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Economy & Efficiency Commission Presentation

Editorial Note: Although every effort has been made to insure the accuracy of the material in this presentation, the scope of the material covered and the discussions undertaken lends itself to the possibility of minor transcription misinterpretations.

**PRESENTATION BY
Jon W. Fullinwider
Chief Information Officer, Los Angeles County
Topic: E-Commerce in Los Angeles County
November 2, 2000**

Chairman Philibosian introduced Mr. Jon W. Fullinwider, the County's first Chief Information Officer. As such he is responsible for countywide telecommunications and computer networking. Mr. Fullinwider began by stating that "change" is key. Electronic government in the 21st century is becoming a strategic asset in the delivery of county services. He posed the question, "Do citizen's really need to come to the county for services?" The answer was "No". Mr. Fullinwider stated that E-government is about business and competition. Government needs to assume more responsibility for the economic viability of the region. The competition lies in the regions of San Diego, San Francisco, Portland, and Seattle. More goods and services come through Los Angeles than from any other region in the United States [from areas such as: Malaysia, Hong Kong, Japan, Singapore, Australia, South America, Central America, Mexico, and Canada.] These areas have made significant investment in technology in order to provide a competitive advantage to their particular countries or regions, and they are looking at this region to provide similar capabilities in which to do business. The county must be responsive in its service delivery. Government no longer has the luxury of looking at people as "constituents", but, since they have a choice, they must be considered "customers".

Mr. Fullinwider stated that another key factor is vision and leadership at the executive level, along with senior and mid management levels. The concept is to augment government services, not replace them with electronic government. People need to understand how to access government. Technology would provide them with this capability. Citizens do not have to physically come to a county facility to get eighty-five percent of the services they require. It is already in electronic format. Using a credit card (i.e., MasterCard, Visa card, or American Express) can accommodate any county service that requires a fee. For example, this can eliminate sending a messenger to the county courthouse to stand in line to file a document.

Mr. Fullinwider stated that from a regional perspective several factors make Los Angeles County economically viable: the county is the entertainment center of the world, has the largest port facility in the world, has international corporate headquarters and ranks within the top fifteen nations in world trade relative to the Gross Domestic Products (GDP). In addition to the county's increasing demand for services, there are no government budget increases, population is growing, and businesses are being attracted to other regions. Thus the county needs to improve service delivery, while reducing cost. Los Angeles County needs to be more open to public input and needs to collaborate with other municipalities, i.e., do business with the City of Los Angeles. A start would be to coordinate with the City to run fiber optics in the same trench at

the time, or better yet, share the same fiber optics. This would maximize the taxpayer's dollars in relation to infrastructure. The county needs to establish public/private partnerships with external expertise from the private sector. Mr. Fullinwider, also, emphasized that focus should be placed on education. Sixty per cent of the Hispanic population not graduating from high school does not contribute to the success of local businesses. As a result businesses will search elsewhere for employees.

Mr. Fullinwider stated that much of upper management in the county still talk about the Internet as a "will be". This should be in the past tense since the county is already communicating via both the Internet and the Intranet. Electronic commerce will create a "24/7" government with eighty-five per cent of the desired services being accessible. This is the way to change the paradigm, while not fundamentally change the structure. The Internet and changing Internet technologies demonstrate that borders no longer exist in the 21st century. The Internet has transcended the globe in terms of providing a ubiquitous communication system. The existing global society now uses desktop applications, cell phones, and personal digital assistants (PDAs) which keep people connected to e-mail anywhere in the world. It is predicted that there will be an additional three billion PDAs within the next few years.

Mr. Fullinwider spoke about government savings with reference to conducting business internally by using the Intranet. The county shouldn't have to send out a hard copy of a policy to 95,000 employees, when it could produce and update the document once for the Internet. If anyone needs a hard copy, they can simply print it. The Intranet becomes accessible by making everything browser based. Mr. Fullinwider said that his department doesn't deal with Windows 95, 98, or NT, but rather a browser.

Commissioner Padilla asked Mr. Fullinwider which browser he used. Mr. Fullinwider answered that he used Internet Explorer (IE) or Netscape.

Mr. Fullinwider reiterated that the Internet is responsible for the viability of the economy. In the late eighties and early nineties corporations invested billions of dollars in infrastructure and new technology, posturing themselves to come out of the recession. As a result of these developments, the government had to become more competitive. Mr. Fullinwider stated that 85% of government services are already in electronic format, but 60% of these services have nothing to do with the public, they deal with local businesses via invoicing. Mr. Fullinwider said that when the County of Los Angeles makes a decision to invest in a "technician", it is a \$4.5M decision. (The county must install a local area network for \$100,000, 25 PCs, a file server, then wire a building, and backup the files. This necessitates a LAN Administrator.) This means the county had a \$100,000 initiative to drive a \$4.5M requirement.

