The Office of Management and Budget’s e-government management team met recently at the Washington offices of GCN and Washington Technology to discuss with the publications’ editors the administration’s e-gov progress and prognosis.

*What follows is the transcript of the conversation. Participating from OMB were Mark **FORMAN**, associate director of OMB for IT and e-government; Tad **ANDERSON**, government to business portfolio manager; Jonathan **WOMER**, government to citizen portfolio manager; Jeanette **THORNTON**, e-authentication portfolio manager; and Tony **FRATER**, government to government portfolio manager.*

From Post Newsweek Tech Media were Thomas R. Temin, vice president of editorial and executive editor of GCN and WT; Steve LeSueur, editor of WT; Gail Emery, WT reporter; and Jason Miller, GCN reporter; also Susan Menke, chief technology editor of GCN and William Welsh, reporter for WT.

TEMIN: We want to explore what's going on and what the future could be for e-gov projects and e-gov movement, in general. Really, we're looking beyond the 24 [OMB e-government projects], as I believe you are, in terms of budget and the policy and what's coming down the line.

So, I guess I'm going to ask the first question for Jason. We want to get an update about the midyear report. What was your methodology, and what's your feeling about what it is you've discovered in issuing that report?

FORMAN: That's a good point, Tom, I think, for me to give an overview of the status of the government, because I do think the midsession review does lay that out fairly well.

We took a two-pronged approach, and we continue to believe that's the right approach for e-government and the scorecard and for really transforming the federal government.

One prong is to make the federal departments and agencies into e-government organizations or e-organizations. And within that, we look for things like, "Do they have a modernization blueprint or an enterprise architecture that really reflects a technology is being used to modernize the organizations," and how they're moving from a paperwork world to the e-world, like the rest of society has moved.

We've got the use of capital planning business cases. You know, I continue to be impressed with [the agencies’] use of business cases, their growth. And I think now, even in the commercial IT world or industry-heavy IT users, we're starting to get some accolades for being leaders in use of capital planning in our business units, the agencies.

We look for security; progress on the plan of actions and milestones that came out of the [Government Information Security Reporting Act] report. Are they building security into the systems all the way through? Are they making progress on the plan of action and milestones? And that pretty much, I think, encompasses, within the agencies, the types of things that we look for.

We also have, as a second prong, getting agencies involved in cross-agency e-government initiatives. And there, to get to green on status, you have to be actively involved in three out of the four portfolios; meaning that you're partnering with other agencies that essentially touch the same group of citizens that you affect or you interface with.

So, for example, when we look at the Federal Emergency Management Agency, obviously, they have a heavy involvement in government-to-government initiatives. But by the same token, we're looking at the partners and some of their e-government initiatives, where they're the managing partner. And so, we score their partners, based on whether or not they're active participants.

In the results that we released [last month] in the midsession review, basically, I was very happy. There were 16 greens on the progress. And you notice in the beginning of the chapter some of the things that we've been talking about. We're rating agencies on how well they're making progress. And that's generally in line with the plan.

So, are they making progress in putting together modernization blueprints? Are they making progress on their plan of actions and milestones for the security plans? Are they making progress in a modernization blueprint that then ties back to their IT investment, their business cases?

So we see that the business cases are giving us greater detail on how they're doing the modernization that they laid out in their blueprint, their enterprise architecture.

In 16 of them, we are very happy that they are on track. They're making progress. Some of them are reds in status. Some are yellows in status.

The agencies that were yellow largely are making progress on their plans, but there are some issues that pop up. Maybe they're showing up at meetings to participate in their cross-agency initiatives. And that was OK for initial cuts, but now we need them to move beyond just showing up at meetings, to actively engage in those partnerships, be part of the solution.

Maybe they were making progress on their architecture and business cases, but there are three or four major business cases that are still outstanding.

And as you may recall, in the budget we laid out that there was a grouping of business cases out of the 900 major system business cases. There was a group of roughly 400 that were put on the high-risk list. So, we've been working with the agencies to get those cleared, to fix those business cases and get those validated.

And so in some of the agencies that were yellow on progress, there are still a few outstanding issues. By and large, most of the business cases have been taken care of. They've been cleared.

There were, I think very few reds in progress in the scorecard. The areas that were reds—for example, I think Agriculture was laid out in some of the areas—we've been making clear that we see the scorecard and, indeed, the five agenda items as being interrelated.

So, for example, we are pretty happy with the progress Agriculture is making in e-government. They're doing some things in terms of modernization that have to now interface with things they're doing in their human capital plan, as an example. And so the areas that you see red in, the other areas, I think one of the things that's unique about e-government is there is always some interplay.

Financial management problems: Are they fixing that in their financial management systems investments? Is it showing up in the business architecture, in their enterprise architecture?

By and large, I think, on the standpoint of how the agencies are doing, that's terrific.

Now, we're also tracking how well we're doing in our portfolios. And that shows up, obviously, varied within the agencies' scores, but I think it's important to look at some of the things that are happening.

FirstGov: We took FirstGov from what I tended to refer to as 1,000 clicks to search, down to 3 clicks to service. And in working with General Services Administration, I think the results have been terrific. And so, now, Yahoo! has awarded them as one of the 50 most incredibly useful sites.

Some of the projects are rolling out. And from May through September, it's roughly 20 initial rollouts for the projects.

So, on these cross-agency e-government initiatives, we have adopted, kind of, a three-milestone or three-iteration approach. There's always at least one near-term milestone. That's deployment of a Web application. It's a low-hanging fruit. It gets some success for the team. And even some of those are now into second iteration.

So, we did the news release this morning. that Megan sent out and Department of Labor sent out on GovBenefits. That's now up to 85 programs. And that, *USA Today* has said, is one of the most useful sites. And so they've given that an award. That will continue to be useful, but that, too, is the first iteration of that.

So, we have a lot of these first iteration, low-hanging fruits that are deploying, building success in these e-government initiatives, showing agencies that they can work as a team across traditional silos. So I'm very happy with the progress, as well, on these e-government initiatives.

TEMIN:OK. I want to get to the portfolio managers now. And maybe, briefly, we can just go right down the line, starting with Tony. What are the good spots, and where do you need work within your portfolio?

FRATER: Well, so far they've all demonstrated that we chose the right line of business. I think, during the Quicksilver process, we did focus groups with the state CIOs, state and local IT leaders, and folks that could give us some information. And they kind of validated that the group that we picked was a good group.

And so, as we've gone out and started working on them, our partners have been pretty excited about—especially the National Association of State CIO and some of the folks like that—what we've picked. And so far, they've been more than willing to work with us. They've been more than helpful in meeting us halfway and working with us. So I think that's been one of the bright spots.

And in terms of "where do we need to work more?" I guess, in a perfect world, we could have yet further involvement from the local governments. It's easier for us to reach out to state governments, just because they're so active and they come to town a lot, but I think it's a little more difficult to understand, particularly outside the Beltway. And since they're the major customer group, I feel like we can't get enough of their input into developing business cases and really to understand the use requirements.

TEMIN: So for nonstate then, what would you do? Pick the big cities? I mean, the issue is, say, if you're dealing with Los Angeles, they're different from, East Peoria, frankly.

FRATER: Right. I think there's different strategies for the different projects. In some cases, maybe with disaster management, that it might make sense to pick 120 cities, but for other places, I don't know that necessarily size is the best way. Technology adoption might be another strategy. There are different things that we have to consider in the ways that we reach out to them.

MILLER: As far as the projects go, can you give us a brief rundown of where they're at?

FRATER: Sure. Let's see. Starting with the disaster management one, we've recently had a pretty successful governmentwide meeting, led by Ron Miller [FEMA's CIO] that brought out probably the best representation we've had so far from the state and local or from the federal government. And that was probably in reaction to the President's Management Council carrying that very highly.

As always, I always get great representation from the user groups for disaster management. In fact, we've had a handful of meetings where there were close to a dozen state and local representatives. So that's pretty exciting to see.

