

**Response to Request for Information
House Committee on Oversight and Reform
Subcommittee on Government Operations
Letter Dated June 10, 2022**

1. What progress has your agency made toward establishing and using a WCF as authorized by the MGT Act?

The U.S. Nuclear Regulatory Commission (NRC) does not have the authority to transfer appropriated funds into an information technology (IT) system modernization and working capital fund (WCF) and therefore has not established a WCF as authorized by the Modernizing Government Technology Act (MGT Act).

a. If the fund has been established, please describe the current use of the fund, including what IT modernization improvements are expected and the role of the CIO in decision-making.

Not applicable.

b. If your agency has not yet established a WCF, what actions does your agency plan to take in fiscal year (FY) 2023 or FY 2024? Please explain your agency's plans, including the role of the CIO.

The NRC does not plan to establish a WCF in fiscal year (FY) 2023 or FY 2024. However, the agency is exploring alternatives, as noted below.

2. Has your agency taken other steps to meet the intent of the MGT Act? If so, please describe those steps and the role of the CIO in those actions.

The NRC's appropriation structure, budgetary resource levels, and reprogramming authority enable the agency to meet the intent of the MGT Act to accomplish IT modernization without an established WCF, provided that the agency continues to have sufficient budgetary resources and reprogramming authority within its appropriation language.

In addition, the NRC has implemented IT portfolio management and governance processes to regularly evaluate the funding priorities for all IT investments across the agency and to optimize spending and reallocate savings to support prioritized value-added IT modernization. These processes are described in the [NRC's Common Baseline Self-Assessment and Plan](#), developed in accordance with the Federal Information Technology Acquisition Reform Act. The NRC follows these processes to plan and prioritize funding needs for all IT assets and services using the agency's appropriated funds for each fiscal year. The priorities inform both IT budget formulation and execution year IT spending decisions, including emerging technologies for IT modernization.

The NRC's Chief Information Officer is accountable for these processes and all associated budgetary resources and is the decision-making authority for all IT investments.

3. Are there any obstacles to your agency's implementation of the MGT Act? If so, please describe those obstacles.

The NRC does not have the necessary statutory authority to transfer funds into an IT system modernization and WCF. There is general uncertainty associated with future annual budgets and the agency's ability to meet repayment obligations if the Technology Modernization Fund (TMF), authorized by the MGT Act, is used as a funding source. In addition to exploring the TMF option, the NRC will continue to monitor and assess the impact of all applicable legislation on the agency's ability to modernize IT.

4. If your agency does not have sufficient authority to transfer funds into an established WCF, what steps have been taken to obtain the necessary authority?

The NRC has not taken steps to obtain authority to transfer funds into an IT system modernization and WCF. However, the NRC evaluated the efficacy of establishing a WCF and determined it would not deliver tangible benefits or return on investment commensurate with the associated costs to the agency, including the increased cost of the labor and changes to the agency's financial management systems needed to implement, manage, and report the use of such a fund.

5. Has your agency applied, or does it have plans to apply to the TMF for the purpose of improving, retiring, or replacing existing systems?

Yes. Due to recent changes to the TMF repayment structure, in June 2021 the NRC explored the TMF as a potential funding source for IT modernization that is consistent with the TMF priorities, and the NRC applied for the use of TMF funding to modernize an IT application.

a. If so, please describe actions or plans including the timeframe for applying and systems impacted.

The NRC applied for the use of TMF funding to modernize an IT application in June 2021. The NRC went through several rounds of questions and answers with the approval board, but its application was denied in April 2022.

b. If not, please describe the reason.

Not applicable.