

MAKING IT A PRIORITY FOR THE FEDERAL GOVERNMENT

HEARING

BEFORE THE
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
OF THE
COMMITTEE ON OVERSIGHT AND
REFORM

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MAKING IT A PRIORITY FOR THE FEDERAL GOVERNMENT

Wednesday, March 4, 2020

U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND REFORM
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:02 p.m., in room 2154, Rayburn Office Building, Hon. Gerry Connolly, presiding.

Present: Representatives Connolly, Norton, Speier, Plaskett, Khanna, Meadows, Hice, Comer, and Steube.

Mr. CONNOLLY. Subcommittee will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time.

I now recognize myself for five minutes for an opening Statement and then I will call on the distinguished Ranking Member.

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 administration's plans to modernize the Federal Government's legacy, information technology systems, and to leverage emerging technology.

I found myself agreeing with many of the IT goals set forward by this 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 any administration carte blanche to pursue those goals. The Federal Government spends nearly \$90 billion per year on information technology. And as we've learned through the biannual FITARA scorecard, many IT efforts go sideways because they lack proper leadership and oversight.

Taxpayers deserve a government that leverages technology to serve it, 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 oversight hearings to examine whether 18F and the U.S. Digital Services were fulfilling their missions.

18F was launched in 2014 to help agencies improve digital services. What began as a 15-person startup, soon morphed into an office of 185 people that were spending a million dollars more per month than it was recouping in revenue. This subcommittee is con-

ducting oversight to ensure that other IT modernization efforts don't have the same problems or develop the same bad habits.

Across several administrations, the General Services Administration has been tasked with operating programs designed to facilitate the modernization of existing technology. The Obama Administration launched the Presidential Innovation Fellows and 18F to help agencies ostensibly tackle technology challenges. More recently, the Trump Administration launched the Centers of Excellence 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 those efforts? Are they achieving the Stated purpose? Are they providing services that can better be delivered by the private sector? These are the questions we hope to address this afternoon and they are not unique to this administration.

Hearsay is also responsible for ensuring agencies have access to the telecommunications and IT solutions that are needed 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 improvement, efficiencies, and cost savings. However, to take advantage of the lower prices in modern technology offered under EIS, agencies must move off of Networx, that's W-O-R-X, 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, of course, \$66.4 million in cost 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 prices.

I'm concerned and I know the ranking member is seriously 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 ecommerce portal, a requirement in the Fiscal Year 2018 National Defense Authorization Act.

The online marketplace could allow those with agency purchase cards to use an online portal more efficiently to 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 manufacturer telecommunications equipment that has been deemed a threat to national security, such as 5G by railway 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 those

risks in the development of a desirable plan, the online marketplace.

GSA plays a key role in helping Federal agencies modernize their IT systems and leverage to deliver better services to our taxpayers. I'm hopeful that the programs we are examining today can achieve their promised savings and deliver a better government to Americans. And with that I call upon the Ranking Member, Mr. Meadows, for his opening Statement.

Mr. MEADOWS. Thank you, Mr. Chairman. Thank each of you for being here. Mr. Chairman, this is an important hearing. This has been a priority for you and because of that, it has been a priority for me. And we have been able to work together in a real way to hopefully address the \$92-plus billion that we spend annually on IT and make it more effective in attrition.

Certainly, GSA's willingness to help us with the technology assistance and procurement process is vital in that effort. For example, the Enterprise Infrastructure Solutions or EIS contract represents a \$50 billion contract to modernize the agency networking communication system. And the EIS contract needs to be successful for agencies to continue transitioning from the old and often unsecured Legacy IT systems to a more modern, secure, and cost-effective cloud solution.

If this is your first time hearing it, I can't imagine that you've been around IT long because it is something that the chairman and I fully agree. What I'm, I guess, to go off script very quickly, what I'm frustrated with is we continue to spend billions and billions and billions and make just very small incremental changes in terms of what we're doing. I have found that I spent less money than most departments, let alone agencies and I had a much more robust IT system in the private sector, just because I was able to be a lot more efficient with it.

You are talking to someone in the chairman's seat who is a real expert in this area. Whether it is dealing with cybersecurity, everybody puts aside their security box there and they say, OK, we are dealing with cybersecurity, until they have a moment where they are not dealing with cybersecurity. And so, for me, I think it is important that we actually do actionable steps and so, for each one of you, I want us to say, how can we take our—this is the way things have always been done hat off and really look at this differently. And if it requires legislation, and I have said this before, Ms. Harris knows this, if it requires legislation and a fix, we are willing to fix it.

I mean, there is only so long that you can spend \$100 billion a year and not have the most remarkable IT system in the world. I mean, it would be one thing if it was truly groundbreaking. But I even find, even on the congressional side, and this has very little to do with it, I have a hard time sharing my calendar with my wife in a secure environment. We can't even find—I mean, something so simple that we should be able to do that, and yet we have all these obstacles that are not there.

So, I am anxious to hear that from all of you. I will give you my entire written Statement for the record, Mr. Chairman.

Mr. CONNOLLY. Without objection.

Mr. MEADOWS. Thank you. I would ask—I want to introduce the gentleman from Georgia. He is about to become the ranking member on the Government Op—Operations Subcommittee. The gentleman from Georgia, Mr. Hice. So, welcome. Congratulations. It is a promotion, just because you get to work with the fine gentleman from Virginia.

Mr. HICE. Well, I recognize that part of the promotion and otherwise, I do look forward to working with the chairman and I appreciate the tremendous leadership of the ranking member and a good friend. And I appreciate the opportunity to serve.

Mr. MEADOWS. And I will close with saying this. You have been a dear friend. You have been someone who I have been willing to not only listen to and take advice from, but I have been—when we disagree, we are able to do that in a manner that is not disagreeable. And it has been an honor to be your ranking member. It was more of an honor to be your chairman, but it is certainly an honor as we transition in some of these roles. And with that, I yield back.

Mr. CONNOLLY. I thank the distinguished ranking member. And I—let me first of all welcome Mr. Hice in his new role and I look forward to that collaboration. But let me also reciprocate. I—you and I have been friends and colleagues and we will continue to be, at least through the end of this Congress, and I think we have gotten a lot done. We have looked for opportunities for common ground. Not everybody does that. And we are, I suppose if you—people knew each other's political background, we would be certainly an odd pairing.

Mr. MEADOWS. Yes.

Mr. CONNOLLY. And yet we have by listening to each other, by respecting each other we have found common ground. And certainly on this subject, we have, I think, moved the ball way down the playing field because of that. And I really thank you and I hope we will approach the remainder of this year in that same spirit with the new ranking member. But thank you, Mark. Thank you for your leadership.

With that, I want to introduce our panel. We have three distinguished individuals who are going to testify before us today. Carol Harris, who is the Director of Information Technology and Cybersecurity at the Government Accountability Office, with—welcome back, Ms. Harris.

Anil Cheriyan. Cheriyan? You get to be called properly your name.

Mr. MEADOWS. And then I'll butcher it, but go ahead. It'll be right and at least—

Mr. CONNOLLY. So, Anil, how should I pronounce it?

Mr. CHERIYAN. Cheriyan is great.

Mr. CONNOLLY. Cheriyan. OK. Director of Technology Transformation Services at GSA. And Bill Zielinski, Assistant Commissioner, Office of Information Technology Category, also at GSA. Welcome all three.

If you would rise and raise your right hands. We swear in our witnesses customarily here at the Oversight and Reform Committee. Do you swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Witnesses sworn.]

Mr. CONNOLLY. Thank you. You may be seated. Let the record show that all three of our witnesses answered in the affirmative.

The microphones are sensitive, so I would ask you to pull it close and speak directly into it. And without objection, of course, your full written statements will be entered into the record. We would ask now that you summarize those statements and take five minutes or less in which to do so.

Ms. Harris, you go first.

STATEMENT OF CAROL HARRIS, DIRECTOR OF INFORMATION TECHNOLOGY AND CYBERSECURITY, GAO

Ms. HARRIS. Chairman Connolly, Ranking Member Meadows, and members of the subcommittee, thank you for inviting us to testify today on GSA's Enterprise Infrastructure Solutions Program. As requested, I'll briefly summarize the findings from our draft report completed at your request on this important IT acquisition.

