

****Preliminary Transcript****

1 | Court Reporting Services, Inc.

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3 | JOINT HEARING ON 2010 CENSUS:

4 | PROGRESS ON THE DEVELOPMENT OF THE

5 | FIELD DATA COLLECTION AUTOMATION

6 | PROGRAM AND THE DECENNIAL RESPONSE

7 | INTEGRATION SYSTEM

8 | Wednesday, April 9, 2008

9 | House of Representatives,

10 | Subcommittee on Information Policy,

11 | Census, and National Archives,

12 | Committee on Oversight and

13 | Government Reform

14 | joint with

15 | Committee on Oversight and

16 | Government Reform,

17 | 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."

18 | The committees met, pursuant to call, at 2:00 p.m. in

19 | room 2154, Rayburn House Office Building, Hon. Henry A.

20 | Waxman [chairman of the full committee] presiding.

21 Present: Representatives Waxman, Maloney, Clay,
22 McCollum, Hodes, Sarbanes, Davis of Virginia, Platts, Duncan,
23 Turner, Issa, Sali, and Jordan.

24 Staff Present: Phil Schiliro, Chief of Staff; Phil
25 Barnett, Staff Director and Chief Counsel; Karen Lightfoot,
26 Communications Director and Senior Policy Advisor; Alison
27 Cassady, Counsel; Anna Laitin, Professional Staff Member;
28 Mark Stephenson, Professional Staff Member; Darryl Piggee,
29 Subcommittee Staff Director and Counsel, Information Policy,
30 Census, and National Archives Subcommittee; Adam Bordes,
31 Professional Staff Member, Information Policy, Census, and
32 National Archives Subcommittee; Earley Green, Chief Clerk;
33 Teresa Coufal, Deputy Clerk; Jean Gosa, Clerk, Information
34 Policy, Census, and National Archives Subcommittee; Caren
35 Auchman, Press Assistant; Ella Hoffman, Press Assistant;
36 Leneal Scott, Information Systems Manager; William Ragland,
37 Staff Assistant; Miriam Edelman, Staff Assistant; David
38 Rapallo, Chief Investigative Counsel; Michelle Mitchell,
39 Legislative Assistant, Office of Wm. Lacy Clay; Larry
40 Halloran, Minority Staff Director; Keith Ausbrook, Minority
41 General Counsel; Steve Castor, Minority Counsel; Charles
42 Phillips, Minority Counsel; John Caderes, Minority Senior
43 Investigator and Policy Advisor; Patrick Lyden, Minority
44 Parliamentarian and Member Services Coordinator; Brian
45 McNicoll, Minority Communications Director; Ali Ahmad,

46 | Minority Professional Staff Member; Chris Espinoza, Minority
47 | Professional Staff Member; and Todd Greenwood, Minority
48 | Professional Staff Member.

49 Chairman WAXMAN. The meeting of the joint hearing by the
50 full Committee and the Subcommittee on Information Policy,
51 Census, and National Archives will come to order.

52 Today we will examine major problems with a contract
53 critical to the success of the 2010 Census, the field data
54 collection automation contract. These problems have recently
55 led to a major redesign of the Census very late in the
56 process and will cost the taxpayer, by the Administration's
57 own estimate, up to \$3 billion.

58 Let me be blunt: this is a colossal failure. The
59 mismanagement of the contract has jeopardized the success of
60 the 2010 Census and will cost taxpayers billions of dollars.

61 This hearing and our future oversight activities need to
62 have two objectives: first, we must do all we can to ensure
63 that the Census is as accurate as possible. The Federal
64 Government depends on the Census for everything from the
65 accurate apportionment of the House of Representatives to the
66 fair distribution of millions of dollars in Federal funds.
67 Inaccuracies in the Census deprive millions of Americans of a
68 voice in our Government.

69 At the same time, we owe it to the taxpayer to find out
70 what went wrong and who was responsible. The FDCA contract
71 was originally intended to produce approximately 500,000
72 hand-held computers with a total contract cost of \$600
73 million. Now the Commerce Department is saying that the

74 taxpayer must pay \$1.3 billion, more than twice as much, to
75 the contractor, although it will now only produce 151,000
76 hand-held computers.

77 In addition, the Commerce Department announced that the
78 Census will revert to a paper-based canvas. These changes
79 will increase the cost of the Census by billions of dollars.

80 The warning signs that this contract was in trouble were
81 there for the Bureau and for the Commerce Department to see.
82 My staff has prepared a fact sheet that summarizes the long
83 series of alarms that GAO and the Inspector General sounded
84 about this program, and I ask that this fact sheet be made a
85 part of the record and will be available.

86 Without objection, that will be the order.

87 [The referenced information follows:]

88 ***** COMMITTEE INSERT *****

89 Chairman WAXMAN. In June 2005 GAO said that the Bureau
90 was not adequately managing major it investments. In March,
91 2006, GAO advised that the Census Bureau had ``not yet
92 approved a baseline set of operational requirements'' for the
93 contract.

94 In June 2006 GAO stated that ``the uncertainty
95 surrounding the devices' reliability constitutes a risk to
96 the cost-effective implementation of the 2010 Census.''

97 In June 2007 the MITRE Corporation told the Bureau that
98 the Census is at significant risk of cost and schedule
99 overruns, omission of essential requirements unless major
100 changes are made quickly.

101 In July GAO warned that the project was likely to
102 experience cost overruns, primarily due to the increase in
103 system requirements.

104 The warning signs were clear, yet the Bureau and the
105 Department apparently did not begin a serious review of the
106 program requirements until late 2007 to early 2008. The
107 problems were essentially swept under the rug until the
108 Committee began to ask questions and insist on briefings from
109 the Bureau on the extent of the problems and possible
110 solutions.

111 I am glad that we have representatives from the Census
112 Bureau, GAO, Harris Corporation, and the MITRE Corporation
113 with us today to address these questions, but I am

114 | disappointed that two key figures refused to appear today.
115 | Dr. Charles Lewis Kincannon was the Census Director when many
116 | of the key decisions were made, and we invited him to
117 | testify, but, unfortunately, he declined. I am also
118 | disappointed that Commerce Secretary Guitierrez declined our
119 | opportunity to testify. I have questions about the
120 | Department's role in overseeing the contract. The Committee
121 | has requested documents from Secretary Guitierrez, and we
122 | will continue our oversight efforts in this area.

123 | When taxpayers' dollars are squandered, we have an
124 | obligation to find out what happened. We also have an
125 | obligation to conduct oversight to identify what steps are
126 | necessary to put the 2010 Census back on track. Those are
127 | our goals for today.

128 | [Prepared statement of Chairman Waxman follows:]

129 | ***** INSERT *****

130 Chairman WAXMAN. I want to recognize the Ranking Member
131 of the full Committee, Mr. Davis, for an opening statement.

132 Mr. DAVIS OF VIRGINIA. Thank you, Mr. Chairman.

133 Chairman Waxman and Subcommittee Chairman Clay, we
134 appreciate your calling this hearing on problems with the
135 2010 Census. Some of us on this side have been warning about
136 red lights on the Census dashboard for some time, but it
137 gives us no satisfaction to know we were right about the
138 floundering automation project and other Government lapses at
139 the Census Bureau.

140 The goal now has to be to refocus the program on
141 essential preparatory activities and be sure the
142 Constitutionally mandated numeration will be conducted
143 successfully and efficiently.

144 I am sure some of our panel today would rather be
145 getting a root canal than appearing here today, but this
146 hearing is long overdue. After months of denials and delayed
147 reckoning, it is time to acknowledge that budget shortfalls
148 and management deficits at the Commerce Department have put
149 the Census in a perilous position at a critical time.

150 At the epicenter of the threatened implosion is the
151 field data collection system, or FDCA. Hand-held computers
152 developed under the program were to be used for the first
153 time to capture responses from people who do not complete the
154 mail-in forms, but last week the Commerce Department conceded

155 | the devices were not ready and trying to finish and test them
156 | in the time remaining posed too great a risk of an inaccurate
157 | or incomplete count.

158 | Today we hope to learn more about the events leading up
159 | to last week's announcement, but this much we already know:
160 | this did not have to happen. Americans interact with
161 | hand-held devices every day. Major international
162 | corporations use portable electronic devices all the time to
163 | track inventory and information on a global basis across
164 | cultural boundaries and logistical barriers. What the Bureau
165 | tried to do in creating a hand-held device to collect and
166 | track address data and Census responses from numerators in
167 | the field wasn't impossible, but for reasons all too
168 | predictable it proved unattainable for the Census Bureau.

169 | Over more than 30 years of work and acquisition policy
170 | in both the public and private sectors, I have seen this type
171 | of failure too many times. It doesn't happen because the
172 | technology doesn't exist; it happens most often because those
173 | managing the project are in over their heads, blithely
174 | unaware of the avoidable potholes and pitfalls littering the
175 | path of any major IT development. It happens because Agency
176 | officials are not trained to communicate clearly and
177 | succinctly with contractors hired to provide the technology
178 | solution required. And it happens when managers of our
179 | contracts between the Agency and the contractor shuffle along

180 | day after day, week after week, on auto pilot without any
181 | objective effort to track or measure real progress.
182 | Meanwhile, millions of tax dollars are being spent or
183 | mis-spent.

