December 21, 2018

To: Ms. Suzette Kent
The Office of the Federal Chief Information Officer
Office of Management and Budget
Executive Office of the President

Internet Association Comments On The Draft Update To Data Center Optimization Initiative (DCOI)

Dear Ms. Kent:

Internet Association (IA) represents over 45 of the world's leading internet companies and supports policies that promote and enable internet innovation, including commercial cloud solutions. Our companies are global leaders in the drive to develop lower cost, more secure, scalable, elastic, efficient, resilient, and innovative cloud services to customers in both the private and public sectors. Internet Association welcomes the opportunity to provide input to the federal government's draft Update to DCOI.

We applaud the Federal Chief Information Officer's leadership in helping agencies with consolidation and optimization of federal data centers in the eight years since the Office of Management and Budget (OMB) launched the first Federal Data Center Consolidation Initiative. We are also pleased to see that agencies have achieved significant cost savings, improved their understanding of energy efficiency technologies, and begun implementing the DCOI with both cloud-based and hybrid environments.

We believe that this policy must continue to provide a clear direction to agencies to modernize their IT infrastructure, including through adoption of public cloud services to the greatest extent possible. This has been the consistent position of the administration through the issuance of the seminal Report to the President on Federal IT Modernization (IT Modernization Report) and the President's Management Agenda (PMA), which agencies have spent much of 2018 implementing.

We are concerned that elements of the updated DCOI policy could be misconstrued to suggest a pullback from the administration's clear vision of modernization, and could make measurement of progress towards that goal more difficult. Specifically, Internet Association supports OMB's focus on optimization and rationalization, but the policy should continue to set a clear, well-defined north star for data center closures for agencies. Furthermore, this policy should not blur the line between truly commercial offerings and small on-premises solutions.

Internet Association offers the following recommendations to the draft, and is happy assist or clarify so that they may be included in the final policy.

Align DCOI Update to IT Modernization Report and PMA Objectives

Internet Association believes that use of scalable, on-demand commercial cloud solutions is essential to meeting the Administration's DCOI goals. We recommend including a clear direction, consistent with the principles stated in the IT Modernization Report, that bringing the government to commercially owned and operated cloud environments should be the default approach and that having government owned and operated cloud environments is a second option on an exception basis where necessary. In that

vein, we would like to recommend the addition of the "Cloud Investment" section from M-16-19 back into the policy. Adding this section back into the DCOI policy would further clarify its alignment with the IT Modernization Report and the PMA.

Commercial Cloud Solutions Offer Significant Opportunities to Lower Costs

Commercial cloud solutions have a proven track record of helping government save money.[1,2] These services do result in savings versus running mainframes, executing outdated programming languages, and accounting for electricity and other externalities. Furthermore, cloud reduces Total Cost of Ownership (TCO) because cloud managed services allow federal employees to focus on mission, as opposed to spending resources maintaining infrastructure in a government data center. Indeed, we agree with GAO's recommendation that commercial cloud solutions have clear advantages over legacy systems[3] and believe that cloud should be the default for public procurements. As such, we urge OMB to revise its statement that agencies will not continue to see cost saving from ongoing data center consolidation and optimization efforts and to encourage agencies to continue to seek out such savings -- as well as other non-cost advantages -- through consideration of public cloud services.

Commercial Cloud Solutions Offer Security, Resiliency, Scalability, Elasticity, Efficiency, and Innovation in Addition to Cost Advantages

It is important that non-cost factors, such as security, scalability, elasticity, resilience, and efficiency of commercial cloud also be considered when deciding whether and how to consolidate data centers. We believe commercial technologies offer a more effective solution in an overwhelming majority of cases, and this was supported by the findings, recommendations, and guidance of the IT Modernization Report as well as GAO.[4,5] Notably, the DCOI has, since its inception, considered both cost- and non-cost factors. The Federal Information Technology Acquisition Reform Act (FITARA) codified the earlier Federal Data Center Consolidation Initiative (FDCCI), which provided that:

> "the focus of this initiative is to . . . [p]romote the use of Green IT by reducing the overall energy and real estate footprint of government data centers, [r]educe the cost of data center hardware, software and operations, [i]ncrease the overall IT security posture of the government; and [s]hift IT investments to more efficient computing platforms and technologies."

IA believes that these additional considerations of efficiency, security, energy usage, and beyond must also be taken into account by agencies in their decision-making. We suggest the "Closures and Cost Savings" section of the draft memo be clarified along these lines.

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[1] Laurence Goasduff, "The Financial Case for Moving to the Cloud," Gartner, August 20, 2015, https://www.gartner.com/smarterwithgartner/the-financial-case-for-moving-to-the-cloud/.
[2] Government Accountability Office, *Cloud Computing: Additional Opportunities and Savings Need to Be Pursued*, GAO-14-753, September 2014, https://www.gao.gov/products/GAO-14-753.
[3] Ibid.
[4] Government Accountability Office, *Information Technology Reform: Billions of Dollars in Savings Have Been Realized, but Agencies Need to Complete Reinvestment Plans*, GAO-15-617, September 2015, https://www.gao.gov/assets/680/672517.pdf.
[5] GAO-14-753

Building on Cloud Smart

Internet Association appreciates OMB's work in updating cloud policies to further government modernization. Since we do not know the final contours of the Cloud Smart policy yet, we incorporate by reference our comments to that policy, and hope that this feedback will be taken into account in developing the final Cloud Smart policy. In that statements we noted:

> "There are many good ideas included in the draft Cloud Smart Strategy, but the final goal of the effort and how it fits into previous efforts is unclear. In particular, the absence of explicit support for commercial cloud in the draft policy is concerning. IA member companies believe commercial cloud offerings provide the superior affordability, flexibility, and security that is required by the federal government's modernization efforts. We encourage the government to revise the policy to specifically state that the government will be moving to commercial clouds and to link this goal to pre-existing modernization and commercial cloud efforts."

The final updated DCOI policy should then build off of a revised, clarified Cloud Smart Strategy policy that reflects these principles.

Continue the Process of Assessment for Consolidation and Migration

While Internet Association understands that not all mission-critical agency data may be suitable for commercial cloud, we are concerned about OMB's decision to no longer require agencies to consolidate server closets without sufficiently assessing the rationale for them to remain. In the FITARA 7.0 Oversight Hearing in front of the House Committee on Oversight and Government Reform on December 12, 2018, Rep. Issa, a co-author of FITARA, noted that "we often hear that a site has a sensitivity but then we see that there are accesses [and open ports] to it that suggest that it would be [as] safe anywhere in the world." Internet Association shares this concern and believes consolidation should continue where appropriate, even among small server closets.

Virtualized, Containerized Applications Should be Considered for a Move to the Cloud

Internet Association supports the DCOI's updated metric for virtualization. We further applaud OMB's advocacy for containerization because this technology can increase agility and portability while also increasing security. Containerized applications in a virtualized environment are perfect candidates for commercial cloud solutions over time. As agencies execute a plan for modernization, we recommend that OMB include guidance in the DCOI policy for agencies to assess the benefits of moving these applications to public cloud and to develop a timeline for such a shift.

Internet Association appreciates the opportunity to provide feedback to the federal government's draft Update to DCOI. We look forward to continuing to work with OMB and other parts of the Executive Branch as the draft is finalized and implemented.

Sincerely,
Alla Seiffert
Director of Cloud Policy and Counsel
Internet Association