GSA is responsible for contracts that provide telecommunication services for Federal agencies, but GSA's main telecom contract set to expire soon, EIS is intended to be GSA's successor program. Transitions involving previous contract experienced significant delays and the delays during the transition to the current contracts, known as Networx, resulted in an increase of \$66.4 million in cost to GSA and an estimated \$329 million in lost savings at agencies. Unfortunately, it appears GSA and its customer agencies will be headed for another transition delay with EIS, unless corrective actions are taken quickly.

This afternoon I'd like to highlight two key points from our report. First, the current rate of transition to EIS by agencies is too slow. The 19 customer agencies in our review all reported plans to fully transition to EIS before May 2023, when GSA expects extensions to its current contracts to expire. However, 11 did not intend to do so by GSA's suggested September 2022 milestone. The majority of the 19 agencies also did not meet GSA's milestones for completing critical contracting actions in 2019.

By waiting until close to the end of the current contracts to finish the transition, these agencies are at risk of experiencing service disruptions if any issues arise that result in transition delays, such as inadequate staff resources or the need to transition previously unidentified services. Moreover, given agencies' poor performance during the last two transitions and their lack of meeting GSA's critical EIS milestones thus far, agencies are again at high risk of experiencing delays during this transition. Further, they will miss out on potential cost savings by delaying their transitions to the new contracts, which generally have lower rates for service.

Now to my second point. Agencies have not yet fully implemented the established planning practices that can help them successfully transition to EIS. We have previously identified five planning practices that can help agencies reduce the risk of experiencing adverse effects of moving from one broad telecom contract to another. Based on commonly accepted principals of project management, these practices encompass a rigorous management approach, appropriate to a complex contract transition.

Among other things, these practices include developing an accurate inventory of services, conducting a strategic analysis of telecom requirements, and identifying resources needed for the transition. Of five agencies we analyzed in depth, all had taken steps to address these practices, but none had fully implemented them all. For example, all five had developed telecom asset and service inventories, but none were complete. Some agencies also planned to implement certain practices after they issued their EIS task orders. The timing of the current telecom transition has been known since the contracts were first approved a decade ago and limited time remains to complete the transition before the current contracts expire.

Further, inadequate project planning was a key factor that contributed to the delays during the prior transition to networks. Agencies that do not fully adopt the comprehensive approach captured in these five practices will not make the most of the opportunity for change and the potential to save costs that such a major telecom transition provides. In light of these issues, we are making a total of 25 recommendations to those five agencies to fully implement these planning practices. And that concludes my statement and I look forward to addressing your questions.

Mr. CONNOLLY. And thank you very much.

Mr. Cheriyan?

STATEMENT OF ANIL CHERIYAN, DIRECTOR OF TECHNOLOGY TRANSFORMATION SERVICES, GSA

Mr. CHERIYAN. Chairman Connolly, Ranking Member Meadows, and distinguished members of the subcommittee, good afternoon and thank you for the opportunity to testify here. I welcome the subcommittee's interest in two important programs in my purview, Centers of Excellence and 18F. I am Anil Cheriyan, Deputy Commissioner of the Federal Acquisition Services and Director of the Technology Transformation Services within GSA.

So, today I'd like to share with you insights into the program's missions, approaches, and impact. While the CoE approach is typically a top-down, agency-wide transformation, 18F takes more of a project-specific approach centered on one key initiative.

So, starting with the Centers of Excellence. The CoE approach was established in October 2017 as a top-down, agency-wide transformation that leverages a mix of government and industry talent, while centralizing best practices into reusable centers. Since inception TTS has formed six centers. In our view, these six capability areas are the focus areas needed by an enterprise when driving IT modernization. To date the CoEs have engaged six agencies. I'm happy to report that we recently, as of yesterday, announced GAO as our seventh agency and we're currently in discussions with several other agencies on leveraging the CoEs.

While having been in existence for a little over two years, the CoE program has already begun to show significant benefits to agencies and the public. For example, USDA has avoided significant costs by consolidating from 39 to 6 data centers. Migrating 35 Contact Centers to 1 USDA and improving the transparency into the loan application process for farmers.

Typically, the CoE engages early with industry and transitions work back to the agency or its industry partner during the later stages of implementation. From a financial standpoint, the CoEs are fully cost recoverable and while more than doubling the size of the team, increasing the agency partners, and also adding a new AI Focus Center.

So, moving onto 18F. 18F was formed in March 2014, with a mission to make government's digital services easier to use for the American people. Since inception, 18F has worked on more than 372 projects, with 109 governmental entities. However, in the early years 18F suffered from growing pains typical of a startup, which resulted in process control deficiencies. I'm pleased to report that corrective action steps have been taken to rectify those control deficiencies.

For example, the 18F work force has been right-sized to meet program demand. At its peak, the staff levels were in excess of 225. We're currently just under 100 staff. All of this was done while continuing to drive impact for agencies and the American public. A recent example is the *findtreatment.SAMHSA.gov* site, where a new website was developed to make it easier for people in crisis to find substance abuse centers.

Similar to the CoE, the goal of the transition—of the 18F is—is to transition responsibilities to agencies and industry partners versus having a long-term role for 18F. From a financial standpoint, 18F's gross margin has improved by well over 3.5 million in the last year. We were nearly cost recoverable in Fiscal Year 1919 and have plans for full cost recovery in Fiscal Year 1920.

So, in conclusion, the CoE program has begun to build momentum and sustainability. 18F has made strides in improving performance, while delivering improved citizen experience. Again, thank you and I look forward to the opportunity to answer any questions.

Mr. CONNOLLY. Thank you.

Mr. Zielinski?

**STATEMENT OF BILL ZIELINSKI, ASSISTANT COMMISSIONER,
OFFICE OF INFORMATION TECHNOLOGY CATEGORY, GSA**

Mr. ZIELINSKI. Chairman Connolly, Ranking Member Meadows, and distinguished members of the subcommittee, my name is Bill Zielinski and I'm the Assistant Commissioner of the Office of Information Technology Category in GSA's Federal Acquisition Service. I also serve as the Office of Management and Budget's designated government-wide IT Category Manager. I am pleased to be here today to discuss the important role that GSA plays in the government's IT priorities.

My office helps agencies navigate the challenges and opportunities presented by IT modernization, implementing new security controls for the government supply chain and making IT purchasing more efficient. Our focus is on maximizing the government's mission effectiveness in a number of ways to include providing agencies a suite of IT and telecommunication solutions; supplying emerging technology and innovations government, while fostering small business participation; and reducing the number of duplicative contracts.

In Fiscal Year 2019 my office facilitated \$26 billion in government spend related to IT, with \$1.59 billion in cost savings for taxpayers. While my team in the GSA IT Category brings significant capabilities, it is through the partnerships across GSA with agencies government and with private industry that we are able to deliver solutions for agencies at every step of the IT lifecycle. I work in close coordination with OMB to review Federal IT spend, determine where opportunities exist to collaborate on the acquisition of IT products and services, and implement IT Category strategies to improve outcomes and get more value from IT dollars.

Across GSA, my colleagues in Policy, GSA IT, Assisted Acquisition, and Technology Transformation together comprise a high-performing team of IT experts. We are directing significant efforts to deliver on Cross Agency Priority Goal Number 1 in the President's Management Agenda to modernize IT, to increase productivity and security. And on GSA's Strategic Goal to improve the way agencies buy, build, and use technology.

Technology is critical to how every agency serves the public and accomplishes its mission. It is at the core of running support operations, safeguarding critical information and providing data to drive decision-maker. The 2017 Report to the President lays out a plan to improve the security posture of Federal IT by naming key initiatives and goals related to IT modernization. As part of the Report, there are actions related to the work GSA does to assist agencies in their efforts to modernize and secure the government's IT systems.

The Enterprise Infrastructure Solutions contract helps Federal agencies modernize through telecommunications, infrastructure, and IT services. EIS is the backbone of the Federal Government's IT modernization efforts and carries great promise to facilitate improvements, efficiencies, and savings.

