

**\*\*Preliminary Transcript\*\***

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3 JOINT HEARING ON 2010 CENSUS:

4 ASSESSING THE CENSUS BUREAU'S PROGRESS

5 Wednesday, June 11, 2008

6 House of Representatives,

7 Committee on Oversight

8 and Government Reform,

9 joint with

10 Subcommittee on Information Policy,

11 Census and National Archives,

12 Committee on Oversight

13 and Government Reform,

14 Washington, D.C.

"This is a preliminary transcript of a Committee Hearing. It has not yet been subject to a review process to ensure that the statements within are appropriately attributed to the witness or member of Congress who made them, to determine whether there are any inconsistencies between the statements within and what was actually said at the proceeding, or to make any other corrections to ensure the accuracy of the record."

15 The committee met, pursuant to call, at 10:00 a.m., in

16 Room 2154, Rayburn House Office Building, the Honorable Henry

17 A. Waxman [chairman of the committee] presiding.

18 Present: Representatives Waxman, Maloney, Kucinich,

19 Clay, Watson, Sarbanes, Davis of Virginia, Shays, Turner,

20 Issa, McHenry, and Foxx.

21 Staff Present: Kristin Amerling, General Counsel; Karen  
22 Lightfoot, Communications Director and Senior Policy Advisor;  
23 Mark Stephenson, Professional Staff Member; Anna Laitin,  
24 Professional Staff Member; Earley Green, Chief Clerk; Jen  
25 Berenholz, Deputy Clerk; Ella Hoffman, Press Assistant;  
26 Zhongrui ``JR`` Deng, Chief Information Officer; Darryl  
27 Piggee, Staff Director/Counsel, Subcommittee on Information  
28 Policy, Census and National Archives; Michelle Mitchell,  
29 Professional Staff Member, Subcommittee on Information  
30 Policy, Census and National Archives; Alissa Bonner,  
31 Professional Staff Member, Subcommittee on Information  
32 Policy, Census and National Archives; Jean Gosa, Clerk,  
33 Subcommittee on Information Policy, Census and National  
34 Archives; Charisma Williams, Staff Assistant, Subcommittee on  
35 Information Policy, Census and National Archives; Larry  
36 Halloran, Minority Staff Director; Jennifer Safavian,  
37 Minority Chief Counsel for Oversight and Investigations; John  
38 Cuaderes, Minority Senior Investigator and Policy Advisor;  
39 Larry Brady, Senior Investigator and Policy Advisor; Patrick  
40 Lyden, Minority Parliamentarian and Member Services  
41 Coordinator; Benjamin Chance, Minority Professional Staff  
42 Member; Ali Ahmad, Minority Deputy Press Secretary; Chris  
43 Espinoza, Minority Professional Staff Member

44 Chairman WAXMAN. The meeting of the joint hearing of the  
45 Committee and the Subcommittee will come to order.

46 Two months ago, this Committee held a hearing to examine  
47 a contract to use hand-held computers to conduct the 2010  
48 Census. We learned that due to serious mismanagement, the  
49 Census Bureau was forced to abandon its plans for the  
50 hand-held computers and to revert to a paper census. These  
51 changes will cost the taxpayer up to \$3 billion.

52 The costly decision to return to a paper census was  
53 avoidable. For years, the Government Accountability Office  
54 and others auditors raised concerns about the Census Bureau's  
55 management of the contract. But the Census Bureau failed to  
56 respond to these concerns with any sense of leadership or  
57 urgency.

58 At the April hearing, the GAO witnesses described the  
59 situation as unacceptable and a failure in management.  
60 Chairman Clay and I called today's hearing to find out what  
61 progress the Census Bureau has made since early April.

62 As promised at the April hearing, the Census Bureau has  
63 completed a re-plan for the paper-based non-response  
64 follow-up, an integrated project schedule and a software  
65 testing plan for address canvassing. The Bureau also has  
66 given its contractor, the Harris Corporation, a new set of  
67 requirements for non-response follow-up. Today we will ask  
68 GAO and the MITRE Corporation to provide their independent

69 | assessment of these plans and whether they provide a road map  
70 | for a successful 2010 Census.

71 |         Already there are warning signs of further problems.  
72 | After the April joint committee hearing and at the request of  
73 | Chairman Clay, the Census Bureau directed MITRE to review  
74 | Harris Corporation's \$1.3 billion cost estimate. MITRE  
75 | concluded that the revised contract with Harris Corporation  
76 | should cost just \$726 million, almost half of the  
77 | contractor's original estimate.

78 |         The decennial census is an essential, constitutionally  
79 | mandated program. Its results have implications for  
80 | Congressional representation and for billions of dollars in  
81 | Federal funding decisions. We cannot afford to get this  
82 | wrong. The 2010 Census will take place in less than 22  
83 | months. This date cannot be changed and it cannot be  
84 | delayed. The Committee will not stop its efforts to determine  
85 | what went wrong, but our primary goal today will be getting  
86 | the census back on track.

87 |         Mr. Davis, I want to recognize you for an opening  
88 | statement.

89 |         [Prepared statement of Chairman Waxman follows:]

90 | \*\*\*\*\* INSERT \*\*\*\*\*

91 Mr. DAVIS OF VIRGINIA. Thank you, Chairman Waxman, and  
92 Chairman Clay. I appreciate your calling this hearing to  
93 continue our Committee's oversight into the problems with the  
94 2010 Census.

95 As some of us have known for quite some time, and at our  
96 hearing on April 29th, it was revealed the decennial census  
97 is in peril. Unfortunately, little has changed since we last  
98 met. While we do need to continue to examine the root causes  
99 of the problem, our primary focus needs to be on the future  
100 and ensuring that the enumeration is successful.

101 Mr. Chairman, what worries me the most is that we are  
102 still no closer to a solution today than we were two months  
103 ago. There is no agreement between the Census Bureau and the  
104 prime contractor on a revised technology platform. The  
105 decision to revert to a paper system for non-response  
106 follow-ups is still in planning stages. We no longer have  
107 the luxury of measuring progress in months or even weeks.  
108 Progress has to come daily, with very little room left for  
109 further error.

110 At the current glacial pace, I am afraid the Bureau will  
111 not be ready to meet the one deadline that cannot be  
112 extended: the constitutional mandate to count all Americans  
113 in 2010. The situation didn't arise yesterday or even last  
114 month. GAO warned us of this possibility three years ago.  
115 MITRE's initial report containing serious alarms about the

116 | technology program was issued a year ago. The Census Bureau  
117 | acknowledged the crisis eight months ago. A decision was  
118 | made to dramatically alter the previous census plan four  
119 | months ago. Yet today we have only minimal progress toward  
120 | finalizing critical requirements and validating cost  
121 | estimates for a successful census.

122 |         Still, some of those warnings finally seem to have hit  
123 | home. The Census Bureau and the Commerce Department have  
124 | focused on linger problems with a new sense of urgency. Just  
125 | as importantly, improved communication and cooperation  
126 | between the technology contractor, Harris Corporation, and  
127 | the Bureau reduce the risk of continued sideways drift in the  
128 | implementation of critical, time-sensitive census  
129 | preparations.

130 |         We should bring the same sense of urgency to our efforts  
131 | to get the 2010 Census back on track. First and foremost, we  
132 | need to help the Bureau identify and secure the funding  
133 | needed for the revised 2010 Census plan. To do that, we need  
134 | well-supported, should-cost estimates of key census tasks and  
135 | components. But today we will be confronted with widely  
136 | divergent figures.

137 |         I hope testimony at this hearing clarifies cost  
138 | projections, flushes out conflicting and unsupported  
139 | assumptions and begins to reconcile those important numbers.  
140 | Every minute and every dollar matters as the clock ticks

141 | relentlessly toward 2010. This hearing and others we will  
142 | need to convene should mark essential benchmarks toward a  
143 | successful census. I look forward to continuing a  
144 | constructive bipartisan approach to these issues.

145 | [Prepared statement of Mr. Davis of Virginia follows:]

146 | \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

147 Chairman WAXMAN. Thank you, Mr. Davis.

148 Chairman Clay.

149 Mr. CLAY. Mr. Chairman, thank you for holding this  
150 hearing on the progress of the 2010 Census.

151 The first hearing of the Information Policy, Census and  
152 National Archives Subcommittee in the 110th Congress was  
153 entitled ``Progress of the Reengineered 2010 Census,`` and  
154 held on April 24th, 2007. At that hearing, the Subcommittee  
155 received testimony from the Census Bureau, GAO and the Harris  
156 Corporation on several issues, including the mobile computing  
157 devices, as the hand-held computers were called at that time;  
158 the Bureau's plans to conduct a short-form only census;  
159 replacement of the long form with the American Community  
160 Survey; and the Local Update of Census Addresses Program, all  
161 critical components of the reengineered census.

162 At that hearing, GAO expressed concern about the lack of  
163 performance requirements for the field data collection  
164 automation program. Since then, we have learned about other  
165 serious problems, problems that prompted the full Committee  
166 to hold a joint hearing with the Subcommittee to examine the  
167 status of FDCA. The Census Bureau and Harris vowed to work  
168 together to address this problem.

169 Since April 9th, the staff of the Committee and  
170 Subcommittee have held a series of briefings with the Census  
171 Bureau, GAO, the MITRE Corporation and Harris Corporation to

172 | get updates on the progress made since the hearing. Staff  
173 | has been assured by the Bureau and Harris that progress is  
174 | being made. We will find out today.

175 |         Mr. Chairman, although it is important to know what  
176 | happened and why it happened, my major interest today is in  
177 | solutions; what are the Census Bureau and the contractor  
178 | doing to resolve all outstanding issues and get the 2010  
179 | Census back on track? I do not want to hear excuses. We are  
180 | running out of time. We are less than two years away from  
181 | census day. I expect to hear concrete and viable plans  
182 | today.

183 |         Thank you, Mr. Chairman. I yield back.

184 |         [Prepared statement of Mr. Clay follows:]

185 | \*\*\*\*\* INSERT \*\*\*\*\*

186 Chairman WAXMAN. Thank you very much, Chairman Clay.

187 Without objection, the record will stay open for any  
188 opening statement that members wish to put into the record.

189 We have with us for our witnesses the Honorable Steven  
190 H. Murdock, the Director of the U.S. Census Bureau. Dr.  
191 Murdock is the former State Demographer for Texas. He is  
192 accompanied by Mr. Arnold Jackson, Associate Director for  
193 Decennial Census and Mr. Jay Tyler, Budget Director for the  
194 Bureau.

195 Before we recognize the witnesses, I do want to  
196 recognize our colleague, Mr. Turner, for an opening  
197 statement.

198 Mr. TURNER. Mr. Chairman, thank you. Thank you for  
199 allowing me to make a statement. I apologize for running a  
200 little bit late to get to the hearing. I want to thank you  
201 and our Ranking Member for your attention to this issue on  
202 the progress of the 2010 Decennial Census.

203 It has been two months since our last hearing on the  
204 revamped plans for the 2010 Census. It has been two months,  
205 and yet many believe we have seen little progress. The  
206 Bureau has completed their planning for the paper-based  
207 census, but little to no progress has been made on key  
208 programs, such as addressing canvassing and non-responsive  
209 follow-up.

210 Why is it that we are one year removed from the address

211 canvassing dress rehearsal and yet the Bureau is just now  
212 presenting a plan on how to move forward on this aspect of  
213 the 2010 Census? Clearly, this plan could have been  
214 presented and implemented much earlier.

215         It has been four months since the Bureau changed to a  
216 paper non-responsive follow-up, yet the Bureau just settled  
217 five days ago on the requirements of this key aspect in 2010.  
218 In fact, it will be likely mid-August until we know if the  
219 plans that they now have for the paper census are even  
220 accomplishable.

221         Mr. Chairman, the Bureau is measuring success by their  
222 ability to have plans. We should insist success be measured  
223 by their ability to run a census and not what they can  
224 produce on paper. The Decennial Census is important for  
225 every person living in the United States. It is important to  
226 me and for every member of Congress who wants to understand  
227 who their constituents are. We should not settled for  
228 mediocrity, especially when we know this is something that  
229 can be done. After all, this is our Country's 23rd Census, so  
230 we know what we are asking for can be accomplished; we know  
231 it can be done.

232         I hope this Committee continues to oversee this very  
233 important issue and I appreciate your holding these hearings.  
234 It is imperative we get to the 2010 Decennial Census, that it  
235 get back on track. I yield back the balance of my time.

236

[Prepared statement of Mr. Turner follows:]

237

\*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

238 Chairman WAXMAN. Thank you very much.

239 Dr. Murdock will be joined by Mr. Arnold Jackson and Mr.  
240 Jay Tyler. Mr. Matthew Scire is the Director of Strategic  
241 Issues at the GAO and oversees GAO's work on the 2010 Census.  
242 With him is Mr. David Powner, Director of Information  
243 Technology Management Issues at GAO. Dr. Jason F. Providakes  
244 is the Senior Vice President and General Manager of the  
245 Center for Enterprise Modernization at MITRE Corporation.  
246 Dr. Providakes has wide experience in advising the Federal  
247 Government on information technology programs. He is  
248 accompanied by Dr. Glenn Himes, MITRE's Executive Director.  
249 Mr. Michael Murray is Vice President of Census Programs at  
250 Harris Corporation, and is responsible for the field data  
251 collection automation and MAF/Tiger programs.

252 We are pleased to welcome all of you to our hearing  
253 today. It is the practice of this Committee that all  
254 witnesses who testify do so under oath. So I would like to  
255 ask everyone that is going to participate in answering  
256 questions and giving testimony to please rise and raise your  
257 right hand.

258 [Witnesses sworn.]

259 Chairman WAXMAN. The record will indicate that all the  
260 witnesses answered in the affirmative.

261 Dr. Murdock, we want to start with you. Your prepared  
262 statements, and this is true for everyone, will be part of

263 | the record. We would like to ask, if you would, to try to  
264 | limit the oral presentation to five minutes. We will have a  
265 | clock, I will turn it on in a minute, it will be green for  
266 | four minutes, then the last minute it will turn yellow, then  
267 | when the time is up, it will turn red. When you see the red  
268 | light, please plan to conclude.