184 | In this case it happened in large part because the
185 | Census Bureau failed to tame an out-of-control requirements
186 | process that churned internally until January of this year.

187 | I have a chart up here. Despite warnings from us, from
188 | outside experts, and from their own contractor, Census
189 | officials persisted in the belief that they could stuff an
190 | endless list of tasks into the small box that they had
191 | already bought. For example, bidders were told to include
192 | only one external interface on the hand-held device, but in
193 | the end the Census Bureau wanted 12 interface systems
194 | installed, each requiring substantial additional software
195 | development, integration, and documentation.

196 | Let's view the second chart. This is a classic case of
197 | requirements creep, treatable if diagnosed early, but
198 | potentially fatal if left to fester. There is no scandal
199 | here, no nefarious plot to outsource essential Government
200 | functions. Any attempt in this case to vilify contractors
201 | just shoots the messenger and ignores the essential message.

202 | This was a failure of Government management, not
203 | contract performance. The Census Bureau appears to have
204 | under-estimated the cost of even the one aspect of the

205 automation project that will survive, address verification.
206 It now appears as much as \$3 billion more might be needed
207 between now and 2010 to replace the hand-helds with a paper
208 system and fully fund those other aspects of the Census for
209 which the Department drastically under-stated costs.

210 Every House member, every Federal agency, every city,
211 county, and State has a vested interest in making sure the
212 2010 count is as complete and accurate as possible. It is
213 going to take a massive amount of effort to have a successful
214 Census. In past time, we did our part to ensure its
215 Constitutionally-mandated initiative was conducted properly
216 and on time.

217 I think it is time we think about empaneling an expert
218 monitoring board like we did a decade ago to watch over the
219 Census Bureau and its work every day. The current level of
220 oversight certainly doesn't seem to be enough, and time is
221 running short to get it right.

222 Thank you.

223 [Prepared statement of Mr. Davis of Virginia follows:]

224 ***** INSERT *****

225 Chairman WAXMAN. Thank you very much, Mr. Davis.

226 I want to recognize Chairman Clay.

227 Mr. CLAY. Thank you, Mr. Chairman. Thank you for
228 holding this joint committee hearing today.

229 The Decennial Census is the largest peace-time
230 mobilization in this Country. We are here today to examine
231 what happened, why it happened, and what are the options for
232 correcting the problem, both on the part of the Bureau and
233 the contractor, so that we can have a complete and accurate
234 Census in 2010.

235 First let's examine how we got here. In 2001, in
236 response to a Congressional mandate, the Census Bureau set
237 out to re-engineer the 2010 Decennial Census. Doing so they
238 claimed would reduce operational risk and contain cost.
239 Bureau officials determined that this could be accomplished
240 with the use of innovative technology, specifically hand-held
241 computing devices.

242 From 2000 to 2004, the Bureau attempted to design and
243 produce the device internally. When they realized they did
244 not have the resources to complete the project, they decided
245 to contract it out.

246 In May of 2006 the Harris Corporation was awarded the
247 \$600 million, five-year contract for FDCA. Before the
248 contract was awarded, the Commerce Department Inspector
249 General in a 2005 report expressed concern about the baseline

250 requirements. In March of 2006 GAO expressed similar
251 concern.

252 Despite all of the warnings about FDCA from GAO and the
253 Department of Commerce Inspector General, there was little
254 Congressional oversight of the 2010 Decennial Census between
255 2001 and 2006.

256 Since January 2007 the Information Policy Census
257 Subcommittee held seven hearings on the 2010 Census. This
258 Subcommittee began looking into the information technology
259 problems with the 2010 Census in February, 2007. In April of
260 2007 the Subcommittee held a hearing on the progress of the
261 2010 Census. At that hearing we called GAO and the Harris
262 Corporation to testify about the Census IT contract.

263 At that time, GAO expressed concern about the incomplete
264 requirements for FDCA; however, Harris testified that
265 everything was on time and on budget.

266 Between April of 2007 and November of 2007, Subcommittee
267 staff met with GAO and the Census Bureau numerous times to
268 discuss the progression of the IT program for the 2010
269 Decennial Census, specifically how the Bureau and Harris were
270 resolving problems identified by GAO.

271 On December 11, 2007, this Subcommittee held a hearing
272 titled, A Review of the Census Bureau's Risk Management
273 Activities for IT Acquisition. The Harris Corporation was
274 present to address concerns raised by the GAO report titled,

275 Census Bureau Needs to Improve its Risk Management of
276 Decennial Census. Harris testified before the Committee that
277 their projects were on schedule and on budget and problems
278 were manageable. This was in December of 2007.

279 We have since learned that this is not the case with
280 FDCA. The requirements for FDCA are still not complete 18
281 months after the contract was awarded, and last week the
282 Secretary of Commerce informed Congress that the Bureau would
283 not be using the hand-held computing devices for non-response
284 follow-up as originally planned, but for address canvassing
285 only.

286 Despite what appeared to be a smaller scope for the
287 contract, the Bureau will pay between \$900 million and \$1.3
288 billion for a contract that awarded for \$600 million.

289 We are here today to find out if the Harris Corporation
290 and the Bureau's assessments of the FDCA project were
291 accurate in December and how the cost could possibly double.

292 I look forward to hearing the witnesses' testimony.

293 I yield back, Mr. Chairman.

294 [Prepared statement of Mr. Clay follows:]

295 ***** INSERT *****

296 Chairman WAXMAN. Thank you, Mr. Clay.

297 I want to recognize Ranking Member Turner.

298 Mr. TURNER. Thank you, Mr. Chairman.

299 We are just all so incredibly disappointed that we are
300 here having this hearing today. I obviously want to disagree
301 with the Chairman of our Subcommittee in the activities of
302 the Subcommittee in the two years prior to his chairmanship.

303 When I chaired the Subcommittee we had numerous hearings
304 on this subject matter. In fact, we engaged GAO because of
305 the lack of belief on the Subcommittee's part that the Census
306 Bureau was doing what was necessary. In fact, in our
307 hearings and in the GAO report it expressly set out the
308 problems that could befall us if this was not managed
309 appropriately.

310 If you look at what we are hearing now, clearly this is
311 an issue of just gross mismanagement. When we had our
312 meeting with Secretary Guitierrez I asked him one question:
313 was this task possible? Could it have been achieved?

314 Unless that answer is no, then that means that someone
315 is not doing their job and that the taxpayers have funded a
316 project that has been completely mismanaged without
317 delivering the product that was intended, which is exactly
318 what this Subcommittee feared when we engaged GAO and held
319 hearings with the Census Bureau leadership and told them of
320 our concern of what would happen if their plan failed.

321 I am not willing to concede that it is merely the Census
322 Bureau and that all the contractors did everything that they
323 were supposed to do, because I cannot believe that a project
324 of this magnitude, that the intellect that brought to bear
325 wasn't fully informed intellect, meaning that everybody at
326 the table had responsible to deliver it. This is, I believe,
327 an accomplishable project that has failed as a result of
328 mismanagement and it has placed at risk, which is exactly
329 what we were concerned with when we had our hearings with
330 GAO, the successful Census.

331 I appreciate the Chairman for holding this hearing, and
332 as we pursue this there is a lot to find out here. It is not
333 just how do we preserve the Census, which of course is of
334 utmost importance. How do we ensure that it is done in a
335 manner where we can all be confident, which is surely
336 important. But when you have a Committee that is continually
337 told by the Census Bureau everything is on track when there
338 are fears that are expressed by the Committee and by GAO that
339 are not addressed, and then the Census Bureau comes to us and
340 tells us that the project is now failing, there is an issue
341 of management and oversight that needs to occur that
342 obviously did not occur here.

343 Those are important issues for us to address today
344 beyond just the issue of how do we get the Census on track.

345 Thank you, Mr. Chairman.

346 [Prepared statement of Mr. Turner follows:]

347 ***** INSERT *****

348 Chairman WAXMAN. Thank you, Mr. Turner.

349 Without objection, all members will be allowed to enter
350 an opening statement in the record. I don't want to preclude
351 anybody who wants to give an opening statement at this point,
352 however, and I do want to particularly recognize Mrs. Maloney
353 because she has been a long-time leader in the area of
354 Census.

355 Mrs. Maloney?

356 Mrs. MALONEY. Thank you, Mr. Chairman. I wanted to
357 commend you on the chronology of warnings that really
358 documents the mismanagement of the Census Bureau and be
359 associated in a bipartisan way with the comments of Mr.
360 Davis, Mr. Turner, and Mr. Clay, all of whom pointed out
361 mismanagement personified in the Census Bureau.

362 I really do not know what to say, Mr. Chairman, given
363 the facts before us. I have called this a statistical
364 Katrina, but Katrina was a natural disaster and a natural
365 catastrophe made worse by the Administration's incompetent
366 response. This is a disaster, like so many others during the
367 past seven years, of the Administration's own making, I would
368 say.

369 Dr. Murdock, there is no way to sugar coat it. I know
370 you have only been here for a few months and the
371 Administration of which you are an appointee decided not to
372 send the Secretary, Secretary Guitierrez, so you are now here

373 representing the Administration. You just got here. That's
374 a little unfair position to put you in.

