

EDO Principal Correspondence Control

FROM: DUE: 08/06/10

EDO CONTROL: G20100459  
DOC DT: 07/19/10  
FINAL REPLY:

Senator Susan M. Collins  
Senator Tom Carper

TO:

Chairman Jaczko

FOR SIGNATURE OF :

\*\* PRI \*\*

CRC NO: 10-0336

Chairman Jaczko

DESC:

Information Technology Investments  
(EDATS: SECY-2010-0377)

ROUTING:

Borchardt  
Weber  
Virgilio  
Ash  
Mamish  
OGC/GC  
Boyce, OIS  
Howard, CSO  
Dyer, CFO  
Burns, OGC  
Schmidt, OCA

DATE: 07/21/10

ASSIGNED TO:

CONTACT:

EDO

Rihm

SPECIAL INSTRUCTIONS OR REMARKS:

Please prepare response in accordance with OEDO Notice 2009-0441-02 (ML093290179). OIS, CSO and CFO to provide input to Roger Rihm, OEDO, if required. Roger Rihm will coordinate response with OGC and OCA.

# EDATS

Electronic Document and Action Tracking System

**EDATS Number:** SECY-2010-0377

**Source:** SECY

## General Information

**Assigned To:** OEDO

**OEDO Due Date:** 8/6/2010 11:00 PM

**Other Assignees:**

**SECY Due Date:** 8/10/2010 11:00 PM

**Subject:** Information Technology Investments

**Description:**

**CC Routing:** OIS; CSO; CFO; OGC; OCA

**ADAMS Accession Numbers - Incoming:** NONE

**Response/Package:** NONE

## Other Information

**Cross Reference Number:** G20100459, LTR-10-0336

**Staff Initiated:** NO

**Related Task:**

**Recurring Item:** NO

**File Routing:** EDATS

**Agency Lesson Learned:** NO

**OEDO Monthly Report Item:** NO

## Process Information

**Action Type:** Letter

**Priority:** Medium

**Sensitivity:** None

**Signature Level:** Chairman Jaczko

**Urgency:** NO

**Approval Level:** No Approval Required

**OEDO Concurrence:** YES

**OCM Concurrence:** NO

**OCA Concurrence:** NO

**Special Instructions:** Please prepare response in accordance with OEDO Notice 2009-0441-02 (ML093290179). OIS, CSO and CFO to provide input to Roger Rihm, OEDO, if required. Roger Rihm will coordinate response with OGC and OCA.

## Document Information

**Originator Name:** Sen. Susan M. Collins & Sen. Tom Carper

**Date of Incoming:** 7/19/2010

**Originating Organization:** Congress

**Document Received by SECY Date:** 7/21/2010

**Addressee:** Chairman Jaczko

**Date Response Requested by Originator:** 8/16/2010

**Incoming Task Received:** Letter

OFFICE OF THE SECRETARY  
CORRESPONDENCE CONTROL TICKET

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**PAPER NUMBER:** LTR-10-0336 **LOGGING DATE:** 07/21/2010  
**ACTION OFFICE:** EDO

**AUTHOR:** REP Susan Collins  
**AFFILIATION:** CONG  
**ADDRESSEE:** Gregory Jaczko  
**SUBJECT:** Federal use of information technology (IT)

**ACTION:** Signature of Chairman  
**DISTRIBUTION:** RF, CFO, OCA to Ack

**LETTER DATE:** 07/19/2010  
**ACKNOWLEDGED:** No  
**SPECIAL HANDLING:** Chairman Correspondence  
**NOTES:** Response due by August 9th  
**FILE LOCATION:** ADAMS

**DATE DUE:** 08/03/2010 **DATE SIGNED:**

EDO --G20100459

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## United States Senate

COMMITTEE ON  
 HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

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July 19, 2010

Chairman Gregory B. Jaczko  
 Nuclear Regulatory Commission  
 Mail Stop O-14E1  
 Washington, DC 20555-0001

Dear Chairman Jaczko:

We wanted to bring your attention to an important issue that we have been focusing on for some time that could save your agency and Americans significant tax dollars. As you know, information technology (IT) has changed the way agencies operate. Over the past decade or so IT has transformed the way agencies accomplish their missions, allowing them to be more efficient and effective. Federal agencies' track records, however, of keeping costs down and delivery dates firm when it comes to IT investments is lacking. In fact, many of these challenges are long-standing and deep-rooted issues that require your attention.