269 |         There is a button on the base of the mic. Be sure it is  
270 | on. We are looking forward to hearing what you have to say.

271 | STATEMENTS OF THE HONORABLE STEVEN H. MURDOCK, DIRECTOR,  
272 | UNITED STATES CENSUS BUREAU; ACCOMPANIED BY: ARNOLD A.  
273 | JACKSON, ASSOCIATE DIRECTOR FOR DECENNIAL CENSUS, AND JAMES  
274 | T. TYLER, CHIEF, BUDGET DIVISION; MATTHEW SCIRE, DIRECTOR,  
275 | STRATEGIC ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE;  
276 | ACCOMPANIED BY DAVID POWNER, DIRECTOR, INFORMATION  
277 | TECHNOLOGY MANAGEMENT ISSUES; JASON F. PROVIDAKES, PH.D.,  
278 | SENIOR VICE PRESIDENT AND GENERAL MANAGER, CENTER FOR  
279 | ENTERPRISE MODERNIZATION, THE MITRE CORPORATION; ACCOMPANIED  
280 | BY GLENN HIMES, EXECUTIVE DIRECTOR, MITRE; MICHAEL P. MURRAY,  
281 | VICE PRESIDENT, CENSUS PROGRAMS, HARRIS CORPORATION

282 | STATEMENT OF STEVEN H. MURDOCK

283 |         Mr. MURDOCK. Thank you, Mr. Chairman, members of the  
284 | Committee. I would like to thank all of you for the  
285 | opportunity to brief you again on the status of the 2010  
286 | Census, and in particular, our ongoing efforts to address the  
287 | problems associated with the Field Data Collection  
288 | Automation, or what we call FDCA, program.

289 |         Recent hearings have appropriately focused on our  
290 | contract with the Harris Corporation and our efforts to  
291 | rescope the FDCA program. As you know, addressing the

292 problems associated with FDCA has been my priority since I  
293 arrived just a little over five months ago. After the  
294 problems became clear, I established the risk reduction task  
295 force, chaired by former Deputy Director William Barron. The  
296 task force's work was then reviewed by an expert panel  
297 established by the Secretary. The task force's  
298 recommendations were confirmed by the expert panel and the  
299 Secretary made the decision that we should move forward on a  
300 paper-based non-response follow-up operation, while retaining  
301 the use of the hand-held computers in address canvassing.

302 In addition to our decision to move to a paper-based  
303 non-response follow-up operation, we have been laying the  
304 groundwork to ensure that the remaining FDCA operations are  
305 successful. We are making progress in our work with Harris  
306 and have begun embedding Census Bureau staff in Harris'  
307 operations and incorporating staff from Harris into the 2010  
308 Census Operations. As a result, communication has improved.  
309 We produced our final requirements for the paper-based NRFU  
310 operation on June 6th, and we have secured an agreement with  
311 Harris to provide their final cost estimates by July 15th.

312 We also have initiated a contingency planning process  
313 that is assessing our options relative to the FDCA process  
314 and contract. You will hear today about the independent cost  
315 estimate we asked MITRE Corporation to develop as part of our  
316 preparation for the upcoming negotiation with Harris, which

317 we initiated in response to Subcommittee Chairman Clay's  
318 recommendation. This work by MITRE has been extremely  
319 valuable to us.

320 As we work with Harris to finalize the terms for  
321 building and implementing an efficient and successful FDCA  
322 system, we will consider the independent cost estimate, as  
323 well as the specific information in Harris' cost estimate,  
324 and our own understanding of the critical functionality that  
325 the FDCA system must contain to ensure a successful 2010  
326 Census. My commitment to the Committee is that our final  
327 contract will be clearly justified and that our management of  
328 the contract will be transparent and rigorous.

329 I last appeared before this Committee on April 9th. At  
330 that time, I committed the Census Bureau to meeting three  
331 significant deliverables. In 30 days, we would produce the  
332 detailed plans for the paper-based NRFU operation. This was  
333 necessary because of the decision to change the operation  
334 that had been made by the Secretary.

335 In 45 days, we pledged to complete development of an  
336 integrated schedule for all 2010 Census operations. This was  
337 needed due to the effects of the changes in the 2010 design,  
338 their impacts on other parts of the Census operations.

339 Finally, we committed that in 60 days, we would  
340 establish the testing plan for the address canvassing  
341 operation. This was necessary because the task force had

342 indicated and the expert panel concurred that the existing  
343 plan for testing needed supplementation. Since that hearing,  
344 our Decennial Census staff has worked around the clock, and I  
345 am proud to report that we met our deadlines for completing  
346 each of these three building blocks. As you requested, Mr.  
347 Chairman, we also have briefed your staff on each of these  
348 deliverables.

349 In addition, we finalized the 2010 project management  
350 plan, developed the 2010 Census Risk Register and finalized  
351 the 2010 Census Risk Management Plan. This is a substantial  
352 body of work, and it reflects the commitment of the Census  
353 Bureau staff and leadership to establishing a framework to  
354 ensure a high quality 2010 Census. I am submitting each of  
355 these products for the record.

356 This work does not begin to cover the full range of 2010  
357 Census operations. But the fundamental components of our  
358 work to address the problems with FDCA are now in place, and  
359 key work products are at or nearly completed to ensure a  
360 successful 2010 Census. It is important to remember that the  
361 FDCA contract is only part of the 2010 Census. Mr. Chairman,  
362 in our work together, it is vital for this Committee to be  
363 fully appraised on the full range of ongoing Decennial Census  
364 operations. I will come back to the Committee to discuss  
365 other crucial operations, including the communications  
366 program, the partnership program, the local update of census

367 addresses program, and other automated systems.

368 Thank you for the opportunity to bring you up to date on  
369 the 2010 Census. I am joined by Arnold Jackson, the  
370 Associate Director for Decennial Census, and Jay Tyler, Chief  
371 of our Budget Division. We will be happy to take your  
372 questions.

373 [Prepared statement of Mr. Murdock follows:]

374 \*\*\*\*\* INSERT \*\*\*\*\*

375 | Chairman WAXMAN. Thank you very much, Dr. Murdock.

376 | Mr. Scire?

377 STATEMENT OF MATTHEW SCIRE

378 Mr. SCIRE. Mr. Chairman, members of the Committee and  
379 Subcommittee, thank you for the opportunity to be here today  
380 to discuss the 2010 Decennial Census. With me is David  
381 Powner, Director with GAO's Information Technology Team, who  
382 has been reviewing the Census Bureau's major information  
383 technology investments.

384 Two months ago, we appeared before this Committee to  
385 discuss the Bureau's plans for conducting the 2010 Census.  
386 We highlighted a number of challenges the Bureau faced and  
387 the need for action along several fronts, including the  
388 redesign of the largest census field operation non-response  
389 follow-up.

390 Today we can report that the Bureau has taken some  
391 important steps toward preparing for 2010, though there  
392 remains uncertainty and substantial risk. In April, the  
393 Director set the Bureau on a path to produce three documents  
394 intended to strengthen implementation of the 2010 Census.  
395 The Bureau has produced them, and as a result of this  
396 Committee's continuing attention, the Bureau is another step  
397 closer to being prepared for conducting the 2010 Census.

398 I will briefly outline some of the steps the Bureau has  
399 taken and some of the uncertainty that remains. Last April,

400 | we noted that moving to a paper-based, non-response follow-up  
401 | operation would mean that the Bureau may be unable to conduct  
402 | a full dress rehearsal of its critical and largest field  
403 | operation. At that time, we said it would be important for  
404 | the Bureau to specify how it would provide assurance that  
405 | this operation will be tested in the absence of a full dress  
406 | rehearsal.

407 |         On May 8th, the Bureau produced a NRFU operational  
408 | concept which provides an overview of the major activities,  
409 | information flows and systems that will be needed to complete  
410 | non-response follow-up operations. However, it is not  
411 | certain when and how the Bureau will test its revised plans  
412 | for this operation.

413 |         In April, we also said that the Bureau needed to  
414 | establish plans for working around limitations in the  
415 | technology to be used in address canvassing. The Bureau has  
416 | done more to describe its work-around for large blocks, and  
417 | last Friday produced an address canvassing testing plan.  
418 | This plan describes various testing of operations and  
419 | systems, including testing of software to be used in large  
420 | blocks. The plan also envisions conducting a partial re-do  
421 | of the dress rehearsal to validate the functionality of the  
422 | entire system.

423 |         I will defer to my colleague in describing the Bureau's  
424 | plans for testing this key field data collection automation

425 system.

426           Three weeks ago, the Bureau produced an integrated  
427 schedule of over 11,000 activity milestones, as well as a  
428 summary of 175 key operational milestones. Nonetheless, the  
429 Bureau does not include among its list of key milestones a  
430 date when it expects to complete testing of its systems and  
431 operations for non-response follow-up. Last week, the Bureau  
432 produced a revised summary of high-level risks. But it has  
433 yet to assess project risk associated with its movement to a  
434 paper-based operation.

435           We are currently reviewing in greater detail the summary  
436 of key milestones, the integrated schedule of milestones as  
437 well as the recently-completed risk management documentation.  
438 Going forward, it will be important for the Bureau to ensure  
439 that among the key milestones and activities highlighted for  
440 oversight are those whose success or failure represent the  
441 greatest impact on the ultimate cost and quality of the 2010  
442 Census.

443           The Bureau has taken some additional steps to manage its  
444 revised operations. It added temporary action officers to  
445 its 2010 governance structure. These officers ensure tasks  
446 and milestones for six key objectives, including preparing a  
447 testing plan, are met. The Bureau has also established  
448 regular status reporting from teams and action officers and  
449 the Bureau Director has a standing weekly meeting with the

450 Deputy Secretary.

451 In April, we emphasized the urgent need for the Bureau  
452 to address significant and longstanding weaknesses in  
453 managing information technology. We do so again today. In  
454 April, we said that the Bureau needed to finalize  
455 requirements for its field data collection automation  
456 contract. Today, the Bureau has finalized these  
457 requirements, but does not expect to finalize costs until  
458 mid-August. Going forward, it will be important for the  
459 Bureau to aggressively manage its key information technology  
460 investments.

461 I will turn it over to Mr. Powner to expand on this.  
462 Before I do, I want to thank you again for the opportunity to  
463 speak to you today. As in the past, we look forward to  
464 supporting this Committee's efforts. I would be glad to take  
465 any questions that you may have.

466 [Prepared statement of Mr. Scire follows:]

467 \*\*\*\*\* INSERT \*\*\*\*\*

468

Chairman WAXMAN. Thank you very much.

469

Mr. Powner?

470 STATEMENT OF DAVID A. POWNER

471 Mr. POWNER. Chairman Waxman, Mr. Clay, Ranking Members  
472 Davis, Turner and members of the Committee, thank you for  
473 holding this hearing. I have a few brief comments to make on  
474 the FDCA re-plan.

475 First, Commerce Department Executive Director Murdock  
476 and Mr. Jackson deserve credit for strengthening the FDCA  
477 program office leadership and governance. They have assigned  
478 a seasoned program manager to the FDCA program, hired an IT  
479 expert to help in overseeing the contractor and have improved  
480 oversight of and communication with the contractor.

481 In addition, their use of MITRE in evaluating FDCA costs  
482 and providing expert advice in other areas has greatly  
483 assisted in contractor oversight.

484 Regarding FDCA's costs, the difference between the  
485 Harris rough order of magnitude estimate of \$1.3 billion and  
486 MITRE's independent estimate of \$726 million raises  
487 significant questions and concerns. Starting with some  
488 history here, MITRE provided independent cost estimates on  
489 the FDCA program prior to contract awarded in April 2006 and  
490 again in the fall of 2007. Both of those estimates turned  
491 out to be roughly \$20 million higher than Harris' estimates  
492 at that time. This is typical, as independent estimates are

493 usually higher than program or contractor estimates.

494 We agree with Mr. Murray's written statement, which says  
495 we should not expend too much energy comparing the rough  
496 order of magnitude estimate to the detailed estimate and that  
497 the key comparison needs to occur after Harris delivers their  
498 detailed estimate on July 15th. I would like to stress that  
499 it is extremely important to have this estimate by mid-July  
500 to have ample time to analyze and reconcile the estimates and  
501 to explore all options. But given how MITRE and Harris  
502 estimates have been relatively similar over the past two  
503 years, to have a nearly \$500 million to \$600 million delta at  
504 this point in time is mind-boggling and makes no sense.  
505 These differences need to be reconciled. Moving forward, it  
506 is important that once Harris delivers their detailed  
507 estimate by mid-July that these estimates and their  
508 assumptions are completely understood and reconciled so the  
509 Government can explore all options and aggressively  
510 renegotiate a reasonable, revised contract cost for the FDCA  
511 program.

512 Mr. Chairman, thank you for your oversight and I look  
513 forward to your questions.

514 [Prepared statement of Mr. Powner follows:]

515 \*\*\*\*\* INSERT \*\*\*\*\*

516 | Chairman WAXMAN. Thank you very much, Mr. Powner.  
517 | Dr. Providakes.

518 STATEMENT OF JASON PROVIDAKES

519 Mr. PROVIDAKES. Good morning. Thank you for the  
520 opportunity you have given to the MITRE Corporation to update  
521 the Committee on the U.S. Census Bureau's progress in  
522 achieving successful 2010 Decennial Census.

523 Today I will focus on the progress since we appeared  
524 before this Committee on April 9th. Accompanying me today is  
525 my colleague, Dr. Glenn Himes, the Executive Director of  
526 Civilian Agencies at MITRE, plus enterprise modernization as  
527 well.

528 The MITRE Corporation is a not-for-profit organization  
529 chartered to work in the public interest. MITRE manages  
530 three federally-funded research and development centers,  
531 known as FFRDCs, one for the Department of Defense, one for  
532 the Federal Aviation Administration and one for the Internal  
533 Revenue Service. A federally-funded research and development  
534 center is a unique organization that assists the United  
535 States Government in scientific research and analyses,  
536 development and acquisition and/or systems engineering  
537 integration of large programs.