375 Today I think that we will hear that there is more than
376 enough blame to go around among Harris, Census, Commerce,
377 OMB, and MIT research, but ultimately we know that it is this
378 Administration's fault, and nobody else's.

379 This Census, like the 1990 Census of President Bush,
380 Senior, will probably again be a Census that is less accurate
381 than the one before it.

382 Ultimately, there is plenty of negligence to go around,
383 but someone has to be in charge, and this President likes to
384 say he is the decider, but that is not leadership. He is the
385 Chief Executive of the Executive Branch, and in the final
386 analysis this President is responsible for this 11th hour
387 challenge that we are facing with the Census.

388 There is no doubt that two years out, given the
389 magnitude of problems, the 2010 Census is shaping up to be
390 less accurate, no matter who is in the Chair two years from
391 now. It is regrettable, truly regrettable, that this is the
392 case.

393 The only question is not who is to blame. We know that.
394 But rather, what, if anything, can be done to make it less
395 worse.

396 That is the question, Dr. Murdock.

397 While the White House is looking around to find the

398 | money, and we need to find the money to fix this mess, there
399 | is going to be a cloud over moving forward to fix this for
400 | the next few weeks, and I understand from some colleagues of
401 | mine at the Census Bureau, that we are running out of money
402 | and they are now considering layoffs at the Department.

403 | Dr. Murdock, the first Census Director in 1790 was
404 | Secretary of State Thomas Jefferson, and it was Jefferson who
405 | said, ``The price of freedom is eternal vigilance.'' It was
406 | Jefferson and Madison together who crafted the novel American
407 | concept of a decennial census to empower the people and
408 | ensure all Americans are fairly represented in their
409 | Government.

410 | Given the amount of money you are now asking for, we can
411 | see that the cost of that fair representation and our
412 | Constitutional mandate is priceless.

413 | Frankly, Dr. Murdock, you are going to be back in Texas
414 | in less than a year and Secretary Guitierrez will probably be
415 | back in Michigan. Chairman Waxman and Clay and I are going
416 | to be sitting here with a mess unless you work right now to
417 | fix it.

418 | What I want to know and hear in this hearing is, after
419 | we give you all the money you are asking for, what objective,
420 | measurable benchmarks can you tell us today will be in place
421 | on May 1st, June 1st, July 1st so that you and this
422 | Administration do not leave this big challenge for the next

423 Administration.

424 I plan to ask you that, Dr. Murdock and Mr. Waite, and I
425 also plan to ask the same question to GAO, Harris, MIT, all
426 of you.

427 We need to hear what are the objective goals that we
428 need to put in place and that we need to get done, and when
429 we give you this money, what will you show us that we can
430 have confidence that this Census is going to go forward in
431 the appropriate way.

432 If this chairman, Chairman Clay, has a hearing every
433 month from now until you leave and we bring you back every
434 month, how would we know that this plan of yours going
435 forward will work?

436 Thank you, Mr. Chairman.

437 [Prepared statement of Mrs. Maloney follows:]

438 ***** INSERT *****

439 Chairman WAXMAN. Thank you very much, Mrs. Maloney.

440 Other members? Yes, sir?

441 Mr. DUNCAN. I don't have a full statement, but I do want
442 to speak.

443 First of all, I thank you for calling this hearing,
444 because I think this is certainly something we should stay on
445 top of, but I, speaking just for myself and as a very
446 fiscally conservative member, I think this is disgusting. I
447 remember just a few years ago when with IRS we spent
448 something like \$10 billion on a computer system that didn't
449 work and just had to be scrapped, and now we come here and we
450 hear that this program, which was budgeted for, I think,
451 \$11.5 billion, is not up to \$14.5 billion, and we are going
452 to have a cost overrun here of \$2.5 or \$3 billion, and who
453 knows how much more it may add up.

454 We are all supposed to just worship technology, and
455 whenever a Government agency messes up it always says it is
456 either under-funded or its technology is out of date. Well,
457 this is just getting ridiculous. And nobody seems to get
458 upset about it because it is not money coming out of their
459 pockets.

460 I thank you for holding this hearing, and I think we
461 would have been better off if we had just done the Census the
462 old way and not even gone this far down this ridiculous path.

463 Thank you, Mr. Chairman.

464 Chairman WAXMAN. Thank you. Any other member wish to
465 make an opening statement? You certainly can put something
466 in the record.

467 [No response.]

468 Chairman WAXMAN. If not, I want to welcome our witnesses
469 today.

470 We have with us The Honorable Steven H. Murdock as the
471 Director of the U.S. Census Bureau. Mr. Murdock is the
472 former State demographer for Texas. He is accompanied by Mr.
473 Preston Jay Waite, the Deputy Director.

474 Mr. Mathew Scire is the Director of Strategic Issues at
475 the GAO. Mr. Scire's responsibilities include directing work
476 on the 2010 Census. He is accompanied by Mr. David Powner,
477 Director of Information Technology Management Issues.

478 Dr. Jason F. Providakes is the Senior Vice President and
479 General Manager of the Center for Enterprise Modernization at
480 MITRE Corporation. Dr. Providakes has wide experience in
481 advising the Federal Government on information technology
482 programs.

483 And Ms. Cheryl L. Janey is the President of Civil
484 Programs at the Harris Corporation, where she oversees the
485 development of advanced communications and information
486 systems.

487 I want to welcome you all to our hearing. I hope I
488 pronounced all of your names correctly. This is a very

489 | challenging panel in terms of your names, among other
490 | reasons.

491 | It is the practice of our Committee that all witnesses
492 | that testify do so under oath, so if you would please rise
493 | and raise your right hand.

494 | [Witnesses sworn.]

495 | Chairman WAXMAN. The record will reflect that each of
496 | the witnesses answered in the affirmative.

497 | We have your prepared statements. They will be in the
498 | record in full. We would like to ask, however, if you could
499 | to limit the oral presentation to around five minutes. We
500 | are going to have on that little contraption on the desk. It
501 | will be green, the last minute it will be yellow, and then
502 | when time is up it will be red. So when you see the red, I
503 | hope you will sum up.

504 | Mr. Murdock, I want to recognize you first.

505 STATEMENTS OF THE HONORABLE STEVEN H. MURDOCK, DIRECTOR, U.S.
506 CENSUS BUREAU; ACCOMPANIED BY: THE HONORABLE PRESTON JAY
507 WAITE, DEPUTY DIRECTOR, U.S. CENSUS BUREAU; MATHEW SCIRE,
508 DIRECTOR, STRATEGIC ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE;
509 DAVID POWNER, DIRECTOR, INFORMATION TECHNOLOGY MANAGEMENT
510 ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE; JASON F.
511 PROVIDAKES, SENIOR VICE PRESIDENT AND GENERAL MANAGER, CENTER
512 FOR ENTERPRISE MODERNIZATION, MITRE CORPORATION; AND CHERYL
513 L. JANEY, PRESIDENT, CIVIL PROGRAMS, HARRIS CORPORATION;
514 ACCOMPANIED BY MIKE MURRAY, VICE PRESIDENT OF PROGRAMS AND
515 LEAD EXECUTIVE, HARRIS CORPORATION

516 STATEMENT OF STEVEN H. MURDOCK

517 Mr. MURDOCK. On behalf of the U.S. Census Bureau, Mr.
518 Chairman, I would like to thank you and the members of this
519 Committee for the opportunity to discuss our plans for the
520 2010 Decennial Census.

521 I am pleased to be joined by Deputy Director Jay Waite
522 today. He will be bringing you up to date on the Decennial
523 response integration system and the rest of the 2010 Census
524 programs.

525 I am going to focus my remarks on the field data
526 collection automation program, or FDCA.

527 The FDCA program was originally designed to supply the
528 information technology infrastructure, support services,
529 hardware, and software to support a network of over 450 local
530 offices and hand-held computers that will be used around the
531 Country. It is helpful to think of FDCA as being made up of
532 four fundamental components: first, automated data
533 collection, using hand-held devices to verify addresses, what
534 we call address canvassing; second, automated data collection
535 from respondents who fail to return the mail questionnaire,
536 what we refer to as non-response follow-up, or NRFU; three,
537 the operation and control system that tracks and manages
538 Decennial Census's workflow; and, four, Census operations
539 infrastructure, which provides office automation and support
540 for regional and local Census offices.

541 In late 2007, the Deputy Director assessed the FDCA
542 program and established an integrated program team charged
543 with finalizing the FDCA requirements. This process was
544 nearing completion when I arrived in early January. When
545 Harris Corporation provided feedback at the end of January,
546 the full scope of our problem came into focus. This process
547 identified issues that raised concerns about the ability to
548 complete development of all the operations initially planned
549 for the FDCA system in time for the 2010 Census.

550 We now understand that the problem with the FDCA program
551 was due, in part, to a lack of effective communication

552 | between the Census Bureau and the prime contractor for FDCA,
553 | and to difficulties in developing the full scope of the
554 | project within deadlines. We did not effectively convey to
555 | the contractor the complexity of Census operations and the
556 | detailed requirements that needed to be fulfilled in order to
557 | complete the operations that FDCA covers. Once these
558 | detailed requirements were completely delineated, we had
559 | serious concerns about rising costs and our ability to
560 | complete a successful 2010 Census if we continued developing
561 | the FDCA program as planned.

