

Statement of Michael W. Locatis, III

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Before the

Subcommittee on Technology, Information Policy, Intergovernmental Relations and
Procurement Reform

of the

Committee on Oversight and Government Reform

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Good morning, Chairman Lankford, Ranking Member Connolly and other members of the Subcommittee. Thank you for this opportunity to testify today on the Government Accountability Office's (GAO) report on potentially duplicative IT investments. The Department of Energy (DOE) appreciates the work performed by the GAO to identify opportunities to improve mission effectiveness and fiscal efficiency. The DOE is dedicated to improving our overall IT portfolio management and to address areas identified in the GAO report. We are committed to ensuring DOE's IT investments make efficient use of taxpayer dollars at all times.

Background

In August 2011, the GAO began a multi-agency review to identify potentially duplicative IT investments. At DOE, GAO's report identified 6 potentially duplicative IT investments in two different areas:

- Back-end Infrastructure
- Electronic Records and Document Management.

Department of Energy Response

As the Chief Information Officer (CIO) for the DOE, one of my roles is to bring our science, energy, and nuclear security program offices together with internal and external IT resources and capabilities to promote agency-wide innovation and efficient operations that add value to DOE's activities and provide tangible, positive outcomes for the nation.

Over the past 16 months, DOE has established a strong, mission-focused IT and cybersecurity governance framework to manage DOE's IT portfolio. Our governance process is led by the Information Management Governance Council (IMGC), which is comprised of our three Undersecretaries, representing the primary DOE missions of energy, science, and nuclear security, and me, the CIO, representing the technology enablers. The IMGC is advised by the Chief Health, Safety and Security Officer, the Director of Intelligence and Counterintelligence and a select group of National Lab CIOs. The IMGC develops strategy and policy for the effective management of IT across DOE and provides oversight of the implementation. Complimentary to this, we have executive management and subject matter expert working groups to formulate policies and effectively manage our federal IT portfolio on a day-to-day basis. Through our governance process and our close partnerships with mission program offices

we can ensure that we effectively and efficiently meet the mission needs of the Department. To monitor performance of our IT investments, we have strengthened our investment review processes, including our annual IT portfolio reviews, Quarterly Investment Control Reviews, and monthly IT Dashboard reporting, all of which support senior management decision-making and enhance IT oversight. These processes enable a solid foundation for effectively transforming the IT portfolio throughout the Department.

DOE is actively supporting and executing the Office of Management and Budget's (OMB) 25 *Point Implementation Plan to Reform Federal IT Management*¹ as part of our broader IT management effort, and as a key enabler to ensure mission success.

In particular, DOE has implemented technical status reviews, or TechStats, to assess potentially troubled IT investments and, in a collaborative manner, turnaround underperforming investments and make them successful. For example, we reviewed the Office of Energy Efficiency and Renewable Energy's (EERE) State Grant Administration investment. As a result of implementing recommendations from the TechStat, the Department saved approximately \$1 million and the investment is back on track in both cost and schedule and is rated green on DOE's IT Dashboard. We subsequently modified the approach of our TechStats to include a more strategic look at investments. In 2011, my office led three strategic TechStat reviews on Identity, Credential, and Access Management (ICAM); Public Key Infrastructure; and Commodity IT. As a result of these reviews, the Department developed new policies, procedures and governance processes to effectively manage the coordination and delivery of each of the three initiatives. Specifically, we developed a new Department-wide PKI strategy that projects

¹ OMB, 25 *Point Implementation Plan to Reform Federal IT Management*

to save \$1 million annually by migrating PKI to a shared service provider. In addition, the Office of the CIO has established partnership initiatives with DOE organizations to both improve services and reduce costs and duplication of Departmental infrastructure. As part of our commitment to transparency, we included participation from the staff of the Senate Homeland Security and Governmental Affairs Committee (HSGAC), GAO, and OMB's E-Gov office in our recent commodity IT reviews.

I will now summarize the specific actions we are taking to address each of the areas identified by GAO in the report: Back-end Infrastructure and Electronic Records and Document Management.

