

Opening Statement of Chairman Thomas R. Carper
The Nomination of Beth F. Cobert to be Deputy Director for Management,
Office of Management and Budget
October 2, 2013

As prepared for delivery:

The Committee is called to order to consider the nomination of Beth Cobert to be Deputy Director for Management at the Office of Management and Budget. This hearing comes at a very unfortunate time for the American people, for Congress, and for our democratic process. Much of our government is officially closed for business, and hundreds of thousands of public servants have been forced to stay home. That is not fair to them. It's also not fair to the people we're here to represent, who pay their taxes and now will not get the government services they expect and deserve. This is an embarrassing and avoidable failure that highlights the dysfunction that has dominated Congress for the past several years.

Our current method of stop-gap, crisis governing is no way to run any government, let alone a nation of our size and stature. This type of crisis governing with last minute stop-gap funding measures and government shutdowns is actually the most inefficient and expensive way to govern. We need to do better and we can if we begin working together once again and stop these needless acts of political brinkmanship.

While much of the work of Congressional committees is suspended at this time, I believe that it is essential for this Committee to meet today to consider Ms. Cobert's nomination. The Deputy Director of Management is one of the top three leaders at the Office of Management and Budget. And in the midst of this very partisan time, one thing that Republicans and Democrats agree on is that we need to make every effort to find savings through better government management.

I've said it before but something this important bears repeating often. To achieve a long-term solution to our fiscal problems, we need a compromise that has three essential elements. It must address both spending and revenues in a balanced approach. It must rein in the costs of our entitlement programs in a way that does not savage the poor or the elderly. And it must ensure that, through better management of government programs, we deliver better services to the American people at a lower cost.

In my years of serving on this Committee, I have worked closely with Dr. Coburn and with Presidents of both parties to find better ways of managing government programs. And when we've put our noses to the grindstone, we have achieved some good results. One of the best examples is the work we have done to reduce improper payments.

Improper payments are payments that occur when the government makes a mistake in paying a beneficiary or a contractor. More effective management and oversight has led to enormous savings by preventing these errors by agencies across the government. In fact, improper payments have been on a downward trend, dropping from \$121 billion in Fiscal Year 2010 to \$108 billion in Fiscal Year 2012. While a lot more work needs to be done to identify, recover and prevent improper payments, clearly we are making progress.

We have helped improve government management in other ways as well. For example, over several years our Committee has given focused attention to the challenges faced by the Department of Homeland Security in integrating its separate management systems into one department. The Government Accountability Office recently recognized the Department's substantial progress in this area.

Likewise, our Committee, GAO, and a number of federal agencies have all worked to focus attention on wasteful spending that can occur in inter-agency contracting, which occurs when one agency spends money through a contract negotiated and managed by another agency. I was pleased to learn earlier this year that GAO removed inter-agency contracting from its “High Risk” list of troubled government operations.

Our Committee has much important work ahead to address other serious, often longstanding management problems. The management of federal real property is an example. There is also too much duplication and wasteful spending in federal information technology projects. We need to tap into billions of dollars in potential savings through so-called strategic sourcing, which is the leveraging of the government’s buying power to get discounted prices when the government buys things. And, of course, we face a major management challenge in recruiting, training, and retaining a federal workforce for the future. The list goes on and on.

Saving money is not the only reason to have good management. We deliver better services to the American people when we have good management. This is the case in every area of the government, from border security to Social Security. Unfortunately, delivering quality services is all the harder in this era of stop-gap, crisis governing, with agencies struggling to do the best work they can despite constant uncertainty about their budgets.

So I am eager to help move this nomination forward and to get a Deputy Director for Management on the job to help agencies through these tough times, and to promote long-term management reforms that will deliver both better results and savings for the taxpayer.

The nominee before us, Beth Cobert, has had a long and distinguished career at McKinsey & Company, where she has been a senior partner. She has served as the firm’s Global Leader for Functional Capability Building. In that role, she has been responsible for fostering skills among over 9,000 consulting staff at the firm. She is also a Global Leader of McKinsey’s Marketing and Sales practice, and chairs the firm’s pension fund. She served as the head of McKinsey’s San Francisco office from 2005 to 2008. Ms. Cobert, we welcome you before the Committee, and look forward to hearing your vision for promoting better management throughout the government.

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