



SEP 26 2007

Dear Colleague:

This is my first report to you on the status of the transition of services from GSA's government-wide telecommunications contract, FTS2001, to the follow-on program, Networkx. Transition from FTS2001 to the Networkx contracts will require a significant amount of time, energy and attention for GSA and for all federal agencies that use these contracts. GSA's Interagency Management Council formed its Transition Working Group (TWG) more than four years ago, and that group has met regularly to collaboratively plan for the transition.

As you know, the Networkx Universal and Enterprise contract awards were announced in March and May this year, and Networkx transition activities have been officially underway on both acquisitions for nearly five months. Plans call for the transition of all agencies' FTS2001 services to be completed by April 2010. While your representatives on the TWG and your agency transition managers are fully engaged in transition planning, your personal attention and support of transition plan execution in your agencies are essential to ensure the successful and timely completion of transition.

I am pleased to note that we completed final Operations Support System (OSS) verification testing for all Networkx Universal contractors (Qwest, Verizon, and AT&T) on September 14, 2007 and completed Certification and Accreditation (C&A) on all Networkx Universal contractors as of September 4, 2007. We expect the C&A process for Enterprise contractors to be complete on November 11, 2007. As a result, Networkx Universal contractors are fully capable of receiving and processing orders now, and Networkx Enterprise contractors will be similarly capable in November.

Under the Federal Information Systems Management Act (FISMA), each agency is accountable for ensuring that information processed by an OSS is safeguarded and that risks are acceptable. GSA conducted an initial C&A of the Networkx Universal contractors' OSS's at a "Moderate" impact level in order to meet security requirements of the broadest range of agency customers. If your profile is similar to GSA's you may be able to grant an Authority to Operate (ATO) based on acceptance of GSA's Certification and ATO Memo, or you may reuse GSA's analysis and findings as a basis for your own certification.

Our collective transition progress has been, and will continue to be, a subject of high visibility and interest. The General Accountability Office is already in place to evaluate and report on how we all are doing. While the transition activities are an agency responsibility, we are required to coordinate and report the progress of the transition. Therefore, we will gather information on agency planning targets, implementation milestones, and transition progress, to assist government in completing the transition

within the timeframe available. Regular updates on this and related issues are intended to be helpful to each of you as you evaluate your agency progress.

While we have accomplished a great deal in partnership with customer agencies, a great deal of work lies ahead. The enclosed status report cites planning and preparation activities that have been completed as well as the key activities that remain. A few of these are especially critical and have important implications. I want to highlight three matters that deserve your particular attention: fair opportunity decisions, milestone requirements for cost reimbursement, and OMB Memorandum M-05-22.

First, the fair opportunity process involves deliberate and documented market research that will determine which acquisition vehicle, Universal or Enterprise, your agency will use to complete a given package of services. This is a vitally important step which ensures that all Networkx industry partners are given the opportunity to compete. Once an acquisition vehicle is chosen, your agency will make a fair opportunity decision to select the provider to deliver your service package. Since the FTS2001 Bridge/Crossover contracts expire in May/June of 2010, it is critical that each agency complete this initial step as soon as possible (target March 08) in order to have sufficient time to compete the transition in the timeframe available.

Second, to assist agencies with transition resource requirements, the GSA Transition Fund is available to reimburse agencies for approved transition related costs. Reimbursement for specific transition expenses will be credited to those agencies that meet IMC/GSA prescribed milestones. These milestones are conservative to ensure all agencies receive the transition reimbursement credits for which they qualify. The following milestones must be met for agencies to qualify for transition cost reimbursements:

- Complete all fair opportunity decisions no later than September 2008
- Submit all orders that require parallel operations no later than January 2010
- Submit all transition disconnect orders no later than April 2010

In addition, we have established targets to encourage agencies to accomplish transition activities more quickly to ensure transition is complete within the timeframe available. These targets are included in the attached "Transition Status."

