

**Chairman Mark Meadows — Opening Statement**  
**Subcommittee on Government Operations and Information Technology**  
**“General Services Administration – Acquisition Oversight and Reform”**  
**Wednesday, July 12, 2017**

*AS PREPARED:*

I am pleased to hold this hearing to hear from acquisition and technology leaders at the General Services Administration, also called “GSA.”

In June, GSA announced a realignment of the Technology Transformation Service within the Federal Acquisition Service that I’d like to understand better. I’d also like to continue a conversation we started at a March 2017 hearing – on federal acquisition system challenges and reform.

Annually, FAS is responsible for over \$50 billion in goods and services bought by the federal government while TTS focuses on technology modernization.

In May 2016, GSA established TTS as a stand-alone service to consolidate technology-related functions and to assist other agencies with technology transformation.

Just over a year later, GSA has realigned TTS so that it is no longer a stand-alone service, and the Director of TTS now reports to the FAS Commissioner. I’d like to hear more from GSA about the thinking behind this realignment.

Second, I’d like to continue the conversation we started in March about federal acquisition challenges that make it difficult for the government to buy goods and services at the best price in a timely manner.

The ever-increasing complexity of the system and associated compliance costs have a lot to do with these challenges.

The Federal Acquisition Regulation – or FAR – has over 2,000 pages and each agency has associated supplements to the FAR – like GSA which has the General Services Acquisition Regulation (GSAR).

We’ve heard a conservative compliance cost estimate for acquisition regulations of over \$4 billion annually.

The cost of this complexity is passed through in higher costs of goods and services for the customer.

GSA’s IG found pricing on the commercial market was 13% cheaper **for the vast majority of top-selling products on GSA’s IT schedule contracts.**

The big [\$473 billion, FY 2016 contract spending] question is what to do about these challenges? How do we fix it?

In January, the Administration issued an executive order on reducing regulation and controlling regulatory costs – which presents an opportunity to reduce complexity in federal acquisition. In May, I dropped a bill that would codify this executive order which I invite all my colleagues to join.

Clearly this is an issue that has both Congress and the Administration is focused on. Since GSA is a member of the rule-making body for the FAR [FAR Council] and as the leader of several large acquisition programs, they should seize the opportunity.

Finally, a word about a specific acquisition reform proposal.

Our Committee has been working with Chairman Thornberry on an online marketplace proposal in the National Defense Authorization Act.

We heard one of our witnesses in the March hearing suggest it is time to “go bold” in acquisition reform. This proposal would certainly meet that requirement.

Under this proposal, GSA would be directed to establish a program to buy commercial goods by contracting with several online marketplace providers. These marketplaces would provide for rapid point-and-click transactions, dynamic pricing, and delivery of goods under standard commercial terms and conditions.

In order to inform continued consideration of this proposal, I’d be interested in hearing from GSA on this proposal, given their significant role in potentially implementing this proposal.

Thank you to our witnesses for being here today, and I look forward to hearing your testimony.

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