562 | As we grappled with this program, I established a task
563 | force chaired by former Census Bureau Deputy Director William
564 | Baron, and made up of some of the Census Bureau's and the
565 | Department's best people, as well as representatives from
566 | MITRE, to help us develop a strategy for moving forward.

567 | The task force outlined four options for moving forward.
568 | All of these options call for using the hand-held computers
569 | for address canvassing, and we are continuing to work to
570 | ensure this requirement is met.

571 | For the other major components of FDCA, each of the
572 | options considered a combination of responsibilities divided
573 | between the Contractor and Census in terms of capabilities,
574 | expertise, staffing, timing, and cost.

575 | The work of the task force was reviewed by an expert
576 | panel established by the Secretary and made up of two former

577 Census Bureau directors, a former Associate Director of the
578 Census Bureau, information technology experts, and a former
579 member of Congress. After receiving input from the expert
580 panel members, the Secretary decided that we should move to a
581 paper-based NRFU operation. This is a decision I fully
582 support.

583 The Census Bureau will implement NRFU and take
584 responsibility for the regional Census center infrastructure.
585 Our contractor will continue developing the address
586 canvassing operation utilizing the hand-held computers and
587 develop the operations control system. This option increases
588 our control of 2010 Census systems development, and the
589 Census Bureau knows how to develop and implement a
590 paper-based NRFU, and our decisions to do so again give us
591 flexibility and minimizes the risks that we identified in
592 FDCA program.

593 At the same time, the plan allows us to leverage global
594 positioning system technologies by using hand-held computers
595 in the address canvassing operation. This will improve the
596 accuracy of our address list, which is fundamental to an
597 accurate census.

598 Since becoming Director in January, addressing the
599 problems associated with the FDCA program has been my highest
600 priority. With the replan outlined today, I am confident we
601 can put the 2010 Census back on track.

602 Thank you for this opportunity. I look forward to
603 answering any questions you may have.

604 Thank you.

605 [Prepared statement of Mr. Murdock follows:]

606 ***** INSERT *****

607 | Mr. CLAY. [Presiding] Thank you so much, Mr. Director.
608 | We will now recognize Mr. Waite for five minutes.

609 | STATEMENT OF PRESTON JAY WAITE

610 | Mr. WAITE. Mr. Chairman and Committee members, thank you
611 | for the opportunity to discuss our plans for the 2010 Census.

612 | I would also like to thank the Committee for their continued
613 | support in the Census Bureau programs.

614 | Since Director Murdock has outlined our plans to move
615 | forward with activities related to the field data collection
616 | automation system, I will talk for a few moments about vital
617 | aspects of the 2010 Census that are underway.

618 | We have incorporated significant improvements over past
619 | census in our automation infrastructure. This includes the
620 | 2010 Decennial response integration system, or DRIS. The
621 | purpose of the DRIS contract, which was awarded in 2005 to
622 | the Lockheed Martin Corporation, is to ensure accurate and
623 | protected collection and storage of Census responses. I am
624 | pleased to report that this contract is on schedule and
625 | actually under budget.

626 | Our plans for the 2010 Census also include important
627 | structural improvements and enhancements to the Nation's road
628 | map. Our MAF/TIGER enhancement program is a multi-year
629 | effort to realign our TIGER database, which is basically an
630 | electronic map of street center lines, with the GPS
631 | capabilities and modernized processing systems.

632 We have contracted that with the Harris Corporation.
633 That contract is 99.9 percent complete. All of the streets
634 have been realigned. We just have two or three counties that
635 we are trying to verify at the end. We do not expect an
636 issue. Certainly by the end of this year this contract will
637 be complete and all of our maps will be aligned consistent
638 with GPS technology.

639 This activity is vital because the Census must count
640 every person living in America once and only once and in the
641 right place. The MAF tells us where the housing units are
642 located and furnishes a lists of addresses to contact, as
643 well as providing a reasonable means of organizing our
644 workload into non-response follow-up and tabulation
645 operations. The accuracy and success of the Census
646 ultimately depends on the accuracy and completeness of the
647 master address file.

648 The success of the 2000 Census also depends upon the
649 American Community Survey, the largest household survey in
650 the United States. The ACS replaces the traditional
651 Decennial Census long form. In 2005 we began full
652 implementation of the survey. In 2006 we incorporated group
653 quarters, fulfilling our commitment to replace the long form
654 in 2010. This year we will reduce the first detailed
655 information for areas of population with 20,000 or greater.

656 A sure sign that Census date is approaching is the

657 expansion of our field activities. All 12 of our regional
658 Census centers are now open for business. We have hired the
659 first 48 partnership staff and will hire an additional 72 in
660 May. We have provided 11,000 communities with detailed maps
661 and address lists for them to help us in what we call our
662 LUCA program, local updated Census addresses. By working
663 with local governments, we learn of new housing construction,
664 as well as demolitions and conversion.

665 In February of 2009 we will conduct the address
666 canvassing operation nationwide for nearly 134 million
667 housing units across the Country. In addition, we will begin
668 to validate a list of approximately 86,000 group quarters.
669 Also in 2009 we expect to employ 680 more people for the
670 partnership program, most of whom will be specialists working
671 in the field.

672 With similar staffing levels for Census 2000 we
673 established approximately 140,000 partnerships, and our goals
674 for this program are no less ambitious this time around. We
675 believe these efforts were the turning point in our
676 reducing--in fact, stopping--the steady decline of the
677 response rates that we had observed over the decades.

678 We rely on participation and cooperation of literally
679 thousands of communities throughout the United States.
680 Reaching residents in those communities, especially the hard
681 to count, is one of the major goals of the Census and the

682 fulfillment of our Constitutional obligation.

683 Our partners, advisory committees, national
684 organizations, faith-based community, elected officials such
685 as yourself, local community and neighborhood leaders, and
686 even the go-to person at the corner shop all are integral to
687 this effort. The Census Bureau is planning an integrated
688 communication and promotional and marketing program to
689 incorporate the partnerships and the advertising and the
690 outreach.

691 This is just a brief overview of several important
692 aspects of the 2010 Census.

693 I thank you for the opportunity to talk to you on the
694 2010 Census, and I will be happy to answer any questions you
695 may have.

696 [Prepared statement of Mr. Waite follows:]

697 ***** INSERT *****

698 | Mr. CLAY. Thank you so much, Mr. Waite.

699 | Mr. Scire, you are recognized for five minutes.

700 STATEMENT OF MATHEW SCIRE

701 Mr. SCIRE. Mr. Chairman, members of the Committee and
702 Subcommittee, thank you for the opportunity to be here today
703 to discuss the 2010 Decennial Census.

704 With me today is David Powner, Director with GAO's
705 information technology team, who has been reviewing the
706 Census Bureau's major information technology investments.

707 As you know, we recently designated the Decennial Census
708 as a high-risk area. We did so because of longstanding
709 weaknesses in technology management, operational planning,
710 and cost estimation, and because of uncertainty over dress
711 rehearsal plans and the ultimate cost of the Decennial.

712 Last week the Department and the Bureau announced major
713 changes to how it plans to conduct the 2010 Census. This
714 redesign will have significant implications for the Decennial
715 operations and costs. The redesign also highlights, again,
716 the critical need for aggressive management of technology
717 investments.

718 First, the redesign will require that the Bureau quickly
719 develop and test a paper-based non-response follow-up
720 operation. This will require different operations, printing,
721 and training programs. Also, because this change comes late
722 in the decade, the Bureau will need to provide assurance that

723 | this huge operation and its linkages with other operations
724 | and systems will be tested in the absence of a full dress
725 | rehearsal.

726 | Second, the redesign calls for using hand-held computers
727 | for the address canvassing operation, except for in large
728 | assignment areas. This will require additional planning for
729 | operations, training, and equipment in those areas.

730 | Also, there remains some uncertainty as to how the
731 | Bureau will work around potential inabilities to update
732 | intelligence address lists once address canvassing has been
733 | completed. In this event, the Bureau may elect to deliver
734 | Census forms by hand rather than via mail. It is critical
735 | that the Bureau ensure that the technology for conducting
736 | address canvassing is a success, and that it tests the design
737 | for large assignment areas and the linkages among address
738 | canvassing and other operations.

739 | Third, the redesign will result in additional cost. It
740 | is important to note that, having chosen to go forward with
741 | its original design, the Bureau estimated that the cost of
742 | the Decennial would be up to \$2.3 billion more than it
743 | previously estimated. In comparison, the cost of the
744 | redesigned Decennial is expected to be up to \$3 billion more
745 | than the previous Census estimate. Regardless, it is not
746 | clear that these cost estimates fully recognize changes in
747 | expected productivity of field workers, and the ultimate cost

748 | of the Decennial is uncertain.

749 | We recommended that the Bureau use tools such as
750 | comprehensive integrated project plan, sensitivity analysis,
751 | and other tools that would help the Bureau better measure and
752 | manage the costs associated with individual operations. To
753 | provide the Congress with credible, accurate life cycle cost
754 | estimates, it will be important for the Bureau to demonstrate
755 | that its cost estimates reflect the most current
756 | understanding of important underlying assumptions, including
757 | productivity.