538 FFRDCs are established and designed for the purpose of  
539 engaging with Government, over the long term, to address  
540 these long-term, complex problems. FFRDC operates in the

541 public interest with objectivity, independence, freedom from  
542 conflict of interest and full disclosure of their affairs to  
543 their respective Government sponsors. It continues to be our  
544 privilege to serve with the talented engineers and other  
545 professionals who support the Census Bureau in its efforts to  
546 prepare for the 2010 Census.

547 We are pleased to report today that the Bureau has  
548 demonstrated substantial improvements in the last two months.  
549 In April, 2008, the Director of Census Bureau asked MITRE to  
550 provide recommendations on how to improve the Bureau's  
551 management of the FDCA program. MITRE worked with the Census  
552 leaders to define and implement a program improvement road  
553 map that consisted of plans, schedules and processes. Census  
554 assigned action officers to lead and be accountable for  
555 progress in each area. Each action officer developed  
556 milestones and reported status to the Director on a regular  
557 basis.

558 Although these activities began only two months ago,  
559 substantial progress has been accomplished. Census developed  
560 or updated its program management plan, its risk management  
561 process, its communications plan, a program testing plan and  
562 an integrated schedule over the past two months. An  
563 operations center and website are being developed to improve  
564 access to key program status and information for full  
565 transparency. Managers are responding quickly to requests

566 | for document reviews and approvals, which is creating a  
567 | faster decision tempo. As a result, the Census Bureau has  
568 | improved its ability to monitor and control its programs.

569 |         The decision to implement a paper-based non-response  
570 | follow-up operation represented a major change to the  
571 | Decennial Census that required substantial changes to  
572 | existing plans. In only two months, Census developed and  
573 | delivered an operational concept that depicts the major steps  
574 | in the non-response operations and highlights the related  
575 | information flows. The documentation describing the  
576 | reduction in scope for the paper-based non-response follow-up  
577 | was delivered to the Harris team on schedule on June 6th,  
578 | 2008. Accomplishing these urgent activities was another  
579 | major accomplishment for the Census Bureau.

580 |         Finally, based on a request from this Committee, the  
581 | Director of the Census Bureau asked the MITRE Corporation to  
582 | update the estimated costs of the FDCA contract to account  
583 | for changes, primarily reductions in the scope of the  
584 | program. MITRE completed the update in May. Our estimate of  
585 | the life cycle costs for FDCA is \$726 million. This is  
586 | substantially lower than the rough order of magnitude  
587 | estimate of \$1.3 billion provided by the contract of the  
588 | Harris Corporation. The assumptions behind our cost estimate  
589 | and the general methodology have been reviewed by members of  
590 | your staff, the Government Accountability Office, the Office

591 | of Management and Budget, the Department of Commerce, the  
592 | Commerce Office of Inspector General and the Bureau of Census  
593 | and the Harris Corporation.

594 |         MITRE has high confidence that the program can be  
595 | accomplished at the estimated cost. Although some of the  
596 | check technologies that are relevant to the program have  
597 | changed in the past two years, we believe technology is  
598 | sufficiently mature to perform the program at the estimated  
599 | costs. Our confidence in our estimate is not based solely on  
600 | the maturity of our cost model. Our confidence is also based  
601 | on our ability to develop a technical reference model that  
602 | can be rapidly implemented of a proof of concept  
603 | demonstration on a commercially-available hand-held computer.

604 |         We remain committed to helping the Census Bureau  
605 | overcome the current challenges to the FDCA program to enable  
606 | a successful Census. Thank you for inviting us to this  
607 | hearing. We would be happy to answer all your questions.

608 |         [Prepared statement of Mr. Providakes follows:]

609 | \*\*\*\*\* INSERT \*\*\*\*\*

610 | Chairman WAXMAN. Thank you very much.

611 | Mr. Murray?

612 STATEMENT OF MICHAEL P. MURRAY

613 Mr. MURRAY. Chairman Waxman, members of this  
614 distinguished Committee, thank you for the opportunity to  
615 update you on Harris Corporation's role in supporting the  
616 U.S. Department of Commerce and the Census Bureau in the  
617 modernization and automation of the 2010 Decennial Census.

618 In April, we reported to this Committee on the status of  
619 the field data collection automation project for which Harris  
620 is providing contract support. At that time, we were working  
621 with the Census Bureau to address the next steps in this  
622 critical project. I would like to provide an update on our  
623 progress in supporting the most technologically advanced  
624 census in our Country's history.

625 Together we are making solid progress toward the  
626 implementation of a fully-integrated system for the 2010  
627 Decennial Census. The Harris team is confident that based on  
628 progress to date, both the mobile computing environment and  
629 the office computing environment will be ready to support a  
630 successful decennial address canvassing operation. The dress  
631 rehearsal address canvassing conducted in April of 2007 was a  
632 valuable field operational test. Some items worked very  
633 well. For example, the hand-held computers used in dress  
634 rehearsal were intuitive, secure and easily used by people

635 | with limited experience. Map spots were collected for over  
636 | 500,000 addresses. The Harris team demonstrated the ability  
637 | to successfully provide secure, over-the-air software  
638 | upgrades during operations to correct problems and maintain  
639 | operational effectiveness.

640 |         The dress rehearsal provided insight and feedback into  
641 | areas where improvements were needed, which was the reason  
642 | for conducting dress rehearsal. Since that time, Harris has  
643 | worked closely with the Census Bureau to incorporate these  
644 | needed improvements.

645 |         There are three key accomplishments that have been  
646 | completed since the last hearing: the completion of the  
647 | system requirements review, the completion of the detailed  
648 | design review and the start of the production process for the  
649 | 150,000 address canvassing hand-held computers. These  
650 | milestones reflect the most recent progress and there are  
651 | other important milestones that must be met in the coming  
652 | months.

653 |         For example, by December of this year, just six short  
654 | months from now, we must ensure that 150 early local census  
655 | offices are in place and fully integrated into a nationwide  
656 | census network in support of the decennial address canvassing  
657 | operation. This is a milestone that will require tremendous  
658 | cooperation and will mark a significant achievement toward  
659 | the 2010 Decennial Census goal.

660 In recent weeks, there have been questions about the  
661 differences in cost estimates provided for this project. I  
662 would like to address these differences and explain how they  
663 arose. IN January, Harris was asked to provide a rough order  
664 of magnitude, or a ROM, to project the total budget impact as  
665 a result of the updated requirements. Harris developed this  
666 ROM over a short, two-week period.

667 In April, the Census Bureau tasked a separate  
668 contractor, the MITRE Corporation, with developing an  
669 independent Government cost estimate model in response to the  
670 Subcommittee's recommendation. There are significant  
671 differences between the ROM delivered by Harris and the  
672 estimate prepared by MITRE. However, the numbers projected  
673 separately by Harris and MITRE cannot be compared because  
674 they were based on independent assumptions. Harris is  
675 jointly working with the Census Bureau to develop a detailed  
676 proposal consistent with the requirements which will include  
677 the updated program costs. The updated program cost,  
678 developed with complete transparency, will be formally  
679 delivered to the Census Bureau in mid-July.

680 I would also like to note several positive changes that  
681 have taken place in the relationship between the Department  
682 of Commerce, the Census Bureau and Harris Corporation over  
683 the last two months that are making a difference in the  
684 long-term success of this project. Specifically, through

685 enhanced communication and collaboration, we are making more  
686 timely decisions, elevating and resolving problems, and are  
687 setting the framework for a more structured program  
688 execution.

689 Finally, I would like to remind both the Committee and  
690 our colleagues that we have a shared goal, and that is to  
691 ensure the 2010 Decennial Census is the most accurate, most  
692 complete and most secure in our Nation's history. We are  
693 grateful to Secretary Gutierrez and Director Murdock for  
694 their commitment in fostering commitment and collaboration.  
695 Time is of the essence, and we must focus on the important  
696 benchmarks and near-term milestones that we will need to meet  
697 in the coming months to reach that shared goal.

698 Mr. Chairman and members of the Committee, I appreciate  
699 the opportunity to testify before you, and look forward to  
700 answering your questions.

701 [Prepared statement of Mr. Murray follows:]

702 \*\*\*\*\* INSERT \*\*\*\*\*

703 Chairman WAXMAN. Thank you very much, Mr. Murray. I  
704 thank all of you for your presentation to us.

705 In March, the Government Accountability Office  
706 designated the Decennial Census as a high-risk area. This  
707 came after years of warning from GAO about weaknesses in  
708 operational planning, contract management and cost  
709 estimation, among other issues. At our April hearing, the  
710 GAO witnesses warned that the redesign of the Decennial  
711 Census created new risks that the Census Bureau would need to  
712 manage. Asked about the specific risks that he would focus  
713 on, Mr. Powner listed stabilizing requirements for the Harris  
714 contract, managing the interfaces between systems, and the  
715 need for extensive testing.

716 Mr. Scire and Mr. Powner, it has been two months since  
717 you flagged these risks at our last hearing, has the Census  
718 Bureau taken adequate action to mitigate these risks?

719 Mr. POWNER. Regarding the requirements, there has been a  
720 fair amount of work, and credit, as Dr. Providakes pointed  
721 out, is warranted here in the requirements area. I would  
722 refer to the requirements as stable now. There still will be  
723 some changes, but we are not in a requirements instability  
724 phase. So good progress there.

725 In regard to the interfaces and the testing, there is  
726 still a lot of work that remains. Those test plans need to  
727 be put in place, then ultimately the execution of those test

728 | plans are where the rubber is really going to meet the road,  
729 | and we are going to see whether there is progress with actual  
730 | data in hand.

731 |         So testing is still a major TBD.

732 |         Chairman WAXMAN. Let me ask a question more generally.  
733 | What are the key risks still facing the Decennial Census as a  
734 | whole, and what more would you do to mitigate them?

735 |         Mr. POWNER. There are several key risks. First of all,  
736 | I think we need to come to agreement on the cost here. This  
737 | wide range, I know we have a delta, we need the final  
738 | estimate from Harris in mid-July, then really reconcile those  
739 | differences, because there are opportunities to whittle that  
740 | cost down from the \$1.3 billion.

741 |         Going forward, schedule is the major risk. There is a  
742 | lot to do with little time. So we are going to face schedule  
743 | risks in all these areas, whether it is the technologies, and  
744 | I will defer to Mr. Scire to talk about getting the key  
745 | operations in place.

746 |         Chairman WAXMAN. Mr. Scire?

747 |         Mr. SCIRE. What I would add to that is, the key areas  
748 | that we think need to be focused on are the non-response  
749 | follow-up operations and the testing that they need to do to  
750 | demonstrate that they will be ready to go forward with this  
751 | paper-based operation. We don't yet see the specifics in  
752 | terms of plans for how they are going to test or what sort of

753 | assurances that they will be providing for you, that they  
754 | will be prepared to conduct non-response follow-up.

755 | I would also draw attention to the operations control  
756 | system, which is another deliverable for the contractor. And  
757 | of course, that is the brains of the operation. It is used  
758 | in all the different field operations. It has had some  
759 | problems in its use in the paper-based operations that have  
760 | been tested so far, where the field ended up having to work  
761 | around and use manual systems.

762 | So I think it important that we keep attention on the  
763 | progress in getting the operations control system in place  
764 | and for demonstrating that it will perform what is expected  
765 | of it.

766 | Chairman WAXMAN. Thank you.

767 | Dr. Murdock and Mr. Jackson, would you care to respond?  
768 | Do you agree that these are the key risks to the Decennial  
769 | moving forward?

770 | Mr. MURDOCK. Certainly these are very important risks  
771 | that we are taking very seriously and making very concerted  
772 | efforts to address them. I will let Mr. Jackson talk in more  
773 | specific terms.

774 | Mr. JACKSON. Mr. Chairman, the risks that were cited I  
775 | think were cost, schedule and testing. Cost will be  
776 | negotiated in the July 15th replan negotiations. We are very  
777 | confident moving forward that we will be able to reconcile

778 | what might appear to be major differences. Now there are, as  
779 | Harris Corporation pointed out, and MITRE, assumption  
780 | differences that need to be reconciled. Our approach has  
781 | been to not pre-negotiate or to negotiate in public but to  
782 | take the MITRE information and to seek a fair price for the  
783 | work we need when those negotiations ensue July 15th. I am  
784 | confident that we will be able to do that.

785 |         Secondly, regarding schedule, schedule is tight. The  
786 | Decennial Census process is typically done in the framework  
787 | of a tight schedule. We are in the process, however, of  
788 | developing contingencies and rapid decision-making, other  
789 | tools and techniques to try to mitigate the risks of a tight  
790 | schedule. But I would not deny that the schedule is tight  
791 | and has gotten tighter as we have heeded GAO's  
792 | recommendations and MITRE's to do more testing, which I think  
793 | was the third risk mentioned.

794 |         In the whole area of testing, our testing program is  
795 | targeted around the sequence of operations that need to be  
796 | done. According, the address canvassing operation, which  
797 | launches next April, we do have a test plan, and to date, the  
798 | interfaces part of that plan has been completed. While we  
799 | would prefer to have it all done, we will then proceed to  
800 | non-response follow-up testing, which will start in January  
801 | of 2009. We are still, as was said earlier, working toward a  
802 | firm end date.

803 I would just say, as a note on the non-response  
804 follow-up, when we remove the hand-held computer and return  
805 to a paper-based non-response follow-up, while the need for  
806 testing did not diminish, it certainly declined in terms of  
807 its importance, in a sense. We have done paper-based  
808 non-response follow-up many times, and that is just one  
809 point. The real point is that the remaining systems in  
810 non-response follow-up are very similar to the back-end  
811 systems that are in address canvassing. You have heard  
812 mention of paper-based operations. Well, that is what  
813 non-response follow-up is.

814 So the testing that is now left to be done of the  
815 automated systems will be done, it will be rigorous.  
816 However, we bear the benefit of those systems mirroring the  
817 systems that back up address canvassing.

