

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](mailto: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  
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441 G Street, N.W.  
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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  
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United States Senate  
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cc: Senator Thomas R. Carper

The Honorable Fred Upton  
Chairman, Committee on Energy and  
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United States House of Representatives  
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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  
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cc: Representative Bobby L. Rush

The Honorable John Shimkus  
Chairman, Subcommittee on Environment  
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cc: Representative Paul Tonko