758 | Finally, the redesign makes more urgent the need for the
759 | Bureau to address significant and longstanding weaknesses in
760 | managing information technology. Going forward, it will be
761 | important for the Bureau to aggressively manage its key
762 | information technology investments.

763 | I will turn it over to Mr. Powner to expand on this, but
764 | before I do I want to thank you again for the opportunity to
765 | speak today and, as in the past, we look forward to
766 | supporting the Committee's efforts.

767 | I would be glad to take any questions that you may have.

768 | [Prepared statement of Mr. Scire follows:]

769 | ***** INSERT *****

770 | Mr. CLAY. Thank you, Mr. Scire.
771 | Mr. Powner, you may proceed.

772 STATEMENT OF DAVID POWNER

773 Mr. POWNER. Mr. Chairman, Ranking Member Davis, I just
774 have two points to make this morning concerning moving
775 forward and managing the technology acquisitions associated
776 with the redesign.

777 First, a clear integrated schedule with critical
778 milestones and key deliverables and tests needs to be clearly
779 articulated so that oversight can be performed by the
780 Department and by the Congress. Test planning and execution
781 will be critical to this integrated schedule.

782 Second, a major concern we have is whether the Bureau
783 has the capability to improve its program management and
784 executive level governance of the technology. History tells
785 us that sound management principles, both at the program
786 level and at the Executive level, is not something that can
787 just be switched on overnight. Because of this, I would like
788 to stress the importance of having the Commerce Department
789 executives play major governance roles as we approach this
790 Decennial.

791 Thank you. I will look forward to your questions.

792 [Prepared statement of Mr. Powner follows:]

793 ***** INSERT *****

794 | Mr. CLAY. Thank you very much for that testimony. We
795 | certainly look forward to those recommendations, and we will
796 | see if the Bureau will implement.

797 | Mr. Providakes, you may proceed for five minutes.

798 | STATEMENT OF JASON F. PROVIDAKES

799 | Mr. PROVIDAKES. Good afternoon, Chairman Clay, Ranking
800 | Member Davis, Ranking Member Turner, and distinguished
801 | members of the Committee. It is an honor for the MITRE
802 | Corporation to appear before you today to update you on the
803 | progress of development of the field data collection
804 | automation program, also referred to as FDCA.

805 | Accompanying me today is my colleague, Dr. Glen Hines,
806 | Executive Director of Civilian Agencies of the MITRE Center
807 | for Enterprise Modernization, as well.

808 | Now, the MITRE Corporation is a not-for-profit
809 | organization that is chartered to work in the public
810 | interest. MITRE manages the three federally-funded research
811 | development centers, one for the Department of Defense, one
812 | for the Federal Aviation Administration, and one for the
813 | Internal Revenue Service. A federally-funded research and
814 | development center is a unique organization that assists the
815 | United States Government with scientific research and
816 | analysis, development and acquisition, and/or systems
817 | engineering and integration. FFRDCs are established and
818 | designed for the purpose of engaging with Government over the
819 | long term in addressing long-term complex problems like FDCA.
820 | Federal acquisition regulations, FARDCs, operate in the

821 public interest with objectivity, independence, and freedom
822 from conflict of interest, with full disclosure of their
823 affairs to their respective Government sponsors.

824 It is, in fact, our privilege to serve with talented
825 engineers and other professionals who support the Census
826 Bureau in its efforts to prepare and conduct a 2010 Decennial
827 Census. Because the Decennial Census is such an enormous
828 undertaking, the Census Bureau seeks to employ technology as
829 a means toward achieving efficiencies and increased accuracy.
830 It is important, however, to recognize that technology,
831 alone, is not the panacea. Technology insertion must be
832 accompanied by changes in roles of people and processes they
833 implement. Planning, acquisition, coordinating the changes to
834 this combination of people, processes, and technology is very
835 complex and filled with risk.

836 Recognizing this reality, the Census Bureau sought in
837 2004 to obtain MITRE's assistance. Beginning in March of
838 2004 MITRE assisted the Census Bureau with feasibility
839 assessments, hand-held computers, recommendations for the
840 FDCA acquisition strategy, analysis of risks, and mitigations
841 to the FDCA program.

842 Next, from February 2005 until August of 2007 MITRE was
843 not involved in the management or the technical aspects of
844 the FDCA program. MITRE did create an independent Government
845 cost estate during this period.

846 From March 2007 until June of 2007 MITRE was asked to
847 perform risk assessments of the overall FDCA program, the
848 hand-held computers, and security of these hand-held
849 computers.

850 And then, since August of 2007, MITRE has been asked to
851 provide continuing acquisition and system engineering support
852 to the FDCA program.

853 Also, the Committee requested information on MITRE's
854 involvement with the Decennial response integration system
855 known as DRIS. MITRE has had little involvement with this
856 program and has performed no assessments of DRIS. We,
857 therefore, have no relevant documents or comments that we can
858 submit.

859 We remain committed to helping the Census Bureau
860 overcome the current challenges of FDCA program to enable a
861 successful 2010 Decennial Census.

862 Thank you for inviting us to your hearing. I would be
863 happy to answer all your questions.

864 [Prepared statement of Mr. Providakes follows:]

865 ***** INSERT *****

866 | Mr. CLAY. Thank you very much.

867 | Ms. Janey, you can finish it out.

868 STATEMENT OF CHERYL L. JANEY

869 Ms. JANEY. Mr. Chairman, members of this Committee and
870 Subcommittee, thank you for this opportunity to discuss
871 Harris' role in supporting the Department of Commerce and the
872 Census Bureau in the modernization of the 2010 Decennial
873 Census. Accompanying me today is Mike Murray, Vice President
874 of Programs, and the lead executive for Harris on the FDCA
875 program.

876 Harris' role in the automation process is to provide the
877 Bureau with the technology and infrastructure it needs to
878 make this shift. Harris Corporation designed and refined
879 mobile hand-held computing devices to automate work in the
880 field.

881 As you know, the Census Bureau recently made the
882 decision to use the hand-held devices for address canvassing,
883 but to revert to pen and paper for the non-response
884 follow-up. We were not involved in many aspects of that
885 decision-making process; however, I can say that there is
886 more to the wholesale cultural transformation that the Bureau
887 is undergoing than technology alone. We believe three
888 primary factors contributed to the decision to revert to
889 paper, based on our conversations with Census and Commerce
890 officials.

891 First, the Bureau lacked sufficient and well-defined
892 specifications for systems and process requirements at the
893 time it originally issued its request for proposal, or RFP.

894 The second factor is a direct outgrowth of the first: as
895 Census officials attempted to determine their needs, the
896 project evolved. They were compelled to repeatedly adjust
897 and add new requirements. It was just this past January, two
898 years after the RFP was first issued, that we received more
899 than 400 new and altered contract modifications. At this
900 late stage of the process, even minor or cosmetic new
901 requirements require reevaluating the system design in order
902 to assure that each new component is fully integrated. We
903 have been urging the Bureau for over a year to finalize
904 requirements, and have been working with them to that end.

905 While Harris prides itself on being an expert in
906 information technology and systems integration, we have no
907 authority to adjudicate the competing goals and requirements
908 of internal Census divisions or stakeholders. That is
909 inherently Governmental responsibility. We must rely on our
910 customer to tell us what requirements they need; then we
911 design a system accordingly.

912 During recent Congressional hearings it was asked why
913 Harris' contract has doubled in cost while the scope appears
914 to have been cut in half. The answer is straightforward: the
915 costs have increased as the scope of the project has

916 | increased. Let me give you a few examples of some of the
917 | major cost drivers.

918 | Due to more conservative assumptions by the Bureau,
919 | additional staff, hours of operation, and equipment have been
920 | added to handle expected increases in call volume, and, as a
921 | result, the help desk cost has grown significantly.

922 | Of the more than 400-plus new requirements received in
923 | January 2008, only approximately 15 percent can be eliminated
924 | as a result of paper-based non-response follow-up.

925 | There has been more than a 50 percent increase in the
926 | equipment requested in local Census offices.

927 | An automated follow-up solution has already been
928 | developed, with sum cost of about \$25 million and now must be
929 | redeveloped to support a paper-based process. And the number
930 | of hand-helds allocated for address canvassing has increased
931 | from 63,000 to over 140,000.

932 | In summary, we are doing nearly twice the work, not half
933 | the work.

934 | Let's remember strides have been made in the Census
935 | modernization effort. The Census database has been
936 | successfully digitized under another Harris contract with the
937 | Census Bureau, MAF/TIGER, ahead of schedule and under budget.
938 | The Census Bureau now has GPS-anchored geomapping resources
939 | that provide satellite precision. An operations network has
940 | also been put in place, with unprecedented security measures

941 | to protect the private data of American citizens. Hand-held
942 | devices are being readied to replace van loads of paper for
943 | address canvassing.

944 | With these strides the Census Bureau has formed the
945 | foundation for continued automation.

946 | Harris also understands the importance of being good
947 | stewards of Government dollars. I can assure you that we
948 | always have and always will continue to operate with the
949 | highest regard for this responsibility. Every month during
950 | the program Harris provides complete transparency to the
951 | Bureau of our cost, schedule, and technical performance.
952 | Harris is committed to helping the Census Bureau make the
953 | 2010 Census a success, and it is apparent that all parties,
954 | and at the highest levels of leadership, share that
955 | commitment.

