

**For release only by the House Committee on  
Government Oversight and Reform  
Subcommittee on Technology, Information Policy,  
Intergovernmental Relations and Procurement Reform**

**Statement of  
Mr. Christopher L. Smith,  
Chief Information Officer  
Office of the Chief Information Officer,  
U.S. Department of Agriculture  
Before the Subcommittee on Technology, Information Policy,  
Intergovernmental Relations and Procurement Reform  
U.S. House Committee on  
Government Oversight and Reform**

**March 11, 2011**

Chairman Lankford, Ranking Member Connolly, and Members of the Subcommittee, thank you for the opportunity to share with you our progress on the implementation of the open-government initiatives and legislation, including the information technology reporting systems related to the Federal Funding Accountability and Transparency Act (Transparency Act), the American Recovery and Reinvestment Act (ARRA), and the Administration's Open Government directive. I am also joined here today by our Acting Chief Financial Officer, Jon Holladay.

USDA programs touch every American and many others around the world and we are focused on activities that ensure an economically thriving rural America, conserve our national forests and private working lands, promote sustainable agricultural production and biotechnology exports to increase food security, and provide a nutritious diet for all Americans.

Full and easy access to information on government spending promotes accountability by allowing detailed tracking and analysis of the deployment of government resources. This

tracking and analysis allows both the public and public officials to gauge the effectiveness of expenditures and to monitor spending patterns, as necessary, to achieve the best possible results. Transparency also gives the public confidence that we are properly managing its funds.

From the Transparency Act signed on September 26, 2006, to the Open Government Directive issued December 8, 2009, government transparency has become the cornerstone for information access to facilitate participation and collaboration across Federal, State, and Local governments and with the public.

USDA is a strong advocate of Government Transparency and is striving to meet both the letter and intent of the Open Government Directive. In today's testimony, I will address where we are in regards to delivering on government transparency in terms of the Open Government Directive, the Transparency Act, and the American Recovery and Reinvestment Act.

### **Open Government**

On December 8, 2009, the White House issued the Open Government Directive requiring Federal Agencies to take specific steps to promote transparency, collaboration, and participation. The Open Government Directive puts accountability and accessibility at the center of how the Federal Government operates. It instructs agencies to share information with the public through online, open, accessible, machine-readable formats.

USDA fully supports the Administration's Directive for Open Government and is actively engaged in making the Department more accessible and accountable to citizens. To foster accessibility, USDA launched its open government website in 2010 and published an open government plan describing how USDA would improve transparency and integrate public participation and collaboration into its activities.

With the launch of the USDA Open Government website (<http://usda.gov/open>), citizens are able to learn about and comment on USDA information and post their ideas about transparency, collaboration, and participation at the Department. The public can also post ideas to help USDA become more innovative and efficient. Additionally, to improve outreach initiatives, USDA established the Open Government Communication Plan, which describes USDA's interaction and collaboration with the public and specific actions to improve the dissemination of information relating to agency business. The Open Government Communication Plan details consistent methods of responding to public input and feedback, as well as innovative methods to engage and garnish input and ideas from the private sector, not-for-profit organizations, and academia.

USDA's MyPyramid and AppsForHeathyKids are just two examples of the innovative ways USDA is reaching out and encouraging collaboration with the private sector and the public. The Apps for Healthy Kids competition was a collaborative project that challenged the general public to design online or mobile gaming tools that educated people about the importance of healthy eating and physical activity. The Food and Nutrition Service (FNS), Health and Human Services (HHS), First Lady Michelle Obama's "Let's Move!" initiative, and the NFL's Fuel Up to Play 60, played a vital role in this challenge resulting in over 45,000 participants and in 95 submitted games and apps. USDA has published over 5 high-value datasets and 11 tools on the Data.gov website including Census of Agriculture Race, Ethnicity and Gender Profile Data; Feed Grains Database; USDA National Nutrient Database for Standard Reference (Release 22); Your Food Atlas; and National Agricultural Library Thesaurus (English). Through its Open Government Flagship initiatives, USDA will continue to foster an increased public awareness,

access, and utilization of high-value data to enhance public knowledge and collaboration to improve USDA's services.