It is critical that agencies maintain focus on both modernizing and transitioning their mission—their mission-critical services off of the Legacy Telecommunications contracts and onto EIS. Agencies are releasing solicitations and issuing task orders against EIS and GSA is monitoring their progress, providing extensive assistance in establishing deadlines and milestones in order to accelerate the transition.

Additionally, Federal purchasing through online marketplaces is rapidly increasing. GSA is working to establish a government-wide program that will let agencies buy products online through commercial ecommerce providers. We're launching a proof of concept in 2020 and partnering with e-marketplace platforms to deliver a solution. We expect to complete these acquisition activities and launch this spring and will submit a report to Congress detailing our implementation guidance at the end of April.

GSA is also piloting emerging technology programs within GSA and partnering with agencies using artificial intelligence, distributed ledger technology, machine learning, and robotic process automation to develop best practices and playbooks and we're also educating agencies about the immense promise of the next generation wireless capabilities and will soon release a 5G strategy that outlines activities and goals for adoption across government.

In conclusion, the challenge of supporting, managing, and securing the Legacy System significantly affects the ability of agencies to meet current and evolving mission requirements. I want to thank you for the opportunity to appear before you today and to discuss GSA's priorities in 2020. I look forward to answering any questions that you may have.

Mr. CONNOLLY. Thank you so much. All three of you are pros. You did it within five minutes. Thank you.

The chair now calls on the distinguished gentlelady from the District of Columbia, Ms. Norton, for five minutes.

Ms. NORTON. Thank you very much, Mr. Chairman, and I certainly appreciate this hearing. Very intrigued by what we are doing here today.

I have a question about what looks like a move to promote efficiency when government agencies deal in the marketplace for off-the-shelf items, where the national—the—our own National Defense Authorization Act in 2018 said that essentially the purchase of goods at \$10,000 or under could be done through this off—for off-the-shelf items through an online marketplace. I suppose, Mr. Zielinski, I should ask you this question. One, will this save taxpayers money, and two, as part of that question, is there any evidence that lower prices would result by off-the-shelf items being purchased individually in this way?

Mr. ZIELINSKI. Thank you, ma'am, for the question. Under Section 846 of Fiscal Year 1918's National Defense Authorization Act GSA is tasked with standing up a commercial platform in order to allow agencies to utilize that marketplace in order to purchase these commercial, off-the-shelf products. As you—as you point out, what we're looking for within this platform is a number of different things. One of them is to be able to consolidate that buying power of the Federal agencies. We know today that agencies are already using commercial platforms, but what we are not doing is we are not actually consolidating that buying power through—

Ms. NORTON. How are you consolidating it now if each agency can go on and order these goods?

Mr. ZIELINSKI. Correct—correct, ma'am. And that's exactly what's happening today. It's happening in a disaggregated fashion today.

Ms. NORTON. Yes.

Mr. ZIELINSKI. But under the Section 846 legislation, we're going to have a central marketplace—

Ms. NORTON. I see.

Mr. ZIELINSKI [continuing]. That would allow for us to consolidate that buying—that buying power across government.

Ms. NORTON. And therefore, you think the taxpayers will earn the benefit of reduced prices?

Mr. ZIELINSKI. Through—through the consolidation of that buying power, correct, ma'am.

Ms. NORTON. Yes. I have to ask you about a concern about counterfeit goods with the sellers like Amazon are not—who get the information from the agency, is not supposed to use it. But I know a quote from GSA that the government has limited ability to proactively monitor and identify this behavior and, of course, the behavior I am talking about is counterfeit goods and knock-offs. What does that mean? So that you have limited ability, is there no

way to monitor this to tell whether or not there is conformity with the law?

Mr. ZIELINSKI. Thank you, ma'am, for the question. In today's environment, as I mentioned, the agencies are currently going to the commercially available platforms in order to purchase these items and we as a government have limited access to the information about what's being bought and the sources of those. Under the Section 846 program, rather than those commercial platforms we are looking to a business-to-business solutions that will allow for us to place requirements into the program, so that we would have that level of insight. That we would have both the information—

Ms. NORTON. So, the requirements will go—will be—will go to whom? Who will be—who will these—who will have to abide by these requirements?

Mr. ZIELINSKI. So, under the program we have released a solicitation to industries seeking qualified providers of these platform solutions. And right now we're assessing proposals that have been submitted. So, any offeror is subject to those—those requirements under the program to provide us the data and the information that we need in order to do that monitoring.

In addition to that, we're also seeking solutions from the platform providers that would allow for us to readily identify and remove any products that we believe that we don't have the strength of knowledge or there's not a provenance known. And in that way, reduce the risk posed in—in terms of counterfeit goods or items being sold.

Ms. NORTON. Now when will you have that ability? Beginning when will you have that ability?

Mr. ZIELINSKI. For the—for the program, we're actually releasing the pilot, the first implementation will be this spring, and we will start small and we will build from there.

Ms. NORTON. Thank you very much.

And thank you, Mr. Chairman.

Mr. CONNOLLY. Thank you so much.

Chair now recognizes gentleman from Georgia, Mr. Hice?

Mr. HICE. Thank you very much, Mr. Chairman.

And thank each of you for being here today.

Ms. HARRIS, I was interested in your opening comment you made a couple of statements, such as many of these agencies are not meeting milestones, as we are approaching the May 2023. And because of that, you suggested that their may be possible service disruptions, amongst some of these agencies and that you were expecting there to be some extension requests with all of this. So, just to kind of get started here with my questions, how likely is it that any of these agencies are going to make a timely transition?

Ms. HARRIS. That's a great question. Based on past history with the last two transitions, the agencies did not do very well. In fact, many of them. For part of the—the reason why the 33-month-schedule delay was, you know, was a result for Networx. And so, unfortunately, based on the current trajectory that we're seeing, it looks like a high number of agencies will likely be in that same—

Mr. HICE. Will any agencies meet the May—

Ms. HARRIS. I think that some will meet them.

Mr. HICE. OK.

Ms. HARRIS. But the vast majority are currently behind.

Mr. HICE. Mr. Zielinski, would you agree with that?

Mr. ZIELINSKI. Sir, we are concerned that agencies' need to take the steps necessary in order to transition by that date. The May 2023 final date is when those—when those contracts expire.

Mr. HICE. Yes, I get that. We are all concerned about it. My question is, are any of them going to make it?

Mr. ZIELINSKI. Yes, we actually have a number of agencies who have actually already moved to task order awards and are already well into transition and will be executing before that date. We have a lot of confidence. We actually provide an ongoing update of exactly where agencies stand and we're tracking—

Mr. HICE. So, what percentage are going to be on time?

Mr. ZIELINSKI. I—I would have to be to get back to you with a— with a specific number. I don't have that off the top of my head.

Mr. HICE. OK. And again, I understand that's an estimate. Everybody's guessing at this point, but I would like to have some general idea of what we're looking at. If we have agencies not meeting milestones in the process here and possible service disruptions on the way, I mean, we kind of need to be aware of that before we get to that point. So, it would be helpful to have some of that information. Is there any degree of punishment of negative consequences for agencies who do not meet the deadline?

Mr. ZIELINSKI. Sir, as a—as a result of the last transition and some of the recommendations that was made by GAO, we've actually adopted a very aggressive approach to where beginning with March 31 of this year, we are actually going to begin to descope the current sets of contracts. What we—what I mean by that is that we begin to limit the use and availability of the current—the current contract, so that agencies cannot obtain new and additional services from the old contracts. And in order to meet those needs, they will have to move to the new contract, as—as one example. So, we're working with—

Mr. HICE. Would you consider that punishment or negative consequence?

Mr. ZIELINSKI. It—it is in the—it is in the sense that it—it provides a disincentive to stay on the old contracts.

Mr. HICE. OK. So, what are—and I will come back, Ms. Harris, to you. What are some of the characteristics between the agencies that are going to make a timely transition and those that are not? What is the bigger—

Ms. HARRIS. Those that are going to make the timely transition will have adopted either the majority or all of the—the best practices that we have identified for a rigorous, structured management approach. And that's actually one thing that GSA—actually, there are a couple things that GSA could do to facilitate the—or accelerate the—the agencies into meeting the—the 2023 deadline.

