

**Opening Statement of Chairman Tom Davis
“Will Networx Work? A Review of Whether a Centralized Government
Telecom Plan Jibes with an Ever-Evolving Market.”**

February 26, 2004

10:00 a.m.

Room 2157, Rayburn House Office Building

Good morning, I would like to welcome everyone to today’s oversight hearing on the General Services Administration’s (GSA) proposed government-wide voice and data telecommunications program, Networx. Through this hearing, we hope to gather information from industry and other stakeholders, including GSA, to determine whether GSA’s proposed acquisition strategy, contained in its Request for Information issued in October, will be effective in today’s ever-evolving telecommunications environment.

GSA’s Federal Technology Service (FTS), in coordination with the Interagency Management Council (IMC), is responsible for ensuring that federal agencies have access to affordable telecommunications and networking services and solutions that meet agency mission requirements. FTS has traditionally met this responsibility through large, government-wide contracts such as the current FTS2001 contracts for long-distance and international telecommunications services and the federal wireless telecommunications contract. Networx would be GSA’s fourth generation government-wide telecommunications program.

The Committee is interested in learning whether GSA’s overall acquisition strategy is likely to provide robust competition from the entire spectrum of the marketplace. Further, we need to examine narrower, but still significant issues, related to the proposed acquisition, such as transition strategies, appropriate contract performance period, billing requirements, and the use of minimum revenue guarantees. The key to success here is for GSA to take advantage of the wealth of information that has been made available to it in response to the RFI and through this hearing. This knowledge, not merely the designs of the past, should guide the structuring of a flexible telecommunications program based on current and future markets and evolving government needs.