I think they're doing quite well What's interesting from the user perspective is that it's not so much a redundancy issue, which we see clearly with geospatial and maybe the e-grants effort.

Those are more of a process integration, where no one's going to challenge the National Weather Service as being a leader in providing that type of information; or Transportation with transportation geographic information systems layers.

What they need is for those two folks to get together, so that instead of a disaster management official at state or local level spending all of their time getting this information or that information, we kind of put that together for them. So, I think understanding those requirements is really where we need to start really focusing over the next 30 to 60 days.

The Project Safecom initiative is also a very high-level initiative. It's very clearly important to homeland security. That's the one I was at first probably the most overwhelmed with because I don't have a background in radio technologies. I did have a few telecom courses, so I generally knew what they were talking about—

TEMIN: 'Push the button on the right with your thumb and talk,' right?

FRATER: Exactly. That one at first seemed overwhelming to me, just because there are science rules, there are technology rules, and then there are business rules. I mean, you don't want 100 percent interoperability all the time. Sometimes it's not appropriate.

And so, you have all of those factors. And then you mix in the fact that they have massive investments, I mean, local community concepts, huge investments.

TEMIN: Well, do you find, especially in that area, a lot of the cities are continuing to buy the old stuff, which may be superseded by what you agree on a year from now?

FRATER: Right.

TEMIN: So, they'll have a lot of new old stuff.

FRATER: No. Actually, the local governments are pretty savvy about getting what they need to help solve their business needs. I'm sure every community wishes it had more ability to invest more, I mean, some of their assets. That's not what the project is about. It's about getting interoperability.

So, I find that a lot of these people are very savvy. I don't think that's the problem. The problem is getting everyone on the same page as we move forward.

So, it seems to me that we've got a lot of high-level representation both from Homeland Security, Treasury, Justice, FEMA, Energy. All the CIOs have really stepped …–

TEMIN: **Commerce.**

FRATER: … and Commerce—have really, really stepped up to the table for that initiative. So I'm starting actually to feel very good about that one, because I think people understand the impact of it, and they really want to work with us.

We also hear that from the state and local governments, too. They're very interested in helping shape the project so that it's useful to them. I'm kind of excited about that one, actually.

E-grants: E-grants is, I think, really doing great. Charlie Havecost is an all-star. He's a really great project manager. There are different stages. And I think they did a good job of scoping that first.

[They asked] what was reasonable, what was going to hurt a little but was reasonable to get done. And I think they did a good job of that.

The people who work on that issue are very committed to serving their customers, serving their constituents. And they see this as something that's really going to help their customers.

TEMIN: Would it be accurate to say that the e-grants approach is really to unify and automate the processing, but not the intellectual content of judging grant applications?

FRATER: In the first stages, that's right, yes. I mean, there's the grant process [that], like every line of business, has multiple stages.

And, like Mark was saying, you have tiers in terms of what we're going to bite off. In the beginning, it's definitely we're unifying on the customer. So they're going to have a single place where they can look for and apply for grants.

And ultimately we can go further. We're going to try and unify around lines of business.

TEMIN: So will this place for grants be for individuals, say, academics, as well as governments? A lot of local governments live off grants, basically.

FRATER: Eighty percent of all grants, I believe, go to states, or at least state and local. So, that's our primary customer.

TEMIN: Eighty percent of grants by folder or by dollar?

FRATER: I don't know the answer to that question. I can certainly get that for you. It's in the analytical perspective volume.

But, obviously, folks from university committees sit in on and participate in our meetings. So, they're clearly a customer.

TEMIN: Yes. Yes. Academics have the best nose for where the money is of anybody, probably. Shall we move on to government and business and put Tad on the spot here?

ANDERSON: Sure. I don't even remember what the question was, now, at this point.

(Laughter.)

TEMIN: Well, we're just asking you to review the major elements of your portfolio and what the challenges have been to you and where some of the rough spots were. You can be honest here.

ANDERSON: OK.

LESUEUR: We’ll find out if you're lying.

(Laughter.)

MILLER: There's a lie detector hooked up.

ANDERSON: Is that what this is [microphone]?

(Laughter.)

ANDERSON: I'm pretty pleased with the progress that [the projects are] making. They all started out at different places. So it's kind of disingenuous to compare them side-by-side-by-side, but we'll go down each.

The online rule-making initiative really is probably the most interesting or the one I'm probably most excited about, because it's not only an e-government initiative, but it's also really an e-democracy, has a huge e-democracy component as well. And we've made some good strides with that project.

We have a working prototype. It's not available to public or businesses yet. We hope to roll that out by the end of August, to make that available. And what it will be is an informational portal for citizens and businesses to be able to find out where rules and regulations are, and comment online.

For those agencies that can't or don't take comments online at that point, it will at least provide users with the information that they need to comment and write. Business Compliance One-Stop is also a great, great project. We had a very good meeting last week with Larry Singer, the CIO of the state of Georgia, who is very excited about working with us.

We'll have three states that are really excited about working with us on this project in the first phase, which are the state of Washington, the state of Illinois, and Georgia.

We're looking to roll out a prototype in early fall, with those three states, that will show three different layers of transactions at the federal, state and local level.

TEMIN: That's reporting compliance, pretty much?

ANDERSON: Yes. The first two industry sectors that we're going to focus on are restaurants and trucking. Restaurants in the state of Washington, and trucking in the state of Illinois.

Federal asset sales: We've already met an early milestone about rehosting a project at FirstGov, but we will have a one-stop by December 2002, that will be a one-stop for citizens and businesses to search and cross-agency and have at least an active online auction for personal property.

Let's see. International trade process streamlining: We're really focusing on the export side of the trade equation right now, and making it easier for businesses, particularly small or medium enterprises, to export their products. And we'll do that through an improvement in *Export.gov*, in reaching across some agency silos to get that type of agency information all available on the single site, as opposed to having a small business really have to figure out or hire somebody there to go in the government to get the information that they need.

MILLER: Will there be transactions involved?

ANDERSON: There will be some forms. And right now, what we're taking a look at is some of the forms that are most burdensome to businesses. One of the ones that we've heard is particularly onerous is the North American Free Trade Act forms. So we're working with another part of OMB to figure out how we can streamline that and make it a little bit easier for the businesses.

TEMIN: **Because it's the same form for everybody, right?**

ANDERSON: Exactly.

Tax: Expanding electronic tax projects for businesses, too, is something that I think the business community has been talking about for a long time. They're finally going to be on the cusp of actually getting some benefit from this. And that includes the 9-4 series of returns, as well as the 1120 corporate returns.

TEMIN: **Do you mean the quarterly stuff?**

ANDERSON: Yes.

TEMIN: Because a lot of businesses resent the fee, because they feel that since the government is saving so much paperwork, why should they pay $30 to file quarterly? Is that part of it?

ANDERSON: At this point in the early stage, no. Streamlining some of those forms is what we're trying to take a look at, or making them more accessible online.

LESUEUR: But not filing the forms; just accessing them?

ANDERSON: Downstream, it would be the filing of the forms.

MILLER: So, second iteration? Third iteration?

ANDERSON: Exactly. Big steps.

MILLER: Because doesn't the IRS already offer the filing?

FORMAN: In the business area, it's very sporadic.

LESUEUR: And I have a quick question. Going back to Export.gov, who is the lead agency on that?

ANDERSON: Department of Commerce.

LESUEUR: Commerce. And does that play into what, say, IBM is doing with Customs modernization? Does that have to be coordinated with them, or does that affect that at all?

ANDERSON: We'd like to see the import side involved in that project definitely, because trade is, obviously, a two-way street.

LESUEUR: **Yes.**

ANDERSON: But as Mark said, we're really focusing on the more the low-hanging fruit early on, which is clearly the export and export promotion side of the equation.

We're going to need to work with Customs to get that done, for in the short-term, it's really working with Commerce and other agencies on export financing and providing companies with the information they need to make it easier to export.