The first of which is encouraging agencies to fully implement those practices. Right now, GSA's guidance and template includes some of the aspects of these five practices that—that we have endorsed, developing inventories, establishing transition plans, but—but there are a whole host of other sub-items or sub-activities that agencies can pursue.

The second of which is, GSA works directly with these agency transition managers and they could reinforce the transition—

Mr. HICE. But can—I have got less than 30 seconds. Let me ask you one other question. And I want to—I want you to get that to me. But I guess overarching to me, what other national technologies or cybersecurity priorities or whatever, are dependent upon this transition taking place?

Ms. HARRIS. Well, I mean, certainly cybersecurity is a—is a top priority and—and ensuring that agencies move toward the EIS contracts is a priority because they're currently on these Legacy systems and they need to move to more modernized, secure systems and—and services. And I'm sure Mr. Zielinski can elaborate further on—on the details of the security issue, but that is a major incentive and reason why we need to move off of the old networks contract.

Mr. HICE. Sounds like it. Thank you.

Mr. Zielinski, did you want to, in fact, elaborate on that, as invited by Ms. Harris?

Mr. ZIELINSKI. Certainly. Thank you, sir. I—I absolutely agree with Mrs. Harris' assessment that there is—that there are a number of—of—of technology sets that we are actually seeing agencies move toward. So, for example, moving from old, standard TDM over to Ethernet. Moving from—from current, old, Legacy voice over into voice over IP. Moving to these more modern telecommunications kind of pieces will allow for better—for better security as well.

Mr. HICE. Thank you.

Mr. CONNOLLY. Chair recognizes the gentlelady from California, Ms. Speier, for five minutes.

Ms. SPEIER. Thank you, Mr. Chairman.

Thank you all for being here. Ms. Harris, your report really is fairly critical of what is going on. That so much of everything is delayed. Are there any agencies that we can look to as being superstars in kind of complying with the milestones?

Ms. HARRIS. Well, unfortunately not right now. I mean, there are certain small agencies, like SPA, for example, who, you know, they—they were expecting to issue one EIS task order and—and they have completed that. But as far as the other more medium-sized and larger agencies, they are behind at this point. And is important to note that of the 19 that we reviewed, there are 11 that do not plan to meet—or—or plan to transition to EIS by September 2022, which is GSA's suggested milestone for completion. And so, if—if these 11 agencies are waiting, essentially, till the last minute to—to move onto EIS, that—that's going to be a problem because, again, if there are service disruptions or things that they aren't anticipating, it will most likely push out that May 2023 date to the right.

Ms. SPEIER. So, you referenced then in 2007 the transfer to Networx caused something like \$329 million in lost savings and increased of 66 million. So, it sounds like we didn't learn any lessons; is that—

Ms. HARRIS. No, we learned a tremendous amount of lessons. And, in fact, I credit GSA for incorporating those lessons learned from the Networx transition into their guidance in disseminating

those—those lessons to the agencies. And now the onus is on the agencies to—to get their house in order and to move quickly to ensure that they are moving onto EIS as quickly as possible.

Ms. SPEIER. But based on what you have just told us, that is unlikely to happen.

Ms. HARRIS. It—it is unlikely to happen, based on the—

Ms. SPEIER. So, what lessons are we learning this time then? That there are not enough sticks out there to have these agencies comply with the milestones or is it that we are picking bad contractors?

Ms. HARRIS. I—I don't believe it's picking bad contractors. I think it's ensuring that GSA is putting in place the proper incentives and penalties to—to get the agencies to move quickly.

Ms. SPEIER. So, if you were running GSA, what kind of incentives and penalties would you put in place?

Ms. HARRIS. Well, encouraging agencies to fully adopt GAO's Five Practices for a Rigorous and Comprehensive Management Approach is, I think, is very important because we have found, based on our work over the past two transitions that when agencies adopt these practices, that they will transition successfully and on time.

Ms. SPEIER. OK.

Ms. HARRIS. That's something that I—I believe GSA should be really reinforcing with the agencies.

Ms. SPEIER. And when those agencies don't comply with those best practices, what do you think should happen?

Ms. HARRIS. That's a good question. I mean, I—I don't think that there's a—a one, right, silver bullet, per se, but—but perhaps there are some penalties that agencies should be having to—to experience in order to address these lessons.

Ms. SPEIER. I think what it underscores for me is that we have no level of accountability. No one's head rolls if they don't meet these deadlines and so, the fact that they don't meet it for whatever reasons, is acceptable and then the costs are borne by the taxpayers. So, I think we need to look at holding these agencies accountable in ways that gets their attention and it doesn't sound like we have done that yet.

Ms. HARRIS. Well, I—I—I think you're—you're right about that. I also think holding hearings like this with the customer agencies could also be very effective in holding these—these agencies accountable and ensuring that they are—they are pursuing a timely transition.

Ms. SPEIER. Well, do we have the time to do this with every agency? Probably not. All right. One last—well, I am running out of time, but the issue of this marketplace is very appealing on the one hand, because I think we pay a premium when it says U.S. Government on it, whether we are buying paperclips or other kinds of equipments.

I am still not convinced that we have got the issue of fraud and misuse and counterfeits dealt with. And maybe you can answer that for the record because my time is now up.

Mr. CONNOLLY. Ms. Harris, you can answer that if you would like and if there is additional material for the record, we will welcome that as well.

Ms. HARRIS. Sure. So, in terms of the counterfeiting compromised offerings that would be on this marketplace that that's going toward supply chain risk management. And GSA will need to take a long, hard look at how they insure that they're doing everything they can to properly vet the offerings that are on the platform. And at the same time, also, clearly communicating to the agencies that these agencies have a responsibility to ensure that what they are purchasing is also not subject to counterfeit or—or compromise because they have a legal obligation to—to do their own vetting as well.

Mr. CONNOLLY. Can I just sneak in a piggyback question to that, Ms. Speier? If the ranking member—you answered Ms. Speier by saying, well, if USA had, in fact, taken into account a number of recommendations. Now it is up to the individual agencies to get their acts together and implement. But what's the role of 18F? There are 185 people, who presumably are there to help facilitate this kind of thing. Are they not available to these agencies to help?

Ms. HARRIS. I think that's a question for Mr. Cheriyan.

Mr. CONNOLLY. All right. I will hold off on that. But I mean, I was really struck by your point about they're on their own. I am thinking, well, but we have consulting services within GSA, presumably to help with this kind of implementation. I will hold off until my questioning, Mr. Cheriyan, but think about the answer.

Chair now—thank you for your indulgence. Chair recognizes the distinguished ranking member for his questioning.

Mr. MEADOWS. Thank you, Mr. Chairman.

Ms. Harris, I am going to come back to where my colleague just left off because, you know, I am hearing words like progress and we are making attempts and we have a few areas. Obviously, then we haven't them see the light. The agencies have not seen the light. Would you agree with that?

Ms. HARRIS. I would agree with that.

Mr. MEADOWS. So, if they haven't seen the light, what she is talking about is, it is time they feel the heat. I mean, I am with her. I think at this point I am just frustrated. We continue to have these hearings and either they are implementing your, you know, you say you have a five-step criteria for them to implement. So, how many of the agencies have implemented all five steps?

Ms. HARRIS. At this point, for this particular transition, none have fully implemented.

Mr. MEADOWS. None. None. Is that correct?

Ms. HARRIS. That is correct.

Mr. MEADOWS. All right. So, at what point do we put the five-alarm bell? At what point do we come off, you know, and start pulling the bell and saying we have got a problem. I mean, so if—other than SBA, is there any agency that we can bring in here and say this agency has done a good job and this one has done a terrible job?

Ms. HARRIS. Well, I'll—I'd have to get back to you on that, sir.

Mr. MEADOWS. You would have to get back to me because nothing comes to your mind that there is no one that has done a good job and you are going to have to do some creative writing?