818 Chairman WAXMAN. Thank you very much.

819 Mr. Davis?

820 Mr. DAVIS OF VIRGINIA. At the last hearing, talking to  
821 Mr. Murdock, the April 9th hearing record I think is  
822 unequivocally clear in pointing to the failure of the Bureau  
823 to identify, articulate and deliver to Harris in a timely  
824 manner the requirements that were needed. Although the  
825 Bureau was turning to a paper-based system, there remained  
826 several technology aspects of the FDCA program that have yet  
827 to have all the requirements fully defined. At the last

828 | hearing, you indicated to this Committee that the only FDCA  
829 | requirements remaining were those having to do with the  
830 | decision to revert to a paper-based NRFU. We have  
831 | documentation that shows this is really not the case.

832 |         Why is it that the Bureau continues to change the NRFU  
833 | requirements at this late date, after testifying that it  
834 | wouldn't?

835 |         Mr. MURDOCK. When we look at these requirements, we see  
836 | them, many of them, as clarifications. I think one of the  
837 | great strides forward that we have had in the last couple of  
838 | months is working out with the Harris Corporation our  
839 | disagreements, if you will, our differences relative to how  
840 | we evaluate specific aspects of our program. That is one of  
841 | them. We believed at the time and we believe now that those  
842 | are not new requirements; but rather, in many cases they were  
843 | specifications or clarifications of the requirements.

844 |         Mr. DAVIS OF VIRGINIA. Isn't it reasonable to say the  
845 | program remains in crisis until the requirements process is  
846 | really wrapped up?

847 |         Mr. MURDOCK. We believe the requirements process is  
848 | basically wrapped up. We provided the last set of  
849 | requirements, and I think Mr. Murray would agree with us, we  
850 | have basically clarified that and there are not questions out  
851 | there, to any great extent, on differences in requirements.

852 |         Mr. DAVIS OF VIRGINIA. In most cases, you are still

853 | adding costs and changing the scope of the program by adding  
854 | requirements, even if you define the requirements needs of  
855 | the Bureau as only clarifications. Now, considering the  
856 | increased costs and the expanded scope, do you agree that the  
857 | amount of clarifications need to be kept to a minimum?

858 |         Mr. MURDOCK. We certainly are trying to stabilize the  
859 | program to ensure that we all have a clear and consistent and  
860 | agreed-upon road map going forward. I believe that is  
861 | happening.

862 |         Mr. DAVIS OF VIRGINIA. What do you have in place to make  
863 | sure that requirements, both new and clarifications, are kept  
864 | under control?

865 |         Mr. MURDOCK. We have a very clear process of  
866 | decision-making; we have created a management plan that  
867 | requires that changes go through a change review process; and  
868 | that process goes through several layers of decision-makers  
869 | to ensure that any changes that are made are absolutely  
870 | essential. They end up on Mr. Jackson's desk, where he makes  
871 | the ultimate decision regarding such potential changes.

872 |         Mr. DAVIS OF VIRGINIA. Why is it taking so long to  
873 | finalize the requirements for address canvassing?

874 |         Mr. MURDOCK. We believe those are finalized. As I  
875 | indicated a minute ago, there were disagreements about some  
876 | of those, but we believe that process is basically completed  
877 | now.

878 Mr. DAVIS OF VIRGINIA. Well, the dress rehearsal ended  
879 in June of 2007. You supposedly had the final requirements  
880 identified in January of 2008. But we are still negotiating  
881 requirements or clarifications. Given the amount of time  
882 from the dress rehearsal until now, are you telling me now  
883 that we are through with the requirements, that this is the  
884 clarifications, that it is done as we sit here today? Or are  
885 there still clarifications and issues that we have not come  
886 to closure on?

887 Mr. MURDOCK. We believe that the requirements have  
888 basically been resolved to both of our--we agree to them and  
889 that we basically have resolved those issues and that we are  
890 today sitting at a place where we know jointly, ourselves and  
891 the Harris Corporation, where to go, how to get there and are  
892 proceeding to do so.

893 Mr. DAVIS OF VIRGINIA. Let me ask the other  
894 participants, do you agree with that? Mr. Powner?

895 Mr. POWNER. Regarding the requirements, there were  
896 requirements delivered on January 16th and June 6th. Now,  
897 are they perfectly locked down? No. There are still some  
898 requirements that are trickling in. Our analysis of this  
899 situation--

900 Mr. DAVIS OF VIRGINIA. So the key word there is  
901 basically, meaning it is not done yet, right?

902 Mr. POWNER. There are still clarifications that are

903 | going on. I would refer to the requirements situation now as  
904 | stable. There still are some changes going on, some  
905 | clarifications, but overall where we have been, the  
906 | requirements aren't perfectly locked down, but we are a lot  
907 | closer. I think we are at a point now where we actually can  
908 | move forward with a reasonable cost estimate from the Harris  
909 | Corporation. That is the way we view it. I know there are a  
910 | lot of different opinions about whether these are new  
911 | requirements or not. Our take on this is consistent with the  
912 | Director's, that most of the discussion is around those  
913 | January 16th requirements being clarified. I would not refer  
914 | to those as new requirements, but they are just discussions  
915 | that are ongoing to make sure they are well understood.

916 |         Mr. DAVIS OF VIRGINIA. Mr. Chairman, can I just ask one  
917 | additional question? For the Bureau, last week you unveiled  
918 | a test planning for address canvassing, even though you have  
919 | known about address canvassing problems since the dress  
920 | rehearsal ended in June of 2007. Why are we just now getting  
921 | around to focusing on the problems of address canvassing?

922 |         Mr. MURDOCK. Among the reasons for re-addressing that  
923 | issue is the task force and the expert panel that reviewed  
924 | the assessment of the task force, and the task force had  
925 | indicated that there needed to be supplementation of the  
926 | testing program, not only in address canvassing, but in other  
927 | parts as well. So we could not, until we had evaluated the

928 suggestions of the task force, complete that testing program.  
929 We have done that in a very expedited fashion.

930 Mr. CLAY. [Presiding] Thank you.

931 Mr. Murdock, I commend you and your staff for the hard  
932 work you have put toward getting the Census back on track.  
933 At the April 9th joint hearing, the Bureau stated that it had  
934 not scrubbed the numbers provided by Harris in the rough  
935 order of magnitude. What are the Bureau's plans for  
936 verifying the cost estimate that Harris will submit on July  
937 15th, and how do you plan to analyze the figures?

938 Mr. MURDOCK. We have done a number of things related to  
939 that. As you know, in accordance with really sound  
940 practices, just as we had had, before we let the contract, we  
941 had a cost estimate done. We repeated that process and as  
942 you know, had MITRE complete an independent Government cost  
943 estimate for us to indicate what they thought of the  
944 reformulated program, what the costs were.

945 We have in turn obtained the services of a contractor  
946 that is an expert in the area of IT and in the costs related  
947 to IT. Mr. Jackson will in concert with such other  
948 professionals and processionalists in our organization be taking  
949 the cost estimate, be taking the cost proposal as it is  
950 developed by the Harris Corporation and working toward a cost  
951 proposal and for a contract that we think successfully will  
952 get us to a successful census and that is appropriate

953 relative to work to be done.

954 Mr. CLAY. Mr. Powner, to quote your testimony, you found  
955 that 500 to 600 million dollar difference is mind-boggling  
956 and makes no sense. At the April 9th hearing, I requested  
957 that GAO analyze the cost estimate. I would like to make  
958 that same request today. What are your plans for verifying  
959 the cost estimate to be submitted on July 15th?

960 Mr. POWNER. We have been through the MITRE estimate in  
961 great detail, and once the Harris estimate is delivered, we  
962 plan to brief your staff on our findings on where the  
963 differences are and why we have differences. I can tell you  
964 right now that there are some different assumptions, and our  
965 written statement points this out, in the areas of software  
966 development and common support. There are different  
967 assumptions made on the amount of software development that  
968 needs to be completed between now and the 2010 Census . And  
969 also, when you look at common support, there are differences  
970 in terms of the level and numbers of middle level management  
971 associated with the contract. So those are some areas that  
972 we are going to be focused on keenly.

973 Mr. CLAY. Thank you.

974 Mr. Murray, given the urgency of this matter, is there  
975 any way to complete contract negotiations before August 15th?

976 Mr. MURRAY. One of the key steps that we are taking in  
977 working with the Census Bureau is we have invited them in,

978 | and they have started to attend our actual proposal  
979 | development. So they are participating in, day to day with  
980 | us, reviewing our basis of estimates, and looking at the  
981 | details that we are preparing. We have also worked with them  
982 | to determine, developing more of a streamlined technical  
983 | approach and technical proposal that can be provided, so that  
984 | we can first meet the dates of July 15th. After July 15th to  
985 | August 15th is the time to actually definitize. So in order  
986 | to speed up the definitization process, the key thing that  
987 | needs to be done is to make sure that you have that continued  
988 | involvement up to July 15th, so that on July 15th when the  
989 | proposal is submitted, there are no surprises to the Bureau.

990 |         We have followed that process on the MAF/Tiger program,  
991 | where we worked the proposal jointly with the Census Bureau.  
992 | We are trying to do that the same on the FDCA program. On  
993 | MAF/Tiger, when we submitted a final proposal, it was close  
994 | to accept as is. There were some questions and some  
995 | clarifications that had to follow up after we submitted it.  
996 | But the actual definitization of that contract went very  
997 | quickly, because we had side by side involvements throughout  
998 | the process in developing the proposal. We are doing that  
999 | today with the Census Bureau.

1000 |         Mr. CLAY. Is that a yes or a no? Can you complete  
1001 | negotiations by August 15th?

1002 |         Mr. MURRAY. Can we complete negotiations?

1003 Mr. CLAY. Before August 15th, considering the urgency.

1004 Mr. MURRAY. We can complete by August 15th.

1005 Mr. CLAY. You said you are starting the production  
1006 process of the hand-helds.

1007 Mr. MURRAY. Correct.

1008 Mr. CLAY. Does the Bureau know the functionality of the  
1009 hand-helds and actually agree with Harris as it relates to  
1010 the hand-held devices? Does the Bureau know what they are  
1011 purchasing and do you know what the Bureau wants?

1012 Mr. MURRAY. What I was referencing in my testimony is  
1013 the actual production of the hardware device itself. The  
1014 Bureau is aware of that. They have been engaged in the  
1015 development of that device and they understand what they are  
1016 getting with the hand-held itself. The next step, then, and  
1017 what we are working on right now, is the actual software  
1018 application that rides on top the hand-held. The hardware  
1019 device itself is stable, and the high-tech computing corp is  
1020 off procuring the material to go build those devices so we  
1021 can get them in. The next challenge is completing the actual  
1022 software development activity and the software application to  
1023 ride on that hand-held to give the Census Bureau the user  
1024 interface and the screens that they are looking for.

1025 Mr. CLAY. And that will be completed when?

1026 Mr. MURRAY. The hand-held device will be delivered in  
1027 October.

1028 Mr. CLAY. Thank you.

1029 Mr. Turner, you are recognized.

1030 Mr. TURNER. Thank you, Mr. Chairman.

1031 Obviously I know that in all the recent hearings we have  
1032 had, everyone has expressed just how disappointed we are that  
1033 we have all come to this point. Millions of dollars have  
1034 been wasted; the program has been placed at list. The Senate  
1035 and the House have repeatedly held hearings. Our  
1036 Subcommittee, when I was chair, had numerous hearings. Our  
1037 current chairman had numerous hearings. The full Committee  
1038 has had numerous hearings on it, the Senate the same thing,  
1039 with the intent of trying to, with the help of the GAO, which  
1040 has repeatedly laid out the to-do list or tasks that needed  
1041 to be completed on trying to get this program back on track.

1042 One of the issues, obviously, when you have a program  
1043 that is going awry is to look to the issue of accountability.  
1044 For accountability, you look for who is in charge. I have a  
1045 question here that our staff has proposed.

1046 In looking to the briefings that our staff has received,  
1047 they have been told, and Mr. Murdock, you also today  
1048 emphasize that the Associate Director in charge of the  
1049 Decennial, Arnold Jackson, is the Bureau's single point of  
1050 contact on resolving Decennial problems going forward. Yet  
1051 our staff has concerns, because some of the information that  
1052 they have received suggests that others in the Bureau may

1053 | still be making significant changes to the field data  
1054 | collection automation program, without Mr. Jackson or around  
1055 | Mr. Jackson. Their concern goes back to what we saw when  
1056 | this program really begin to go off track, and that was the  
1057 | issue of too many cooks in the kitchen.

1058 |         So I have to ask, and I will start with Mr. Jackson,  
1059 | your thoughts on your ability to coalesce authority and what  
1060 | additional assistance that you might need or problems or  
1061 | areas where you see that perhaps we still might have too many  
1062 | people involved in the decision-making.

1063 |         Mr. JACKSON. Thank you for that offer, Mr. Turner. I  
1064 | think in the last, I say three or four months that I have  
1065 | been involved at the head of the program I have been able to  
1066 | garner the support necessary from not only Director Murdock  
1067 | but from the Department of Commerce to make the decisions  
1068 | that need to be made as quickly as possible with the  
1069 | information that is needed. I would be the first to admit  
1070 | that we probably have fallen into a pattern of slow or  
1071 | bureaucratic decision-making.

1072 |         I have, I think, instituted a different culture. I am  
1073 | in daily contact with Mr. Murray at Harris Corporation,  
1074 | around issues, around requirements, such that we are able to,  
1075 | whenever possible, resolve matters frequently within 24 hours  
1076 | or less. That is not perfect, but we are, I think, moving in  
1077 | the right direction.

1078 I am not sure who at the Census Bureau thinks that they  
1079 are making decisions on FDCA that I am not aware of, but I am  
1080 pretty confident that I have a structure in place to make  
1081 sure that the responsibility and accountability is focused on  
1082 me. I think there are several examples that Mr. Murray and I  
1083 could give of decisions that are either pending or have been  
1084 made, that I made with my staff in consultation in a very  
1085 rapid and focused way.