FORMAN: But most of these issues, when they are going to get hashed out, are the actual Extensible Markup Language data definitions, because you wouldn't want a separate export set of data definitions and an import set of data definitions.

So it's at that XML layer that you'll see the most engagement between the outbound and the inbound.

TEMIN: But different industries have different layers of completeness, if you will, with their XML definitions, right?

FORMAN: Right.

TEMIN: I mean, they're not all up to speed.

FORMAN: Yes. And when it gets into the filing of reports, we haven't gotten anywhere near that yet. It's still paper, right? So, rather than having electronic filing of paper forms essentially, it's clear we've got to move to electronic transactions. And at that point, once you set up that XML definition, it's relatively straightforward to get to the …

TEMIN: I wrote my first X.12 story 22 years ago. And here we are.

(Laughter.)

TEMIN: Government to citizen, the fun stuff.

WOMER: The fun stuff?

(Laughter.)

WOMER: I suppose this portfolio is a little bit different from the last two we went over, and the other one in the customer group is so unfathomably big and, you can't put them all in the room and ask them what they'd like to see. And even if you did, they probably all wouldn't agree.

We rely a lot on focus groups, generally, polling data, and different organizations that purport to represent different groups. I suppose the focus groups are probably the most important piece of that.

And a lot of the federal government's work is really sort of—you could almost think of it as outsourced to the state and local governments, when it comes to services to the citizens.

I mean, we do some, but when you look across the board at lot of programs, even programs that have a big federal name that people recognize as being federal, most of the real day-to-day work is done by state and local government, which makes this whole process rather challenging.

So, some of the projects are interested directly in service, but a lot of them are providing information to citizens in a more easy-to-find manner. That wasn't the case earlier.

There are some process integration aspects and other aspects to the projects that are similar. A lot of them involve or could potentially involve private-public partnerships.

And what I found interesting about the whole portfolio is, those projects that have to deal with more than one of those have a lot more challenges to overcome than the ones that have to deal with a couple of them in stages.

So, that's sort of an overview of the portfolio. Do you want to go through each of the projects?

TEMIN: **How many are in there?**

WOMER: There are five.

TEMIN: **Yes. Yes. Why don't you run through them and just –**

MILLER: Just describe where they're at.

TEMIN: **Especially if they have milestones coming up or you have deployments coming up.**

WOMER: GovBenefits is the first one with a major public milestone, and that happened in the end of April. It's basically an eligibility tool for federal benefit programs. It went online. And we're basically, right now, in the stages of adding extra programs.

As Mark pointed out, we added 30 not too long ago. And basically, until the end of the year, they're going to be adding a lot more. There's probably around 250 or so benefit programs that we have going on. With the 85 we have in there, there are a few programs that provide a lot of money.

And then after that stage, the application process will be looked at and integrated. It probably won't be possible, especially at first, for all of them but for a few big ones. We'd like to see if we can pull that off.

And all of these processes, of course, are going to require substantial interaction with state and local governments to make it realistic and to make it happen in an efficient and effective manner.

Recreation One-Stop is a project basically to put federal recreation information online, and it had been ongoing before this point, but the point was just sort of accelerated and added some new features.

They held a big event. Oh, it wasn't a public event, but the public was invited to talk to basically private sector groups interested in recreation, about how they could work with the Department of Interior who is a large organizer of this project, and to maybe provide sort of a joint activity.

That dialogue is ongoing. And we hope come up with some good ideas working with them by the fall. But in the meantime, we'd like to add some functionality to the *Recreation.gov* site, including some mapping pieces and grouping some of the information ability, hopefully, this summer and early fall.

But one piece that I totally didn't count on is that these outdoor agencies get a lot of volunteers. Volunteerism is a very big part of maintaining the National Park Service. The fun thing about, I think, this stuff in general is you get to see a lot of different agencies and different activities, in aggregate, that a lot of people wouldn't.

And they have built a component on volunteerism, to be able to post volunteer opportunities that the federal government is looking for from the public. And we hope to be able to put that out this summer.

MILLER: That's the *Volunteer.gov*?

WOMER: Yes.

MILLER: Is that up?

WOMER: That's in prototype right now.

FORMAN: And I'll tell you: One of the things that's unique about that, having a site to collect people who want to volunteer, and route them to different agencies, that's pretty easy stuff. That's e-mail type stuff. This [has a] tool, though, integrates a work planning side. So this is not just for people to volunteer, it’s for people who use volunteer labor within the government. And as Jonathan said, that's the recreation facilities and it's the veterans' hospitals. Everybody who's been in a hospital remembers the Candy Stripers or whatever. I did that when I was in college for a couple of summers. It was a good thing to do.

And so another aspect of that, obviously, is that we're focused on the human capital issue. And I think you can't forget that some of the major issues in managing the parks come down to getting the right volunteers to the right places. It's the first time anybody's had a workload-planning tool associated with that.

MILLER: Can you describe it a little bit more?

FORMAN: Yes. I don't want to get into too much detail until, obviously –

TEMIN: But is a contractor building it? I mean, is it a packaged good that you're installing?

WOMER: There's contractor work involved. But, what's great about all of these Web applications is they're not intergalactic tools that have to be built. Most of the stuff is off-the-shelf. And the real difficult part really requires the data gathering and putting it all in the same formats. That's where the work ends up. And a lot of that really has to be done by the federal government.

One of the other projects is the EZ Tax Filing Project. I don't want to give away too much, but we're hoping to work with the private sector and be able to release an interesting proposal for tax filings for free, electronically, over the Internet. That will be real exciting.

FORMAN: Let me just say, you remember when we first released this, we had the wrath of the tax software industry upon us. And we made very clear that there is no free lunch here. The government makes it complicated for citizens to get service or to file.

A big part of e-government is to simplify, leverage the Web-type techniques, the Web-type business approaches, to make it simpler. And we use that example, even in the budget, you may recall.

The tax software industry has been dealing with this in the states. And they've basically taken the position that there is a cottage industry. It's been created because the tax code is so complicated. It's their job to uncomplicate it, not the IRS' job. And that's a basic philosophical difference.

We believe that part of e-government is reducing the requirement for lawyers and accountants. Uncomplicating government is a key value proposition for e-government. And that's threatening to certain groups.

TEMIN: Well, yes. Companies can simplify in the sense of automatically interpreting the tax code, but then they also simplify navigating the filing process, which is different from the tax code.

FORMAN: That's right.

TEMIN: I mean, there's nothing OMB can do about the tax code.

FORMAN: That's right.

TEMIN: You can try.

(Laughter.)

FORMAN: That's right. That's absolutely right. And, of course, the administration, I think, has been fairly clear that we are going to do whatever it takes to simplify things. And part of it is on the regulatory side, and part of it is just on the use of modern tools of interface in the e-world.

So basic things, to us, are no-brainers. I mean, it takes you 20 minutes to key in your data on a telephone. You can probably do that in a minute or less at a keyboard, right? And that's a simplification-type thing that we're talking about.

LESUEUR: Before you started e-filing for taxes, some states tried it and some, like California, backed down under the pressure from the software groups. Have you gotten any feedback from the states about this?

FORMAN: I'll tell you some personal experiences in this regard. When I was with IBM we were working with a state on their e-government strategy, and they were one of the first to put up electronic tax filing for businesses. And they got a lot of accolades. And they actually put it up as a pilot. They took an innovative approach, as we were taking, but they only had 100 out of 80,000, just 100 people using it. The governor wanted to take it full-pipe, but they couldn't get any more people to use it, because the way they had been doing it in the paper world was print out your financials, staple it to a card, and send it in to the state. The way, in the electronic world, they had set it up, you had to literally have somebody rekey that data.

So, the e-world requires you to do electronic transactions. That's clear. And how you interpolate that and how you put that into a solution determines whether or not it's going to be a successful e-government initiative. And I think if you look at some of the press, people have said a number of states haven't had good results in take-up rates. And quite frankly, this is a function of how well you do the Web interface, how well you do the usability engineering, those tools and so forth. It's not rocket science. It's the quality—software design and quality.