Ms. HARRIS. Well, the vast majority of agencies are behind. They've missed the—the critical, suggested milestones that—that,

excuse me, that GSA has—has put out for 2019 and there are 11 agencies that do not expect to fully transition before 2022. So, that's a major—

Mr. MEADOWS. And what are the consequences to them not fully—I mean, are there any consequences, other than embarrassment?

Ms. HARRIS. The consequences are missed savings.

Mr. MEADOWS. Well, no. I understand that. That is a consequence to the American taxpayer. I doubt there is any person at an agency is taking money out of their wallet, other than their normal taxes and paying for any lost savings, isn't that correct?

Ms. HARRIS. That is correct.

Mr. MEADOWS. Is money disappearing from their personnel fund or any other—I mean, do they have any appropriations consequences for their inaction?

Ms. HARRIS. Not that I'm aware of and part of the reason why this is also happening is because agencies lack a—a formal governance structure for this transition process. They've not defined key roles and responsibilities for the people that are responsible for the transition. And so, accountability at that point is then defused, and it's hard to pinpoint a single person, who when the transition slides to the right is—

Mr. MEADOWS. Well, here is—and I would offer for my colleagues, this is one of those things where we really have to put the pressure and meet with the Appropriations Committee because I am tired of talking about it. And here is what I want from each one of you. Is I want you to give me the three worst offenders from missing the milestones and who is responsible, what is the agency? And I don't care what it is. I want to know that. And then maybe three that are making an attempt. That is sad to say that they are just making an attempt, but the three that are making an attempt.

So, which agencies have actually entered into contracts to get this done? And so, we are in the process, but we have entered into a contract. Mr. Zielinski?

Mr. ZIELINSKI. So—so, I can point to the Small Business Administration, the Pension Benefit Guarantee Corporation, the Social Security Administration, the EEOC, the National Relation—National Labor Relations Board have all entered into contracts. And there are others who are in the technical review—

Mr. MEADOWS. All right. So, you have hit one of those. And it is not to minimize all the others, but Social Security is actually a decent-sized agency. So, what you are saying is they have entered into a contract, they are taking it seriously, and yet they are going to miss the milestone, but they are at least taking it seriously; is that correct?

Mr. ZIELINSKI. Sir, there's a series of milestones and the—the milestone that I believe Ms. Harris is referring is toward the end of the contract life we had set a September 2022 date by which the agency should have transitioned off of their old services to provide adequate runway before the May 2023—

Mr. MEADOWS. Adequate runway? I have been here for eight years. They have had eight years of runway and they haven't transitioned off of it, so I am tired of the adequate runway. And so, here is what I need from you, Mr. Zielinski. You know, and I

find it just incomprehensible that my good friend from Georgia asked you about progress and who did not. Is that the list that you just gave me? Because when he asked a question, you said, well, you are going to have to get back with us, in terms of who is in compliance and who is not.

Mr. ZIELINSKI. No, sir.

Mr. MEADOWS. Did I misunderstand you?

Mr. ZIELINSKI. That was a—I believe that was a different question that—

Mr. MEADOWS. So, what was the question that you didn't have the answer to there?

Mr. ZIELINSKI. I—I'd have to—

Mr. MEADOWS. If it is different. I want you to answer his question.

Mr. ZIELINSKI. Yes, I—I—I would have to—I'm sorry. I'm missing—I'm not—

Mr. MEADOWS. So, it may have been the same question?

Mr. ZIELINSKI. I don't believe it was. It was—

Mr. MEADOWS. OK. She wrote it down. The lady with the green pendant there. Yes. Yes. She wrote it down.

Mr. ZIELINSKI. It was the percentage of agencies—

Mr. MEADOWS. And you don't know what percentage of agencies?

Mr. ZIELINSKI. I—I would—I would have to go back and look at the exact number because there are hundreds of agencies. The—the study that was conducted by GAO—

Mr. MEADOWS. But if you are keeping the score and you don't know, I mean, why should we hold them accountable? Guys, let me just say and some of you this is not your first—but the last thing I hate are for people to come here and be unprepared and not have it, especially when we're talking about this kind of stuff. Ms. Harris knows this. I am not asking you to have the answers, but what I am asking you is to have the facts. And that should be a fact, so you can get that back to us within the next 48 hours?

Mr. ZIELINSKI. Certainly. We update that constantly. We can do so.

Mr. MEADOWS. So, you update—can you have one of your staff members go out and call and before this hearing is over we maybe get that? Would they be willing to do that? She is nodding her head. You can turn around. She is nodding her head yes. OK. Yes, I just—I am just at the point we just got to get serious about this. And what I want you to do is help the Chairman and I get serious about this. And we are going to at least make them feel the heat. OK?

I yield back. I thank you for your generous—

Mr. CONNOLLY. Not at all. I thank you and I would underline—I mean, this is the Committee of Oversight and Reform. We wrote a Reform Bill, FITARA. We have been promoting in this subcommittee and its predecessor with the Information, Technology Subcommittee, you know, good government measures to try to retire Legacy systems, consolidate debtor centers, protect the site—the enterprise with cybersecurity measures, and the like. And it is frustrating to us beyond words that we are at the pace we're at and exposing ourselves sometimes, at least to financial risks, if not

technology risks. So, I certainly underline what both Mr. Hice and Mr. Meadows have said.

Chair now recognizes the gentleman from California, Mr. Khanna, for five minutes.

Mr. KHANNA. Thank you, Mr. Chairman. Thank you for holding this hearing on the Centers of Excellence. I appreciate your doing that and I want to thank Ranking Member Meadows for co-leading the Center for Excellence Bill, HR-5901.

The Centers for Excellence is a program that has accomplished quite a lot to date, and I would love to hear, Mr. Cheriyan, what you would think it has accomplished and what you would like to see it accomplish moving forward?

Mr. CHERIYAN. Great. And I thank you for that question. As I had said in my opening statement, the Centers of Excellence started back in 2017. We have now got seven agencies actively using the Centers. The Centers are—there are six of them. I can go into each one of them.

We have now driven a significant amount of change in one of the large agencies, USDA, where we're much further along. Where we've done a significant amount of work, in terms of Cloud migration, data center reductions, consolidation of call contact centers, improvement of the loan processing, and so on.

The next major agency that we're further along with is HUD. At HUD we're in active discussions on the implementation phases, where we're looking at Cloud solutions for—there about 1,000 forms that HUD uses. We're looking at streamlining that whole process, automating that whole process with them, and building several more customer-specific tools for HUD to use. So, there's a significant amount of work in HUD and so on. So, I can—I can go down each of the agencies.

Mr. KHANNA. Can you give an example of money that has been saved to the American taxpayers because of this program?

Mr. CHERIYAN. There are—there are a significant amount of cost avoidance. You know, each of the agencies has gone through what their estimates are. I can get back to you on the specifics of it. There are—

Mr. KHANNA. That would be great. I mean, when you have a few concrete examples I think that would be helpful. The—can you also explain the difference between 18F and Centers of Excellence and their role to support the technology modernization in government?

Mr. CHERIYAN. Sure. 18F is primarily what I call a user-center, design-focused organization looking at the—the user processes and streamlining the user processes. So, it's very much of a taking a customer-centric view and streamlining those processes. So, they're very—18F programs are very specific. They're initiative driven. Building of a new website and streamlining those processes, using, you know, for example, the Idea Act to improve the whole citizen experience.

The Centers of Excellence approach is much more of a top down, transformation approach leveraging the six competency areas that we've built. AI, data and analytics, Cloud migration, contact centers, and so on. So, we're leveraging skills and capabilities that are typically needed to drive a transformation. So, it's much larger in—

in scope and there could be multiple initiatives within a CoE program, whereas 18F is program specific.

Mr. KHANNA. And what can Congress do to be most helpful in seeing the success for the Centers for Excellence?

Mr. CHERIYAN. Well, I really appreciate having the opportunity to talk to you here about this and, you know, this shines the light on the good work that's being done, frankly, by a lot of people, both in industry, as well as our teams. I know you're in the process of creating a bill and we're happy to provide you technical assistance there.

Mr. KHANNA. What are the things in a bill that you think would be most helpful to make sure this succeeds?