1086 Mr. TURNER. I appreciate that reassurance, because we  
1087 are certainly looking forward to the effects of your  
1088 leadership.

1089 Mr. JACKSON. Thank you.

1090 Mr. TURNER. Mr. Murdock, any comments?

1091 Mr. MURDOCK. We have certainly increased management  
1092 intensity substantially at the Bureau. Mr. Jackson, I am  
1093 sure, hears from me more times a day than he would like  
1094 sometimes. We are constantly in interaction. We have  
1095 increased not only the number of meetings and the times that  
1096 I meet with him and other people in his program, we have  
1097 instituted a number of other actions and are briefed weekly,  
1098 for example, by the MITRE Corporation, which is embedded in  
1099 many of our team processes throughout the FDCA program and  
1100 other parts of the Census to keep abreast of what is  
1101 happening.

1102 We are having substantial support from the Department of

1103 Commerce in this regard as well. I think our management team  
1104 could not be working more effectively together than they are.  
1105 It is very much a hand in glove operation with a single goal,  
1106 and that is to produce an accurate and timely 2010 Census.

1107 Mr. TURNER. On that issue of chain of command, Dr.  
1108 Providakes, could you please comment on that and also, Mr.  
1109 Murray.

1110 Mr. PROVIDAKES. Comment on?

1111 Mr. TURNER. On the issue of chain of command and the  
1112 Census and your belief of its effectiveness.

1113 Mr. PROVIDAKES. I am positive on the current program  
1114 management structure and the decision processes which have  
1115 been put in place in Census. We talked about risks and  
1116 concerns. We tend to get hung up on, I think to date, on the  
1117 requirements process. I agree with Dave Powner and company  
1118 that the key requirements are stable and have been stable for  
1119 some time. They are a set of clarifications which occur as  
1120 part of not the requirement process but the development  
1121 process. We seem to lose sight sometimes that there is a  
1122 development process that needs to occur to come up with the  
1123 design and implementation of that design to fill the  
1124 capability. The clarification process is in fact not unique,  
1125 it is natural, it should occur, it should occur regularly and  
1126 should it be conceived or perceived as a cost dimension to  
1127 the process.

1128           So we have to transition from requirements process to  
1129 development process, and that entails a close interaction  
1130 between the Government side on the requirements and on the  
1131 contractor's side as they begin to develop their design to go  
1132 forth with an implementation.

1133           Mr. TURNER. Mr. Murray?

1134           Mr. MURRAY. I want to echo what Mr. Jackson said. I  
1135 would agree with his comments, the collaboration and  
1136 cooperation between Harris and Census has significantly  
1137 improved. Mr. Jackson and I probably communicate two, three,  
1138 four times a day to include Saturdays and Sundays. We are  
1139 working very closely together at the executive level.

1140           At the working level team approach, we are working well  
1141 together on that front as well. We have invited the Census  
1142 Bureau to attend our cost reviews, our system requirements  
1143 reviews, our detailed design reviews. The Census Bureau has  
1144 invited us to attend their FDCA strategy session, so the  
1145 cooperation and collaboration has improved significantly.

1146           Mr. TURNER. Do our GAO panelists have any comment on  
1147 this?

1148           Mr. POWNER. We agree that the communication is  
1149 improving. I think the decision-making pace, we are also  
1150 seeing a quickening with that. As an example, there was one  
1151 time we were talking about cost estimates coming in in the  
1152 September time frame. I think there was a push to move those

1153 | dates up, so that we could renegotiate contracts sooner than  
1154 | later. That is one example where we see that pace  
1155 | quickening, and we just need more of that.

1156 |         Mr. TURNER. Thank you.

1157 |         Thank you, Mr. Chairman.

1158 |         Mr. CLAY. Thank you.

1159 |         The gentleman from Maryland, Mr. Sarbanes, is recognized  
1160 | for five minutes.

1161 |         Mr. SARBANES. Thank you, Mr. Chairman.

1162 |         Mr. Scire or Mr. Powner, the decision to abandon the  
1163 | hand-helds with respect to the non-response follow-up, was  
1164 | that a result of testing or was that a result of other things  
1165 | that came up, making folks realize that it wasn't going to  
1166 | happen?

1167 |         Mr. SCIRE. I think it is a result of the experience in  
1168 | the address canvassing operation where the Bureau knew, going  
1169 | back into June of last year, that there were concerns about  
1170 | use of the technology. There was also some concern, I think,  
1171 | at the time, when the risk reduction task force was looking  
1172 | at this as to whether or not the Bureau had confidence that  
1173 | Harris could produce a solution for non-response follow-up in  
1174 | addition to producing a solution for address canvassing and  
1175 | the operation control system and field infrastructure. So I  
1176 | think it was a combination of those factors.

1177 |         Mr. SARBANES. So the testing that is yet to happen, what

1178 | are the possible outcomes of that testing? I guess they  
1179 | could range from concluding that the thing that you wanted to  
1180 | use, whatever technology is being developed for, that that is  
1181 | not even going to work, right? That could be one result?  
1182 | What is the range of possible outcomes or conclusions that  
1183 | could come from the testing that is yet to happen?

1184 |         Mr. SCIRE. There is testing that is yet to happen, both  
1185 | in terms of the address canvassing operation, but also in  
1186 | terms of non-response follow-up. So there are corrections  
1187 | that the Bureau could make to operations potentially, in both  
1188 | of those, to the extent they are able to simulate an  
1189 | operation. So far as the software and the performance of the  
1190 | systems and devices, there is still opportunity to make  
1191 | changes there as well. I would defer to my colleague in  
1192 | terms of the technology.

1193 |         We talk about testing in the non-response follow-up  
1194 | operation. There are some things that the Bureau has not had  
1195 | a chance to rehearse, even though there are many things as a  
1196 | part of that operation they have done in the past. For  
1197 | example, they have never done a second mailing before. This  
1198 | is sort of getting into the operations. And the late mail  
1199 | return that they are going to be doing has not been tested in  
1200 | a dress rehearsal. So there is testing that we think they  
1201 | could do, or other ways that they might be able to provide  
1202 | you assurance that these operations, which are really going

1203 | to be new in many respects for 2010, and in the case of late  
1204 | mail return, totally new, to assure that it will work.

1205 |         Mr. SARBANES. I guess what worries me is that there is  
1206 | an absolute deadline.

1207 |         Mr. SCIRE. Right.

1208 |         Mr. SARBANES. So you can envision a situation in which,  
1209 | at a certain point, you just start throwing things overboard,  
1210 | because you know you have to meet the deadline. And you have  
1211 | to start cutting corners, based on testing or maybe you  
1212 | haven't been able to test something fully, so you decide  
1213 | either to throw it out or just go with it without having  
1214 | tested it fully and come what may. So that is what I think  
1215 | is producing high anxiety here, and the fact that testing and  
1216 | other things has been pushed back so far has contributed to  
1217 | that.

1218 |         Let me go on. I am really interested in what the  
1219 | consequences are of not being ready. In other words, let's  
1220 | say we go into the Census and we are only 80 percent ready  
1221 | when we started it and implemented it, or executed it. So  
1222 | what suffers? I would imagine that in the address canvassing  
1223 | portion of it, and in the non-response follow-up and other  
1224 | elements that we haven't even discussed, that the impact of  
1225 | it not being done well falls unevenly across the populations  
1226 | that you want to capture in the Census. I am just guessing  
1227 | at that.

1228           But I would imagine there are certain households that  
1229 are easier to address canvass than others, and there are  
1230 communities, constituencies, whatever it is, populations out  
1231 there who, if the system is not fully developed and tested,  
1232 will come away from the Census having been harmed in one way  
1233 or the other. Of course, we know we use this information for  
1234 all kinds of things.

1235           So speak to that. What are some of the impacts of not  
1236 being ready in terms of the ultimate information we are  
1237 trying to collect? Who might suffer more than others?

1238           Mr. SCIRE. The ultimate impact is that this could affect  
1239 the quality of information, the quality of the count. It can  
1240 affect the cost. And the Bureau tries to front-load a lot of  
1241 its resources, so that in the event they need to throw more  
1242 resources at an operation, it can. That is one risk  
1243 mitigation technique that it is using.

1244           But you only have a finite amount of time, essentially,  
1245 to do the work. So if you are not able to get it done within  
1246 that amount of time, that could have ripple effects on  
1247 subsequent operations. It could affect the quality of the  
1248 data that you are collecting. And you are right, there are  
1249 certain areas that are easier to canvass, to understand what  
1250 the addresses are. Communities where there is not a lot of  
1251 change in either new construction or other changes, you might  
1252 have a more stable address list. In other communities, that

1253 | may not be the case.

1254 |         The Bureau has worked over the decade to improve  
1255 | addresses and maps. So in some areas, especially that have  
1256 | changed, you may have a greater difficulty in those  
1257 | locations.

1258 |         The non-response follow-up, some households are more  
1259 | likely to respond than others. So you are going to--

1260 |         Mr. SARBANES. We always have this aftershock from the  
1261 | Census where there are different communities that come in and  
1262 | argue that they haven't been fully counted as a result of the  
1263 | process, because of various factors that are at play. What I  
1264 | am worrying about is that we are increasing the potential for  
1265 | that to happen if we are not ready. Then you are going to  
1266 | get these communities coming in later, making the case, then  
1267 | of course the cow has left the barn there, whatever the  
1268 | expression would be, at that point. There is not a whole lot  
1269 | you can do to compensate adequately for it.

1270 |         I have one real brief question. I just wanted to get a  
1271 | sense from the GAO, in terms of the intensity of focus, we  
1272 | were not very encouraged at the last hearing, has the Census  
1273 | Bureau now ramped up so that they are at 100 percent  
1274 | intensity in terms of what needs to happen between now and  
1275 | when this thing is executed? Or in your view, are they at 80  
1276 | percent and need to get to 100? Or are they at 100 and have  
1277 | to stay at 100? Where would you say they are?

1278 Mr. SCIRE. Let me just briefly answer in terms of the  
1279 operations, then I will turn it over to my colleague in terms  
1280 of technology. The one thing where we do think there needs  
1281 to be greater attention, I realize that the NRFU operation is  
1282 something that has largely been done in the past. But there  
1283 are some things that have not been done, there are also  
1284 interfaces with systems that were not used before, and that  
1285 in fact are being developed right now.

1286 So we think it is very important for the Bureau to be  
1287 able to specify when it will complete and what it will do in  
1288 terms of testing and other methods for assuring that that  
1289 operation will be ready to go, to get at your point about  
1290 having sort of a drop dead time frame. So we think that is  
1291 very important for the Bureau to do.

1292 We also think it is very important for the Bureau to  
1293 take a close look at the risks that are represented under the  
1294 revised non-response follow-up operation and reassess the  
1295 project level risk of that operation.

1296 Mr. POWNER. I would say they are 100 percent focused  
1297 now. The question is execution. And on that focus, I think  
1298 they deserve credit for seeking the help of others. MITRE  
1299 has played a large role in this. They mentioned the IT  
1300 expert, Mr. Ron Ponder, who they have hired. He has a lot of  
1301 experience in the telecommunications industry, managing  
1302 contracts. Those are all steps in the right direction.

1303 So the focus is there. Now we just need to execute.

1304 Mr. CLAY. Thank you.

1305 Mr. Issa, you are recognized for five minutes.

1306 Mr. ISSA. Thank you, Mr. Chairman.

1307 Mr. Murdock, do you agree that Congress has a lot at  
1308 stake in getting an accurate Decennial Census?

1309 Mr. MURDOCK. Absolutely.

1310 Mr. ISSA. And do you agree that it is important for us  
1311 to stay engaged, as an oversight committee, to that end?

1312 Mr. MURDOCK. Yes, absolutely.

1313 Mr. ISSA. And do you agree that an honest dialogue  
1314 between members of Congress and the Bureau would be  
1315 constructive to that end?

1316 Mr. MURDOCK. It is.

1317 Mr. ISSA. Then I would ask, even though I know you  
1318 personally would not have the time to do every meeting, would  
1319 you be willing to make sure that in your stead, a senior  
1320 staff person is made available at the request either of the  
1321 Chairman or the Ranking Member of the full Committee, on a  
1322 bi-weekly basis, if requested?

1323 Mr. MURDOCK. If requested, we certainly would provide  
1324 someone, yes.

1325 Mr. ISSA. I appreciate that.

1326 Additionally, staying with sort of the same line, would  
1327 you say that clearly, both by statute and by constitution,

1328 | you have to get an accurate count at this ten year mark?

1329 |       Mr. MURDOCK. Yes.

1330 |       Mr. ISSA. Would you also agree that since this is the  
1331 | 23rd that it has to be substantially as accurate and  
1332 | substantially similar in procedures of accuracy to the  
1333 | previous 22 counts?

1334 |       Mr. MURDOCK. Our goal for every Census, I think, is to  
1335 | ensure that we have as accurate a Census as possible. So  
1336 | accuracy and timeliness are the two paramount virtues of the  
1337 | Census.

1338 |       Mr. ISSA. Thank you. If the Congress demands that the  
1339 | 2010 Decennial Census count every person living in the United  
1340 | States, any territory or possession of the United States or  
1341 | the Commonwealth of Puerto Rico and all Federal civilian and  
1342 | military personnel serving abroad, and that it is the sense  
1343 | of Congress that conducting the 2010 Decennial Census, the  
1344 | Secretary of State should use all legal and reasonable means  
1345 | to count every person living in the United States, any  
1346 | territory or possession of the United States, or the  
1347 | Commonwealth of Puerto Rico and the Federal civilian and  
1348 | military personnel serving abroad, if Congress demanded that,  
1349 | is that what you believe you would be doing as of today?

1350 |       Mr. MURDOCK. Yes. Our goal is to provide a timely  
1351 | Census and a complete Census.

1352 |       Mr. ISSA. Mr. Chairman, to that end, I would ask that

1353 | House Resolution 1262 be considered tomorrow at the markup as  
1354 | a timely reflection of today's hearing, recognizing that at  
1355 | this late date it may be difficult. But I believe you will  
1356 | find the resolution which staff has is really consistent with  
1357 | what these many hearings have done. I will ask that in lieu  
1358 | of asking that excerpts of Groundhog Day be put into the  
1359 | record.

