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Congressman Adam Putnam, Chairman



OVERSIGHT HEARING STATEMENT BY ADAM PUTNAM, CHAIRMAN

**Hearing topic: “Federal Enterprise Architecture: A Blueprint for Improved
Federal IT Investment & Cross-Agency Collaboration and Information Sharing.”**

Wednesday, May 19, 2004

2:00 p.m.

Room 2154, Rayburn House Office Building

OPENING STATEMENT

Good afternoon and welcome to the Subcommittee’s hearing on the “Federal Enterprise Architecture: A Blueprint for Improved Federal IT Investment & Cross-Agency Collaboration and Information Sharing.”

The purpose of this hearing is to provide Congressional oversight on the progress being made by the Office of Management and Budget and the federal agencies to develop and implement a Federal Enterprise Architecture (FEA). The Subcommittee will also closely examine the progress, success factors, and continuing hurdles facing various federal agencies and departments in integrating their individual agency enterprise architecture with the FEA initiative.

This hearing is a continuation of the series of oversight hearings conducted by the Subcommittee during the 108th Congress to keep federal government agencies and

decision-makers aggressively focused on meeting the key goals of the E-Government Act of 2002: greater accessibility to government by citizens and businesses; improving government efficiency and productivity; enhancing customer service; facilitating cross-agency coordination; and tangible cost savings to taxpayers through use of 21st century technology and proven “best practices” throughout the federal government.

During the 1st session of the 108th Congress, this Subcommittee focused a great deal of attention on the oversight of the federal government’s E-Government element of the President’s Management Agenda (PMA). With a commitment to an aggressive and sustained effort, the launch of the President’s Management Agenda in August 2001 established a strategy for transforming the federal government in a manner that produces measurable results that matter in the lives of the American people.

One of the five components of the PMA is Electronic Government, intended to utilize the power and creativity of information technology (IT) to produce a more citizen-centric government, as well as one that is more efficient, productive, and cost-effective on behalf of the American taxpayer. E-Government provides a platform to establish cross-agency collaboration and a rapid departure *from* a stovepipe approach to government operations *to* an approach that facilitates coordination, collaboration, communication, and cooperation.

With federal government expenditures on IT products and services projected to close in on \$60 billion dollars in FY05, the federal government will be the largest IT purchaser in the world. For too long, and even continuing in some places today, individual agencies have pursued their own IT agendas that focus solely on mission rather than emanating from a commitment to customer service or sound business processes. Without a system of checks and balance built into the investment process to compare IT needs with mission goals, the potential for waste is excessive.

As a first step to a meaningful coordination of IT expenditures government-wide, Congress passed the *Clinger-Cohen Act of 1996*, which included the *Information Technology Management Reform Act and the Federal Acquisition Reform Act*. This legislation sets forth requirements for federal government IT investment management decision-making and corresponding responsibility and accountability. It requires agencies to fundamentally link IT investments to agency strategic planning, including the linkage to an enterprise architecture.

Under the *Clinger-Cohen Act*, each individual federal government agency or department must create and implement an enterprise architecture (EA). An EA is a tool that defines the structure of any activity or mission within a single organization and across multiple organizations. It allows organizations to then apply IT resources to accomplish those activities or missions identified. An EA also helps an organization identify the relationships between business operations and the underlying IT infrastructure and applications that support those operations. The purpose of the development of agency EAs is to facilitate cross-agency analysis of the business or purpose of government and to make possible the identification of duplicative IT investments, gaps, and prospects for cross-agency collaboration. The goal, as with all e-Government initiatives, is to make the federal government more efficient, citizen-centric, and customer-focused.

An EA, developed and implemented based on the FEA framework, is an essential tool in guiding IT investments. A recent GAO study reports “that investing in IT without

defining these investments in the context of an architecture often results in systems that are duplicative, not well integrated, and unnecessarily costly to maintain and interface.”

While the utility of EAs in the federal government is promising, the progress of the federal government in completing the agency EA initiative is less than promising. In 2001 and 2003, GAO assessed the progress of the agencies’ efforts to develop and implement EAs. In 2003, overall, GAO found the state of EA government-wide is not mature, with approximately 79 percent of agencies at Stage 1 of GAO’s five-stage assessment framework and 21 percent were at Stage 2. Only one agency, the Executive Office of the President, reached Stage 5, the final stage of maturity.

The *E-Government Act of 2002* makes oversight of the agencies’ EA efforts the responsibility of OMB’s Administrator of E-Government and Information Technology. As a result of a combination of OMB’s oversight responsibilities under the *E-Government Act of 2002* and the disappointing results of GAO’s 2001 government-wide EA maturity assessment, OMB identified a need for a common framework for agencies to use in facilitating the EA effort. OMB cited the lack of a federal EA as an impediment to achievement of the e-Government initiatives. Thus, OMB began work on creating the FEA in 2002. This effort appears to be initially successful as a tool for recognizing commonalities and inefficiencies. OMB used the FEA during its review of the agencies’ FY 2004 budget submissions and found numerous common government functions and consequently numerous redundant efforts and spending. Out of those numerous common functions, OMB selected five core government functions and created the next phase of the e-Government initiative. This new phase, called the “Lines of Business” initiative, specifically targets duplicative effort and spending. Despite this promising development, I still find cause for concern. According to a November 2003 GAO report, the self-reported costs by agencies in developing their individual EAs are close to \$600 million. Those same agencies report more than \$805 million will be necessary to complete their EAs. With the vast majority of government agencies’ EA maturity assessed at the Stage 1 level, we still have a long way to go before we fully realize the benefits of effective EA management. In the course of this hearing, my hope is that we will be able to determine the anticipated cost savings in light of the significant investment already made in the efforts to develop and implement EAs government-wide.

Today’s hearing is an opportunity to examine both the progress and successes of OMB’s FEA initiative as well as explore the continuing obstacles faced both by federal agencies and departments in integrating their EAs into the FEA. As we have learned in previous hearings, many of the impediments are cultural and people-based, rather than being attributable to the technology itself (or even available resources). Case in point, in GAO’s 2003 assessment of government-wide EA efforts, more agencies reported a lack of agency executive understanding of EA and the scarcity of skilled architecture staff as significant challenges than was reported in 2001.

I eagerly look forward to the expert testimony our distinguished panel of leaders in various federal agencies and in industry will provide today as well as the opportunity to demonstrate the progress that has been made thus far with the FEA initiative, while acknowledging the magnitude of the challenge that continues to lie ahead.

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