Back-end Infrastructure

Because the Identity Credential and Management (ICAM) requirements needed to be implemented at multiple locations-- Chicago, Oak Ridge, and Washington, DC Headquarters, we determined that there was a need for separate investments in the local hardware and software costs associated with the deployment of the technology. These costs could not be avoided or reduced by consolidation given their diverse locations. The three investments were listed separately in the Department's IT budget. This was done not to report them as separate and distinct investments but rather to show separate budget line items where funding was being distributed to different locations to implement the infrastructure. The Office of Science is initiating the Science IT Initiatives Working Group, a group that will meet regularly with key stakeholders to ensure the oversight of infrastructure, consolidating where needed and establishing a governance process.

Electronic Records and Document Management

With regard to records management, DOE has undertaken a comprehensive approach to records management revitalization that is examining everything from policy and governance to records management applications for electronic records. The objectives of our efforts include:

- *Implement updated policy and guidance.* DOE recently updated its principal records management directive to provide better and clearer guidance on the management of electronic records, including e-mail. We are also revising our vital records, policy and updating our web-based tools that include:
 - o Establishing a records management information sharing environment by leveraging Microsoft SharePoint 2010 to provide collaboration opportunities; announcements; calendar of related events; links to records management information and resources; and stakeholder contact information;
 - o Annual records management training for all DOE employees (including contractors) via DOE's electronic Online Learning Center's web-site. DOE will deploy this in FY12 by leveraging the National Archives and Records Administration's (NARA) general training package entitled "*Records Management for Everyone*". This training was created as a shared service for federal agencies to meet their annual regulatory training requirement and is a free tool; and
 - o Additional program-specific records management training for DOE records management program officials, field officers, records liaisons and various records management community members via webinar and video teleconferencing.
- *Create a records management community of practice.* DOE is taking a more collaborative approach to identifying records management issues and solutions, including best practices. We formed a working group comprised of records management personnel

from across the Department to identify common obstacles and issues, and to work with IT professionals to recommend solutions.

Finally, our strategy for electronic records management is to identify records management applications that can serve Department-wide needs. This approach will reduce cost and duplication and promote shared services, but still support the diverse DOE program missions and their associated records requirements. The records management investments cited in GAO's report are existing systems that will remain in place while the Departmental strategy is being implemented. A decision on these investments will be made once the approved Departmental-wide applications are identified.

Conclusion

In conclusion, the GAO report has identified IT investment efficiency improvement opportunities for the DOE. We will address these in addition to our broader, ongoing efforts to improve the effectiveness and efficiency of our IT portfolio.

Thank you for this opportunity to discuss the report's findings. Mr. Chairman, this concludes my statement and I look forward to answering your questions.

MICHAEL W. LOCATIS, III - CHIEF INFORMATION OFFICER – DEPARTMENT OF ENERGY

As the Chief Information Officer (CIO) for the Department of Energy (DOE), Michael Locatis serves as the principal information management advisor to the Secretary of Energy and as the senior IT official for the DOE. Mr. Locatis promotes Department-wide innovation and effective operations by engaging stakeholders across the entire DOE complex. Through collaboration with national laboratories, program executives, DOE Federal information management staff and contractors, external agency partners and strategic industry partners, he establishes strategy, policy, direction and a skilled workforce that best support DOE's mission and objectives.

Mr. Locatis has also taken on several leadership roles to help drive government-wide transformation initiatives. In addition to serving as the co-chair on the Federal CIO Council Management Best Practices Committee, he is currently an advisor to the President's Management Advisory Board and the President's Domestic Policy Council.

Mr. Locatis is among the few to have led major transformation initiatives within local, state and federal governments, and has done so in light of extreme budget constraints. Having served as Deputy Chief Information Officer for the State of California (appointed by Governor Arnold Schwarzenegger), Chief Information Officer for the State of Colorado (appointed by Governor Bill Ritter), and Chief Information Officer for the City and County of Denver (appointed by Mayor John Hickenlooper), Mr. Locatis came to DOE with a comprehensive understanding of information management within the interconnected government ecosystem. Throughout his public career, he has not only achieved rapid culture shifts, he has also led the successful adoption of statutory reform, cloud, consolidation, workforce reshaping and 3-1-1 citizen service implementations for mission enablement.

Mr. Locatis currently serves on the board of CSIA, Colorado's Technology Association, and served as a member of the executive committee and co-chair of the Security and Privacy Committee for NASCIO (National Association for State Chief Information Officers) and as a director on the board to the Colorado Regional Health Information Organization (CORHIO).

Prior to his work in the public sector, Mr. Locatis held various leadership roles within private-sector information and communications technology companies ranging from successful venture backed start-ups to Fortune 500 corporations.