Mr. CHERIYAN. We—we can certainly work with you on that and—and work with your staff on—on what we believe are—the key components.

Mr. KHANNA. Thank you.

Thank you, Mr. Chairman.

Mr. CONNOLLY. Thank you, Mr. Khanna.

The chair recognizes the gentleman from Kentucky, Mr. Comer, for five minutes.

Mr. COMER. Thank you, Mr. Chairman, and appreciate the hearing on making IT a priority for the Federal Government.

Mr. Zielinski, Administrator Murphy recently wrote an article in Fortune Magazine, where she said, and I quote, "E-commerce has revolutionized how people and organizations buy and sell things. It's rewired the American economy and shifted the purchasing process. However, the Federal Government has not kept pace with these trends. The last major round of acquisition reform was a generation ago." My question to you is, explain how introducing e-commerce into the purchasing process through this pilot program benefit the Federal Government and, ultimately, the taxpayers?

Mr. ZIELINSKI. Thank you, sir, for the question. Under Section 846 of the National Defense Authorization Act, we are required to explore the utilization of various e-commerce platforms and incorporation of Federal Government. In the pilot that we're moving forward with, one of the clear benefits right from the beginning is we're actually targeting a portion of the—the market that is not currently providing services to the Federal Government. So, for one, it's opening up a marketplace that has not previously been there.

Number 2, again, as I mentioned earlier, we know that agencies are currently using various e-commerce platforms in order to conduct business and to buy common goods and products. By moving it to a business-to-business platform, it allows for us to have a lot more insight into exactly what is being purchased, from whom that information—from whom those goods and products are being purchased, as well as to provide us with an opportunity to add additional controls in and around what is being purchased and how it's being purchased.

Mr. COMER. OK. In that same article Administrator Murphy noted that having a whole-of-government approach to procurement will provide agencies with critical insight into their spending, leverage the government's buying power, take advantage of constantly evolving pricing to include sales and bulk discounts, and ensure

small business participation. Now can you quickly explain those benefits to the taxpayers?

Mr. ZIELINSKI. Absolutely. The—the—again, back to the buying power today as agencies are making these purchases, they're making them in a disaggregated way by working with a—a kind of a centralized approach and strategy toward e-commerce platforms and working with those providers, those portal providers themselves, we're able to aggregate or to bring together the buying power and consolidate that in order to improve competition and get better prices on behalf of the American taxpayer.

Mr. COMER. And I agree with everything you are saying. It sounds great. But do you have confidence the Federal Government will be able to pull that off?

Mr. ZIELINSKI. I—I do, sir. I—I, you know, I believe that—that the approach that we're taking as driven by the legislation that provides for Number 1, a lengthened period of market research at the beginning and a very considered approach will allow for us to have a great chance of success with this.

Mr. COMER. Have many agencies expressed an interest in participating in this program?

Mr. ZIELINSKI. They have. We actually have met with quite a number of agencies, that numbers well—well above a dozen, and we actually have received commitment from agencies to work with us to both drive those requirements and to participate in the program.

Mr. COMER. OK. Well, thank you very much.

Mr. MEADOWS. Was the gentleman yield—

Mr. COMER. Could I yield the balance of my time to the gentleman from North Carolina?

Mr. MEADOWS. Yes. So, are you going to have the two awardees by the end of this month?

Mr. ZIELINSKI. I—we are—we're currently working through those proposals and our plan is to be able to make that award here, hopefully, by the end of this month, but—but certainly here in this—in this spring window of time.

Mr. MEADOWS. So, is the deadline legislatively the end of this month? So, you are going to miss the milestone?

Mr. ZIELINSKI. Well, currently we do—we do have several protests that we are working through that—that impact or effect when we will be able to issue that award.

Mr. MEADOWS. And why are they protesting?

Mr. ZIELINSKI. We received a number of protests in this particular case. The three protests that—that remain are—are asking us to reassess their proposals that were submitted. I—I can't—I'm sorry, I can't—

Mr. MEADOWS. No, I'm not asking you, but so I guess, so what is your internal timeframe for addressing that?

Mr. ZIELINSKI. So, the—the protest periods, the standard protest periods are—are what are driving those and—and they will allow for us to award by the end of the month.

Mr. MEADOWS. Oh, so you do think you will be able to award by the end of the month?

Mr. ZIELINSKI. We are hopeful that we will be able to do so.

Mr. MEADOWS. OK. So, worst-case scenario is by—probably not? Is that what she just said?

Mr. ZIELINSKI. Yes.

Mr. MEADOWS. I can read lips from way over here. So, probably the end of April? I mean, you can turn around and ask her. I mean, what are we thinking in terms of timeframe?

Mr. ZIELINSKI. Sir, it's difficult to—to say exactly the window of time that it will take to work through the protests, but we do believe that it's in a—in a short window of time. If not by the end of the month, shortly thereafter.

Mr. MEADOWS. All right. So, if you are running into a problem that is going to last over 30 days, will you get back with the chairman and let him know the progress?

Mr. ZIELINSKI. We will do so, sir.

Mr. MEADOWS. All right. I yield back. Thank you.

I thank the gentleman from Kentucky.

Mr. CONNOLLY. Thank the gentleman.

Chair now recognizes the gentlelady from the U.S. Virgin Islands, Ms. Plaskett, for five minutes.

Ms. PLASKETT. Thank you, Mr. Chair.

Thank you all for being here. AbilityOne is a procurement program aimed at increasing employment opportunities for individuals who are blind or have severe disabilities. Under current law, Federal Government purchase card holders are required to buy AbilityOne products, such as pens, three-hole punches, binders, such like that. Government officials are prohibited from using their purchase card to buy items that are essentially the same as AbilityOne products at a local business. You are all—you are aware of that.

There are more than 1,000 items produced by people who are blind or have significant disabilities and if compliance with the AbilityOne program is neglected, thousands of hardworking Americans will risk losing those jobs. Mr. Zielinski, I see you nodding at this program. You are aware of it. Will the agency purchase card holder still be required to comply with AbilityOne restrictions when making a purchase card through the online marketplace?

Mr. ZIELINSKI. So, for the online marketplace, it does not change or relieve agencies from their obligations under the AbilityOne program. And as part of the requirements for the—for the portal providers is to ensure that we have insight into what is being purchased and that they are still able—that they are specifically able to identify where and when a purchase card holder is looking at items that are—that fall under the AbilityOne program and ensure that they are made aware that those—that those are items that are available through AbilityOne. So, within the program itself, we have requirements to ensure that—that agencies are able to continue to apply—to comply with the requirements of the program.

Ms. PLASKETT. So, they still will be unable to use the purchase cards through that?

Mr. ZIELINSKI. So, we are looking to have AbilityOne providers to participate through the portal itself and be a part of the e-commerce platform.

Ms. PLASKETT. And how do you intend to make that available to them?

Mr. ZIELINSKI. The first part is—is in the requirements for the portal providers. We actually provided those requirements, so they are required to, as part of the proposals, tell us how they would do so. There is a second part, is that we will need to work very closely with AbilityOne to ensure that their providers are aware of the program, that they are fully participating as well.

Ms. PLASKETT. And—OK. Great. What other procurement laws and regulations are purchase card holders expected to heed when making a purchase through online marketplace and how will GSA enforce compliance with that?

Mr. ZIELINSKI. The—again, I—I will say that the online marketplace does not relieve or change the obligations of—of agencies from complying with all current applicable laws. So, those requirements are actually being built into the program itself.

Ms. PLASKETT. OK. Thank you. Can I ask something else about the commercial platform pilot program, that GSA currently has out for bid? How will its implementation provide government contracting officers the ability to focus on more critical mission focus activities?

Mr. ZIELINSKI. If—if I understand your question correctly, ma'am, what we're looking for is to help reduce the burden for contracting officers and allow for the purchase of more commonly purchased commercial goods and items and—and by allowing the commercial platform to do those it relieves contracting officers who would otherwise be encumbered by these tasks and activities to work on other activities.

Ms. PLASKETT. And those being those other critical mission-based focus activities?

Mr. ZIELINSKI. Correct.

Ms. PLASKETT. And how will this program differ from GSA Advantage?