One of the things that we made clear with EZ Tax Filing is: The IRS doesn't do their own software for new projects anymore. That's all by the prime integrator. That's why they have the contractors. And so in no case would we have a bunch of guys from the IRS start building software again. That's not the intent here. Industry is going to do this, one way or the other. That’s clear. And so, the question on this agreement is: Can we come up with an innovative win-win solution? I think what you'll see proposed is something that is innovative beyond our belief, something that would have great utility.

And so we're reluctant to talk about it until everybody has agreed to the last "i" that needs to be dotted. And that's the point we're in now. We're down to the final bits of that, but you'll see it's innovative.

MILLER: Because, you're working with the tax software industry to kind of find a compromise …
FORMAN: Yes. *[Editor’s note: The administration and an association representing the tax software industry announced, subsequent to this roundtable, an agreement letting the IRS offer free online filing to an estimated 87 million taxpayers in exchange for the agency not developing software that will compete for industry products.]*

WOMER: No. I've been really, really happy with the work we've been able to come up with on this proposal. I'm real excited about that.

TEMIN: All right. Are those all the projects?

WOMER: Oh, no. There's a couple more; USA Services, which is sort of a customer relationship management (CRM) integration. So, I was talking about the three aspects. This one is doing a real process integration, as well as information integration. And it should allow, basically, a little bit more of the integration of the CRM efforts of the federal government.

The hope is, sometime early this fall, to have some centralized CRM work. So, if someone doesn't know where to go, they get more help in being directed into where to go in the federal government; not just via the Web, but also via phone and e-mail.

E-loans is a project for simplifying the loan processes of the federal government for the public. The interesting thing is that this has private-public partnership issues. About 88 percent of the monies that are loans from the federal government are really private sector-based, and the federal government just guarantees the loans. Only about 12 percent are direct.

It has information integration aspects, and showing citizens where to go to find information. And it has process integration pieces.

So, we're doing a lot more in-depth study with key stakeholders on trying to figure out the best order to do things, and what, really, the value added is, because now there's multiple variables that move around at the same time with this project.

FORMAN: Do you want me to talk about internal efficiency and effectiveness? I mean, that is the heart of where we see some of the integration across the management agenda items, because that gets to the management systems associated with financial management and human capital performance-based budgeting.

I think we've seen some outstanding progress there, across the portfolio. If you take a look at the projects related to human capital—the e-training, e-recruitment, enterprise human resources integration, payroll processing, e-clearance—some of what we've done, we've achieved just because we put [on] a White House focus. E-clearance is an example, where we put out a Clinger-Cohen type letter, or circular—was it a circular?

EMERY: Bulletin.

FORMAN: Yes. It's a bulletin. And what was happening, basically, is everybody had their own database, and nobody trusted each other in the adjudicating background investigations. So, when an employee left government and came back or moved from one agency to another, we pretty much started at ground zero, re-adjudicated the file, and that created a huge backlog.

TEMIN: Oh, yes. Ken Adelman had a story in the *Wall Street Journal* last week about that.

FORMAN: Did he? Good.

TEMIN: **I think it was Ken. How many times he'd been investigated, over and over …**

FORMAN: Yes.

TEMIN: … every time he comes in and out of a government job.

FORMAN: Well, I had the very same situation because I've had clearances from Office of Personnel Management, when I was at the Government Accounting Office and the FBI. GAO did the investigation with OPM. And then, on the Hill, one part of DOD in industry, and another part of DOD in–and so forth.

And the more times you've been investigated and proven to be cleared, the longer it takes them to clear you.

(Laughter.)

It's the opposite of what you would expect. But that was simply a question of getting the key players together and getting them all to agree on some standards and to consolidate the database for adjudication, so somebody could go and see that. And by having one copy at OPM and one copy at DOD, and having, essentially, that joint adjudication results database. And now, by the end of this year, via this bulletin, all agencies are forced to enter that data.

All of a sudden, you get facilitation for other things that were, or should be, real easy, like the e-form front-end, so that you don't have to keep typing it out in paper, you can just update the data. And if you look at some of the backlogs, that's pretty critical, because some of the backlog is just investigation for involvement in a special access program, and it's more validation than a real investigation.

So that's the type of thing where we just came in and, essentially, through these partnership meetings forced agreement, and then locked that agreement in, as we were doing with these Clinger-Cohen letters, and then, boom, everybody's coming on board.

I remember getting an e-mail from one of the smaller, I think, energy-related agencies, saying, "We've moved all of our stuff over. Are we the first?" It's kind of that type of competition to be part of this new way of doing things, once they're on board.

But if you look across that whole e-training portfolio, and you compare that to Kay Coles James' vision for a modernized OPM, a change in their role, better service to the agencies, in strategic human capital management, they've now embraced that as part of their enterprise architecture approach.

And they may be our first green department. It’s one of the bigger agencies. National Science Foundation got the first green in the scorecard, but they may be the first large agency that gets to green, because they have a very clear modernization blueprint. They have all the business cases, a clear focus on that.

TEMIN: **OPM.**

FORMAN: They and another department, I think, are in competition for who gets to green first.

TEMIN: And that would be –

FORMAN: Well, I think Labor, clearly, is doing very well. There, too, you see that in the program, the partnerships that they're managing with *GovBenefits*. So it's not surprising that we're seeing the ones that are doing well in the e-gov initiatives. Cross-agency are doing well in their e-gov within the agency. I think that's a good sign. They get it. They understand it. They've embraced it. They're making that transformation. That's what we want.

The integrated acquisition has some awful neat components. Again, this is an area where a lot of people are doing e-procurement, but the studies clearly show, via competition and contracting, we've pretty much competed away the margins, from dealing with industry. The government margins and services are low in the industry.

You know, in today's environment, we're giving margins on services the other industries aren't. But we will get the biggest bang from integrated acquisition in things like getting rid of erroneous payments. So it's the integration between acquisition and financial management—supply chain integration.

And the team is leveraging investments by one agency across others. They're deploying some neat tools. It's not just FedBizOpps now, but they, too, have a pilot that is just going live this week or just went live, to look across all the indefinite-delivery, indefinite-quantity contracts. So, a government purchasing officer could search by item—

MILLER: That's the Web site, the GWAC Web site.

FORMAN: Yes. And that tool. And now you can see "What can I get for what price where?" I think, if you were to look at GSA Advantage, that continues to move forward quite well.

So, overall, the portfolio, I think, is moving ahead quite well. Records Management is the last one that's hanging out there. And Energy has stepped up for the issue that really elevated that program. I talk a lot about the fact that citizens deal with us, not as one department or the other, but as "the government." And, so, we've seen an increase in requests for responses that reflect a program that cuts across the government or an issue that cuts across the government. And that was a records management issue.

Energy believes they've developed a solution for that. And so, they've offered that up for all the agencies. They're working with National Archives and Records Administration to get that embraced.

And it's things like that, where we're leveraging current initiatives that are really advancing that portfolio.

MILLER: This is a software program that will consolidate records and allow searchable or …

FORMAN: It's not consolidating records. It's basically allowing a records-keeping compliant response to a cross-agency request for information—doing a response to an issue. And NARA's dealt with that and has guidance, as it relates to any one agency.

What happened in the Quicksilver Task Force last summer was that agencies were starting to get bombarded by cross-agency requests. And there really was no accepted way to do that under the NARA guidelines, you could say, no fair synopsis.

TEMIN: Yes. Let's discuss e-authentication.

THORNTON: Well, sure. E-authentication is a critical piece to help all of the other portfolios succeed. The government has to have an easy and common way to be able to verify who they're dealing with. And you're all familiar with the processes that take place in the paper world.

When you're going to do a transaction with government, there are certain things that you have to do, certain forms of identity that you have to present. So, e-authentication is moving that to the e-world and providing a common way to do it for the e-government initiatives. The initiative has had strong participation from industry to develop a solution using emerging technologies. And we'll have an initial deployment in the fall.

