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WASHINGTON, D.C. 20503
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TESTIMONY OF TONY SCOTT
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OFFICE OF MANAGEMENT AND BUDGET
BEFORE THE SUBCOMMITTEES ON
INFORMATION TECHNOLOGY AND ON GOVERNMENT OPERATIONS OF THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

June 10, 2015

Chairman Hurd, Ranking Member Kelly, Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittees, thank you for the opportunity to appear before you today, and thank you for your bipartisan work in passing the first major overhaul of Federal information technology (IT) in almost 20 years. As some of you may know, I began my role as Federal Chief Information Officer (CIO) just over four months ago. Since then, I have come to appreciate both the complexity of Federal IT as well as the unprecedented opportunity for technology to accelerate the quality and timeliness of services delivered to the American people. Overseeing the government-wide implementation of the Federal Information Technology Acquisition Reform Act (FITARA) is one of my top priorities and is key to ensuring that agencies are able to leverage technology in carrying out their missions efficiently and effectively.

As the Federal CIO, I work with Congress, agencies, and industry to advance Federal IT by focusing on four objectives: (1) driving value in Federal IT investments, (2) delivering world-class digital services, (3) protecting Federal IT assets and information, and (4) developing the next generation IT workforce. We recently added this last objective, partly in response to FITARA's strengthened CIO role and the need to align IT professionals across each agency to support collective goals and mission outcomes. FITARA enables the achievement of these objectives by providing agency CIOs with the authorities and visibility needed to manage IT across an agency and by setting the expectation that these CIOs will work in partnership with other agency leaders.

FITARA also strengthens key IT reform initiatives that improve the efficiency and effectiveness of Federal agency programs and operations by codifying PortfolioStat, TechStat, and our data center optimization activities, among others. Since 2012, the Federal government has achieved over $3 billion in cost savings and avoidance as a result of these reform efforts. In fact, we recently reached a significant milestone by hitting our targeted savings of $2.5 billion from PortfolioStat alone.

Despite these successes, my past experience has taught me that, without a strong foundation, it is difficult for initiatives to fully take root throughout an organization. My time as a CIO in the private sector taught me the importance of having visibility into IT spending, forging strong partnerships with program leaders, and having a solid understanding of the critical role that IT plays in serving the organizations' mission. This critical foundation does not exist consistently throughout the Federal Government, and we have seen agencies struggle with implementation of IT projects that lack close coordination between the CIO and other agency leaders. A core part of my team's work going forward will be to build this new foundation for effective management of technology through full implementation of FITARA in a way that is workable, collaborative, effective, and consistent. Today, I am pleased to be releasing in conjunction with this hearing our final FITARA implementation guidance—Management and Oversight of Information Technology Resources.

Outreach

Our FITARA implementation guidance is the result of extensive outreach and collaboration conducted over the past several months, mirroring the collaborative, bipartisan nature of the legislation itself. My team and I met with stakeholders from within and outside the Federal government to discuss best methods of implementation by:

- Holding meetings with the President's Management Council (PMC), the CIO Council, and reaching out to the other executive councils, including the Chief Acquisition Officers Council, Chief Finance Officers Council, and Chief Human Capital Officers Council to

provide an overview of FITARA and seek recommendations in areas where additional guidance could be beneficial;

- Establishing a FITARA Executive Working group composed of senior agency executives across management domains, as well as consulting with staff from across agencies;

- Hosting a series of informational meetings and teleconferences with non-governmental groups and private-sector experts; and

- Circulating draft guidance for government-wide interagency comment.

In addition, to advance the collaborative nature of our policy development process, we released the proposed guidance for public feedback on the open source platform GitHub to provide transparency in Federal policymaking and to reach a broad audience to solicit ideas on further enhancing the policy.

Key Elements of Guidance

Our guidance takes major steps toward ensuring agency CIOs have significant involvement in technology-related budget, procurement, and workforce matters and provides details on how we will implement and provide further guidance on a number of OMB initiatives that were codified in FITARA.