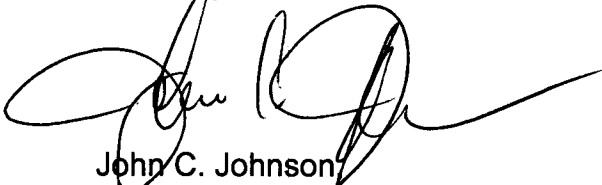
Third, an additional incentive for transitioning as soon as possible is that Networkx provides a mechanism to ease agency transitions to IPV6. OMB Memorandum M-05-22 directs that agencies transition from IPV4 agency infrastructures (network backbones) to IPV6 by June 8, 2008. The Networkx contracts require awardees to ensure that services support federal agency compliance with the OMB IPV6 directive.

In summary, we encourage all agencies to embrace the key milestones noted herein and in particular to ensure that inventory validation and fair opportunity activities are progressing consistent with our recommended milestones.

Based on lessons learned from the FTS2000 to FTS2001 transition, we know that failure to move quickly can result in an inability to meet our long term schedule. As a result, agencies could incur a loss of transition cost reimbursement, higher prices on extended FTS2001 Bridge/Crossover contracts, delay in taking advantage of lower prices on Network contracts, and delay in support for IPV6 directives. My staff and I are dedicated to working with you and your agency representatives to assist in every way possible to help make your transition smooth and timely.

I encourage your staff to contact Karl Krumbholz, my Network Services Program Director at karl.krumbholz@gsa.gov, 703-306-6636 or Richard Williams, GSA Transition Manager at richard.williams@gsa.gov, 703-306-6290 if you have any questions. In addition, I encourage you to contact me directly if I can be of personal assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Johnson", with a long horizontal flourish extending to the right.

John C. Johnson
Assistant Commissioner

Enclosure

Transition Status

Key activities in preparation for transition completed as of September 2007:

- FTS2001 Bridge contracts were awarded to MCI (Verizon Business) in July 2006 and to Sprint in September 2006, to extend services through May/June 2010, allowing time for transition.
- Transition Summits were conducted in September of 2006 and January 2007 to review transition planning and highlight required transition planning activities;
- Networx Transition Help Desk became operational in January 2007;
- Transition Coordination Center became operational in March 2007;
- Customer Service Center became operational in March 2007;
- GSA awarded the Networx Universal contracts on March 29, 2007 to AT&T, Qwest and MCI/Verizon;
- GSA awarded Networx Enterprise contracts on May 31, 2007 to AT&T, Level 3, Qwest, Sprint and MCI/Verizon;
- Transition Inventory posted for validation by agencies in January 2007;
- The TWG established procedures for awarding transition reimbursement to agencies on May 31, 2007;
- Networx Pricer became operational for agencies to use in their Fair Opportunity process on June 4, 2007;
- Network Services Conference was held August 6-9, 2007 in Denver, Colorado, where training and information was provided in six sessions specifically related to transition activities;
- C&A of Networx Universal OSSs was completed on September 4, 2007;
- Networx Universal OSS verification testing was completed on September 14, 2007;
- The Taxonomy document that provides the cost elements and cost allocations that will be borne by GSA and government agencies and the criteria an agency must meet to receive those cost allocations, was signed on September 12, 2007.

Future key transition activities and related recommendations:

- Agencies complete validation of their FTS2001 inventory by December 20, 2007. Agencies requiring assistance should contact the Transition Help Desk at 1-866-472-0274;
- GSA will establish a "snapshot" of agencies' transition inventories on December 31, 2007 to establish a baseline for transition tracking and reimbursement of certain allowable transition costs;
- While target dates for making fair opportunity decisions vary by agency depending on complexity and agency mission requirements, we recommend that agencies target the completion of fair opportunity decisions to the extent possible for March 2008. We believe that if a large number of decisions are made after that date, agencies may not have sufficient time to complete transition for those services prior to FTS2001 Bridge/Crossover contract expiration;
- We recommend agencies target the submission of transition orders by January 2009. Orders placed on the Networx contracts after that date may not allow sufficient time for the service providers to complete the processing of all new orders and establish service on the new contracts before the Bridge/Crossover contracts expire, and could impact continuity of service.
- We recommend the majority of final disconnect orders be submitted to FTS2001 Bridge/Crossover contractors by January 2010. This will allow all services to be removed from current contracts within the timeframe available.