That system will probably use a few applications and a few different forms of identity credentials, but there will be more on that to come in the next few months, because e-authentication really is one of those key barriers, along with enterprise architecture, for everyone here to reach success.

It's primarily working to leverage the current investments in authentication across the federal government. You're probably familiar with the federal bridge that has done a lot of work in integrating authentication in the PKI world, the public-key infrastructure world. And e-authentication goes beyond just using PKI, but also will use some PIN-password applications, as well. So, it really is a multiprotocol approach.

The technology work is the easy part. It's the policy work that is quite the challenge, in getting all these different agencies to talk to each other. And in my other hat at OMB, I also have a responsibility for working on some of the policy issues with the e-authentication team. So that's probably what I would see as our biggest challenge in the next few months, in working with the privacy issues, the data sharing issues, and just getting agencies to talk, just to talk.

TEMIN: And how about DOD? They're working on a giant smart-card program …

THORNTON: Sure.

TEMIN: Do they talk to you?

THORNTON: Yes. DOD is the leader in PKI deployment, with their common access card project. The e-authentication solution is about leveraging investments like the DOD card. So now someone who works at DOD can now use that same credential to talk to another federal agency. That's what e-authentication is really getting at.

TEMIN: **But DOD, I would imagine, concentrates more on authentication within itself.**

THORNTON: Yes.

TEMIN: You have the responsibility for citizen authentication and business access authentication. If I'm filing [EPA-required] reports, I can't— anybody just can't do that. And then there's the whole Access Certificates for Electronic Services (ACES) contract, which I think might have had a task order or two. How do you bring that in? I mean, what's the objective of e-authentication for, say, program managers who need an authentication component for what it is they're doing?

THORNTON: E-authentication is working to provide groups of solution sets for the federal government program managers to use. ACES would be an example of one of those solution sets, that for certain government-to-citizen transactions, a federal program manager has at their disposal to give their customer an ACES certificate, which would then interoperate with the e-authentication infrastructure.

And the same thing goes for a DOD certificate. Once all of that policy work that I referred to earlier is completed, that allows that mapping to take place. And that's kind of a further iteration of where we're going. That's not something you're going to see happen in the fall, but once that policy work has been completed, then you will see that in the future.

TEMIN: Well, who participates in the policy work?

THORNTON: I mean, OMB has some general responsibilities. It's given out guidance from the Government Paperwork Elimination Act and e-sign and beyond, and also with regard to privacy and data sharing and agency implementation of Circular A-130. There's a lot of experience at GSA when it comes to policy work. And the various PKI groups across the federal government, the policy authority, the certificate authority, and the work that was done during ACES, and as well as at DOD, the work that was done for the common access card.

TEMIN: So, that's a lot of roosters to round up.

THORNTON: It's a lot of different people but the key for e-authentication is being able to bring those folks together, and you'll be seeing some early policy guidance coming from OMB probably in the fall.

FORMAN: But, Tom, the one thing to keep in mind—PKI, as you said, the ACES contract was a PKI contract. PKI in both government and industry has shown the difficulty selling just infrastructure.

TEMIN: Well, it's just nobody knows how it works.

FORMAN: And it doesn't derive any value until there's an application. So, it's the application of the PKI that's the issue for e-authentication.

TEMIN: **Well, I would go further and say, until there's an application that's transparent to the primary application. In other words, if I'm applying for a grant, if I'm filing my monthly pollution statements, I don't want to have to do another whole thing with a certificate.**

FORMAN: Right.

TEMIN: Because nobody knows how to do that or what they are or …

FORMAN: That's right. If you look at industry, you'll see a couple of trends. And we've talked about both with Project 1. Yesterday or last Friday, the Liberty Project came out with their draft standards. And Liberty Project says that authentication, signatures are going to become ubiquitous. And so, maybe that ought to rest with the individual, just like your physical signature does.

The alternative is to say each application has to have authentication. And we need to be able to bridge around the business process. So, the authentication rests with the people that own the business process. That's e-authentication.

TEMIN: That's kind of where the Web is now.

FORMAN: Right. And in fact, as you see in e-markets, some trading exchanges and so forth, you can come in with whatever certificate you have; you just have to have one. And then they have bridging concepts.

So, the industry is clearly taking a two-pronged approach. As a government, we've got to be there for both. We can't be behind what's going on in the industry, especially. As you said, as a business, if I'm going to interface with Business Compliance One-Stop, trade process streamlining and so forth, I don't want to have a different chit or a different PKI. Or maybe it's not a PKI, but whatever the authentication tool is, I don't want to have a different one just because one is a conglomeration managed by Commerce, the other is a conglomeration managed by SBA or maybe EPA. That requirements assessment that leverages in these cross-agencies initiatives a pretty key element of the authentication projects work, I think, as Jeanette was saying.

MILLER: I was just wondering if the success of e-authentication is going to depend on whether or not DOD accepts ACES certificates.

FORMAN: No. I don't think that's the case, because DOD is looking at some of its internal things. I think you have to look at the major customer segment involved here and look within the portfolio.

If DOD doesn't accept ACES, what does that do for Tony's portfolio? For Tad's portfolio? Not much, basically. It doesn't do anything.

Now, there may be some implications for internal efficiency and effectiveness. And those we have to work through. And I think they are being worked through. My sense is that our discussions with the CIO team at the Defense Department, that's under their control. This is not off their radar screen. It's a very manageable situation.

When we get to the G-to-C arena, I like to think all government employees are, after all, citizens, because I feel like a citizen who’s a government employee.

TEMIN: At least that's what the background check said.

(Laughter.)

FORMAN: That's right. But in order to maybe go to a park and make a reservation, is that that big of a deal that I can't use my ID card at DOD to make a reservation at a state park or a national park? We'll have, as Jeanette was saying, some policy issues; I have no doubt. But that's kind of the easy discussion.

I think, when it gets to the point of contractors and integrated acquisition, that's where we have to see if there are issues. And I do believe DOD has that well under hand. We're not going to have those issues.

TEMIN: Gail, did you have a question?

EMERY: I wanted to ask about funding and if the $45 million e-gov fund is approved in the 2003 budget.

FORMAN: Right.

EMERY: How will that money be used?

FORMAN: The director has been fairly clear in his testimony. And we've said the same things in our meetings on the Hill. It's really leveraging of the applications that cross agencies. OK?

So, just like we used the $5 million this year to support integration tools, like the GovBenefits tool, GIS, that authentication cut across the agencies, it will go there, but next year we'll be able to go deeper. And we'll be able to look for the return on investment based on opportunities to do consolidated or integrated investments. So, the intent is that we'll be able to do so much more in the realm of consolidation around the customer, the citizen.

EMERY: Can you elaborate on that a little bit, in terms of consolidation? Does it mean the money will allow you to add more programs to these 24 initiatives or to add new initiatives?

FORMAN: The focus would not be to add new initiatives in 2003, because the 24 were in the budget. But it's really a question of where the opportunity is to buy once, use many. And moreover, can we continue to leverage the technology to do that?

TEMIN: **So, in 2003 there won't be any new initiatives under the portfolio system.**

FORMAN: As we go through the 2004 budget process, we may find some new ones. We may identify them, because, remember, what we're doing as part of the 2004 process is looking at the federal enterprise architecture business reference model. And in the Circular A-11 guidance – and I encourage you to take a look at that – we've literally laid out that it's a priority for joining up in investments and agreeing to buy once, use many. So we may see some opportunities through that.

MILLER: Well, I remember talking to Deborah Stouffer, and she said there are four areas that you guys are starting kind of, I don't want to say another Quicksilver process, but a look at the cross-business lines. Because once you got the business reference model done, these lines of business, these are the subfunctions. So, aren't you looking at homeland security back-office functions?

FORMAN: In the business reference model work, that's what we started at, but that's now down for all the sub-functions, and I think we're finishing up at around 137 sub-functions.