Mr. ZIELINSKI. So—so, there's a number of different ways in which this differs from GSA Advantage. And in this particular place, in this particular case, for the commercial platform we're looking at items that are under that micro-purchase threshold. Again, these are items that are not currently, generally purchased in the marketplace. So, it's bringing in a different set of providers.

Ms. PLASKETT. OK. Thank you. And last question. So, the White House signed an Executive Order aimed at preventing counterfeit products from abroad from being sold to Americans who shop online, right? The e-commerce platform that GSA establishes do not have to comply with specific laws, like trade agreements. How are you going to ensure that the online marketplace complies with this White House Executive Order?

Mr. ZIELINSKI. Thank you. That's a very good question. There's—there's a couple of ways that I will—I will mention. First and foremost, it goes back to the information and the data that we will be able to collect through the commercial platform that is currently not available. So, as agencies are making these purchases online today, they don't currently—we don't currently have access to information that allows for us to test and to check.

The second thing is, is that we are actually looking to utilize the commercial best practices, work with the Department of Homeland Security and the recommendations that they have made for e-com-

merce platforms, and actually incorporating automation to where when there has been identified providers of these—of these products that are counterfeit or barred or removed, that the platform will be able to utilize that information to prevent them from being available to customers.

Ms. PLASKETT. Mr. Chair, just a followup question.

So, how will that interface between you and Homeland Security work and has that been integrated now or is that something for the future?

Mr. ZIELINSKI. So, there's—there are actually mechanisms that are controlled by GSA now when one of those companies has been—has been—a product or a company has been barred that that is recorded within a GSA system. So, there are mechanisms for us to be able to—to do today that—which with we would interface.

Ms. PLASKETT. Thank you for the indulgence. I don't know, Mr. Chair, you might want to ask Ms. Harris if she believes that that will comply with that, but thank you.

Mr. CONNOLLY. The gentlelady could go ahead and ask that.

Ms. PLASKETT. Thank you.

Ms. Harris, do you believe that there will be—the way in which this is being rolled out now, do you believe that that interface will take place to ensure that the online shopping will not be done with counterfeit, since there's no specific requirement to comply, although I understand that they are trying to work together? How is the integration between the two agencies working so that that would happen?

Ms. HARRIS. That's a great question. We haven't done any work to examine it, but perhaps that's something that we should moving forward. But based on my understanding of this approach from Mr. Zielinski, I mean, going small and growing in complexity is the way to go. Going with the pilot approach and then—and then deploying. I mean, that is certainly consistent with best practice.

Mr. CONNOLLY. Thank you so much, Ms. Plaskett.

Mr. Cheriyan, have you had time to think about the answer to the question I put to you about—one way of looking at 18F, you described it one way, but I guess my private sector background would say it is a group of consultants who provide technical services to client agencies. And given what Ms. Harris said about, well, at this point they are kind of—it is up to them now individually agency-by-agency to come to compliance, why wouldn't you make 18F available to those agencies, both to facilitate and expedite implementation?

Mr. CHERIYAN. No, I mean, that's a—I have had time to think about it. There—there is a—it's clearly an opportunity that we can look at and figure out how to do it. We currently are, as I mentioned before, 18F is primarily a group of experts who deal with user center design, digital services, and that type of work.

Our CoE work is all about digital transformation, AI, Cloud, et cetera. We don't have right now in either one of those groups' telecommunications or EIS expertise. I would like to build that expertise or have that expertise or create that capability in order to really provide this kind of assistance to agencies. It's clearly an opportunity.

Mr. CONNOLLY. So—

Mr. CHERIYAN. But we don't currently—it's not in our—not in our wheelhouse at this point.

Mr. CONNOLLY. Not in your wheelhouse. How many people work at CoE?

Mr. CHERIYAN. I can get you that number. It's less than 40-ish or so.

Mr. CONNOLLY. Forty-ish.

Mr. CHERIYAN. Yes.

Mr. CONNOLLY. And is the number 185 still accurate for 18F?

Mr. CHERIYAN. 18F is slightly less than 100.

Mr. CONNOLLY. Slightly less than 100 now? OK. The GAO reported on cost recovery for 18F and I thought I heard two different things here. The GAO reported previously that 18F was required to have a plan for cost recovery. And yet has yet to recover costs or project when it would fully recover costs and meeting the deadline. I thought in your testimony you indicated pretty much they are doing that now. Is that correct?

Mr. CHERIYAN. Yes, as of Fiscal Year 1919 we were close to cost recovery. We missed recovery by about a small amount of money and that's fundamentally due to the lapse in appropriations in early Fiscal Year 1919, where we had to wait for some of our contracts to be signed. We—

Mr. CONNOLLY. Because of the shutdown?

Mr. CHERIYAN. Yes, at that time.

Mr. CONNOLLY. Oh.

Mr. CHERIYAN. And then as of—for Fiscal Year 1920, we have full plans to be cost recoverable.

Mr. CONNOLLY. OK. And you concur with that assessment, Ms. Harris?

Ms. HARRIS. We do concur. Yes, we do. We are currently waiting for some outstanding documentation that we have requested.

Mr. CONNOLLY. OK. Well—

Ms. HARRIS. However, we do—we have looked at the—the plans that they have in place and—and we feel very confident that we'll be closing that recommendation very soon.

Mr. CONNOLLY. Good. Strike a blow for liberty. That is one. The GSA Inspector General—your Inspector General reported that 18F disregarded fundamental GSA IT security requirements and circumvented the CIO when acquiring IT products. Now FITARA actually requires by law that the CIO have visibility in all IT acquisitions. So, we've got a situation where according to the, in 2017, the IG said, well they actually violated our own protocols and procedures within GSA, but, of course, they are also in violation of the spirit, if not the letter of the law in FITARA. Could you comment?

Mr. CHERIYAN. Most certainly. As I joined in January 2019, and one of my early readings were the IG reports and the GAO reports and I certainly took them very seriously. Prior to joining here, I was the CIO of a bank and I understand fully the rationale behind driving that kind of compliance. So, as of Fiscal Year '19 and Fiscal Year '20, all purchases of software have been approved by GSA IT.

And all of the prior purchases, we've been working through, through a risk-based approach to ensure that GSA IT has got full approval on all of that.

Mr. CONNOLLY. I would assume, Mr. Cheriyan, that coming from the private sector, you can appreciate the logic behind the bill, which was written by a number of us who came from the private sector. That we want to empower the CIO to be able to make decisions for, hopefully, all the good reasons and that circumventing that thwarts our intent and we think jeopardizes the enterprise.

Mr. CHERIYAN. I fully understand the intent of the law and it makes a lot of sense.

Mr. CONNOLLY. OK. In addition to 18F, the Technology Transformation Service, TTS, runs the Presidential Innovation Fellows Program and the Centers of Excellence. What is the difference among all of these programs? How do we kind of get a cheat sheet to understand the differentiation and the rationale for having them as separate programs?

Mr. CHERIYAN. Yes, let—let me try and give you a high-level view. I'm happy to give you more detail later. The CoE program is fundamentally driving transformation, leveraging centers of competency, Centers of Excellence and we have six of those right now.

The 18F program is really a user-center design approach focused on—very much on the user-center design approaches or improving the—the citizen experience. The Presidential Innovation Fellows, think of them as being mid-career technologists who have come here to work in government for two to four years and they are really sent into an agency to deal with—typically, working with the CTO of the agency, dealing with business or technology architectural issues.

So, there are some agencies where we have Presidential Innovation Fellows providing guidance to a CTO, we have 18F doing a particular project on user-centered design, and we might have the CoE team driving a program across all of those.

Mr. CONNOLLY. So, when I went to the White House to talk about the innovation agenda with Chris Little and Mr. Kushner, there were some Fellows, people seconded from the private sector for a period of time to help design the architecture of the initiative. Would those have been Presidential Innovation Fellows, or might they have been?

Mr. CHERIYAN. They might have been. I—I wasn't there, but I'm assuming that that was the case. I have—I can get back to you on specifically who they were, but—

Mr. CONNOLLY. Right. The Fellows aren't limited to GSA?

