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Opening Statement

Rep. Stephen Horn, R-CA

Chairman, Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations

In the aftermath of the terrible events of September 11th, the nation has prudently focused on its vulnerabilities. Most of this examination has been focused on the risks to the country's physical infrastructure. However, as the oversight conducted by this subcommittee during the last six years has shown, the Nation cannot afford to ignore the risks associated with cyber-attacks.

Federal agencies rely on computer systems to support critical operations that are essential to the health and well-being of millions of Americans. National defense, emergency services, tax collection and benefit payments all rely on automated systems and electronically stored information.

Without proper protection, the vast amount of sensitive information stored on government computers could be compromised and the systems themselves subject to malicious attack. As the recent spate of computer viruses and worms have shown, cyber-attacks have the potential to cause great damage to the nation.

It is imperative that the public and private leaders of this Nation know where weaknesses exist in their organizations so that they can effect corrective action. With that in mind, the subcommittee is releasing an assessment of how Federal agencies rate in their computer security efforts.

This is the second year that the subcommittee has issued grades on this subject. It is disappointing to announce that the executive branch of the federal government has received a failing grade for its computer security efforts.

Last year Congress passed the Government Information Security Reform Act which was intended to ensure that Federal agencies establish agencywide computer security programs that adequately protect the systems that support their missions. Based on the requirements of that law, the subcommittee has assessed the progress of the 24 major executive branch departments and agencies in reaching the goals of enhanced computer security. Overall, the federal government received an "F" in this effort. The Office of Management and Budget (OMB) has set the standard. The staff of the General Accounting Office and our own subcommittee staff has reviewed the OMB inventory. Agency Inspectors General and Chief Information Officers have been helpful.

Two-thirds of the agencies failed completely in their computer security efforts.

- The Department of Defense, whose computers carry some of the nation's most sensitive secrets -- an "F."
- The Department of Energy along with the Nuclear Regulatory Commission, which oversees the nation's nuclear weapons -- another "F."
- The Department of Transportation, which includes Federal Aviation Administration -- an "F."
- The Department of Health and Human Services, which holds personal information on every person who receives Medicare or Medicaid -- "F."

In all, 16 federal agencies failed this examination completely.

Five other agencies managed to keep their heads above water -- but just barely. The Federal Emergency Management Agency, General Services Administration, Environmental Protection Agency, and the Department of Housing and Urban Development, and Department of State all earned "D's."

The National Aeronautics and Space Administration did slightly better, scoring a "C-minus." The Social Security Administration, which performed an admirable job of preparing for Y2K, earned only a "C-plus" on its computer security program. And the National Science Foundation's "B-plus" was the highest grade awarded this year.

All of us in Congress are well aware that the nation is in a state of war. It is not anyone's intention to place this great land at further risk of attack. It is, however, very important that the new administration take heed of the sobering assessment the subcommittee is providing and work expeditiously to address this most important need.

I welcome our witnesses today, and look forward to their testimony.