MILLER: **So those could present opportunities for other projects, but you're not necessarily looking for them.**

FORMAN: Right. What we're going to do is some analysis with the CIO Council, some of the architecture group, to identify some suggested areas for teaming, so that the CIOs can say, "Geez, if we're going to submit some joint [budget form] 300s, where might be ones that will be more acceptable to OMB?"

And, obviously, that ties back to the opportunities in the architecture, in the business reference model.

LESUEUR: I'm still a little bit fuzzy on something. If I were to say, "Well, then, what are you going to spend this money on?" it sounds like you've told me, "Good projects." But can you be more specific about what projects?

FORMAN: Good projects where there are consolidation opportunities.

LESUEUR: Yes. It sounds like you haven't identified those yet, then.

FORMAN: We have a handful that we've identified and are putting the data together. And I'd rather not publicly share those until we get into some more discussions with the appropriators.

TEMIN: I'd like to bridge over to the larger budget of IT, variously described as $50 billion, $60 billion for the federal government. And beyond these projects, I mean, $45 million, to the readers of *Washington Technology,* that's a rounding error.

(Laughter.)

TEMIN: **There are some big projects. What is OMB and your team doing? How does the e-gov and the 24 and that whole complex of things that we've been talking about for an hour, bridge over to some of the huge IT projects: Customs modernization, IRS modernization, FAA modernization and so on. Even some of the big military modernizations. How does any of this affect any of that?**

FORMAN: Yes. Absolutely. And again, I'd refer you back to the scorecard approach that we've taken, as opposed to just the portfolios.

The heart of e-government is to make the government citizen-centered and results-oriented. So, we focused our portfolios on the major citizen-centered grouping, the customer segments, if you will. We'll continue to look at those major investments from that standpoint.

The difference between "Does it fit in a portfolio or not?" is the question, or "Is it multiagency, or is it unique to the mission of that agency?" And that's why we've been so out front, getting the agencies to lay out an enterprise architecture, and to have it tie back to the lines of business and lay out that modernization vision as it relates to lines of business.

Now, in Customs modernization, as an example, I think that was one of the first areas where they had that architecture. They laid it out, GAO gave them accolades for being at the forefront of that. But now, post-September 11, things have changed.

So I think you'll see an awful lot of work along the lines you're talking about and the component agencies coming together in this Department of Homeland Security. It's just we now realize a lot of those business functions cut across agencies.

For example, the CIO Council started some working groups in the homeland security mission areas to accelerate that process. And we do anticipate seeing some joint Form 300s to present business cases in those very areas. You could think of Customs modernization as being tied with the question of package entry-exit to the U.S. And similarly, when you look at some of the border security areas, there's an entry-exit issue that hits INS and hits the State Department, the FBI, et cetera.

So, I do anticipate those showing up as joint 300s. The CIOs are already talking about how they can work together. It's a different environment than a year ago. It's a flat-out, 180-degree different environment, in terms of the ability to engage in teamwork and joint investments.

LESUEUR: You mean, different in that agencies are more willing to cooperate?

FORMAN: Yes. They understand that they've taken it from having to defend themselves to looking at, "Where is the value? Where are opportunities for working together?"

TEMIN: Now, the Homeland Security [Department] combines a whole bunch of things, and if you add up the current IT budgets, it's $2.2 billion if you take INS, et cetera, et cetera, those eight things. What are the chances of that figure surviving, intact, should this agency really happen?

FORMAN: Right. Let me say two things about that. We expect to see considerable savings from IT infrastructure consolidation. I think Mitch Daniels made that very clear in his reporters' briefing on Friday.

That said, there's a question on the missions, where, essentially, they're new missions. We didn't have projects dealing with those before.

So, we know we'll generate savings. And we know that this has to go through an enterprise architecture process. How that all gets reconciled and what the results are, it's too early to tell. That's part of the whole transition planning effort. What I would say is, when the department gets set up, I would love to see it as starting with a green in status in e-gov. That's Nirvana for a techie guy like me.

(Laughter.)

MILLER: Has work been done on the EA for the Homeland Security [Department]? Where is it at?

FORMAN: Right now, looking at key lines of business via the CIO Council working group, and then other analysis that, hopefully, you'll be seeing shortly. And I'd stay tuned over the next few days.

MILLER: When you say analysis, you mean …

FORMAN: I think the director made clear that there's a group that's been set up to look at some things. And one way to look at this, part of the getting to green, is setting up a capital planning group. OK?

We're doing our capital planning groups for the portfolios via these guys. All right. And so, for Homeland Security [Department], we're going to have to have that capital planning group, that investment review group.

MILLER: **So I guess we will see some movement, that OMB will kind of take a step forward in starting to prepare for Homeland Security or the creation of the department.**

FORMAN: Yes. You'll see details on that. I think the director was fairly clear last Friday.

TEMIN: I mean, it all looks great on paper, but the fact is, these agencies are vastly different in cultures and modus operandi and so on. I mean, when two companies merge, sometimes five years later they're still not really merged. You used to be able to tell Piedmont stewardesses from Allegheny ones …

FORMAN: Sure.

TEMIN: … 10 years later.

(Laughter.)

FORMAN: I haven't seen the data.

TEMIN: What is the reality of how this is going to go?

FORMAN: I haven't seen the survey data on that. If you talk to some of the key elements, they're law enforcement agencies. And so, are the cultures of law enforcement agencies different? Well, yes and no. I mean, the Transportation Security Administration probably has pretty good representation from other agencies. So I'm not so sure anymore. I mean, when you get the people who used to work together, the change management literature is pretty good, saying how do you get them focused, and you focus them on the vision, and you focus them on the goals.

The president clearly laid that out last week. And I haven't met anybody that says, "We're just not going to work together when we come together."

If I were to say some of our lessons learned from the e-government initiatives, where is there some push-back, it's probably going to be in the back-office systems. Somebody's going to say, "Does everybody need their own HR directorate, in the same way? If we've got seven or eight different agencies coming over, and they have an HR directorate, and they're going to move into four or five or however many directorates, will each directorate need the same HR directorate?"

So, I understand there's some angst there. And that's a normal part of the process, but that's not a justification to keep silos separate, right? That's how you manage the transformation.

TEMIN: **OK. Just changing gears a little bit: Bill Welsh is our state and local reporter on WT. I think he has a question.**

WELSH: I have one question. I did an interview with somebody in a leadership position at National Association of State CIOs, who's working this. He said the managing partners haven't contacted the states yet; that there's not a direct dialogue; they need a direct dialogue. He ticked off 16 of 24 initiatives he says they'd like to have a dialogue about and where that would go and so forth.

So, I guess I have a couple of questions. One is: Do you agree with that, that that's not happening? If it's not happening, why isn't it happening and when will it?

FORMAN: Yes. Yes. I think, actually, that's the case in some instances, and it varies project to project. The heart of our initial contacts were in Tony's portfolio, in the government-to-citizen.

What happened, via our communication, is a lot of the CIOs and some of the other state officials said, "Geez, GovBenefits looks good. I want to be involved in that." And of course, we can't have one national benefits application form, because there are state programs. But by the same token, we can probably have a different approach to integrating in some of the states' initiatives to do a common access form.

OK. The problem is, we started out looking at the National Governors Association, NASCIO. And in NASCIO, there's the architecture work, which the federal government has funded. There are some opportunities there, but they are still dealing with lines of business and infrastructure, and not getting into the core applications with the lines of business.

So, in GovBenefits—it's probably as good an example as any—you've got [former Kentucky CIO] Aldona Valicenti, who has moved from being the leader at NASCIO, and she'll be moving over to help her boss in the leadership role for the Tech Committee at NGA.

And so we're going to see the GovBenefits thing worked through, because Kentucky is also one of the leaders in the integrated application forum. So, part of this, therefore, is different states are at different phases, and we've got to work with them on that, on different projects.

Other projects, I'd say, it's kind of a mix that they've got to formulate who is going to work with them. Like, in *DisasterHelp.gov*, the emergency management directors want to work with them. The CIOs want to work with us. We need both, quite frankly.