Mr. Fullinwider said that the infrastructure is being built to allow for ubiquitous, high-speed access. The technology rich regions of the world are going to require this access, which means L. A. must go online. Government needs to work with the city, our citizen's, educational facilities, and business, collaboratively to support future requirements. There isn't a government agency that doesn't have access to the Internet. There are people who are concerned about giving access to anyone except managers and department heads. For people who do abuse their access privileges there is a tracking capability to determine how long an employee has used the Internet, or if he went to inappropriate sites. These improprieties can be dealt with by counseling on up to termination.

Fifty percent of households have PCs, and sixty percent of these have access to the Internet. The demographics of this access are changing, more women than men have access to the Internet. Studies suggest that when people send e-mail to a government organization, there is a higher expectation that they are going to get a response, then if they had sent a letter, citizens expect an immediate response. The by-product of this is that communication is improved and the county now has "metrics". The county can measure what people like and don't like, and how well it is responding to citizen's needs. There are collateral opportunities to take this information and use it differently to improve service, and change the way the county does business.

Mr. Fullinwider said County policy stipulates that all public information by statute that exists in electronic format must be made available via the Internet. The County will develop a Business Value Matrix, which starts with small/less complex service offerings, and continues with larger more complex offerings.

Additionally when people do electronic business with the county they need to feel that they are in a trusted environment; that there is security and privacy, that government is not capturing information and selling it. Other people are doing that via "cookies"; i.e., someone surreptitiously downloads software onto your PC, and unless you know you can stop that by modifying your browser, these people will track your habits and you are likely to receive junk electronic mailings. We are also moving towards digital signatures, certification, and public key infrastructure (PKI) which insure a high degree of confidentiality within our network using "off-the-shelf solutions".

Mr. Fullinwider said that we need to deal with barriers to successfully moving towards electronic government, some of which are:

1. Management's Perception Of Internet/Intranet/E-Mail
2. Competition
3. Funding
4. Technical Staff
5. Contracting Out
6. Access To The Internet/Email
7. Governance With An Enterprise Objective
8. Maintaining the Integrity of the Information
9. Technical Competencies

Mr. Fullinwider spoke about the infrastructure, emphasizing that networking is key. L. A. County has a 45-Megabit ATN Broadband infrastructure connecting the county. With this infrastructure L.A. County not only saved \$15M per year, but is also able to more effectively compete with corporate America. Opportunities for marketing government are numerous and such questions as: what information do people and business need about an agency; and what services does government want to make available to the public, to businesses and to employees. According to Forrester Research, government is going to collect approximately \$602B over the Internet by 2006. Over 14,000 e-GOV applications will be made nationwide. The benefits of using the Internet are: people can do it on their schedule; it is faster, since people do not have to deal with government bureaucrats; and information search is easier, more complete since information is not always available off-line. The reason for the public's reluctance to use government services were: 55% didn't want to pay extra handling fees; 43% worried about privacy and 36% about security; 24% felt navigation of websites was difficult; and 13% of the public liked to deal with people face-to-face.

An issue being considered is providing a government linkage to web sites with commercial advertising. Numerous free services are available that the county could use that would normally cost money if the county were not linked to a commercial web sites. A way to circumvent some security problems would be to advise the public that they are leaving the government website and to make sure the public reads the privacy policies of the commercial websites. Developing smart communities, which are built along intelligent highways, is imperative. It is a mandate that we have a community that is connected and can communicate, or we will not be successful in the economic revival of the region. The county needs to market the ability to get access to county information - we need to have advertisement on the sides of buses, in brochures, and on billboards. To assist in easing access the county is changing their address to lacounty.net.

Commissioner Thompson asked why does the county have a 500-page phone book, when citizens and employees can get the information on line. Commissioner Thompson felt that staff could be cut. Mr. Fullinwider said he could not go to the Board of Supervisors and ask to cut staff, he would have to suggest that the staff's role be changed from service delivery to information content quality. Over time he would not ask for new staff, it would be better to utilize the existing staff.

Commissioner Padilla asked whether Mr. Fullinwider could elaborate on the problem of disjointed Intranet communications between the Department of Children and Family Services, the District Attorney, Probation, and the Sheriff's Department. Mr. Fullinwider responded that L. A. County is working on software called New Directions. There is state legislation discussing why certain departments cannot share information as a result of confidentiality.

On behalf of the Commission, Chairman Philibosian thanked Mr.Fullinwider for his presentation, noting the value of his comments to the Commission's work.

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