As a part of the USDA Open Government Flagship initiatives, the Forest Service invited the general public to participate in the development of its land management planning rule in an innovative way. The Agency created a blog (<http://planningrule.blogs.usda.gov/>) that provided the public with updates on the planning rule process and allowed them to provide comments. The Agency also held public meetings or listening sessions all over the country to gain input from American citizens. Over 700 people who were not able to attend the national public meetings were able to participate in the meetings through a webcast on the planning rule website.

These new methods for public involvement were created to gain insight from the public before the standard formal comment period began. The development of the proposed rule involved over 26,000 comments on the Notice of Intent, over 40 public meetings with over 3,000 participants, a national science forum, Tribal consultation, and Forest Service employee comments and conference calls. Forest Service will continue to use blogs and webcasts, along with traditional formal comments and public meetings, to further promote participation.

This increased focus on accountability and transparency builds upon our commitment to strong financial stewardship as evidenced by USDA compliance with the Transparency Act.

### **Federal Funding Accountability and Transparency Act**

On September 26, 2006, the Transparency Act was enacted (Public Law Number 109-282). As required by the Act, the Office of Management and Budget (OMB) established the USAspending.gov website to provide transparency of Federal spending by disclosing entities

receiving funds such as corporations, associations, partnerships, limited liability companies, limited liability partnerships, sole proprietorships, and legal business entities by January 1, 2008. As of October 1, 2010, subcontractor and sub-grantee information is also being reported to USASpending.gov via the Federal Subaward Reporting System (FSRS.gov). USDA sends a bi-monthly transmission of Federal Financial Assistance (FFA) transactions over \$25,000. Individual and Federal employee recipients of program awards are excluded from the Transparency Act requirements as are awards under \$25,000.

USDA provides key data elements, as outlined in OMB's March 30, 2007, memorandum "Reporting of Data Elements Required by the Federal Funding Accountability and Transparency Act," regarding each Federal award within 30 days after the date of award. USDA's data being reported to the public include grants, cooperative agreements, direct and guaranteed loans, direct payments, insurance, and contracts.

USDA has reported billions of dollars in Federal financial assistance to USASpending.gov: \$17 billion in FY 2007, over \$21 billion in FY 2008, over \$28 billion in FY 2009, over \$41 billion in FY 2010, and \$30 billion to-date in FY 2011. The last three years include ARRA funding. Initial information was provided via manual extract processes with error rates in the range of 3.4%. Today we have implemented automated reporting processes and reduced our error rate to less than 1/10<sup>th</sup> of a percent. We continue to pursue correction for these remaining errors.

### **American Recovery and Reinvestment Act**

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (Recovery Act/ARRA) was enacted (Public Law Number 111-5). Over \$28 billion (3.5%) of the overall Stimulus package was appropriated across nine USDA agencies. To provide opportunities for

improved transparency and oversight of the spending and progress on the projects funded by the Recovery Act, provisions were included in the legislation that required the funding and project information tied to each award be reported by the non-individual recipients. USDA assures that recipients agree to comply with reporting and data disclosure before awarding funds. Recipients submit information quarterly using an online reporting database portal called FederalReporting.gov. The information is then published at Recovery.gov, a website established by the Recovery and Transparency Board. The data provided on Recovery.gov includes financial information, details on the use of the Stimulus funds, and statistics related to job creation.

Federal agencies are responsible for guiding the recipients through the reporting process, reviewing and validating the data submitted, and communicating with recipients who fail to report award information on FederalReporting.gov. Our work force uses data provided through routine automated spending reporting processes to track required submissions. During the first quarter of 2010, 5,917 reports were expected. The number of Recovery Act award recipients not reporting was 28; less than 1%. This is down from the high of 279 non-compliant recipients in the third quarter of 2009. This drop is due to extensive communication of guidance , outreach to recipients, and assisting recipients with adapting to the technological reporting solution or alternative reporting methods.

### **Conclusion**

Transparency is about information access with the proper controls. USDA has embarked on a number of initiatives that support information access to enable employees to become more productive, improve overall efficiency of operations, and promote accountability and accessibility at the center of how USDA operates.