In fiscal year 2009, the federal government spent nearly \$79 billion on IT projects to accomplish their missions, including keeping our troops safe overseas, our borders secure at home, and our government transparent and accountable to taxpayers. In fact, the Government Accountability Office (GAO) estimates that federal agencies will likely invest about the same amount, if not more, on new and ongoing IT investments in the next few years in order to continually improve the way agencies operate.

Unfortunately, not all of that \$79 billion is spent as wisely as we would hope or expect. Poor agency oversight has led to hundreds of millions of dollars being wasted on IT programs that were planned poorly from the start and managed even worse. For example, the Census Bureau's mismanagement led to a costly malfunction of handheld data collection devices used by Census workers to conduct the recent 2010 Census. The data collection devices did not perform as promised, causing the Census Bureau to spend an additional \$1 billion to revert the 2010 Census non-response follow-up operations to a paper-based system.

Furthermore, the Internal Revenue Service struggled for more than 20 years and spent over \$4 billion to modernize its IT systems to more efficiently process annual tax returns before they finally decided in June 2009 to abandon the program entirely. Even worse, over the past few years the Department of Homeland Security invested \$52 million toward a financial system that failed and they are now starting from scratch with

a new project that is estimated to potentially cost between \$450 million and \$1 billion. These are only a few examples of IT investments that experienced poor planning and faulty project oversight.

To address these challenges, we authored the Information Technology Investment Oversight Enhancement and Waste Prevention Act of 2009, which was approved by the U.S. Senate on May 20, 2010. Our bill would address many of the problems highlighted above by requiring agencies to properly plan projects from the outset and to conduct an independent cost estimate for projects prone to mismanagement. Further, our bill gives the Office of Management and Budget (OMB) a unique weapon that would help root out problems and put IT projects back on the right track before they spiral out of control. The bill also would require agencies to alert Congress when an IT investment significantly exceeds the expected cost estimate and mandates that the agency conduct a rigorous analysis to get it back on track. Lastly, the bill calls for OMB to create a website that provides an accurate analysis of all major IT investments.

We were pleased, then, when OMB took our advice to create a website and launched the "IT Dashboard" on June 30, 2009. The IT Dashboard is a one-stop clearinghouse of information about IT investments, which enables Congress and the taxpayers to hold agencies accountable for results. The IT Dashboard has been critical in stressing the importance of properly planning and managing the significant investments the federal government makes in technology projects. In fact, just last week OMB updated and improved its IT Dashboard to help better track complex investments and make it easier to highlight those that may need high-level attention.

Today, the Government Accountability Office (GAO) released its first report on the effectiveness of the IT Dashboard and found that the website has increased the level of transparency and oversight of IT investments. GAO also concluded that not all agencies were providing accurate and timely information on the status of their IT projects. Specifically, the GAO reported that some agencies fail to regularly provide updated data, provide conflicting or inaccurate cost and schedule information, and make it difficult to understand whether an investment was on target or needed some serious help. This needs to change because it deprives OMB, Congress and taxpayers the opportunity to hold agencies accountable for spending their money wisely. Accurate and timely data on IT projects are key to effective oversight and prevention of cost and schedule overruns.

To this end, we urge you to ensure your agency provides the necessary focus and attention on this important issue. We ask that you work with your staff to prioritize the planning and management of major IT investments and ensure your agency's data on IT investments is accurately portrayed on the IT Dashboard. We have asked GAO to continue to closely monitor the IT Dashboard to determine whether agencies are improving the accuracy and reliability of this cost and schedule information.

We appreciate your attention to this important matter and look forward to continuing to work with you on this and many other issues. We would like you to provide, by August 9 in writing, information about what your agency is doing to more regularly update accurate data on the IT Dashboard. If you have any questions on this request, feel free to reach out to us directly or our staff contacts, Teresa Neven at (202) 224-4751 or Erik Hopkins at (202) 224-7195.

Sincerely,



Susan M. Collins  
Ranking Member



Tom Carper  
Chairman  
Federal Financial Management,  
Government Information, Federal  
Services, and International Security