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STATEMENT OF
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SPECIAL ASSISTANT TO THE COMPTROLLER GENERAL
BEFORE THE
SUBCOMMITTEE ON LEGISLATIVE
HOUSE COMMITTEE ON APPROPRIATIONS
ON
THE STATUS OF TELECOMMUNICATIONS EFFORTS
IN THE GENERAL ACCOUNTING OFFICE



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Mr. Chairman and members of the Committee, we appreciate the opportunity to be here today to discuss the status of GAO's telecommunications efforts and some of the issues that need to be resolved in addressing this vital function. In laying out GAO's internal and external telecommunications environment I would like to give you an idea of the pressures on GAO, where we are, and where we are headed.

BACKGROUND

Divestiture and deregulation of the telecommunications industry has had a profound impact on the manner in which the federal government, including GAO, procures and manages its telecommunications. The Bell System functioned as a systems integrator. Users inserted money at one end and received services out the other. Only one organization designed, built, and managed networks and developed the kinds of terminal equipment to be used on the networks. User requirements were defined by this same organization. At the same time the existence of a single dominant entity simplified the process of meeting federal telecommunication needs.

Now, the same decisions that previously were made within the Bell System and largely within GSA for government users have to be made by individual telecommunications managers in every government agency. Our task in GAO is to transition from a passive management posture where all decisions were made for us to a more active management posture where we will make and be accountable for all of the decisions. In order to maximize cost and benefit advantages available to us, we now must acquire an internal capability to deal with a full range of telecommunications issues we have never before had to worry about.

INTERNAL ENVIRONMENT

As you know, GAO has broad responsibilities for the audit and evaluation of Executive Branch agencies and programs. To best meet these responsibilities, we have a decentralized organization with a major portion of our auditing staff located at or near major executive agency locations where programs are being carried out. We face three broad geographic concerns that complicate our telecommunications needs. First is our main headquarters building that houses about 42 percent of our staff. Second, we have audit sites physically located at over 70 different executive agencies and offices in and around Washington, D.C. And, third, we have an office in Germany and 17 major regional offices as well as 24 smaller sub-offices scattered across the country.

Our voice and data needs fall into two categories: audit support and administrative support. Audit support is characterized by light data and heavy voice usage while administrative support is characterized by heavy data and light voice usage. However, our needs are changing and will result in an increasing amount of data usage for both audit and administrative support.

Our communications needs are met in a variety of ways. Telephone service in the regional and sub-location offices is provided by GSA with the exception of our Norfolk office where GSA service is not available. Our telephone service in Washington is also provided by GSA through its consolidated CENTREX system.

The GAO telecommunications budget for 1986 is about \$4.17 million. Local service costs about \$2.56 million, \$1.01 million for FTS, \$455,000 for equipment, \$66,000 for toll calls, and \$33,000 for other costs. About \$2.5 million is for our

Washington locations and \$1.6 million for our regional, over-seas, and sub-locations. These costs are generally for voice communications through 4,200 telephone lines in Washington locations, and 2,400 telephone lines in our remote locations.

We get our data services from a variety of time-sharing and public-network vendors. We do not have firm figures for our data communications costs because some of our dial-up transmissions are made over FTS, and we cannot distinguish between a voice call and a data call from the information on our FTS bills. We have identified access costs for the network vendors at about \$200,000 per year.

WHERE IS GAO HEADED

As we are working toward solving our immediate operational problems, we are doing so in consideration of where we believe we should be going in the future.

Presently we are in the first phases of a transition from a voice oriented, passively managed organization to a heavily data oriented, proactively managed organization. We are projecting that within 5 years, 50 to 60 percent of our requirements will be data communications and that there will continue to be a proliferation of options available to meet our telecommunication needs. Several factors are responsible for this trend.

--We are in the process of implementing a transition from Micom wordprocessors to a micro-computer configuration. Over 1500 micro-computers have been distributed throughout GAO, to assist our auditors in accomplishing their mission and to assist in automating our administrative functions. As a result, we have undertaken significant training in the use of these machines. Our professional

staff is becoming more and more proficient in the use of package software--including word processing software. This training effort will continue as new versions of software become available and we begin to network the computers together for maximum benefit.

--We have a continually increasing requirement for interactive data communications between regional offices and computer data bases and organizations in the Washington area to support both our audit assignment management and administrative operations.

In order to deal effectively with the changing telecommunications environment, we have taken several significant steps.

--We have formed an Office of Information Resources Management, consolidating all ADP and telecommunications activities for the agency. That group is currently staffed with 60 technical and administrative personnel.

--We have formed a Telecommunications Group within the Office of Information Resources Management, and have recently hired a director for telecommunications.

--We have awarded two contracts over the last 3 years to assist us in planning and analyzing our ADP and telecommunications needs in the regions and in Washington.

--We have undertaken pilot projects to help us evaluate the use of micro- and mini-computers in local area network (LAN) environments and we have several ongoing office automation projects dealing with word processing and data analysis.

--Finally, we are developing a new data network to support our financial management system.

