

Statement of Donald Herring
Senior Vice President, AT&T Government Solutions
before the
House Committee on Oversight and Government Reform
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Chairman Towns, Ranking Member Issa, and Members of the Committee, I am Don Herring, and I thank you for the opportunity to share AT&T's observations about Networx transition. As the leader of AT&T's Federal government business, I am energized by the promise the Networx program holds for the Federal government. As agencies transition to Networx, they will see dramatic reductions in cost and improvements in their network services. Networx also offers enhanced technology services with the power to transform the way government operates and interacts with citizens. AT&T is fully prepared to support government through transition, and it is my hope that together, we can accelerate the promise of Networx as quickly as possible.

AT&T is a premier supplier of global network and information services, and we have built a highly reliable, resilient, and secure network infrastructure to support the advanced needs of our world-wide customer base. Our intelligent network is an integral part of our industry-leading cyber security capabilities, and these capabilities are available to Government Agencies via Networx.

In our experience, transitions the size and scope of Networx are demanding, but we have a vast base of both commercial and government experience to accomplish these in a timely fashion.

We made a large corporate commitment to Networx, and we have the skills, expertise, and resources to move forward with our Government customers.

AT&T is presently transforming several agencies' communications infrastructure to secure and cost-effective technologies. For one agency, we are deploying a virtual private network to over 250 remote locations. We are also working with that agency to explore the addition of wireless sensors and satellite-enhanced mobility services. Another agency has selected AT&T to transform their entire communications network of over 1000 agency sites to deliver technologies ranging from traditional voice, to secured data networks, to mobility services. Finally, at another agency, we are providing cloud based information distribution services to fundamentally improve their constituent communications. The scope and scale of Networx allows us to offer innovative technology and services to the Federal Government. The promise of Networx is powerful.

What is causing the continued delay in the transition to Networx?

To successfully transition an agency to a new service platform, there are an extraordinary number of moving parts that require a tremendous level of coordination. Regardless of the size or scope of the network, transition begins within the agency as they prepare for procurement by: (1) creating a comprehensive inventory, (2) assessing network needs, (3) determining budget and designing network requirements, (4) establishing clear, measurable evaluation criteria, and (5) writing a statement of work that contains cohesive management, technical and financial requirements. After evaluating the vendor responses and conducting discussions, the agency issues an award. Post award, vendors and agencies collaboratively prepare for the transition of

the network by validating the agency's pre-award network assessments and developing the plan to apply the vendor solution at each agency location and to meet the agency's specific mandates and requirements.

In many cases, transition challenges have been compounded by significant, important, external factors that demand attention and siphon agency resources from Network activities. Since the award of the Network contracts, a substantial but necessary shift has taken place in the emphasis and technical requirements associated with securing our Nation's cyber infrastructure. Federal Chief Information Officer (CIO) organizations are dealing with the transition to IPv6, the Managed Trusted Internet Protocol Service (MTIPS), Trusted Internet Connection (TIC) program, as well as attempting to take advantage of cloud based infrastructure and services, all at the same time. In addition, new Federal Information Security Management Act (FISMA) mandates have been issued. On Network, AT&T has moved aggressively to implement MTIPS capabilities to help protect Federal networks from malicious traffic and to comply with these mandates.

Agencies are also wrestling with social media policies while at the same time supporting a more connected and mobile employee base. In parallel, agencies are striving to provide more transparency and much greater volumes of information to American citizens. These are competing, and sometimes conflicting, demands that require an unprecedented level of technical and policy interaction. These additional priorities are vital and beneficial as they enable us to deliver today's and tomorrow's technology to the government.

Agency staffing complications also impact Networx transition. As with any incoming administration, the recent change left many agencies operating under acting leadership for a period of time, the natural consequence of which was delays in decision making. Further, we continue to observe staff shortages in many agency CIO and procurement shops. Because transition efforts of this magnitude are a once-in-a-decade occurrence, many agencies are still developing the staffing resources necessary to manage the technical and logistical detail associated with an agency-wide transition.

What problems does your company encounter in the Networx program's procurement process?

The Federal procurement process is constantly evolving and complex; opportunities for improvement are not exclusive to Networx. We have occasionally seen inconsistency in agency evaluation of vendor proposal responses against the corresponding proposal evaluation criteria. Once Request for Proposal (RFP) responses are submitted, agency decisions are often delayed well past the originally scheduled award date, resulting in outdated transition schedules, stale technical requirements, and delayed savings for the government. AT&T has at times also faced a lack of detailed information in agency post award debriefings, leading in some instances to otherwise avoidable protests.