Mr. CHERIYAN. There are different Fellows. The Presidential Innovation Fellows sit within my organization. Now there are other Fellows, who I'm not—I'm not particularly aware of that meeting. Happy to get back to you on that.

Mr. CONNOLLY. Ms. Harris, you talked about the online marketplace and some of the problems with implementation and some of the risks. Presumably, I guess, some tripwire is not in place, so we are not going to catch always, I don't know, fraudulent products that may be purchased or cyber risk technologies that we might otherwise purchase because we are just not aware of it. Could you elaborate a little bit on that and how well are we doing to take protective measures to avoid those risks you outlined in your report?

Ms. HARRIS. Yes. Well, at GSA they are in the very early stages of establishing a risk management program for their information

and communications supply chain. Right now, we have ongoing work for this subcommittee and the full committee associated with the—the 23 civilian agencies and where they are relative to supply chain risk management processes. GSA, of seven major missed practices, has not implemented any at this time. There is some draft guidance that they have in place, but there's nothing that has been institutionalized at the organization right now.

And so, that is in combination with this deployment of an online marketplace. And again, these—these management or risk management practices are internal to GSA. So, these are what GSA should be following as they procure their own goods and services to ensure that they aren't counterfeit or compromised in any way. But in order to vet offerings on this marketplace, they should have a robust process. And so, if the internal process is still in its—in its infancy, then there is, you know, then—then we have to be very cautious as we move forward with GSA deploying one—an online marketplace for the Federal Government.

Mr. CONNOLLY. So I, speaking for myself, Mr. Cheriyan, I think the online marketplace potentially is an exciting concept and has a lot of potential making us more efficient, streamlining the process, save some money for taxpayers. But in the public sector, it is different than the private sector. The private sector, something goes wrong with it, the CEO can say let's clean that up. We will move you over there and her over here and we will start anew. Repackage it, give it a new name, and let's do it again, and avoid the pitfalls of the past.

Not in the public sector. In the public sector, if we don't get it right going into it, you will be hauled before a committee like this to account for messing up. And there will be a story in the press and so forth. And so it just seems to me that it is worthy of heeding the advice of and the analysis of GAO here to try to get this right at the ground level, so that we can realize the potential I think it has. And certainly, with your private sector background, you can see the potential. But we can also see the pitfalls if we don't get it right.

So, I—we are going to be very interested in that. We want to be supportive of that, but we also want to make sure it has more than a fighting chance once it takes off to be successful.

With that I have completed my questions for now, but I know that you have some additional questions, Mr. Meadows.

Mr. MEADOWS. Just one little, followup.

Mr. Zielinski, I want to say thank you to you and your staff for being responsive to the request. And so, I want to make sure that I, for the record, said thank you. The fact that you went out and made a phone call, whether I got the answers or not, at least it made me feel better. And so, I want to just say thank you. So, we will be looking for those answers if you don't have them already.

The one cleanup area that I would like is, you know, you talked about this portal and the fact that you think it is going to save the taxpayers money. And you were very optimistic in questioning from the gentleman from Kentucky. I am concerned, just because I have seen so many great plans that we were going to save money and not just on IT, but across the agency. The minute the Federal Government gets involved we find that we have real problems.

So, with this portal, the fact that you have protests, is it a protest, without speaking to the specifics of the protest, of access to the portal? Because here is—the only way we get efficiencies is to allow the free flow of people to come in and actually compete. If not, then it just becomes another bureaucratic portal that says, well, if you have figured out our maze and you are able to figure your way in, you actually get in and what happens is prices don't go up, they actually—I mean, go down, they actually go up.

So, you have a high degree of confidence that we're actually going to create a portal that allows us to actually not only say that we are buying online, but that we're actually saving money?

Mr. ZIELINSKI. Thank you, sir, for the question. We actually, as part of the legislation, are required to provide regular reports on the status of the portal.

Mr. MEADOWS. But on the plan, as I understand it?

Mr. ZIELINSKI. Absolutely, sir.

Mr. MEADOWS. But not on the results? And Winston Churchill used to say, "No matter how beautiful the strategy, we must occasionally look at the results."

Mr. ZIELINSKI. So—so, sir. The—the next report that's being submitted, Report Number 3, actually will provide an outline of the measures of success and how we plan to measure that success and—and kind of the metrics that are in and around that. So, we actually do have it as part of that plan, the development of the success metrics and those are—are to be submitted with the next report.

Mr. MEADOWS. So, with the number 10 being the most confident that the American taxpayer are going to see real value and actually reduce costs, how confident are you that if I go on and I am purchasing through this portal versus going through and purchasing online through another portal that does not require government approval, that I will be able to purchase the same thing cheaper on the government portal than I can if I go to some other online portal?

Mr. ZIELINSKI. Sir, as we—we talk about, you use the term cheaper. I—I would say that the metrics that we have—

Mr. MEADOWS. Well, let's put it for a \$500 hammer. We always hear about these 500 DoD hammers. I can go to ACE Hardware and buy it a whole lot cheaper. So I guess, in reality, that is what I am looking at. Cheaper means, in my mind, cheaper.

Mr. ZIELINSKI. Yes, so—so certainly one of the metrics is price and cost. But as we also discussed here today, as we are looking at supply chain risks and our ability to be able to recognize and understand what's being bought and from which sources, there's also metrics in and around those sorts of qualities as well, sir.

Mr. MEADOWS. So, how do you put a value on that?

Mr. ZIELINSKI. So, it—

Mr. MEADOWS. For the fact that I am comfortable with the fact that I bought something, and it complied. How do you put a numeric value on that?

Mr. ZIELINSKI. So—so, as part of setting out that metric plan, we will establish specific measures for—

Mr. MEADOWS. So, you are going to put a dollar amount on that?

Mr. ZIELINSKI. For—for those things that are related to price, as opposed to those things—

Mr. MEADOWS. No, but you are hitting exactly my, you know, it is the whole quality versus quantity issue. And what happens is, is if I am paying \$500 for a hammer, but you say, by gosh it is a good hammer from a good place, and we don't have to worry about Chinese counterfeits. I mean, there—we have got to get to the point where you let common sense flow into this. And I need a dollar amount on that because I can buy all the \$500 hammers in the world and feel really good that I'm making a good purchase, when a \$50 hammer might work just fine. And I guess what I am saying is how are we going to measure, where I am not coming back and you have ended up—we are ending up spending way too much of the American taxpayer dollars, but you say, but we got really good quality.

Mr. ZIELINSKI. And—and, sir, as part of our approach and starting small, as Ms. Harris mentioned, utilizing those best practices to start small and be iterative and make those measurements and make adjustments, those are exactly the—the questions that we're going to be answering as—as part of our process to ensure—

Mr. MEADOWS. So, you give a letter grade on the things that the gentlewoman from the Virgin Islands was talking about and we get a dollar amount on the rest of it?

Mr. ZIELINSKI. At—at this time, sir, I'm unable to tell you exactly.

Mr. MEADOWS. But you will have that by the end of March?

Mr. ZIELINSKI. But for our report—our Report Number 3 will contain—

Mr. MEADOWS. And when is that due?

Mr. ZIELINSKI. Is it April—I believe it's right at the beginning of April, at the very end of March.

Mr. MEADOWS. I thank the gentleman. I yield back.

Mr. CONNOLLY. I am reminded of the fact that this question of quality, quantity, and price—one of the brand names of men's clothing today that is considered a brand of excellence, got its start selling shoddy uniforms to the Union Army in the Civil War, that were notoriously shoddy, fell apart, and didn't keep the men warm or protected. Today it is a quality brand. So, there is hope.

Mr. MEADOWS. There is always hope.

Mr. CONNOLLY. There is always hope.

I want to thank our witnesses for coming today.

Without objection, all members will have 5 legislative days within which to submit any additional written questions for the witnesses. Send it through the chair. And we will—and they will be forwarded to the witnesses for their response. I would ask our witnesses to try to respond as promptly as possible should there be additional questions for the record.

Hearing no other concerns, this hearing is adjourned.

[Whereupon, at 3:30 p.m., the subcommittee was adjourned.]

