administration's plan. For example, before President Obama and his team came into office, the federal government didn't know how many data centers it had. Since then, we've found out that there are over 2,000 data centers bleeding energy and money throughout the federal government.

I'm happy to hear that, between now and the end of 2012, nearly 500 of these data centers will be shuttered, saving us $3 billion per year according to the Office of Management and Budget (OMB). That leaves us with several hundred more to go if we are to reach the President's goal of closing nearly 1,000 by 2015. But these first few rounds may be the 'low-hanging fruit' or perhaps the fruit already on the ground. So we need to continue pressing hard to achieve our goals and the savings that will come with them.

As we shutdown these unnecessary data centers, one of the ways we can get more efficient IT spending is by moving the federal government to the 'cloud'. The cloud is an example of the innovative tools available to government that offers an efficient pay-as-you-go approach to IT. In it, a low initial investment is required to begin, and additional investment is needed only as use increases.

Many Americans already use cloud computing in some form for email or when using social networking sites. It's also used often by private businesses looking for cost-effective IT solutions. According to OMB, federal agencies have moved almost 70 services to the cloud with many more likely to migrate, as well.

Another important area where we have a plan and are now keeping score is with the Administration's launch of TechStat Accountability Sessions, also known as "TechStats," in January 2010. TechStat sessions have enabled OMB and agency leadership to turn around, halt, or terminate IT investments that do not produce dividends for the American people. According to OMB, approximately 300 "TechStat" sessions have taken place since 2010 with approximately $4 billion in cost savings, cost avoidance, or reallocation of funding for major investment projects.

Of course no plan is perfect. In a report released today by the Government Accountability Office (GAO), the government's watchdog, it provides a number of areas in the reform plan where more work is to be done. GAO's concerns are ones that I want to examine so that we don't risk losing momentum and can continue the progress that has been made so far.

As we move forward, a vital component of reforming the federal government's spending on IT involves learning from the private sector. IT has transformed how the private sector operates and has revolutionized the way in which it serves its customers. The Federal Government has missed out on these transformations in the past, due in part because we often pay more for old technology that agencies no longer need. In addition, we've seen chronic poor management of large technology investments.

I hope our private sector witnesses on the second panel are able to share some lessons from their organizations and give us some insights on how we can implement even more innovative tools at lower costs in the federal government.

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