

Opening Statement of Chairman Tom Davis
“Making Network Work: An Examination of GSA’s Continuing Efforts
to Create a Modern, Flexible and Affordable Governmentwide
Telecommunications Program.”

September 15, 2004

10:00 a.m.

Room 2154, Rayburn House Office Building

Good morning, I would like to welcome everyone to today’s oversight hearing on the General Services Administration’s (GSA) on-going efforts to develop its latest government-wide voice and data telecommunications program, Networkx. This hearing is a part of the Committee’s continuing efforts to gather information from industry and other stakeholders to find out whether GSA’s acquisition strategy, as it has evolved from its Request for Information issued last October, will be effective in today’s dynamic telecommunications environment.

Since the Committee’s last hearing, GSA has spent months listening to industry, customer agencies and Congressional and other stakeholders. As a result it has changed its strategy significantly. During this time I have monitored the progress of Networkx, conferring with all of the stakeholders and GSA, and consulting with experts, including the Government Accountability Office (GAO). The Committee will continue to monitor Networkx closely as it progresses from a strategy, to an acquisition, and on to an operating program.

Under the revised strategy, Networkx will continue to be a two-part program. However, GSA now plans to award both portions concurrently, as opposed to the originally planned sequential awards. The full service portion is still called Networkx Universal and will continue to provide for the full range of domestic and international network services. However, to broaden the field of competition, GSA no longer plans to require “ubiquity” for full service but will mandate “continuity” with current FTS2001 coverage, a reduction of 70% in wire center requirements. Similarly, billing requirements are to be greatly reduced. The smaller, more focused service portion has been renamed Networkx Enterprise. While it is still designed to allow participation by providers who offer specialized services with less extensive geographic coverage than required by Networkx Universal, Enterprise will now reduce its geographic coverage requirement and require fewer mandatory services.

Both Networkx Universal and Networkx Enterprise provide for multiple award contracts with relatively low minimum revenue guarantees. The contracts are to span four years, with three two-year options. The planned schedule provides for the issuance of a draft solicitation on November 1, 2004, a final solicitation on April 1, 2005 and award by April 2006. GSA also says that the Networkx program will more fully involve the use of multiple award schedule contracts. These changes are wide-ranging and appear to represent good progress.

Through this hearing I hope to learn whether these changes have produced a revised acquisition strategy that is more likely to provide robust competition from the entire spectrum of the marketplace and to attract customer agencies to participate by providing the best value solution for agencies' telecommunications requirements.

I look forward to hearing the stakeholders' views on whether the new strategy will have a positive impact on the challenges that have been raised under the initial plan concerning the participation of all segments of the industry, billing, transition, and access to the most current technology. Further, I intend to examine whether GSA has the capacity to advance from the current planning stage to the execution of what will be a complex and challenging acquisition. The key to success here is for GSA to take advantage of the wealth of information that has been made available to it throughout the comment and discussion process and through these hearings.

This knowledge, not the designs of the past, should guide the structuring of a flexible telecommunications program based on current and future markets and evolving government needs. The contract vehicles that result from this revised strategy must be flexible and expansive enough to capture the scope of the current telecom market. That market no longer merely supplies phones on a desk but responds to customers' needs for secure information and data that are critical to the operation of any enterprise. The Networkx program must be crafted to become the "best choice" for customer agencies as they design telecom plans to meet their diverse management challenges.