1360 | [Laughter.]

1361 | Mr. CLAY. I will take a look at the resolution and then  
1362 | consult with Chairman Waxman about the schedule for tomorrow.

1363 | Mr. ISSA. Thank you very much. The groundhog part  
1364 | really got to you all, didn't it?

1365 | [Laughter.]

1366 | Mr. ISSA. It is interesting that we are back here again.  
1367 | To that end, let me ask probably the most important question  
1368 | for me, as a mid-term Congressman. I have been here eight  
1369 | years, I expect to be here eight more, the Lord and the  
1370 | voters willing, particularly the latter, maybe. If the  
1371 | voters will, it could happen. So I would hope, in fact,  
1372 | maybe to be here long enough to see the next Census.

1373 | But let me ask a question. If the statute were changed  
1374 | after this Census to call for a perpetual equivalent--I come  
1375 | from industry. We long ago gave up doing inventory by  
1376 | closing the factory for two or three or four days at the end  
1377 | of every fiscal year, telling the workers to go home and just

1378 | having inventory managers count. It wasn't very accurate, it  
1379 | was difficult and it was inefficient.

1380 |         In your opinion, and I think it goes up and down, but if  
1381 | in fact we authorized and began providing the funds to  
1382 | convert to a perpetual census, and I know you do updates, but  
1383 | a perpetual census that allowed for a strategy of counts,  
1384 | obviously you might an additional ten-year count to verify  
1385 | the accuracy of all the work you have done, but going to a  
1386 | perpetual count, so that the Census Bureau at all times was  
1387 | constantly updating, and at any time would have the highest  
1388 | level of accuracy it could have as a result of this  
1389 | perpetual, which is what we do in inventory, at least in the  
1390 | electronics industry, where I come from, would that be  
1391 | something that you believe Congress, with your help, should  
1392 | begin exploring?

1393 |         Mr. MURDOCK. We would certainly need to have our legal  
1394 | people and others look at this. I don't know all the issues  
1395 | that might be there legally or constitutionally. Certainly  
1396 | many countries have equivalents of population registers,  
1397 | where there is a continuous registering of moves and  
1398 | supplemented by censuses. But certainly we would be  
1399 | interested in looking into that.

1400 |         Mr. ISSA. Mr. Chairman, just a quick follow-up. I am  
1401 | assuming that we get over both the statute and constitutional  
1402 | hurdles, so that we in fact are not dealing with that part.

1403 | But from a standpoint of your agency, continuous operation at  
1404 | a level where your work force is steady, substantially  
1405 | steady, where your constant canvassing of regions or however  
1406 | you are doing it similar, the equivalent to what we do in  
1407 | industry, the question is, is that a goal that is reasonable  
1408 | to get a world-class system, or do you believe we should stay  
1409 | with the do it once every 10 years, and quite frankly,  
1410 | reinvent the wheel every 10 years? That is really the  
1411 | question I would hope to get your thoughts on today. Because  
1412 | 12 years from now is very close.

1413 |         Mr. MURDOCK. It is a goal that we have already  
1414 | implemented in part in terms of what we refer to as the long  
1415 | form, the detailed questions, income, education, et cetera.  
1416 | We developed the American Community Survey. This now  
1417 | provides ongoing data for small areas on annual basis. And  
1418 | as you probably know from using the Census in previous  
1419 | decades, if you were using 1990 or 2000, what you found is  
1420 | that as you went on in the decade, those data on those  
1421 | factors became less and less applicable, because changes had  
1422 | occurred.

1423 |         Certainly we have done that in this area. I think steps  
1424 | to be taken that would get us toward such data on the basic  
1425 | population issues would certainly be desirable.

1426 |         Mr. ISSA. Thank you, Mr. Chairman.

1427 |         Mr. CLAY. You are welcome.

1428 The gentlewoman from New York, Mrs. Maloney.

1429 Mrs. MALONEY. Thank you, Mr. Chairman, for holding this  
1430 hearing, and Mr. Waxman and Mr. Davis, and for your vigilance  
1431 over the management of the Census 2010, which is just 22  
1432 months away. I have several questions really about where you  
1433 personally stand, Mr. Murdock, on the directives from the  
1434 Commerce Department to turn the Census into a sweepstakes  
1435 lottery, or plans to experiment with an internet response,  
1436 and why the largely successful Census in the Schools program  
1437 from 2000 is being cut back.

1438 But central to all of these questions is standards. I  
1439 would like to focus on really, what are your standards in  
1440 evaluating any changes. Basically, when you evaluate the  
1441 census operations that will be added or changed in the coming  
1442 months--we only have 22 months--and what scientific standards  
1443 the Census Bureau has published or at least has in place to  
1444 make a judgment on these changes.

1445 For example, I have here an October 2006 decision memo  
1446 from the Census Bureau on the evaluation process used to  
1447 consider changes to the race question on the decennial  
1448 survey. I ask unanimous consent to have it placed in the  
1449 record.

1450 Mr. CLAY. Without objection, so ordered.

1451 [The referenced information follows:]

1452 | \*\*\*\*\* INSERT \*\*\*\*\*

1453 Mrs. MALONEY. In this case, the Census Bureau made  
1454 several decisions not to change the format of the race  
1455 question. They made these decisions based upon criteria that  
1456 was publicly shared and articulated in advance. Among the  
1457 criteria listed in this memo are ``Changes to the Census 2000  
1458 question should be based primarily on evaluation of test data  
1459 that demonstrate improvement to the quality, completeness and  
1460 relevance of the data. Change will improve the results,``  
1461 ``adherence to protesting standards.``

1462 That last point is important. The Bureau insisted that  
1463 no change to the questions should be implemented in the 2010  
1464 Census unless the changes were tested in the field. Now, we  
1465 have to stress that the standards used here were ad hoc  
1466 standards. That is, they were created just for the  
1467 evaluation of the race question. The Bureau was not using  
1468 uniform, Bureau-wide, pre-established and debated standards.  
1469 But at least they used some standards on this race question.

1470 So my specific question, Director Murdock, is if the  
1471 Census Bureau insisted on public, pre-set evaluation  
1472 standards on the race question, what are your public  
1473 established standards for evaluating the sweepstakes lottery  
1474 and shrinking the Census in Schools program?

1475 Mr. MURDOCK. Let me comment first on the specific  
1476 programs that you have indicated. Those are both looking at  
1477 incentives and looking at issues related to several other

1478 matters that have come from members of the Senate Oversight  
1479 Committee. Senator Carper indicated an interest and asked us  
1480 if we would look at this.

1481 But whether we are looking at this or any other issue,  
1482 we would use a clear set of factors. The first thing I think  
1483 that a director, myself or any other one here looks at is,  
1484 will this impact the two major goals of the Census, and that  
1485 is timeliness and accuracy. If we think that it does, then  
1486 we look at it, then we obviously don't go forward after an  
1487 evaluation has been done.

1488 Within those, then we have to look at more detailed  
1489 things, what does it mean in terms of cost, what does it mean  
1490 in terms of schedule? Could it delay that census and key  
1491 parts of that census, so that we couldn't interrelate the  
1492 various processes successfully? We have to look at technical  
1493 capabilities: are there things that we simply can't do in  
1494 those, and we can't do because it will affect our two primary  
1495 factors? And we have to look at regulatory requirements. Is  
1496 there some way, for example, that what a certain process  
1497 might do would impact Title 13 provisions and jeopardize the  
1498 security that we provide to respondents in terms of what they  
1499 are doing and what information we are providing from them?

1500 So we look at these and make our decisions relative to  
1501 those kinds of basic criteria. It is often a tradeoff of a  
1502 variety of issues. These two are very much just in the basic

1503 evaluation issue. If you look, for example, at the  
1504 incentives project, what we have provided to the point in  
1505 this is to provide people from the Department of Commerce  
1506 with our past studies. There have been several in past  
1507 censuses. Personnel from the Department of Commerce are  
1508 taking the lead in looking at some of these issues.

1509 We will make that final decision and we will make that  
1510 final decision on the basis of these kinds of criteria that I  
1511 have just outlined for you.

1512 Mrs. MALONEY. But basically my question is, with the  
1513 race question, there were standards that were out there that  
1514 we could look at and that scientists could look at. We  
1515 haven't seen any standards or publicly established standards  
1516 for the sweepstakes lottery and the Census in the Schools  
1517 program. So I am very concerned that it doesn't appear that  
1518 you or the Committee have any standards to make these  
1519 decisions, and we now have billions of dollars in increased  
1520 costs with the likelihood of a less accurate census because  
1521 of that.

1522 Mr. MURDOCK. I obviously would not agree with your first  
1523 premise, and that is that we have no standards, that we are  
1524 not interested in--

1525 Mrs. MALONEY. Well, then, could you give the Committee  
1526 the published, established standards for evaluating the  
1527 sweepstakes lottery and the shrinking of the Census in the

1528 Schools program?

1529 Mr. MURDOCK. I cannot at this point. But we do not, we  
1530 will not go forward with those programs unless they are  
1531 compatible with our other goals and the other decision issues  
1532 that I laid out for you today.

1533 Mrs. MALONEY. Basically when you make these decisions,  
1534 you should have standards and they should be established and  
1535 published, as you did with the race question. That is my  
1536 point.

1537 My time is up, I thank you, Mr. Chairman.

1538 Mr. CLAY. Thank you, Mrs. Maloney.

1539 Mr. McHenry is recognized for five minutes.

1540 Mr. MCHENRY. Thank you, Mr. Chairman.

1541 Thank you all for testifying today. We just, we have  
1542 done this a number of times, a census in this Country. It  
1543 should be regular practice. But I think the concern for  
1544 Congress is to make sure that everyone is counted. To that  
1545 end, I just want to ask the Census Bureau, what are you doing  
1546 to ensure that every individual is counted? In my State of  
1547 North Carolina, the ramifications are pretty large. We could  
1548 gain another Congressional seat, whatever that means, but we  
1549 could gain another Congressional seat based on an accurate  
1550 counting of the population. I would like to hear your  
1551 thoughts, Mr. Murdock, Mr. Jackson, on how you are ensuring  
1552 that that is done.

1553 Mr. MURDOCK. We have a variety of programs, as you know,  
1554 our whole goal is that, to ensure that everyone is counted.  
1555 Some of our key programs in this area are a communications  
1556 program which is ensuring that everyone knows to the fullest  
1557 extent possible what it is that, the importance of the Census  
1558 and responding to the Census. Even more important is our  
1559 partnership program, which involves the hiring of specialists  
1560 to work, particularly with hard to enumerate populations, to  
1561 go out and find mechanisms that will increase their  
1562 confidence in responding to the Census and their feelings of  
1563 safety and security in doing so. These specialists work with  
1564 thousands of local organizations, not just Government, but  
1565 Government as well, in looking at options that will increase  
1566 the count, to ensure that we get as complete a count as  
1567 possible

1568 Mr. MCHENRY. To that end, Mr. Murdock, you had the dress  
1569 rehearsal a year ago and it took a full year to address the  
1570 problems that arose out of that dress rehearsal. Why the  
1571 holdup?

1572 Mr. MURDOCK. In general, I am not sure of which specific  
1573 problem you are talking about. But certainly, the dress  
1574 rehearsals are just that, they are ways that we test how we  
1575 are doing and then from there, determine how we can  
1576 streamline processes and do what we are doing more  
1577 effectively.

1578 Mr. MCHENRY. The schedule is tightening, is it not?

1579 Mr. MURDOCK. It is.

1580 Mr. MCHENRY. Do you foresee being able to get a full and  
1581 accurate count by roughly the equivalent of the 2000  
1582 accounts, by the deadline?

1583 Mr. MURDOCK. Our goal is to get absolutely the best  
1584 count that we possibly can, and our goal is always to be as  
1585 good as past censuses.

1586 Mr. MCHENRY. Are you on schedule to do that?

1587 Mr. MURDOCK. I believe we are getting back on schedule.  
1588 Certainly we still have challenges, we have risks that have  
1589 been laid out here today. But we are getting back on  
1590 schedule and I am confident we are going to.

1591 Mr. MCHENRY. So you are not quite back on schedule yet?  
1592 So you are saying you are not on schedule but you are getting  
1593 there?

1594 Mr. MURDOCK. We have made some major steps in getting  
1595 back on schedule. We are still challenged relative to the  
1596 fact that we have a lot to do in a short period of time. I  
1597 believe we can do all of it, and I am confident that we will  
1598 make all our deadlines. I think what we are seeing today is  
1599 a number of other groups here today that are seeing that the  
1600 same way.

1601 Mr. MCHENRY. What do you need from the Congress in order  
1602 to get this done?

1603 Mr. MURDOCK. I think we need your ongoing support in  
1604 terms of our programs, our budget and things as we go forward  
1605 in time.

1606 Mr. MCHENRY. So is that financial? Do you need a larger  
1607 appropriation to get this done?

1608 Mr. MURDOCK. We have that addressed in materials that  
1609 are before you, and that will be in subsequent budgets.

1610 Mr. MCHENRY. Okay. Going back, there is a, well, I  
1611 would just mention this. UPS delivers an estimated 400  
1612 million packages a month. If you need some outside help,  
1613 there are folks that actually know how to find houses in the  
1614 private sector, and that have devices with which to track 4  
1615 billion packages a year. So what you are talking about is  
1616 small in scope compared to a FedEx or UPS or a number of  
1617 these other outside groups. Get some expertise in there. We  
1618 have given you a substantial budget to do that.

1619 Back to the question for the GAO, much of what is  
1620 discussed at this hearing is about the cost estimates, and  
1621 with the Harris Corporation, who is here, and MITRE, about  
1622 their various cost estimates. Harris accounted for \$1.3  
1623 billion for the follow-up, those that don't respond. And  
1624 MITRE said, I guess the update is \$717 million. It looks  
1625 like, to me, just the obvious thing is that they are  
1626 comparing apples to oranges. You can't have a doubling using  
1627 the same underlying premises and the same modeling.

