

May 3, 2016

Mr. David A. Powner
Director of Information Technology
Management Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Powner:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am writing in response to the U.S. Government Accountability Office's (GAO) report entitled "Data Center Consolidation: Agencies Making Progress, but Planned Savings Goals Need to Be Established" (GAO-16-323), published on March 3, 2016.

In the report, the GAO recommended that the NRC Chairman take the following two actions:

- Address challenges in establishing, and complete, planned data center cost savings and avoidance targets for fiscal years 2016 through 2018.
- Improve progress in the data center optimization areas that GAO reported as not meeting the Office of Management and Budget's (OMB) established targets, including addressing any identified challenges.

The NRC concurs with these recommendations.

The NRC currently obtains data center services from an agency-wide managed service contract. The agency is currently working to modify its acquisition strategy for the follow-on contract to achieve cost savings.

In closing data centers and consolidating functions, the NRC is pursuing development of a hybrid data center that will allow for many data center functions to be performed in the cloud environment. The agency anticipates that this shift in how we perform data center operations and contract management will allow for more optimization, including the ability to better meet targets (including those related to both cost savings and optimization) established by the OMB through the Data Center Optimization Initiative (DCOI).

At this time, the NRC is aggressively pursuing data center consolidation and optimization in accordance with the Federal Data Center Consolidation Initiative and the recently released draft DCOI guidance. In fiscal year (FY) 2015, the NRC closed two non-core data centers. In FY 2016, the NRC will close an additional non-core data center. Planning for the closure of an additional four non-core data centers in FY 2017 and FY 2018 is underway. In total, these closures will reduce the NRC's data center footprint from nine data centers to two (a reduction of 78%).

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The NRC continues to pursue operational improvements of its information technology infrastructure, including its data centers. We will continue to pursue meeting the standards set forth by the OMB through DCOI and any other future initiatives and guidance.

If you should have any questions regarding the NRC's planned actions to implement the recommendations, please contact Mr. John R. Jolicoeur by phone at 301-415-1642, or email at John.Jolicoeur@nrc.gov.

Sincerely,

/RA/

Stephen G. Burns

cc: David B. Hinchman

Identical letter sent to:

Mr. David A. Powner
Director of Information Technology
Management Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548
cc: David B. Hinchman

The Honorable Jason Chaffetz
Chairman, Committee on Oversight and
Government Reform
United States House of Representatives
Washington, DC 20515
cc: Representative Elijah Cummings

The Honorable Ron Johnson
Chairman, Committee on Homeland
Security and Governmental Affairs
United States Senate
Washington, DC 20510
cc: Senator Thomas R. Carper

The Honorable James M. Inhofe
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, DC 20510
cc: Senator Barbara Boxer

The Honorable Shelley Moore Capito
Chairman, Subcommittee on Clean Air
and Nuclear Safety
Committee on Environment and
Public Works
United States Senate
Washington, DC 20510
cc: Senator Thomas R. Carper

The Honorable Fred Upton
Chairman, Committee on Energy and
Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Frank Pallone, Jr.

The Honorable Ed Whitfield
Chairman, Subcommittee on Energy
and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Bobby L. Rush

The Honorable John Shimkus
Chairman, Subcommittee on Environment
and the Economy
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Paul Tonko