The backbone of our guidance is the "Common Baseline," which provides direction on the CIO's and other Senior Agency Officials' roles and responsibilities for the management of IT. More importantly, it creates a foundation for lasting partnerships among CIOs, CXOs, and program leaders to make budget and procurement decisions that best support agency missions. It also takes major steps toward positioning CIOs so that they can be held accountable for how effectively they manage the full lifecycle of IT products and services used by their agencies and how well their agencies use modern digital approaches, including incremental development, to achieve the objectives of efficient, effective, and secure programs and operations.

Because agencies operate in unique environments, our guidance provides for a "CIO Assignment Plan" to give agency CIOs the flexibility to meet the Common Baseline requirements in a manner tailored to the work and structure of the organization. This approach allows agency CIOs

to designate other agency officials to act as their representative in certain aspects of the Common Baseline in a rules-based manner, such as by dollar threshold or existing legal requirements, as long as the plan is reviewed and approved by OMB. We believe that this combination of a Common Baseline coupled with a flexible CIO Assignment Plan allows for agency CIOs to retain oversight and accountability while minimizing the chance for bottlenecks.

As discussed in the guidance, we will utilize the PortfolioStat process to provide feedback and hold agencies accountable for their implementation of the law and Common Baseline. In addition, we will continue to use PortfolioStat to ensure efficient, effective, and secure systems and operations across the Federal IT portfolio, as mandated by FITARA. Data center optimization will remain a key component of PortfolioStat, and my office is currently developing a revised data center policy that encompasses the requirements of FITARA and offers a fresh vision for the initiative. Our FITARA implementation will also result in enhanced efficiencies in Federal technology procurements by strengthening the Federal Strategic Sourcing Initiative and requiring government-wide enterprise software licenses as part of category management. Finally, our guidance provides for the CIO visibility and involvement necessary for the consistent application of appropriate cybersecurity controls across an agency.

Implementation

OMB, through its policy and oversight role, is committed to working with agencies in their implementation of this guidance. We will do this by:

- **Evaluating Agency Self-Assessment and Implementation Plans.** Agencies are required by our guidance to submit to OMB by August a self-assessment describing how their agency currently operates compared to the Common Baseline, as well as an implementation plan describing what actions the agency will take to ensure that all Common Baseline requirements are implemented by the end of the year. Agencies must update their implementation plans at least once per year starting in April 2016.
- **Public Posting of Agency Plans.** Agencies must post their OMB-approved plans on their public website, enabling OMB, Congress, and the U.S. Government Accountability Office (GAO) to conduct consistent oversight and follow-up. OMB will make this available at a central location.

- **Conducting PortfolioStat Oversight.** OMB will include a review of agency progress and dedicate time to discussing obstacles and successes during quarterly PortfolioStat sessions.

- **Engaging with Partners.** OMB will engage the PMC, CIO Council, and FITARA Executive Working Group to facilitate implementation and knowledge sharing across government.

- **Following Up on GAO Recommendations.** My office will work with agencies to ensure that steps are being taken to close the numerous GAO recommendations that can be remedied through FITARA implementation, which will help address the GAO High Risk entry on Improving the Management of Information Technology Acquisitions and Operations.

In addition to these actions, I look forward to working closely with Congress to ensure consistent oversight and implementation of FITARA and OMB's guidance.

I thank the Subcommittees for holding this hearing, and for your commitment to ensuring successful implementation of FITARA. I would be pleased to answer any questions you may have.

Tony Scott, U.S. Chief Information Officer
Office of Management and Budget

Tony Scott is the third Chief Information Officer of the United States, appointed by President Obama on February 5th, 2015. Prior to his position in the White House, Mr. Scott led the global information technology group at VMware Inc., a position he had held since 2013. Prior to joining VMware Inc., Mr. Scott served as Chief Information Officer (CIO) at Microsoft from 2008 to 2013. Previously, he was the CIO at The Walt Disney Company from 2005 to 2008. From 1999 to 2005, Mr. Scott served as the Chief Technology Officer of Information Systems & Services at General Motors Corporation. He received a B.A. from the University of San Francisco and a J.D. from Santa Clara University.