One issue specific to Networx is the unpredictability of procurement activity. To date, Networx proposal activities have been manageable, however, as the transition deadline approaches our concern is that without coordination, there will be a surge that strains vendor resources across the board. Now more than ever, the agencies and GSA should coordinate to establish and adhere to

specific timetables for releases of RFPs and subsequent awards. With predictability comes the ability of agencies and vendors to staff and support their transitions.

What steps has your company taken to assist in the transition effort and expedite the transition?

When AT&T participates in agency level procurements, we strive to meet requested timelines and deliverables, and actively engage with the agencies as appropriate. AT&T constantly refines our processes to better serve the agencies by leveraging important factors of success from one transition to subsequent efforts.

Our Programs and Contracts teams are in regular communication with the GSA, discussing the progress of transition. Early on, we established a methodology with GSA to submit, review, and implement contract modifications. We actively work with GSA to create and refine processes for modifying the Networx contract to add new and custom services, new prices, and new locations. To date, we've completed over 400 modifications to Networx in order to meet the unique requirements of the many agencies we serve. As a result of our efforts, we've had relatively few problems with contract modifications, and our working relationship with GSA's Program Office is excellent.

What steps should the GSA, Federal agencies, and other stakeholders take to expedite the transition to Networx?

First, efforts should be made to reduce risks associated with the anticipated surge in orders as the Networx transition deadline approaches. Now more than ever, the agencies, GSA, and Networx

service providers should coordinate to provide and adhere to specific, disclosed, and harmonized timetables for releases of RFPs and subsequent awards.

Second, supplementary resources should be provided to agency teams that are struggling to make and implement informed choices as they move to Networx. To that end, the government might consider dedicating resources to support transition. The responsibilities of those resources might include: (1) establishing a centralized pool of experts to deploy within agencies to manage and complete transition; (2) working directly with individual agencies to craft detailed transition strategies with contingent milestones; and (3) creating a repository of agency strategies and schedules to share with other agencies and industry. The government may accelerate transition overall if additional support were available for more fundamental transition functions. With enhanced support in line with this recommendation, agencies would have the essential tools to build and implement successful transition plans. Access to a centralized repository of plans and schedules would also afford industry a greater opportunity to plan to better provide services to the government.

Finally, we recommend the government consider providing incentives to agencies to create comprehensive transition plans and adhere to them. Specifically, we suggest the government review the timing and the structure of the transition reimbursement credit program to support thoughtful agency transition planning and execution. As structured today, agencies must submit Networx orders by a given deadline (now August 31, 2010) to receive transition reimbursement credits. The deadline was designed to encourage agency transition, but to date, we believe that less than \$5 million of the \$111 million available has been dispersed. Instead of linking the

credits to the agencies' placement of orders, those funds could be used to encourage agencies to prepare, with GSA's assistance, detailed transition and transformation strategies. Credits would then be contingent upon an agency meeting and adhering to established milestones. This recommendation should in no way be interpreted as an effort to slow transition, but rather to introduce rigor in to the planning process that should ultimately speed transition.

What has been working well and are there ways that the Federal Government can further capitalize in those areas?

GSA has taken a number to steps to improve the process. As an example, the online data repository established by GSA for Networx – the Networx Hosting Center – works well as a repository for contract information, including modifications and Service Level Agreement (SLA) reports. In addition, the process for updating the contracts to add new services, features, and locations works well. Because GSA anticipated the rapid evolution of technology, they structured the Networx contract to allow it to evolve. This robust paradigm enables the service providers and GSA to constantly supplement the Networx contract to keep technology offerings fresh for agencies.

Agencies should be commended for their flexibility in working through ongoing transitions and their efforts to date to meet the transition deadline.

We are also very encouraged by the emphasis on Networx transition by the Interagency Management Council (IMC). This emphasis highlights the importance to agencies of

collaborating with each other on Networx and other technology efforts. Exchanging lessons learned and best practices can only expand the benefits of Networx in the long run.

Congress should be recognized for their continued oversight of Networx and for drawing attention to the importance of timely transition, including the savings that can be realized by Government.

Conclusion

AT&T will continue to be engaged with the GSA, the agencies, and Congress to realize the potential of Networx. This effort requires participation from all stakeholders, and while we are making solid progress, there is more work to be done. Thank you for the opportunity to share some of AT&T's thoughts on accelerating transition. There is an unprecedented need for secure, robust, and cost-effective communications that meet the diverse requirements of government. There is a great deal to be gained from Networx - significant financial efficiencies, enhanced technology services, government operations transformation - and AT&T is committed to the success of Networx.