

Opening Statement of Chairman Thomas R. Carper

“Reducing Duplication and Improving Outcomes in Federal Information Technology”

June 11, 2013

As prepared for delivery:

Good morning. My thanks to our witness and guests for joining us today to examine the Administration’s efforts to identify and eliminate areas of duplication and waste in federal information technology and the role agency Chief Information Officers can and should play in that process. My thanks as well to Dr. Coburn and his staff for their help in putting this hearing together.

The Committee is holding this hearing today because, to put simply, when it comes to information technology, the federal government needs to do a better job of managing its considerable investments. I would like to start my statement with a simple quote:

Poor information [technology] management is, in fact, one of the biggest threats to the government treasury because it leaves government programs susceptible to waste, fraud and abuse.

These insightful words were spoken by Senator William Cohen from Maine at a hearing this Committee held in the summer of 1995 on Senator Cohen’s Information Technology Management Reform Act. That bill is also known as the Clinger-Cohen Act, and I have no doubt all the witnesses on the panel are very familiar with it because it created the position of Agency Chief Information Officer.

The Clinger-Cohen Act was passed almost two decades ago. Back then, a Blackberry was a fruit, a tweet was something that only birds did, and Google was just a really big number. Today, we live in a world of smartphones and tablets, social media and the cloud. Yet the more things change, the more they stay the same. Because despite passage of the Clinger-Cohen Act and the creation of agency chief information officers, our federal government still wastes a tremendous amount of money by poorly managing IT systems and investing in duplicative systems.

In 1996, when Clinger-Cohen became law, the federal government was spending about \$25 billion a year on information technology systems. That’s not an insignificant amount of money, but today we spend more than three times that amount at \$80 billion a year.

I would ask today’s witnesses, with all the money we spend each year on information technology, can we say that we’re getting what we paid for? Can agency managers look at their investments in this area and tell the American people that they’re managing the taxpayer dollars entrusted to them effectively? I’m afraid that the answer to both questions is “no.”

In 2013 we see many of the same problems that Senator Cohen found in 1995 – poor management of information technology systems, wasted and duplicative investments, and

billions of dollars spent on outdated “legacy” systems. Too often, agencies, or components of agencies, seek to develop new solutions first, before assessing existing options for sharing services with other agencies or even within their own agency. As I mentioned before, the more things change, the more they stay the same.

To address these persistent problems, in 2012 the Administration launched a new initiative called “PortfolioStat” which required Chief Operating Officers across government to lead an agency-wide review of their IT systems and eliminate areas of duplication and waste. The Federal CIO then met with each agency to discuss, among other things, potential duplicative systems and investments that did not appear to be well aligned to agency missions. Through this process, agencies identified more than \$2.5 billion in IT spending reductions that could be achieved from FY 2013 through FY 2015.

I am happy to have the Federal Chief Information Officer here with us today to tell us about the first version of PortfolioStat and what the future holds for that initiative. Mr. VanRoekel, I understand you have new responsibilities at OMB, but I am hopeful that, as our Federal CIO, you will stay actively engaged in the PortfolioStat process because I strongly believe that your participation in those meetings with the Chief Operating Officers and other agency leaders is key to getting results.

One of the key takeaways from the first round of PortfolioStat sessions was that the decentralized manner in which many agencies managed their information technology investments lead to “inefficiencies and duplication.” The fact is that despite the Clinger-Cohen Act, agency CIOs are frequently not recognized as the key leaders in managing information technology at an agency. Too often there are many CIOs in a department, and many of them act independently of each other. As a result, departments are unable to take an enterprise-wide view of their investments which results in duplication and missed opportunities to leverage existing systems.

I am very interested to hear from our panel, and especially from Mr. Szykman and Mr. Baitman about their experiences at large decentralized Departments like Commerce and Health and Human Services.

I want to finish my statement with another quote from Sen. Cohen – he sure is a smart guy:

But we must also understand that statutory change is only half the battle. The other half involves changing the management culture at agencies that has traditionally focused on technical performance and bureaucratic process. We must insure that the top levels of agency management understand how information technology can change and improve their agencies. Cultural change is critical to changing the way government approaches its information technology needs.

I end with that quote because it highlights the fact that our job is not done once a bill is passed into law. In many ways that is when the hard work really starts – when we roll up our sleeves and do the oversight necessary to ensure a law is being implemented properly. It is ultimately

congressional oversight that lets agency leaders know where our priorities lie and that can help agency leaders break through any resistance there may be to change.