

January 16, 2019

The Honorable John Kennedy
Chairman, Subcommittee on Financial
Services and General Government
Committee on Appropriations
U.S. Senate
Washington, DC 20510

The Honorable Mike Quigley
Chairman, Subcommittee on Financial
Services and General Government
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Christopher A. Coons
Ranking Member, Subcommittee on
Financial Services and General Government
Committee on Appropriations
U.S. Senate
Washington, DC 20510

The Honorable Tom Graves
Ranking Member, Subcommittee on
Financial Services and General Government
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Kennedy and Quigley and Ranking Members Coons and Graves:

As you work to reopen the federal government, the Professional Services Council (PSC) respectfully urges you to include full funding for the Technology Modernization Fund (TMF) in the fiscal year 2019 Financial Services and General Government Appropriations bill, or any other funding agreement. We also ask that you include bill language to support agencies that seek to implement an Information Technology (IT) Working Capital Fund (WCF) as authorized by the Modernizing Government Technology (MGT) Act (Pub. L. No. 115-91).

The TMF and agency IT WCFs are important tools to help agencies boost cybersecurity, transform how they use technology to better meet their mission, and more effectively deliver public services. Each year, the federal government makes over \$90 billion in IT investments. Yet much of that amount is tied up in outdated and vulnerable IT systems that should be replaced with more modern and secure technology tools.

The TMF provides an innovative, full cost recovery fund that finances agencies' transition from outdated systems to more effective and secure IT platforms. TMF funding awards for agency projects will be reimbursed, ensuring that the TMF can continue to support modernization projects well beyond the initial investment in this IT modernization tool.

Similarly, the MGT Act provides major federal agencies IT WCF authority to facilitate IT modernization efforts and consumption-based buying of modern IT services such as cloud computing. An agency may need to continue operating a legacy system, for example, while incurring additional costs for its replacement, thus raising short-term costs for long term gain.

In addition, a WCF can support adoption of modern cloud or “as a service” technologies that accommodate variable use and surges in demand. PSC thus asks for your support for clarifying bill language to ensure that all agencies can take advantage of this WCF mechanism to support federal IT modernization.

Thanks to \$100 million provided for the TMF in the Consolidated Appropriations Act, 2018 (Public Law 115-141), the TMF Board has already made initial investment awards for IT modernization initiatives proposed by the Department of Agriculture, Department of Energy, Department of Labor, and Housing and Urban Development. The President’s Budget for fiscal year 2019 requested \$210 million for the TMF, and an earlier appropriations measure approved by the U.S. House provided \$150 million in TMF funding. However, the fiscal year 2018 National Defense Authorization Act (Pub. L. no. 115-91) authorized up to \$250 million annually for the TMF.

PSC thus respectfully requests that the Congress fully fund the TMF in the fiscal year 2019 Financial Services and General Government Appropriations bill, or any other funding agreement, and support clarifying bill language to help agencies fully implement the MGT Act.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Chvotkin". The signature is fluid and cursive, with the first name being more prominent.

Alan Chvotkin
Executive Vice President & Counsel