1628 Can you talk about the modeling? How is the modeling  
1629 for these cost estimates? Is there a more accurate way that  
1630 we can get a better cost estimate?

1631 Mr. PROVIDAKES. Let me try to address that a little bit.  
1632 I don't think it is comparing apples and oranges. You start  
1633 with the requirements. We spent an exhaustive measure  
1634 looking at what we believe are the key requirements, which we  
1635 believe have stabilized. We took those, we took like you  
1636 said, our commercial practices regarding our model, we took  
1637 the last two years to assess the performance of the  
1638 contractor, which is important to have as well.

1639 We looked at technology maturity, which again has  
1640 advanced over the last several years significantly in this  
1641 area. And you combine all that, you end up with an  
1642 independent cost estimate. This is not something new that we  
1643 haven't done before. We have done it considerably many times  
1644 in the past, and as the GAO has mentioned, you generally find  
1645 these cost estimates to be on the high side. They tend to be  
1646 conservative.

1647 Mr. MCHENRY. Let me ask the GAO to address the question.  
1648 At the end, I will give Mr. Murray an opportunity to respond  
1649 as well. But if you could address the differences here. It  
1650 looks like there are two different models. And I am not  
1651 casting blame, I want to make sure that we have an accurate  
1652 assessment.

1653 Mr. POWNER. I think it is important to understand that  
1654 the rough order of magnitude is a rough order of magnitude.  
1655 What MITRE has is a detailed estimate. So the true  
1656 comparison will occur once the detailed estimate is delivered  
1657 from Harris July 15th. Then we can really look at  
1658 differences.

1659 But some of the areas that we know, and this is in our  
1660 statement, that there are differences, if you roughly compare  
1661 rough order of magnitude to the detailed estimate, it is in  
1662 the software development and common support area. There are  
1663 huge differences there, \$200 million in software development  
1664 and \$300 million roughly in common support. We should not  
1665 have differences that are that wide, even with the ROM. That  
1666 is our professional opinion on that.

1667 Hopefully, we will see that shrinking, once the detailed  
1668 estimate is delivered by Harris.

1669 Mr. MCHENRY. Mr. Murray, do you have any response to  
1670 that?

1671 Mr. MURRAY. I agree with Mr. Powner. Essentially, we  
1672 clearly had different assumptions between our ROM and the  
1673 MITRE model. Instead of going and vetting the differences  
1674 between those two, we are really trying to look forward, we  
1675 are working with the Census Bureau to develop a very detailed  
1676 comprehensive cost proposal. We are going to provide  
1677 complete transparency for them to have insight into that

1678 | proposal. It will be delivered on July 17th, and GAO and  
1679 | MITRE are welcome to review that document as well.

1680 | Mr. MCHENRY. Thank you.

1681 | One final thing, Mr. Chairman, if I may, to Mr. Murdock.  
1682 | To follow up on the partnerships that you have, are there  
1683 | programs--my district is largely rural, a large portion of my  
1684 | district is rural. What are you doing to ensure that rural  
1685 | areas are included in your partnerships?

1686 | Mr. MURDOCK. Rural areas are part of the partnership  
1687 | program. The partnership program isn't only an urban  
1688 | program, it is a rural program as well. So for example, the  
1689 | State that I am originally from, Texas, the partnership  
1690 | specialists have played a very important role in the past  
1691 | Census in getting to communities that were in very sparsely  
1692 | settled areas and to ensure that they get as accurate and  
1693 | complete a count as anyone in a larger, major city does.

1694 | Mr. MCHENRY. Thank you. Thank you, Mr. Chairman.

1695 | Mr. CLAY. Thank you, Mr. McHenry.

1696 | Ms. Watson, you are recognized for five minutes.

1697 | Ms. WATSON. I sincerely want to thank the panelists for  
1698 | the information you are providing us. Address canvassing is  
1699 | the first major operation of the Decennial Census, and one  
1700 | that sets the stage for the success of the Census. If an  
1701 | address is not added to the master list during the canvass,  
1702 | the people living at that address will receive a Census form,

1703 | will not have an enumerator come to the door and could be  
1704 | left out of the count. So training for address canvassing  
1705 | begins, as I understand, January 2009. And address  
1706 | canvassing dress rehearsal last year revealed problems with  
1707 | the hand-held computers, as has been mentioned, help desk and  
1708 | other essential systems. These are needed to be fixed before  
1709 | April of 2009, when the canvass begins.

1710 |         Mr. Scire and Mr. Powner, GAO has reviewed the problems  
1711 | identified in the address canvassing dress rehearsal and the  
1712 | Bureau's supposed solutions. I understand you are most  
1713 | concerned about the performance of the hand-helds and the  
1714 | compressed time line for software testing.

1715 |         So what do you see as the key risks facing the Census  
1716 | Bureau with regard to address canvassing?

1717 |         Mr. SCIRE. I think it is completing the testing plan  
1718 | that they have laid out and maybe being even more aggressive  
1719 | in the time line that they have established. One of the  
1720 | things we pointed out in our statement is that the time frame  
1721 | that they lay out for integration and testing of the  
1722 | hand-held computers actually overlaps with the operation for  
1723 | address canvassing. Obviously we will want to complete that  
1724 | before the operation actually begins.

1725 |         The time lines are very, very tight. So it is important  
1726 | for the Bureau to stay on top of this very vigorously to make  
1727 | sure that they are ready to go. There is another piece here,

1728 | and that is the redesign for address canvassing is actually  
1729 | taking a dual track, if you will. For large assignment  
1730 | areas, the process will be different, or I should say large  
1731 | blocks, the process will be different. So we think it  
1732 | important that the interfaces and the linkages from the  
1733 | results from both of those operations are tested, and also  
1734 | that whatever sort of operational training or material or  
1735 | what have you that might be needed as a result of it, that  
1736 | that's also tested and in place.

1737 | Ms. WATSON. Mr. Powner?

1738 | Mr. POWNER. I have nothing further to add.

1739 | Ms. WATSON. Okay. Mr. Providakes?

1740 | Mr. PROVIDAKES. I don't think I would have a lot more.

1741 | Again, I want to get back to this notion of the risks  
1742 | associated with the program and trying to converge on the  
1743 | development. You do have this large discrepancy between the  
1744 | cost differences that--I believe Dave Powner is correct--have  
1745 | to get resolved when the detailed costs come in from Harris.  
1746 | Your date you had mentioned regarding the time all this has  
1747 | to get done, we have to quickly close on this issue regarding  
1748 | the development of the hand-held. As we had mentioned  
1749 | earlier, August 15th doesn't give a lot of time after that if  
1750 | there is a major issue regarding convergence on costs and  
1751 | performance associated with the contract negotiations.

1752 | Ms. WATSON. Are you suggesting moving that time up?

1753 Mr. PROVIDAKES. I agree with the Chairman, if you could  
1754 move that time line up, it would be fantastic. The Census  
1755 has done great strides moving it up already. It was  
1756 originally even later than that. Moving it to July 15th or  
1757 17th is great. By August 15th is cutting it very close. You  
1758 look at the test plans and converging, and how you go forward  
1759 to meet the deadlines of testing and integration, of the  
1760 integrated schedule and so forth.

1761 Ms. WATSON. Dr. Murdock, can it be moved up?

1762 Mr. MURDOCK. We have pushed that up substantially. I  
1763 think we are a place now where we have come to an agreement  
1764 about when we can obtain the information that is necessary.  
1765 We continue to push to get information from these sources in  
1766 a timely manner. I think we are doing about as well as we  
1767 can on this, I think we have pushed this a great deal and  
1768 that we will expedite everything after those decisions to  
1769 make sure we can meet the goals.

1770 Ms. WATSON. I represent a State, California, and it is  
1771 the first State in the Union that is a majority of  
1772 minorities. I have somebody who sits on the Census Board who  
1773 reminds me all the time that there are patches of, say, South  
1774 Pacific Islanders that seem to get lost in the count. I know  
1775 in parts of my district, I represent Los Angeles, Culver  
1776 City, Hollywood, that area, parts of South Central, we always  
1777 have a double digit under-count.

1778           So how are we preparing with the new technology to be  
1779 sure that we count people who might not be in the State  
1780 through the proper channels, but they are there? Children  
1781 are going to school. And I am concerned, I have to call the  
1782 enumerators into my office every decade and say, did you go  
1783 over the liquor store, did you go over the cleaners, did you  
1784 go to the playground on Sunday when people come from Mass and  
1785 they have all their children out there? Because an  
1786 under-count means that we cannot qualify for programs based  
1787 on certain populations and numbers.

1788           So I am really concerned that we get it right this time.  
1789 And anyone who would like to can comment.

1790           Mr. MURDOCK. We certainly are very concerned as well. We  
1791 recognize the kinds of difficulties that you are talking  
1792 about. Our programs and our regional directors through the  
1793 partnership programs and other aspects are certainly  
1794 addressing these issues. But any help anyone can give us, if  
1795 your office can help us in terms of identifying areas that we  
1796 might otherwise miss, we would be glad to work with you to  
1797 ensure that we get a complete count of all the people in your  
1798 district if possible.

1799           Ms. WATSON. Yes, we are going to work with you on this,  
1800 because I want to be sure you are going to the places where  
1801 people actually live. One person might come to the door, but  
1802 there will be 12 people sleeping in those beds in that

1803 | apartment. So I want to be sure that we do it correctly and  
1804 | accurately. Thank you very much.

1805 | Mr. CLAY. Thank you, Ms. Watson.

1806 | Mr. Providakes, given the gap in estimates, it might  
1807 | take some time for the Bureau and Harris to come to some  
1808 | agreement on the final costs of the contract. In your  
1809 | professional opinion, what deadlines should the Bureau set  
1810 | for final agreement and what criteria should the Bureau set  
1811 | for a decision?

1812 | Mr. PROVIDAKES. I think August 15th is an important  
1813 | period. You need to converge on the cost, schedule and  
1814 | performance associated with negotiation of the contract.  
1815 | That is an important time. We are in a situation where the  
1816 | schedule is fixed, there is cost in this performance and as  
1817 | the schedule continues to slip, you start sacrificing  
1818 | performance, as was mentioned earlier. At the same time,  
1819 | costs will continue to also increase.

1820 | Mr. CLAY. Considering the level of uncertainty  
1821 | surrounding FDCA, would it be prudent for the Bureau to have  
1822 | contingency plans?

1823 | Mr. PROVIDAKES. Most definitely. It is not so much, I  
1824 | think when you are dealing with risk, risk is about having  
1825 | options. The Bureau always has options in developing IT.  
1826 | That is an important dimension to have.

1827 | Mr. CLAY. What should Bureau officials include in the

1828 | emergency plan, in the contingency plan to avoid irreparable  
1829 | damage from further contract delays?

1830 |         Mr. PROVIDAKES. The set of options, clearly you need to  
1831 | look at, from the hand-held perspective, the viability of the  
1832 | technology and having in place what you can do in trading off  
1833 | performance. So there is a degree, what I can mention, there  
1834 | are key requirements that need to be captured and there are  
1835 | other requirements. The Bureau has already identified and  
1836 | prioritized those key requirements. As you go forward, if  
1837 | you decide that other options have to be put into place after  
1838 | August 15th, I think you could step back and look at the  
1839 | performance issues and what other vehicles do you have to  
1840 | provide the technology, in this particular case, a hand-held  
1841 | device that may be viable.

1842 |         I know that from our perspective, helping us better  
1843 | understand the interpretation of those requirements and  
1844 | coming up with a cost estimate, we ourselves developed what  
1845 | is called a technical reference model, a design, and looked  
1846 | at the viability of that design that could be hosted on  
1847 | commercial hardware and commercial software best practices to  
1848 | better understand the degree of risk that the Bureau may be  
1849 | facing as we go forward.

1850 |         Mr. CLAY. What was your conclusion from your test?

1851 |         Mr. PROVIDAKES. This is not advanced technology, that is  
1852 | a myth. The technology is readily available today, to go

1853 forward with a hand-held device that would help augment, and  
1854 as Director Murdock suggested, help the effectiveness and  
1855 efficiency and accuracy of the count to get some of those  
1856 issues. That technology, I think, is important to visit, and  
1857 the technical reference model, as we have discussions with  
1858 Harris in terms of their design. Understanding the  
1859 difference in cost could be as simple as, one, do they  
1860 understand the requirements from a contractor perspective,  
1861 why the delta in costs, why they have those additional risks  
1862 built into their costs, and perhaps the approach methodology  
1863 that was used several years ago, there may be a way to  
1864 modulate that to get us back in line based on cost, schedule  
1865 and performance. That is part of the negotiation process  
1866 that would occur once we have a detailed model between July  
1867 17th and August 15th that we can get together and really work  
1868 through.

1869 Mr. CLAY. I look forward to that. Thank you for your  
1870 response.

1871 Mrs. Maloney, any more questions?

1872 Mrs. MALONEY. Yes, thank you, Mr. Chairman.

1873 Mr. Director, as you know, I wrote you yesterday, asking  
1874 that you be prepared to answer some questions today on the  
1875 issue of fingerprint. As you know, the Census staff a few  
1876 weeks ago said the decision was made to go ahead and plan to  
1877 implement procedures to fingerprint all the temporary

1878 employees who were working the Census at a cost of \$340  
1879 million and run their prints through the FBI data base.

1880 Then we were told that the decision was not made, and  
1881 that it would be made by Commerce. And now we are told that  
1882 the answer is yes, you are doing it.

1883 In 2000, the Bureau asked and was given a waiver from  
1884 the fingerprinting requirements, although all employees'  
1885 names were checked, not just their fingerprints, because of  
1886 the expense and the impact the procedures would have on the  
1887 Census operations.

1888 So I have a few questions about this. Why was the  
1889 decision just made last night--we are 22 months away from the  
1890 Census, and we could have used some planning. What were you  
1891 waiting for, and what information from the 2000 was used to  
1892 make this decision?