EXTERNAL FACTORS IMPACTING ON GAO

We are faced with many problems as a result of divestiture, as I am sure most agencies are. Of immediate concern are the unanticipated rate increases that are occurring. We also must find sufficient funds to purchase telephones in our regional offices before December 1986. Within the next few years all of our locations including Washington, will probably be served by digital PBXs that require electronic telephones which will need to be purchased.

As I stated before, GAO relies heavily on GSA for meeting its voice requirements and GSA is currently involved in several activities which will directly affect GAO in all locations.

Purchase of Telephone
Services (POTS)

All GSA Consolidated Telephone System users will have to replace their present leased telephone instruments with purchased equipment. GSA's Purchase of Telephone Service (POTS) contracts provide for procuring high-quality telephone equipment and services at substantial cost savings to the government. GAO has thus far purchased approximately 97 percent of the telephones it uses in the Washington Metro Area. Our field locations are looking into the buying of equipment and services from POTS contracts as they are awarded in their areas.

Aggregated Switch Procurement
(ASP) Program

The General Services Administration, since 1977, has been competitively replacing telephone systems nationwide with new technologically advanced Private Branch Exchange (PBX) Systems. In 1983, GSA made the decision to accelerate this program and called it the Aggregated Switch Procurement (ASP). The New England area was chosen as the ASP pilot which was awarded in March 1985 for a total of 27 systems. As of today, nine (9) systems have been installed, tested, and operationally accepted. The remaining New England systems are scheduled for operation by mid-1986.

GSA is currently evaluating ASP bids for the Kansas City area and is prepared to issue requests for proposals for the New York, Dallas, San Francisco, and Philadelphia areas. GAO has offices in each of these areas and will be impacted by these procurements. All other ASP awards are projected for completion by the end of 1987 and systems made operational by 1990. The requirements analyses for each of our regional offices will have to be updated in order to determine how to best integrate our current activities and future plans with the ASP procurements.

WASHINGTON INTERAGENCY
TELECOMMUNICATIONS SYSTEM (WITS)

The Washington Interagency Telecommunications System is GSA's proposal for upgrading the consolidated government CENTREX in the Washington Metro Area. WITS proposes to replace the voice only system with a technologically advanced system capable of handling both voice and data requirements of the federal community. WITS is expected to serve approximately 150,000 users in over 100 agencies. The concept for WITS is the result of an

interagency task force that convened in early 1980. It is anticipated that the proposal for the Washington system replacement will be released to industry in May 1986, with proposals due in November 1986 and a contract awarded in April 1987.

GAO is currently served by the GSA consolidated CENTREX System. Although the system is satisfactory for our voice needs, we do not believe it will handle our anticipated data requirements. We are not in a position at this time to decide whether to actively participate in the WITS program. Before we can make that decision we need to update a requirements analysis that was made in 1984.

Federal Telecommunications
System - 2000

FTS 2000 is a GSA project to replace the current FTS long distance network. GSA publicly announced this project in January 1985. A draft request for proposal was made available for industry and agency comments in October. Presently the RFP is under revision by GSA and the final release to industry is anticipated for late 1986. GSA is projecting a contract award in 1987, with the transition beginning 6 months after award and completely operational by 1990. FTS 2000 will be a completely integrated network capable of handling integrated voice and data, video, and packet switching services (bulk transfer of data at high speeds).

The system, if procured, may require GAO to alter its methods of transmitting data. This, in turn, makes it necessary to analyze our inter-city requirements and how to best satisfy them.

WHERE WE ARE TODAY

Since divestiture, GAO has proceeded carefully in exploring the best possible alternatives available to us in meeting our dynamic telecommunications needs. We have hired two contractors to help us sort out our requirements and explore technical alternatives toward satisfying those requirements. We have explored the possibility of sharing a PBX with the Treasury Department in the GAO building, and have also examined several telecommunications alternatives available through GSA. At this time, we have made no firm decisions about which alternative to implement.

We are presently awaiting the resolution of several telecommunications issues being addressed by the House and the Senate and will factor into our decisions the results of their studies. We have deliberately proceeded slowly in implementing major changes to our telecommunications systems in order to properly consider the impact of such changes on our overall long-range ADP planning as well as on our selection of technical alternatives that will best meet our data and voice telecommunications needs.

GAO is evolving from a voice oriented organization to one where data will likely represent half or more of our future communications needs. We have taken several positive steps to help us make this transition. We have established a telecommunications branch in our Office of Information Resources Management and have recruited two new employees with extensive telecommunications experience. We have conducted some pilot programs to help us evaluate our alternatives and have carefully reviewed requirements as input to our long-range telecommunication planning process. We are now developing a long-range telecommunication plan that will meet our needs.

We recognize, however, that rapid changes in telecommunications have generated a need to update our previous analyses. Our most urgent problem is how to replace our current telephone system in Washington, D.C., with a modern integrated voice and data system. The replacement of the telephone system should be synchronized with our planned Facilities Modernization Program which will include upgrading the power and cable distribution systems over the next 5 to 6 years. We are examining several options, but at this time we have not completed our evaluation nor made a decision as to which alternative will serve us best.

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Mr. Chairman we would be glad to answer any questions you may have.