The same thing is [true for] Project Safecom. We need both the CIOs, and we need the IT folks from the criminal justice arena, because sometimes they don't have great relationships.

On the counter side, we're seeing increasingly strong opportunities as we have more communication. The statement that I keep hearing, since I've been here, for both my work and for Steve Cooper's outreach, for the outreach that Howard Schmidt has been doing on cybersecurity, is, in fact, we're outreaching as teammates. In the past, we've been outreaching as orderers. And that's new.

So, now, you do have NASCIO putting together that group of, I think, 30 people to interface with us on a much more regular basis, to be doing …

WELSH: Is that the security committee on …

FORMAN: Yes, with Homeland Security [Department], with the business reference model and the federal enterprise architecture, with projects. And so we're building. We're all learning how to do this together, but we are all moving this forward together. And I'm very happy with that. I mean, I don't know if it's something that Steve Cooper and Howard Schmidt and I started, or if it's just that everybody recognized that "It's time to change the way we're interfacing with state and local government, but we're not building that relationship with those tools." So, that's going to take time. It's not an overnight thing.

TEMIN: **Question from Susan Menke of GCN.**

MENKE: **Are you familiar with the House of Representatives' XML project? Would you say it's the furthest along of any agency of the government?**

FORMAN: I wouldn't say. I mean, it is very far along for their lines of business, their application and their work. I'll tell you what's the underlying thing we've got to focus on. And it's something that I've talked about a lot. I'm finding that we need to move the federal mind-set from an electrified paper-transfer process to operating in an e-business environment. What the House is doing with their XML is not XML. It's e-business. They're doing it. They're moving to an e-environment. That's difficult for a lot of agencies, because we've got the Paperwork Reduction Act, and we've got the Paperwork Elimination Act. And even the Paperwork Elimination Act lays out, essentially, an automation framework, as opposed to an e-business environment or an e-environment.

So, can you find opportunities in the federal government or examples where we see just as modern an approach? Absolutely. That's why NSF got a green. They are an e-organization. That's why they're green on status. And they do make heavy use of XML.

MILLER: Let's go back to the portfolio managers, so you guys don't look so bored.

(Laughter.)

Obviously, I've heard that you all get together frequently. I'm sure there's a lot of information sharing and program management, and there's some other issues that you're free to discuss, whoever wants to just throw it out there.

Talk about where you see the most improvement needed. What do agencies need to do to move toward e-government, and where is it the furthest along?
TEMIN: I guess, to follow-up the third question, is there a kill list? A couple of people from OMB have said not all of these projects in the portfolio are going to make it. Which ones are lagging?

FORMAN: Let me deal with the kill list.

(Laughter.)

TEMIN: The famous kill list.

FORMAN: Yes. The kill list is not associated with these 24 e-government initiatives. The kill list was associated with the projects that didn't make the business case. And as I've said, 900 business cases showed up. It shocked the heck out of us.

TEMIN: You had one guy who read them all.

FORMAN: Well, we have a team. Basically, the way that we're operating under the director's leadership in OMB is the management side and the budget side are integrated together. And we work as a team.

So, we have somebody that works with or focuses on each agency and works with the RMO or the Research Management Office for that agency. And we read the business cases jointly.

We hope to get help from lots of detailees again this year. In fact, we hope to get a lot more detailees this year, because we anticipate a lot more business cases.

But let me get back to the kill list. OK. There were 400 projects that we put on a high-risk list. And the kill list was going to be, essentially, the ones that didn't make the business case. The vast majority of them are off that hit list. They've made the business case.

Where would you look? Well, certainly, the agencies that have a green in progress. They've moved the projects off the kill list, the hit list. So I don't anticipate a huge hit list for 2003.

TEMIN: But how do you verify that they just didn't do a great form and if they really deserve to be off the hit list?

FORMAN: We're looking for: Did they address the key issues, the documentation? That's really all that goes into that form. Some agencies have sent their whole business case analysis. We want them to do the analysis and give us the results in the Form 300.

We've got fairly sophisticated folks that know when they're getting snowed by the agencies. It's things like we require security to be put into the plan. So, they've thought through that they need an electronic signature and they need authentication. So, there's something about that in their work plan versus, you know, a milestone is "to address security."

(Laughter.)

FORMAN: We know when we're getting snowed. Having the executives get the vision that says, "This is when it's done right" is a key part of that process, that alignment in the process. So, the linkage is that capital planning process. The linkage is back to the enterprise architecture. If we're getting business cases, and it doesn't comport to what's in the enterprise architecture, we'll hold up the business case.

So, for example, we held up some Treasury financial management systems modernization until their enterprise architecture knew what it meant to say accounts payable and accounts receivable. Those, we believe, are why you do financial management systems investments at the Treasury Department. And they had to be synched up. That's a sign we were getting snowed.

TEMIN: But do you have your thumb on the spigot, too, so that you can stop the money for those?

FORMAN: Yes. That's exactly why we take that team-based approach within OMB, between the people that are more IT and the people that are more budget. They go through these issues together.

FRATER: I'd also throw in that since capital planning processes have become more robust within the agencies, we don't see as many bad business cases come over. And since there's been a more mature process—the capital investment boards, I mean, when they sign their name to that—the CIO or whoever is in charge of the capital investment board signs their name to that and says, "Yes. We voted on this as a committee. This is a good investment." And they hand it to us, it's much less likely that we're going to get something that hasn't been bedded in the agency. So, that cuts down on your paging through and going, "No. No."

FORMAN: Part of the success of this is that there's this dramatic ramp-up in the amount of people that are going to the business case training courses. When we did the business case training for A-11 for the coming budget submission, we had 1,500 people show up over a two-day period.

I've got to say, there's some dramatic shifts in mind-sets that are going along. And that's why you're seeing agencies get to green. But I think, also, we should be fair about this. As Tony said, this is not new. This goes back to the Clinger-Cohen Act, that agencies have been required to do this. So, maybe it's the luck of this accelerated curve. More likely, it's a fact that we've taken a disciplined approach and said, "No major systems investments without a business case."

LESUEUR: **So, you're not going to tell us those relatively few that will make this kill list?**

FORMAN: No.

(Laughter.)

TEMIN: **Question is: Will you ever**?

FORMAN: Yes.

(Laughter.)

TEMIN: **Well, also, isn't there a back door? The committees, too, sometimes restore things. I guess it's a change in history, but they restore things that administration may want to kill.**

FORMAN: Sure. But in this IT arena, we're not killing things because we think it's a bad policy. We're killing things because they don't have a real program manager. So the program management plan is not real, or they haven't worked security in, and they come back to us and say, "Hey. We'd need $40 million just to do the security on this. It's not worth it."

We'll say, "Well, go figure a way to get the security done, or you're right, it's not worth this," because we have to have security in federal information systems. It's a given.

TEMIN: Well, you’re not also killing bridges and roads, either.

FORMAN: Right. Well …

TEMIN: At least in this group.

FORMAN: So, if somebody were to go to the Hill and say, basically, "OMB killed it because they didn't like it," the appropriators would do what they're prone to do, which is send GAO to see "Why did it get killed?" And GAO comes back and says, "No security here," rarely, I believe, never are we going to see a situation where appropriators are going to say, "Yes. Let's move forward with this and not make it secure."

The criteria that we picked are pretty much in synch with what appropriations staff would pick. I mean, it's coming right out of the Clinger-Cohen Act.

TEMIN: **Yes. OK. You were on to the portfolio folks.**

MILLER: To go back to the original question and get away from the kill list, when you guys meet and you talk about the information sharing and program management, in terms of how agencies are progressing, what's farthest along? What needs to be worked on within the portfolios?

ANDERSON: I would say that the areas that are furthest along are probably the capital planning and investment control and, probably, enterprise architecture. And the biggest challenges are probably change management issues and process integration. It's a common theme that keeps coming up as we go across portfolio and across project. Those are kind of the nutshell issues.