While USDA has made great strides in leveraging IT to increase transparency, we also face real constraints due to a number of factors such as aged technology and fragmented systems. As we have worked to overcome these challenges, my office has laid out a clear vision and comprehensive approach to successfully modernize Information Technology (IT) within the Department. The overall IT modernization approach utilizes a disciplined, multi-faceted strategy with three key areas of focus:

- **Foundational Elements** – Initiatives in this area center on enterprise business services and infrastructure and include the Financial Management Modernization Initiative (FMMI), Agriculture Security Operations Center (ASOC), modernization of the Computing Environment, and Enterprise Data Centers (EDC).
- **Communications/Collaboration/Productivity** – Initiatives in this area focus on enterprise communications services to improve collaboration and increase productivity, and include Next Generation Network (NGN) and Unified Communications (UC).
- **Mission Systems** – Initiatives in this area center on critical and often related program delivery services and include Modernize and Innovate the Delivery of Agricultural Services (MIDAS), Web-based Supply Chain Management (WBSCM), Public Health Information System (PHIS), and geospatial services.

During my Testimony before the House Committee on Agriculture, Subcommittee on Department Operations, Oversight, Nutrition and Forestry on March 10, 2010, I provided more detail on these initiatives. Should the Subcommittee require the testimony from March 10, 2010, we can provide it.

In some instances, the Office of the Chief Information Officer (OCIO) is leading an initiative, while in others OCIO is collaborating with the lead Agency or Staff Office to ensure

appropriate leadership, governance, enterprise architecture, capital planning, and investment control.

Working with the Secretary, we have prioritized the necessary investments to enable the most effective delivery of these initiatives and have developed a thoughtful and deliberate approach to implement these improvements. We have identified the key initiatives upon which USDA will modernize its service offerings to ensure open, transparent, and collaborative avenues through which USDA employees, farmers, ranchers, and all citizens can easily access USDA information from wherever they may be: the field, the forest, the farm, and their homes. Investments in these foundational elements, communications and collaboration tools, and mission systems will ensure the security, protection, and privacy of information collected and the most efficient and effective delivery of services to our citizens, producers, and industry. While we have charted a clear path for modernizing USDA, there are challenges that must be met and be turned into opportunities to excel.

USDA will continue implementation of the Federal Transparency initiatives to provide to the public an open, responsive, and accountable environment. These initiatives put us on the right path to provide more efficient and effective services and successfully deliver on our mission.

Chairman Lankford, Ranking Member Connolly, members of the Subcommittee, this concludes my statement. We will be happy to answer your questions.



**Chief Information Officer  
U.S. Department of Agriculture  
Chris Smith**

Chris Smith serves as the Chief Information Officer for USDA with executive leadership responsibility for all USDA Information Technology Investments, Operations and Management. Mr. Smith provides leadership for USDA's IT Architecture, IT Policy, Cyber Security Operations and the Department's operational portfolio including Network, Enterprise Data Centers, International Technology Services, and Innovations group.

Mr. Smith has recently retired after 25 years as a Reserve Air Force Communications Officer who led multiple tactical communications missions around the globe. He received his Bachelor of Arts Degree in International Studies and his Master of Public Administration Degree from the University of South Florida. Additionally, Mr. Smith holds a Master of Science Degree in Management Information Systems from George Washington University.

**Acting Chief Financial Officer  
U.S. Department of Agriculture  
Jon M. Holladay**

Jon Holladay is a graduate of the George Mason University School of Business, the U.S. Department of Agriculture's Acting Chief Financial Officer, and a member of Beta Alpha Psi, the National Accounting Fraternity.

Mr. Holladay began his career with the Department of Agriculture (USDA) in June 1992. Since that time he has worked in numerous capacities within the Office of the Chief Financial Officer (OCFO). Mr. Holladay has been instrumental in improving the Department's financial systems and processes. In 2004 Mr. Holladay joined the executive ranks as one of the youngest executives. In 2008 he became the Deputy Chief Financial Officer. Also during 2008 he was awarded by the President of the United States the rank of Meritorious Executive for his sustained leadership accomplishments.

Prior to accepting the position of Deputy Chief Financial Officer, he served as an Associate Chief Financial Officer (ACFO). In that position he was responsible for USDA fiscal and travel policy and leading the Department's strategic planning and performance reporting function. Additionally, he served as the Department's Controller of a 500+ million working capital fund.

Mr. Holladay spent several years of his career at NFC implementing financial management and administrative management systems. He also served as the Acting Deputy Director of the National Finance Center (NFC). In that position he assisted the Director in managing the day to day operations of the NFC, developing viable disaster recovery plans, ensuring timely and accurate pay processing for 600,000+ civilian employees bi-weekly, and developing a strategic vision for the NFC's future. Prior to joining USDA Mr. Holladay worked in the insurance industry.