1893 Mr. MURDOCK. Let me say in terms of the decision, I  
1894 can't say why it wasn't made 22 months ago. I can say that  
1895 there were details being worked out that have just come  
1896 together. The decision was one that was recommended by the  
1897 Bureau, to go to fingerprinting, and in turn, that the  
1898 Secretary concurred with and has made a similar  
1899 recommendation.

1900 Let me explain a little bit the details of that, and why  
1901 we are where we are. This is a very difficult process, it is  
1902 a very difficult decision for a lot of reasons. One is that

1903 | it is a costly process and we have been funded to look at  
1904 | this during this year and to come up with some alternatives  
1905 | on cost. So whatever you have heard in terms of cost, I  
1906 | wouldn't be tied to that particular figure. We are looking  
1907 | at different ways of doing the process.

1908 |         But it is an expensive process. And some of the  
1909 | questions that you forwarded to me yesterday indicated, when  
1910 | you look into those, it would be very costly per individual,  
1911 | if the records of the 2000 Census are correct. We find four  
1912 | cases, if you will, of Census Bureau employees that were  
1913 | accused of crimes and in all cases, our records show that  
1914 | either charges were dropped or they were acquitted in terms  
1915 | of those particular factors.

1916 |         There was a lot more of our enumerators that were costed  
1917 | in a variety of ways in terms of the process. So from a cost  
1918 | standpoint, it is a difficult one. It is also difficult  
1919 | because we are concerned about the inhibiting effect of  
1920 | fingerprinting on obtaining the kind of workforce that we  
1921 | need in some of the most difficult areas of the Country to  
1922 | count. So both of these factors are there.

1923 |         On the other hand, we have a prime responsibility to  
1924 | ensure the safety and the security of the American people.  
1925 | We have been advised by OPM that we should do fingerprinting.  
1926 | And although the Federal Bureau of Investigation has provided  
1927 | us with an indication that here are some ways that we could

1928 obtain an exception, they say they recommend that we do  
1929 fingerprinting. I think it would be irresponsible for the  
1930 Director of the Census to leave to his or her successor the  
1931 issue of deciding not to do fingerprinting, when the  
1932 implications of even that rare event occurring I think would  
1933 be absolutely devastating to the Census. One would find  
1934 oneself, if you will, in front of a group trying to explain  
1935 why you didn't do everything you could do to prevent that,  
1936 particularly when it was the law of the land.

1937 So we made this very difficult decision, I made this  
1938 very difficult recommendation on the basis of balancing off  
1939 those factors.

1940 Mrs. MALONEY. As you know, many of us have been strong  
1941 supporters of your budget, so I would like to ask a few  
1942 questions about the budget. Yesterday, Mr. Director, OMB  
1943 sent up to Congress a budget amendment for fiscal year 2009,  
1944 apparently asking for an additional \$546 million for Census  
1945 to begin to cover the increased costs of doing the census  
1946 using paper and not the hand-held for non-response follow-up.

1947 Mr. Director, how much did you ask for? Did you ask for  
1948 more than \$546 million? How much did you ask for?

1949 Mr. MURDOCK. This amount that we received we believe is  
1950 sufficient to address the needs that we have. It will allow  
1951 us to do the very important things that you are aware of in  
1952 terms of the new redesigned and remodified Census. It is an

1953 amount that we believe will be successful.

1954 Now, where the uncertainties are, for example, are that  
1955 this, as we go forward, what we have to rely on in terms of  
1956 contractor costs, because we have not yet renegotiated the  
1957 contract, is we have to use those from the previous ROM  
1958 analysis. So those will obviously be changed. They will  
1959 obviously be different when we go forward.

1960 But we believe this is a budget that will get us what we  
1961 need and will be successful.

1962 Mrs. MALONEY. Did you get all that you requested? That  
1963 is my question. How much did you ask for? They sent \$546  
1964 million. Did you ask for more?

1965 Mr. MURDOCK. That is the increase that we received, yes.

1966 Mrs. MALONEY. But did you get all you requested? How  
1967 much did you ask for in your budget request?

1968 Mr. MURDOCK. I would have to check the exact details. We  
1969 obviously, I don't think, in a budget process, one never gets  
1970 everything that one asks for.

1971 Mrs. MALONEY. That is true, but I think as an oversight  
1972 committee, we are entitled to know what you felt you needed  
1973 and I think you should go back to the office and send us the  
1974 information.

1975 Mr. MURDOCK. I will be glad to provide that information.

1976 Mrs. MALONEY. Because maybe we want to fight for what  
1977 you thought you needed in your budget request.

1978 Mr. MURDOCK. We will certainly provide all appropriate  
1979 information that you desire.

1980 Mrs. MALONEY. And are there any operations that you  
1981 needed to fund which were not fully funded or were not funded  
1982 at all?

1983 Mr. MURDOCK. One of the aspects of our budget that I  
1984 think is very important to understand is that we were  
1985 provided with a large contingency aspect to our budget. In  
1986 that, one of the things that we will need to address if we  
1987 decide to go forward with the process that is beyond the very  
1988 specified level of \$10 million for fingerprint is we will  
1989 have to take out of that contingency. That contingency,  
1990 however, is a large one, \$200 million, and it is one that we  
1991 think is sufficient to address the issues that are likely to  
1992 confront us.

1993 Mrs. MALONEY. Given the state of the Census and  
1994 planning, do you think that request is enough funds to fix  
1995 what is wrong with the Census and to ensure the accurate 2010  
1996 Census is at least as accurate as 2000?

1997 Mr. MURDOCK. We believe it is. There is the  
1998 uncertainty, which I specified before, of what we will end up  
1999 with in terms of the final contract price. If it goes in the  
2000 direction that it might go, I think that will make it easier  
2001 for us. But certainly that is a major uncertainty that we  
2002 will only know as we get through the contract negotiation

2003 | process.

2004 |         Mrs. MALONEY. My time is expired, and I join my  
2005 | colleagues in thanking all the panelists for this really very  
2006 | important job that you are undertaking and for your testimony  
2007 | today. Thank you.

2008 |         Mr. CLAY. Thank you, Mrs. Maloney.

2009 |         Ms. Watson?

2010 |         Ms. WATSON. Thank you.

2011 |         Finally, we want to see this the most accurate and  
2012 | complete census as we go into a new decade. Is there any  
2013 | reason why you cannot tell us at this moment the amount of  
2014 | money that was appropriated to you? Because as my colleague  
2015 | just mentioned, we would like to be as helpful as possible.  
2016 | That is why we are having this hearing, and that is why all  
2017 | the panelists are here. We want to be sure that the new  
2018 | technology that we have invested in actually gives us the  
2019 | most positive, complete and accurate results possible.

2020 |         Is there any reason why you can't round off a figure  
2021 | that you know has been appropriated?

2022 |         Mr. MURDOCK. As I said, I don't have the figure right in  
2023 | front of me. We will give you all appropriate information  
2024 | that--

2025 |         Ms. WATSON. Wait a minute. You are the director, Dr.  
2026 | Murdock.

2027 |         Mr. MURDOCK. Yes.

2028 Ms. WATSON. And we have been asking questions about  
2029 timetables and are you ready and so on. We are just here to  
2030 be helpful to you. Give me a round figure.

2031 Mrs. MALONEY. Will the gentlelady yield?

2032 Ms. WATSON. I would yield.

2033 Mrs. MALONEY. I believe, my dear colleague, that the  
2034 budget director is sitting behind him. Maybe he has the  
2035 number. Would it be appropriate for him to answer? I yield  
2036 back the time to my colleague.

2037 Ms. WATSON. You know, I can't understand the mystery  
2038 with all this unless Commerce said, don't answer them. So  
2039 would you like to, budget director, would you like to  
2040 comment?

2041 Mr. TYLER. There were internal discussions within the  
2042 Administration--

2043 Ms. WATSON. Beg pardon?

2044 Mrs. MALONEY. Could you come to a mic? We can't hear  
2045 you.

2046 Mr. TYLER. My name is Jay Tyler. I am the Budget  
2047 Director. There were internal deliberations within the  
2048 Administration. The number that we received, the increase in  
2049 terms of the amendment for 2009 was \$546 million.

2050 Ms. WATSON. Mic, please.

2051 Mr. TYLER. The number that has been requested in the  
2052 amendment is \$546 million. I think really what is in

2053 | question right now is the final number, once we go through  
2054 | contract negotiations with Harris. I believe that the Census  
2055 | Bureau is comfortable with that \$546 million.

2056 | Ms. WATSON. Are you comfortable with it, Mr. Murdock?  
2057 | Can you get everything done in time?

2058 | Mrs. MALONEY. Excuse me, will the gentlelady yield?

2059 | Ms. WATSON. Yes, I will yield.

2060 | Mrs. MALONEY. How much did you request? How much did  
2061 | you ask for? We know the budget amendment was \$546 million.  
2062 | But how much did you ask for? That is the question we are  
2063 | asking.

2064 | Mr. TYLER. The Census Bureau asked for \$738 million.

2065 | Ms. WATSON. Oh, okay.

2066 | Mrs. MALONEY. Seven hundred thirty-eight million. Okay.  
2067 | Thank you. I yield back to my colleague.

2068 | Ms. WATSON. Thank you so much. I think that sheds some  
2069 | light. You are shorted \$200 million, plus or minus. Can you  
2070 | get everything done?

2071 | Now, I know this is internal politics over there in the  
2072 | Department of Commerce. But come on, all of you were sworn  
2073 | in. Let us know. Can you, with the amount, \$546 million,  
2074 | really do the job?

2075 | Mr. MURDOCK. I believe the answer is yes, given the  
2076 | ongoing contract negotiations that we have going with Harris.  
2077 | This is the figure that we settled on with OMB. And we think

2078 | we can do it for this amount of dollars.

2079 | Mrs. MALONEY. Will the gentlelady yield?

2080 | Ms. WATSON. I would be happy to yield.

2081 | Mrs. MALONEY. I believe what my esteemed colleague is  
2082 | trying to get at, and what we are trying to understand is, we  
2083 | want to help you do a good job. So we want to know  
2084 | specifically, what did you ask for in this \$700 million  
2085 | request, and what the difference is. Did you have a program  
2086 | that you wanted to implement that they did not fund? Maybe  
2087 | the budget director can answer, and I yield back to my  
2088 | esteemed colleague. Specifics.

2089 | Mr. MURDOCK. The majority of it, the vast majority of  
2090 | it, was a reduction in the amount that had been initially  
2091 | budgeted for the Harris contract. The vast majority of it.  
2092 | I would have to look to see exactly, but it is nearly all of  
2093 | it.

2094 | Ms. WATSON. Reclaiming my time. I ask this often of  
2095 | people who work in various agencies. If you could get what  
2096 | you really needed, blue sky it, don't worry about our  
2097 | budgeting, what would you really need? And I don't think--I  
2098 | think you are underselling what you really need. If you  
2099 | asked for over \$700 million and you only got a little over  
2100 | \$500 million, then there is a gap. So can you respond?

2101 | Mr. MURDOCK. I would agree in normal circumstances that  
2102 | would be the case. In this case, where we are today, is with

2103 | a situation where we have a large difference between an  
2104 | independent Government cost estimate and a ROM from the  
2105 | contractor. These are large differences, as everyone has  
2106 | pointed out. Where we end up in that contract makes a great  
2107 | deal of difference on whether or not the funds that we have  
2108 | are adequate. We have had to do this budgeting process with  
2109 | these uncertainties.

2110 |         Now, do we wish we did not have these uncertainties?

2111 | Yes, we do.

2112 |         Ms. WATSON. Okay. I just wanted to know if you were,  
2113 | Dr. Murdock, pushing for the maximum amount that you think  
2114 | you are going to need, negotiating with contractors--

2115 |         Mr. MURDOCK. Let me tell you that--

2116 |         Ms. WATSON. Let me just finish, because I want to put it  
2117 | out there--to do the job. I am concerned in my own State of  
2118 | 38 million people, growing by 2,000 every day, that we have  
2119 | the best count that we can ever have taken this new decade.  
2120 | And I say, just blue sky it. I know all of the problems with  
2121 | the budget, and I know probably what your directions were,  
2122 | don't tell them a thing.

2123 |         But what would you like to see?

2124 |         Mr. MURDOCK. Let me make two points clear.

2125 |         Ms. WATSON. Please.

2126 |         Mr. MURDOCK. One is that I am pushing for every single  
2127 | thing, because I want us to have a successful census.

2128 Ms. WATSON. Thank you.

2129 Mr. MURDOCK. Secondly, if we find ourselves needing  
2130 assistance, if we find ourselves needing additional money, we  
2131 will be pushing that process as well.

2132 Mrs. MALONEY. Will the gentlelady yield?

2133 Ms. WATSON. I would be pleased to yield.

2134 Mrs. MALONEY. Possibly it would help the Committee  
2135 members and the Chairman in our oversight responsibilities if  
2136 we could request the document, the original request that was  
2137 sent in, the \$700 million. I know you don't have it with you  
2138 today, but could we have that as part of the Committee  
2139 record? I yield back to my esteemed colleague from the great  
2140 State of California.

2141 Mr. CLAY. All time has expired. There are two key dates  
2142 that this Committee looks forward to with growing  
2143 anticipation, July 17th and August 15th.

2144 Let me thank the entire panel for their testimony today.  
2145 We will await further action.

2146 This hearing is adjourned.

2147 [Prepared statement of Mrs. Maloney follows:]

2148 \*\*\*\*\* INSERT \*\*\*\*\*

2149

[Whereupon, at 12:08 p.m., the committee was adjourned.]

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 T. TYLER, CHIEF, BUDGET DIVISION; MATTHEW SCIRE, DIRECTOR,  
 STRATEGIC ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE;  
 ACCOMPANIED BY DAVID POWNER, DIRECTOR, INFORMATION  
 TECHNOLOGY MANAGEMENT ISSUES; JASON F. PROVIDAKES, PH.D.,  
 SENIOR VICE PRESIDENT AND GENERAL MANAGER, CENTER FOR  
 ENTERPRISE MODERNIZATION, THE MITRE CORPORATION; ACCOMPANIED  
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