FORMAN: I think it's important to keep in mind this three-pronged approach that we've taken with each initiative and have that low-hanging-fruit initial deployment. And so, we end up with about 20 deployments this summer. The second is defining that integrated process. And that's where you're starting to pick up push-back, now, because that's hard. This is not just process re-engineering. This is, literally, laying out the process, the workflow and how you work together as a team, but that's not going to be overnight. That's not as easy as these low-hanging fruits. That's a harder thing. That said, we are seeing some successes. And the Business Compliance One-Stop, where it's not just integration across the federal, but integration within industry vertically with the state and locals.

And so, I don't know how you are, Tad. I'm pretty excited. It's not every industry, and it's not every agency, but it's in some pretty key ones. And it's with the states' active involvement.

ANDERSON: That's right.

MILLER: What was the third prong?

FORMAN: The third is deployment of the transformed approach—the real transformation or deployment. And that's going to be the hardest, because that has to have a migration plan and so forth, and they cut over the training.

TEMIN: Now, do you all expect to still be working in OMB by the time we get to the transformation stage?

FORMAN: The target on most of those, if you recall, from the strategy document, is most end up in December of next year. Yes. So we have another, what, six years left …

(Laughter.)

MILLER: I know part of the $5 million fund went to change management. Can you describe how anything has moved on that yet, or is it still in the planning stages?

FORMAN: The initial part of that was these partnership meetings. And let me give you the background on that. We had two or three iterations of the business cases coming out of the Quicksilver project, as we transitioned into the 2003 budget process. I would say, generally, the quality of the business cases went down. And the reason was: We did not have agreement, as a team, on the objectives.

And so we engaged in this change management to go through what we call partnership meetings. And those were alignment sessions you'd see in the change management literature. You get executives from the affected departments, the partner agencies, and everybody agrees on the set of goals, the vision and the objectives and milestones.

And that's where we learned that we needed to do this three-iteration approach —near-term, quick wins, get them something as a team they could embrace. So, that was, actually, a large chunk of the money. Then there was some change management project training, not from the standpoint of, "How do you do change management?" so much as "What are the change management elements that need to be included in these work plans?" Because to get through the process integration and then to deployment, each one of these initiatives is going to have to budget for change management. So, how do you put that in there?

Let's see. Process integration skills: We gave a workshop on that, workshops for gap analysis and use cases where the use case involves a process integration. How do you do that? That's a key part of the requirements definition, the more detailed process integration that has to go into the 2004 business case submission, in terms of work plan and the actual, what are they grappling with now, in terms of how to do this? So, that's what the $100K has gone for.

LESUEUR: One of the things we're looking at, at Washington Technology, is what's beyond the 24 e-gov initiatives to what else is going on in government that would be called e-government. Maybe it's not necessarily cross-agency or maybe it is, but it doesn't fall under the portfolios.

I'm just curious with each of the portfolio managers, and you, too, Mark, what other projects are going on out there that you would look at and say, "That's a good e-government project to watch. It might not be under my control, exactly, but that's an interesting project going on."?

TEMIN: **Yes. I would just augment Steve's question by saying he's speaking from the point of view of the vendors that want to know how they can get a hold of this and help out and partner and build their businesses.**

FORMAN: Well, let me give you some examples. I think you see it in projects, and I think you see it in architecture, where we give you some architecture work examples that I think are fairly cool, like the financial management architecture project at DOD. If that does not touch all the elements of their back-office operations—human resources, acquisition, and the interfaces with financial management—I don't believe that will achieve its goal, because it's very clear that that is their focus. They are looking at their e-business architectures.

And if you look at the path of enterprise resource planning efforts that have done this successfully in business, that becomes the enterprise architecture, because you start to realize you have people, assets and money, and your agility as an organization, your ability to quickly respond. In our case, policy needs are a function of how quickly you can get the money, the people, and the assets to where they're needed.

OK. It's the same thing in Homeland Security [Department]. Like you see, that's one of the reasons why we recognize that needs an enterprise architecture approach.

And so there are a number of these. I would actually put those into that category Steve Cooper talks about: foundation projects. These are the foundation-type e-business or e-government initiatives that we find interesting.

And then there are dozens of examples of e-government-type initiatives. Jonathan worked a lot on the Paperwork Elimination Act, GPEA. And I think one of the things, certainly before I showed up, that he was focusing on is: Were agencies really leveraging this to do things differently?

So, maybe you've got some examples. Maybe, even from last year's GPEA submissions.

THORNTON: The Social Security Administration has continually been doing some really great things. And I'm receiving retirement applications online. I think they've recently added some disability applications online that have really begun to address some of their workload challenges for the next few years.

I think Education, as well, has really been working with the college and university community, in terms of student loans and leveraging that work, hopefully, for the e-loans projects, as well. So, that's two that I can think of.

USDA has been starting to think about their modernization and some authentication work that they've been doing as well.

WOMER: And there's also just some classics out there. I guess it's not an executive branch, but the Library of Congress’ Thomas is an exciting portal for interaction with the public. And NASA has got …

TEMIN: What's the next big thing, I guess, is what we're getting at?

WOMER: The next big thing?

TEMIN: **Or the next big things.**

FORMAN: I think Integrated Trade Data System, actually, is certainly one of the ones that we're watching as an e-government initiative. There's the Customs modernization approach. There's another interesting proposal that's floating out there that says, essentially, you could outsource that. And so there's no doubt about it. We need the data. The question is: Do we need to own the data acquisition process, or is this another thing where, clearly, you could leverage XML to collect once, use many? Maybe we don't need to be the collectors, because somebody's already collected that data, but we just need to have secure access to it.

On the other hand, if it's going to move to XML, if it's truly able to integrate with e-markets, as I think they have planned to do, then that could have a big effect in re-invigorating cross-border trading exchanges. And it could be very useful to the economy as a whole.

If it's true—and I believe it is—the SBA data says [business has] somewhere between $350 billion and $500 billion of paperwork burden, and, our Paperwork Reduction Act report most recently said, 7.7 billion staff hours. You turn that over to productivity-yielding activity, they would be great for the economy. And so, I'm looking at things like ITDS, which gets right in that realm.

EPA has some interesting things going on with the states in that similar realm. EPA is asking the states to compile reports from businesses and local governments and so forth, and then produce a report to us. We don't need the report. We just need access to the data. That's moving out of that paperwork mind-set, into that e-environment, instantaneous data, fast decisions.

So I think EPA has got some neat things going on via the assistant secretary, Dr. John Gauss, CIO over there, continually making improvements. Now, we're seeing [improvements] in the architecture for sharing data, the data architecture, I think, as it relates to health care informatics. That's going to help them, because the industry wants that to happen.

What a neat thing that the government is at the leading edge, instead of trailing by two years. We're right there with industry in defining those XML standards and that architecture.

TEMIN: **Health care seems to be one of the most primitive industries that way, at least in paperwork and filing count.**

WOMER: A lot of complicated players in that market make it real difficult.

FORMAN: Yes.

TEMIN: **Tony, anything to add?**

FRATER: I think if I wanted to look at what the next big thing was, I would spend a lot of time looking at lines of business or processes that are really discombobulated for citizen or customer groups. And then I would think about solutions. I'd think about ways, migration strategies, to eliminate the discombobulation in that process. I hear hundreds and thousands of technology pitches, which are kind of meaningless to me because I want to understand how the line of business is going to be impacted by it, not necessarily, just sort of fancy bells and whistles.

FORMAN: And a lot of agencies are going through learning in that regard. When industry started to work on this back in the early ’90s, they used to talk about things like the theory of constraints. I don't know if you remember the theory of constraints—the notion that you could optimize all the bit pieces and still not fix the problem. You had to find out "What's the binding constraint?" and address that. That's the best way to focus it.

I think some of the agencies are really learning how to do that. That's, obviously, the types of things we're looking for, to see: Is this a snow job business case, or is this a real high-payoff investment?