956 | Mr. Chairman and members of the Committee and
957 | Subcommittee, I appreciate the opportunity to testify and
958 | invite your questions.

959 | [Prepared statement of Ms. Janey follows:]

960 | ***** INSERT *****

961 Chairman WAXMAN. [Presiding] Thank you all for your
962 testimony.

963 Mr. Powner, GAO repeatedly warned the Census Bureau that
964 it needed to plan better for this program. In their 2004
965 report, you concluded that the Census Bureau needed to
966 improve the rigor of its planning process by developing an
967 operational plan that consolidates budget, methodological,
968 and other relevant information about the Census into a single
969 comprehensive project plan that would be updated as needed;
970 is that correct?

971 Mr. POWNER. That's correct, sir.

972 Chairman WAXMAN. But the Census Bureau failed to do
973 this. They went forward with the contract that had
974 inadequate specifications, relied far too heavily on a
975 private sector contractor, and provide wholly inadequate
976 contract oversight. As a result, the American taxpayers now
977 face billions of dollars of increased cost.

978 Regrettably, this has been the rule rather than the
979 exception under the Bush Administration. The same thing
980 happened with reconstruction efforts in Iraq, where we
981 squandered billions of dollars.

982 The response to Hurricane Katrina suffered from a
983 similar lack of advance planning. In 2006, GAO found that
984 neither FEMA nor the Army Corps of Engineers had adequate
985 contingency contracts in place. According to GAO, the

986 failure to explicitly consider the need for and management of
987 the contractor community played a major role in the
988 mismanagement of the relief effort.

989 In 2005 the Inspector General of the Department of
990 Homeland Security reported that homeland security
991 procurements suffered from the same problem, again costing
992 taxpayers millions of dollars. The IG warned that by
993 approving programs without adequately defined technical
994 requirements, DHS risked likely adverse costs in schedule
995 consequences.

996 Well, it just seems to me that what we are seeing is the
997 same thing happening over and over again.

998 Mr. Waite, how do you justify the actions of the
999 Commerce Department and the Census Bureau? You were
1000 repeatedly told you needed to make fundamental reforms, but
1001 you never did.

1002 Mr. WAITE. I think that we were making fundamental
1003 reforms, but they were coming much too slow, Mr. Chairman.
1004 We had more to do probably than we had the time to do. We
1005 were still testing some of our procedures to try and see what
1006 our requirements should be. In retrospect, we were very slow
1007 in catching up to this problem. I only really fully grasped
1008 the significance of the problem in about November of 2007.
1009 We were trying to do what GAO had said, but we found that to
1010 be a very difficult task in the time limit that we had, and I

1011 | would say we were too slow in getting that done.

1012 | Chairman WAXMAN. Well, Mr. Powner, GAO raised many of
1013 | the red flags that were ignored. The problem got so bad that
1014 | last month you put the 2010 Census on the high-risk list. Do
1015 | you think the Department of Commerce and the Census Bureau
1016 | have acted as responsible stewards of the taxpayers' dollars?

1017 | Mr. POWNER. Mr. Chairman, I think it is unacceptable
1018 | what happened here. I mean, as you clearly pointed out, in
1019 | 2004, at the request of this Committee, we started looking at
1020 | institutional processes at the Census Bureau to manage \$3
1021 | billion worth of IT contracts. At that time we said they did
1022 | not have those processes and management capabilities in
1023 | place.

1024 | In March 2006 we testified in front of Chairman Turner
1025 | at the time. If you go back to that transcript, we made
1026 | comments along the lines of relying on the contractor for
1027 | technical solutions is fine, but relying on contractors for
1028 | requirements is not. Those were the exact words.

1029 | Time ticked along. We followed up on our
1030 | recommendations. I point to the MITRE study, because MITRE
1031 | then in June of 2007 pointed out the same things. They said
1032 | requirements were unstable and they needed to stabilize the
1033 | requirements immediately. Those requirements did not get
1034 | stabilized until the December/January time frame. That is
1035 | not immediately. So it is unacceptable the lack of action

1036 | and also the lack of transparency.

1037 | Chairman Clay held a hearing on December 11th. A lot of
1038 | these MITRE findings were known at the time and they were not
1039 | disclosed at that hearing.

1040 | Chairman WAXMAN. Thank you.

1041 | Thank you, Mr. Chairman.

1042 | Mr. CLAY. [Presiding] Thank you, Mr. Chairman.

1043 | Mr. Davis?

1044 | Mr. DAVIS OF VIRGINIA. I understand now the Bureau has
1045 | asked for some reprogramming of money from this fiscal year.
1046 | What happens if they don't get that? What is the solution?
1047 | Let's assume you don't get that at this point. How are we
1048 | ready for the 2010 Census at that point?

1049 | Mr. MURDOCK. We are going to certainly face some
1050 | significant challenges if our funding does not continue or we
1051 | do not get the funding that we need.

1052 | We are working, as you know, with the Department and,
1053 | with their effort, to work with Congress--

1054 | Mr. DAVIS OF VIRGINIA. I am just asking what happens if
1055 | you don't get it. I know you are trying to get it, but if
1056 | you don't get it what happens?

1057 | Mr. MURDOCK. Well, we are looking at the contingencies
1058 | right now, developing plans that will indicate what our
1059 | options are.

1060 | Mr. DAVIS OF VIRGINIA. They are not very good, are they?

1061 Mr. MURDOCK. They are not. Right.

1062 Mr. DAVIS OF VIRGINIA. What would it include? If you
1063 didn't get this, it puts you further and further behind in
1064 doing the correct count. Could it lead to an under-count in
1065 major cities?

1066 Mr. MURDOCK. Well, there is a variety of things that
1067 could happen, but certainly time here is our biggest enemy.
1068 We need to be about moving forward with our new plan.

1069 Mr. DAVIS OF VIRGINIA. It seems to me that we can sit
1070 here all day and bash people who messed this up, and it was a
1071 big screw-up, and we will get into a little bit of analysis.
1072 It is not just Commerce Department. This is throughout
1073 Government, whether it be contracting officials who aren't
1074 trained, they get in over their heads sometimes. They don't
1075 give appropriate supervision. We don't give them good
1076 training. This is what you get.

1077 If it were just the Commerce Department it would be one
1078 thing, but this is, I think, endemic across Government. That
1079 has been my experience.

1080 But, having said that, we want the Census to go on. I
1081 know Mr. Clay wants a good count in St. Louis. I want a good
1082 count in Fairfax and in Virginia. I am just worried about
1083 how we work together as Republicans and Democrats with the
1084 Department to make sure that everything is in line for a good
1085 count in three years. If we don't have that, you can't

1086 sample without legislative changes, and that is going to take
1087 60 votes in the Senate. It is unlikely it will occur. So I
1088 am trying to think. You know, just walk me through some of
1089 the contingencies that you are looking at.

1090 Mr. MURDOCK. Well, we are just in the beginning phases
1091 of planning those and working those out with the Department,
1092 and when we have worked those out and we have got the
1093 alternatives to look at, I will be glad to bring those back
1094 and talk to you about them.

1095 Mr. DAVIS OF VIRGINIA. Okay. But if you don't get this
1096 money, it becomes more problematic, doesn't it?

1097 Mr. MURDOCK. It becomes more problematic. And the
1098 longer it takes for us to get things up and running, the
1099 longer the delays are, the more difficult it is for us,
1100 because time is our biggest enemy.

1101 Mr. DAVIS OF VIRGINIA. Okay. Let me just ask our GAO
1102 rep, and then anybody else can respond: if this is about the
1103 lack of defining requirements early on and making sure they
1104 were concise and universally accepted, why didn't the Bureau
1105 recognize this and take action prior to the contract award?
1106 Were they over their heads?

1107 Mr. POWNER. Ranking Member Davis, we had that
1108 discussion. We testified in front of Chairman Turner's
1109 Committee at the time in March of 2006--I believe that was a
1110 month prior to contract award--and our take on this is you

1111 | wanted to find as much as early as possible, and I had
1112 | discussions with Mr. Waite and others about the need to do
1113 | this, if not prior to contract award, soon thereafter.
1114 | Again, I think soon thereafter, after April of 2006, is not
1115 | December of 2007 or January of 2008.

1116 | Mr. DAVIS OF VIRGINIA. Anybody else want to respond to
1117 | that? I mean, did we have the right people on this, or was
1118 | this a question of just not having the capability in-house to
1119 | get this done?

1120 | Mr. WAITE. I think that we had the right people on this.
1121 | I think that we clearly were asking for ourselves and asking
1122 | the Census Bureau to do a fundamental cultural change, and I
1123 | think that cultural change was probably too great. We issued
1124 | a contract for a solution, and we really were not--our field
1125 | staff, which uses this mostly, really were not fully prepared
1126 | to go for a contract for a solution. Much of these changes
1127 | and requirements come. I'd like you to do a contract for
1128 | solution. You bring me the solution. I said, no, I don't
1129 | want it that way. I want it changed. That costs money and
1130 | time.

1131 | Mr. DAVIS OF VIRGINIA. So basically the regional
1132 | offices, there was a resistance to some of the changes, that
1133 | kind of thing?

