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Congress of the United States

House of Representatives

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May 8, 2008

The Honorable Carlos M. Gutierrez
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Secretary:

As part of the Committee's ongoing oversight of the 2010 Decennial Census, we are writing to invite you and Census Bureau Director Steven Murdock to testify before the Committee and the Information Policy, Census, and National Archives Subcommittee on Wednesday, June 11, 2008, at 10 a.m. in 2154 Rayburn House Office Building. At this hearing, we ask that you be prepared to address the Census Bureau's progress in developing and implementing key plans and schedules, the projected lifetime cost of the Census, and the renegotiation of the Field Data Collection Automation (FDCA) contract with the Harris Corporation.

This letter provides more information about the specific issues we expect you and Dr. Murdock to address.

Plans and Schedules

On April 9, the Committee held a joint hearing with the Subcommittee on Information Policy, Census, and National Archives to examine the Census Bureau's mismanagement of the FDCA contract and its subsequent decision to conduct nonresponse follow-up (NRFU) on paper rather than on the handheld computers developed by the Harris Corporation as part of that contract. At the hearing, Dr. Murdock assured the Committee that he was "strengthening management intensity" over the Decennial Census and that the Census Bureau would soon be developing milestones for progress for which the Bureau could be held accountable. Specifically, he told the Committee that he would hold the Bureau to the following three deadlines:

- Within 30 days of the hearing, or May 9, 2008, complete a plan for conducting NRFU on paper;

The Honorable Carlos M. Gutierrez
May 8, 2008
Page 2

- Within 45 days of the hearing, or May 24, 2008, complete an integrated project schedule for the Decennial Census; and
- Within 60 days of the hearing, or June 8, 2008, create a testing program for the software to be used for address canvassing.

According to the timeline Dr. Murdock laid out in his April testimony, the Bureau should have completed each of the planning documents discussed above by the hearing scheduled on June 11, 2008. We request that you and Dr. Murdock be prepared to discuss each of these plans at the hearing and explain how you will hold the Bureau accountable to the milestones defined therein.

Costs and the Structure of the FDCA Contract

Over the past month, the Commerce Department and the Census Bureau have announced that the cost of the Decennial Census will increase from an estimated \$11.5 billion to approximately \$14 billion. At the same time, the estimated cost of the FDCA contract has more than doubled, increasing from \$600 million to \$1.3 billion. These cost increases have come amid announcements that the Harris Corporation, which holds the FDCA contract, will have reduced responsibilities with regard to NRFU and will be producing fewer handheld computers than originally required under the contract.

Just one week after the Committee's April hearing, you testified before the Senate Committee on Homeland Security and Governmental Affairs that the Department had begun a process of renegotiating the Harris contract. You testified that this renegotiation might involve converting components of the contract to fixed-price and would be completed by summer.

With less than two years to plan for and conduct the 2010 Decennial Census, the Bureau and the Department must move quickly to finalize costs and conduct any necessary renegotiations. We request that you be prepared to discuss each of these issues at the hearing on June 11, 2008.

Request for Briefings and Documents

In anticipation of the June hearing, we ask that the Census Bureau periodically brief Committee staff regarding its progress in reaching the three deadlines discussed above, analyzing the costs of the FDCA contract, and renegotiating the FDCA contract. The first of these briefings should take place no later than May 16, 2008.

In addition, please provide the following key documents to the Committee by May 28, 2008:

The Honorable Carlos M. Gutierrez
May 8, 2008
Page 3

- The final plan for conducting NRFU on paper;
- The final integrated project schedule for the Decennial Census;
- The most complete draft of the address canvassing software testing program; and
- The latest cost projections for the 2010 Decennial Census, including itemization of costs associated with the FDCA contract.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. Information for witnesses appearing before the Committee is contained in the enclosed Witness Information Sheet. Another attachment to this letter provides additional information on how to respond to the Committee's requests.

If your staff has any questions about this request, please contact Anna Laitin or Alison Cassady of the Committee staff at (202) 225-5420 or Darryl Piggee of the Subcommittee staff at (202) 225-6751.

Sincerely,



Henry A. Waxman
Chairman



Wm. Lacy Clay
Chairman
Subcommittee on Information
Policy, Census, and National
Archives

Enclosures

cc: Tom Davis
Ranking Minority Member