

**WRITTEN STATEMENT OF
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BEFORE THE
COMMITTEE ON OVERSIGHT & GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
“TRANSITIONING FROM FTS2001 TO NETWORKX”
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Mr. Chairman and Members of the Committee, thank you for offering me the opportunity to testify on the status of the transition from FTS2001 to Networkx. My name is Susan Zeleniak, and I am the group president of Verizon Federal, the unit within Verizon dedicated to serving the federal government. I am here today to tell you that the benefits and cost savings of Networkx can still be achieved, and that Verizon is poised to continue working closely with our federal government customers to make the promise of Networkx a reality.

First, just a word about Verizon. Many people think of the company for its unsurpassed wireless service. Others may be more familiar with our industry-leading FiOS TV and Internet service. But Verizon is much more. A global broadband company, Verizon is the preeminent provider of telecommunications and advanced IT services to the federal government. In fact, today's Verizon:

- Provides secure, global IP networking solutions to 98 percent of the Fortune 500 and to all sectors of the economy including financial services, retail, technology, healthcare, and education.
- Has a global IP footprint serving 2,700+ cities in 159 countries.
- Is a recognized industry leader in cyber security. Verizon publishes an annual Data Breach Investigations Report, operates the ICSA Labs that test and certify security devices and equipment, and works very closely with the federal government's national security and emergency preparedness organizations in policy development, planning, and operational support.

I am happy to address the topics which are the subject of today's hearing -- the pace of transition from FTS2001 to Networx, issues that may be impacting this transition, and steps that both industry and government can take to accelerate it. Regarding the Networx program itself, I would be remiss if I did not recognize the General Services Administration (GSA) for its vision in conceiving this program and its management of the vigorous competition which ultimately led to contract awards to Verizon and four other carriers.

The Networx program was intended to bring to the federal government the best technologies at the lowest prices, while also enabling agencies to obtain the most current technology refreshment over the ten-year life of the contract. That vision can and will be achieved. In fact, many of the "cutting edge" solutions that we talk about today as reflecting the future of federal government IT -- cloud computing, virtualization, etc. -- are all services that Verizon can deliver today through the Networx contract. GSA had it right when it developed the Networx program to procure advanced technologies at significant savings to the government. The major challenge now, however, is to help agencies move through the *transition* stage of Networx to the truly *transformational* stage.

It is Verizon's view that the federal government's adoption of broadband technologies under Networx will be transformational not only for federal agencies, but for all levels of government as well as for the American citizens they serve. Broadband technologies will change the way the government serves the public and it will drive beneficial social changes as well.

Clearly, the transition from FTS 2001 hasn't occurred as rapidly as originally anticipated. From Verizon's perspective, a number of factors contributed to the prolonged transition to Networx, including longer time periods for agencies to determine their requirements, evaluate Fair Opportunity proposals, and make their Networx awards.

While perhaps not ideal, this situation is understandable given the complexities of many agencies' IT programs and the strategic plans associated with them. While we would prefer to be further along in the

transition process, we recognize that there are some agencies that are taking additional time to make certain their transition is done right. That's very important. We will continue to work with all of our federal agency customers to complete the transition process.

One of the biggest lessons learned during this process is that the transition was more demanding on agency resources and personnel than many of us anticipated. The most successful agencies have been those that have been able to dedicate sufficient resources to ensure a smooth and timely transition. Take, for example, the Department of Homeland Security (DHS). DHS has one of the largest and most complex networks, yet it is almost done with transition, mostly because it committed the necessary resources to getting the job done right. As we consider lessons learned from DHS' experience, we've concluded that DHS has been successful in its Networkx transition for a number of reasons:

- DHS was an early adopter -- OneNet was one of the first major Fair Opportunities awarded (March 2008).
- DHS assigned a transition leader with authority to make decisions.
- DHS has a leadership position in the Interagency Management Council (IMC).
- The department holds regular internal Networkx Transition Working Group (NTWG) meetings so that component agencies can share successes and obstacles.

The target for DHS' OneNet transition completion is December 31, 2010. Largely because it committed an appropriate level of resources to the task, DHS is on track to meet that deadline.

Steps Verizon Has Taken to Expedite the Transition Effort

Verizon is committed to completing the Networkx transition in as timely a manner as possible, and we are proud of the steps we have taken with our federal agency customers to do so. Let me provide three examples of concrete steps we have taken:

- **Back Office Transition Program:** Early in the Network transition process, Verizon invested millions of dollars to streamline the process by automating transition for our existing customers.

- **Networkx Users Forum:** These regularly-scheduled sessions enable us to meet with our Networkx customers to discuss transition and any other issues impacting them.
- **Networkx Transition Seminar:** Earlier this year, we hosted our own Networkx seminar, where we focused on moving agencies from “Transition to Transformation.” We had a standing room only crowd for this event, which tells me that agencies are as anxious as we are to move beyond transition.

Steps GSA and IMC Have Taken

It is clear that the transition is proving to be far more complex than anticipated. Thankfully, both GSA and the IMC have taken effective steps to address these complexities and to expedite the transition.

- GSA’s transition credits for agencies and funding for contractors have been a tremendous catalyst to keeping the process moving forward. GSA provides these funds to support one-time charges associated with the transition
- The IMC has provided leadership in identifying issues that slowed the Networkx transition and has been instrumental in finding solutions to address those issues.

Conclusion

I am fully confident that the promise of Networkx will indeed become a reality. When it does, when the federal government fully embraces and integrates broadband technology, its benefits will extend well beyond federal agency users. I believe Networkx will have a huge impact on how American citizens interact with their government.

In March, the Federal Communications Commission (FCC) issued its *National Broadband Plan* that shows how agencies can use broadband services to both improve their performance and generate social benefits. The FCC’s recommendations envision governmental agencies that offer services comparable to those that private sector companies offer, and suggest that agencies should serve as broadband “anchor tenants” for unserved and underserved communities. I commend those sections of the FCC report to the Committee’s attention.

This is a vision we share. Network will enable a smarter – and broader -- use of broadband. This in turn will drive a vast change in the delivery of government services and enable citizens to conduct business with the government more efficiently and effectively than ever before. That is a future that we will work hard to deliver, as soon as possible.

Once again, thank you for the opportunity to address the Committee this morning.