1134 | Mr. WAITE. I don't think there was a resistance. When
1135 | they saw the contract for solution product, there were things

1136 | they believed that they needed that clearly were not
1137 | communicated well enough to the Harris Corporation that we
1138 | couldn't deal with the particular products that came from the
1139 | solution.

1140 | Mr. DAVIS OF VIRGINIA. Had they been brought in earlier,
1141 | you might have had a different result?

1142 | Mr. WAITE. Yes, that's true.

1143 | Mr. POWNER. Mr. Chairman, if I could add to that.

1144 | Mr. DAVIS OF VIRGINIA. Yes, please.

1145 | Mr. POWNER. Whether it is a solutions contract or not,
1146 | defining your requirements up front, telling the contractor
1147 | what you need is project management 101. So, in terms of not
1148 | doing that, from a project management point of view and from
1149 | an Executive level governance point of view, clearly those
1150 | folks are at fault and were not doing the right things.

1151 | This isn't something new. This is something we do on
1152 | every IT acquisition across the Government. We define what
1153 | we want in as much detail as possible so that we don't have
1154 | this.

1155 | Mr. DAVIS OF VIRGINIA. Right. We see this time and time
1156 | again. I just add the one contract that I know that Congress
1157 | has been involved with is the Capitol Visitors Center. That
1158 | is not an IT contract, but that was one where we kept
1159 | changing the requirements, and now it has escalated three
1160 | times what it was going to be. It is way behind schedule. I

1161 | mean, this is what happens.

1162 | At the end of the day, this is up to managers to try to
1163 | work through this, and this was a failure of that. The
1164 | contractor is sitting out there. If you give them the
1165 | appropriate guidance and you put the appropriate reigns, this
1166 | stuff generally works out. Sometimes, occasionally you find
1167 | a contractor that is not competent to do the business, but
1168 | that wasn't the case here, was it, Mr. Powner?

1169 | Mr. POWNER. No, that's clearly not the case. But also,
1170 | too, this is clearly a Government issue. The Census Bureau
1171 | is at fault. But also, to balance this a little bit, I
1172 | think, with all the red lights that were going on and the
1173 | sirens along the way, including all the hearings that the
1174 | various Subcommittees associated with this full Committee
1175 | held, you know, the Harris Corporation does have a
1176 | responsibility to converse with the Census Bureau in terms of
1177 | helping to stabilize and define those requirements more
1178 | completely.

1179 | Now, to the extent that that went on, we are not privy
1180 | to all of those discussions, but I don't think they are
1181 | entirely off the hook here.

1182 | Mr. DAVIS OF VIRGINIA. They get paid, though, anyway. It
1183 | is like it is churning if they don't ask questions. But I
1184 | hear you.

1185 | Mr. POWNER. Thank you.

1186 Mr. DAVIS OF VIRGINIA. Thank you, Mr. Chairman.

1187 Mr. CLAY. The gentleman from Virginia's time has
1188 expired.

1189 Let me start with Mr. Waite and Mr. Murdock. At what
1190 point did the Bureau realize that the requirements for the
1191 hand-helds were not sufficient? At what time?

1192 Mr. WAITE. We began to understand the requirements
1193 needed to be further defined for the 2010 Census, itself, in
1194 around August and September of 2007. I had specific meetings
1195 with Harris, with MITRE, and with parts of the Census Bureau
1196 staff in November of 2007 where it was clear for me at that
1197 time that we were not going to be able to get all of the
1198 requirements done, and that a big reason that they were not
1199 done was that there were still some outstanding requirements
1200 that needed to get fixed. That's what we implemented almost
1201 immediately. We should have done it sooner, for sure, but by
1202 the middle of January we had the requirements finalized, and
1203 then we really could see the full depth of how much was
1204 missing.

1205 Mr. CLAY. Okay. But in April of 2006 the contract was
1206 awarded as a cost-plus contract, \$600 million. Since 2004,
1207 GAO and the Inspector General issued no less than nine
1208 reports with their concerns, and the concerns fell into four
1209 general categories: the Census Bureau needed to define
1210 specific, measurable performance requirements for the

1211 | hand-held mobile computing device; the Bureau needed to
1212 | develop and integrate a plan to control the cost and
1213 | management operation; the Bureau needed to maintain diligent
1214 | oversight of its contractors; and the Census Bureau needed to
1215 | strengthen their systems testing and risk management
1216 | activities.

1217 | Now, when did you take their recommendations and
1218 | actually follow through on them?

1219 | Mr. WAITE. Well, let me look at these individually.

1220 | First of all, the performance requirements, we were
1221 | still, at the time we let the contract, we were still testing
1222 | hand-held devices of our own making out in dress rehearsal
1223 | and trying to define some details of the contracts.

1224 | We got all of the requirements taken care of for the
1225 | address canvassing part in the late summer of 2007. We
1226 | finished all of the requirements for the 2010 portion of the
1227 | Census in January of 2008. Developing the integrated,
1228 | comprehensive plan, people were working on that. It was a
1229 | very difficult task, and I don't honestly think we fully ever
1230 | got that done.

1231 | Maintaining the maintenance and looking at what was
1232 | going on, we had 50 people at a program management office of
1233 | 50 individuals whose job it was to monitor the progress of
1234 | the Harris contract and to report monthly on the progress,
1235 | what was happening.

1236 What I was getting, sir, is very, very positive reports
1237 that everything was in control until about October of 2007.

1238 Mr. MURDOCK. And I think, Mr. Chairman, that we
1239 recognize that we have not done everything right in the past,
1240 and clearly we need to go forward with new plans, with a new
1241 management approach of outline one that we can discuss in
1242 detail if you wish.

1243 Mr. CLAY. Very good. I look forward to that outline and
1244 that approach, and hopefully in the near future.

1245 Ms. Janey, let's start with the cost of FDCA. It has
1246 been the talk of Capitol Hill and the Country. As you know,
1247 I expressed my concern about the fact that the contract price
1248 has doubled, from \$600 million to \$1.3 billion. It is
1249 unacceptable at any time, but it is worse at a time when the
1250 economy is in the tank and many Americans are struggling to
1251 pay for gas, food, and shelter.

1252 So help us understand what happened. Why is the cost
1253 double, and what do the American taxpayers get for the extra
1254 \$700 million? As you know, \$700 million is not pennies.

1255 In the original contract, could Harris have performed
1256 all of the requested functions on the hand-helds? And at
1257 what cost?

1258 Ms. JANEY. As I said in my oral testimony, Mr. Chairman,
1259 there were many contributing factors that have resulted in
1260 the cost going higher, driven primarily by changes in

1261 | assumptions on the part of the Census Bureau. The numbers of
1262 | hand-helds for address canvassing have increased from 63,000
1263 | to 140,000. The assumptions that were made on help desk have
1264 | increased from about 150,000 or 160,000 anticipated help desk
1265 | calls to over 760,000 anticipated help desk calls.

1266 | Mr. CLAY. Let me stop you there. Let's talk about the
1267 | number of hand-helds have gone from 63,000 to 141,000.
1268 | Weren't the original numbers for hand-helds 500,000?

1269 | Ms. JANEY. Yes. Let me be clear. The number of
1270 | hand-helds allocated to address canvassing have increased by
1271 | 63,000 to 140,000.

1272 | Mr. CLAY. Wait a minute. Hold it. I am just a layman,
1273 | really. I am not an attorney or anything else. What were
1274 | the original 500,000 hand-helds supposed to perform?

1275 | Ms. JANEY. Some were allocated to address canvassing,
1276 | others were allocated to non-response follow-up.

1277 | The basic point, Mr. Chairman, is that the number of
1278 | enumerators increased, and increased fairly substantially
1279 | based on assumptions provided by the Bureau.

1280 | Mr. CLAY. I am not going to let you just keep going on.
1281 | I need some answers. Try to answer this one for me. Given
1282 | the problem with FDCA, what assurances can you give this
1283 | Committee that the technology needed to compile and integrate
1284 | and maintain the databases as complex as MAF/TIGER will work
1285 | on the hand-helds? Has MAF/TIGER been tested with the final

1286 | version of the hand-helds?

1287 | Ms. JANEY. Mr. Chairman, as I mentioned in my testimony,
1288 | with me today is Mike Murray, who is the Vice President of
1289 | Programs and Lead Executive on FDCA specifically, and I would
1290 | invite him to answer this question.

1291 | Mr. CLAY. You can't answer the MAF/TIGER?

1292 | Ms. JANEY. I can answer MAF/TIGER.

1293 | Mr. CLAY. Go ahead.

1294 | Ms. JANEY. Yes, MAF/TIGER does--

1295 | Mr. CLAY. We will hear from Mr. Murray later. You can
1296 | answer MAF/TIGER now.

1297 | Ms. JANEY. The question on MAF/TIGER is does MAF/TIGER
1298 | work on the hand-helds?

1299 | Mr. CLAY. Has it been tested?

1300 | Ms. JANEY. Yes, it has.

1301 | Mr. CLAY. The final version of the hand-held?

1302 | Ms. JANEY. It has been tested. Yes, sir.

1303 | Mr. CLAY. And it works?

1304 | Ms. JANEY. Yes, sir.

