

January 3, 2014

The Honorable Darrell Issa
Chairman, Committee on Oversight and
Government Reform
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am writing in response to the U.S. Government Accountability Office (GAO) report GAO-14-65, "Information Technology: Additional OMB and Agency Actions Are Needed to Achieve Portfolio Savings," dated November 2013. In its report, the GAO reviewed the Office of Management and Budget's (OMB) policy, requirements, and implementation of the 2012 PortfolioStat initiative, a process whereby 26 Federal agencies, including the NRC, gather information on their information technology investments, and develop plans for consolidation and increased use of shared-service delivery models. The NRC agrees with the GAO's overall assessment of PortfolioStat and has included comments as an enclosure to this letter.

The NRC appreciates the opportunity to comment and to provide information about agency actions taken regarding the recommendations in the GAO Report. Should you have any questions, please contact Ms. Rebecca Schmidt, Director of the Office of Congressional Affairs, at (301) 415-1776.

Sincerely,

/RA/

Allison M. Macfarlane

Enclosure:
NRC Comment on GAO
Recommendations 1 and 2

cc: Representative Elijah Cummings
David A. Powner, GAO

Identical letter sent to:

The Honorable Darrell Issa
Chairman, Committee on Oversight and
Government Reform
United States House of Representatives
Washington, D.C. 20515
cc: Representative Elijah Cummings
David A. Powner, GAO

The Honorable Thomas Carper
Chairman, Committee on Homeland
Security and Governmental Affairs
United States Senate
Washington, D.C. 20510
cc: Senator Tom Coburn
David A. Powner, GAO

NRC Comment on GAO-14-65 Recommendations 1 and 2

GAO Recommendation 1: Develop a complete commodity IT baseline.

NRC Response: Agree. Currently, efforts at the NRC are underway to improve the commodity IT baseline. Within the NRC, formulation of all IT commodity spending is being centralized under one contract, allowing better control and classification of expenditures. The agency plans to complete centralized IT commodity spending, which will help its IT governance boards identify opportunities and make informed choices about how to reinvest those funds into mission priorities. On a quarterly basis, the NRC provides and updates the NRC commodity IT data as part of the Integrated Data Collection submission to OMB.

GAO Recommendation 2: In future reporting to OMB, fully describe the following PortfolioStat action plan elements: (1) consolidate commodity IT spending under the agency CIO; (2) establish targets for commodity IT spending reductions and deadlines for meeting those targets; (3) target duplicative systems or contracts that support common business functions for consolidation; and (4) establish a process to identify these potential investments and a schedule for eliminating them from the portfolio.

NRC Response: Agree. Since the 2012 PortfolioStat process began, improvements to the NRC IT governance process continue to enhance IT investment decision-making. The NRC Chief Information Officer and NRC Chief Financial Officer co-chair the NRC Information Technology/Information Management Portfolio Executive Council, which oversees all NRC IT investment spending, including commodity IT. Pending future OMB direction, NRC will continue to update the NRC commodity IT baseline and describe PortfolioStat action plan elements.

Enclosure