

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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October 6, 2016

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Dodaro:

We are writing to request that the Government Accountability Office continue to assist the Committee with oversight of the over \$89 billion the federal government annually spends on information technology (IT), 75 percent of which is directed toward operating and maintaining existing legacy IT systems. The Committee requests that GAO assess federal agencies' implementation of the Office of Management and Budget's (OMB) "Cloud First" policy. Cloud computing services can provide opportunities to promote modernization of federal IT and realize cost and operational efficiencies.

In 2011, OMB issued a Cloud First policy requiring agency Chief Information Officers to implement cloud-based services whenever there is a secure, reliable, and cost effective solution.¹ As OMB explained, "[c]loud computing offers the government an opportunity to be more efficient, agile, and innovative through more effective use of IT investments, and by applying innovations developed in the private sector."² OMB further explained the Cloud First policy was intended "to accelerate the pace at which the government will realize the value of cloud computing by requiring agencies to evaluate safe, secure cloud computing options before making any new investments."³

In 2014, GAO reviewed the efforts of seven agencies to implement the Cloud First policy and found these agencies had only allocated two percent of their total IT budget for cloud in 2014.⁴ GAO stated this low percentage of the total IT budget planned for cloud was due to the fact that agencies failed to consider cloud computing services for 67 percent of their IT investments.⁵ GAO said agencies reported cost savings of about \$96 million where they did implement cloud services, but also noted that there were additional opportunities for deploying these services and realizing savings.⁶ Two years later, the GAO recommendations from the

¹ Office of Mgmt. and Budget, *Federal Cloud Computing Strategy* (Feb. 8, 2011).

² *Id.*

³ *Id.*

⁴ Gov't Accountability Office, GAO-14-753, *Cloud Computing: Additional Opportunities and Savings Need to be Pursued* (Sept. 2014).

⁵ *Id.*

⁶ *Ibid.*

Report remain open.⁷ More recently, it was reported in the Fiscal Year 2017 budget request that the federal government had realized success in shifting to more efficient computing services and was spending about 8.2 percent of the IT budget “on provisioned services, such as cloud.”⁸

Cloud computing represents an opportunity to modernize legacy IT systems, reduce costs, and improve operational efficiencies. It is essential that agencies use all available tools to modernize IT and realize available savings for the American taxpayer. Consequently, the Committee is making this request to update GAO’s 2014 assessment of federal agencies’ implementation of the 2011 Cloud First policy. GAO’s assessment will be a particularly important status report on the Cloud First policy as a new Administration begins to assess priorities in federal IT management.

Please contact Julie Dunne of Chairman Chaffetz’ staff at (202) 225-5074 or Mark Stephenson of Ranking Member Cumming’s staff at (202) 226-2510 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Jason Chaffetz
Chairman



Elijah E. Cummings
Ranking Member



Mark Meadows
Chairman
Subcommittee on Government
Operations



Will Hurd
Chairman
Subcommittee on Information
Technology



Gerald E. Connolly
Ranking Member
Subcommittee on Government
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Robin L. Kelly
Ranking Member
Subcommittee on Information
Technology

⁷ *Ibid*; GAO Recommendations for Executive Action available at: <http://www.gao.gov/products/GAO-14-753> (last visited Sept. 27, 2016).

⁸ Office of Mgmt. and Budget, *Analytical Perspectives, Budget of the U.S. Government Fiscal Year 2017*, Special Topics: Information Technology at 289.