1305 | Mr. CLAY. It works, so there won't be any cost overruns
1306 | there?

1307 | Ms. JANEY. The hand-held works. The cost--

1308 | Mr. CLAY. Will there be cost overruns?

1309 | Ms. JANEY. Excuse me, sir. The costs were driven by the
1310 | requirements. Assuming the requirements do not change, no.

1311 Mr. CLAY. Thank you.

1312 Mr. Turner is recognized for five minutes.

1313 Mr. TURNER. Thank you, Mr. Chairman.

1314 The Chairman and I were discussing this issue on the
1315 House floor, and both of our incredible frustration that we
1316 should be in this position now. When the Chairman was
1317 talking about the issue of oversight and how Congress looks
1318 at this matter, I had staff take a look and pull what our
1319 Committee had done on this. I chaired this Subcommittee from
1320 January of 2005 to December of 2006 and found that we had
1321 four Congressional hearings, three Congressional briefings on
1322 this matter, receiving the GAO report that is referenced in
1323 the current GAO report dated January 12, 2006, and the one
1324 dated March 1, 2006. We held our last hearing on the Census
1325 September 6, 2006.

1326 I looked specifically at a hearing that was dated March
1327 1, 2006, and it states as its summary that the Bureau
1328 continues its preparation for a short form on these Censuses,
1329 undertaking two major contracts, the field data collection
1330 automation program and the Decennial response integration
1331 system. These two technology contracts have a combined value
1332 of over \$1 billion. This is our hearing in March 1, 2006.

1333 I have my opening statement from that, based upon the
1334 GAO report, and my opening statement says, "It is our
1335 understanding that the hand-helds failed to perform

1336 | adequately and activity was concluded without finishing the
1337 | address file that is needed in the next phase. These issues
1338 | must be resolved before the 2008 dress rehearsal. I am eager
1339 | to hear what the Bureau is doing to address the problems of
1340 | their tests and other issues related to 2010.''

1341 | I went to go see then who was in attendance at that
1342 | hearing, and I am pleased to report that both Representative
1343 | Clay and Representative Maloney were both at the hearing as
1344 | we began the process of saying to the Census Bureau that GAO
1345 | has told us and we all know, as of March 1, 2006, that unless
1346 | the Bureau undertakes the reforms necessary that were listed
1347 | by GAO, that we would be in the situation that we are in now.

1348 | We continued to receive assurances, and Chairman Clay
1349 | reports that, as he has chaired this Subcommittee, that the
1350 | Census Bureau has continued to provide assurances that the
1351 | tasks were going to be met, and yet we are here again now.

1352 | Mr. Powner, you testified in that hearing in March,
1353 | telling us the measures that were necessary that the Census
1354 | Bureau needed to take in order to be successful.

1355 | So I want to ask the panel the question that I asked
1356 | Secretary Guitierrez, because it seems to me, from the
1357 | hearings that we held and the briefings that we held when I
1358 | was Chairman and that we are facing today, that this is a
1359 | mismanagement issue, that this is something that was
1360 | accomplishable. That is what I want to ask each and every

1361 | one of you, because today I believe we are being told that it
1362 | is not accomplishable within the time that is left. But when
1363 | we raised the issue and when the issue was first addressed by
1364 | GAO and there was even a road map, if you will, of what the
1365 | Census Bureau needed to do, it appeared that it was
1366 | accomplishable then. So could you tell me? We will start at
1367 | the left end of the table. Was this task accomplishable?

1368 | Mr. MURDOCK. Well, what I would say in answer to the key
1369 | question you started out with is that my view, coming in when
1370 | I did, is that we clearly didn't do everything we should. I
1371 | think there were things that both ourselves and the
1372 | contractor could have done better. I think we didn't scope
1373 | our requirements as fully as we should have at the beginning
1374 | of the process. We didn't communicate well to our contractor
1375 | in terms of what--

1376 | Mr. TURNER. Can you hold on a second? I don't have that
1377 | much time. We only each get five minutes.

1378 | Mr. MURDOCK. Okay.

1379 | Mr. TURNER. I have already heard the why we can't do it
1380 | now or what impacted the inability to do it. I am starting
1381 | from when this was tasked. When there was first a decision
1382 | that this was going to be undertaken, was it accomplishable?
1383 | Technologically, process-wise, was this accomplishable? Mr.
1384 | Murdock, we will start with you.

1385 | Mr. MURDOCK. I believe that at the time that it was

1386 | accomplishable given the requirements that were on the table.
1387 | It wouldn't have been accomplishable even then, sir, if all
1388 | the requirements that are now in place had been there. It
1389 | wouldn't have been accomplishable.

1390 | Mr. TURNER. Which were your requirements?

1391 | Mr. MURDOCK. Right. If we had the full requirements, it
1392 | would not have been accomplishable then in the given budget.

1393 | Mr. TURNER. When we had our hearing on March 1, 2006,
1394 | when GAO had reported that there was a problem with the
1395 | project and my statement in opening said that the hand-helds
1396 | had failed and that GAO had indicated what needed to be done
1397 | in order to accomplish this in time, was it accomplishable
1398 | then?

1399 | Mr. MURDOCK. I think it was. I think that when GAO
1400 | reported about the problems with the test of the hand-helds,
1401 | they were not Harris hand-helds. They were hand-helds that
1402 | we had purchased off the shelves, and we were testing them.
1403 | We had every reason to believe, based on the contract
1404 | negotiations or the contract bids where all of the companies
1405 | actually put forth a skeletal version of address canvassing,
1406 | that the Harris hand-held would be far superior to the ones
1407 | that we were using.

1408 | Mr. TURNER. Okay. I am going to go down the line and I
1409 | am going to ask each person to answer this also, but I wanted
1410 | to leave you with one comment before I go on to let them

1411 | answer this question, and that is: there are several problems
1412 | here that we are facing, one of which, of course, is the just
1413 | unbelievable waste of taxpayers' money, the complete
1414 | mismanagement of this project.

1415 | But the most important issue, the one that we addressed
1416 | in the four hearings and three Congressional briefings that
1417 | we had and in this Subcommittee when I chaired it is that
1418 | people have to have faith in the Census. When the
1419 | credibility of the Census is brought into question, it brings
1420 | into question the processes that are used and whether or not
1421 | the data and outcomes are what we all need to be able to rely
1422 | on.

1423 | We are going to need to ensure that the plan that you
1424 | have next is one that everyone can look at and have those
1425 | assurances, or we are all going to question the process as it
1426 | is going forward and the end product.

1427 | Mr. Chairman, if you wouldn't mind allowing me to
1428 | continue down the line to have them answer the question of
1429 | was it accomplishable.

1430 | Mr. SCIRE. If I could add to that, I think that what you
1431 | are observing here is not a failure in technology, it is a
1432 | failure in management. It is also a failure in transparency.

1433 | You were asking earlier about when the Bureau could have
1434 | known. Well, last June the Bureau received reporting on the
1435 | need for the requirements.

1436 In terms of transparency and going forward, I think it
1437 is important, for oversight purposes, for there to be a
1438 quicker turn-around in the results of the various tests and
1439 operations and benchmarks that the Bureau needs to establish
1440 for the redesign, for the redesign in terms of both address
1441 canvassing and in terms of the non-response follow-up.

1442 I will just point out that the address canvassing dress
1443 rehearsal happened a year ago, and we are now today talking
1444 about changing how that operation will be conducted. I don't
1445 think you want to be facing that a year from now, making
1446 decisions about how non-response follow-up is going to be
1447 conducted. So I think it would be fair to ask for more rapid
1448 turn-around in results of these tests and dress rehearsal
1449 operations, rather than the lengthy time that it has been
1450 taking.

1451 Mr. TURNER. Thank you. Mr. Powner?

1452 Mr. POWNER. I agree with Mr. Scire. This is
1453 accomplishable. The technology here is not hard. Clearly it
1454 was mismanagement. I would contend even if you had defined
1455 those 400 requirements back in the mid-2006 time frame it was
1456 still accomplishable. This is not that difficult.

1457 Mr. CLAY. Mr. Providakes, any comment?

1458 Mr. PROVIDAKES. Yes. I have to agree with much of that
1459 statement. I have been involved in many complex IT programs
1460 across the Department of Defense and Federal Government, and

1461 | this is not one of them.

1462 | Referring to an earlier statement regarding the
1463 | requirements, I agree with Dave Powner that having as much
1464 | requirements up front is good to have, but in today's world,
1465 | where I was mentioning earlier, in the Census where there's
1466 | this large cultural change you have to expect the
1467 | requirements to evolve.

1468 | What really was not put in place was the process that
1469 | would allow the requirements at some stage to evolve in the
1470 | development and system development of FDCA to converge to
1471 | provide the operational capabilities to the user, because
1472 | even the end user was still sorting this out.

1473 | So to my mind it was more of a process issue between
1474 | having a set of initial hard requirements, putting in place a
1475 | process that engaged both the contractor, the acquisition
1476 | manager, and the user that would allow the evolution and
1477 | convergence of that. That didn't occur at this time.

1478 | Thirdly, the topic of technology, this is not hard to
1479 | do. I will look closely and suggest that the Bureau do a
1480 | scrub of an estimate of the cost to go forward.

1481 | Mr. CLAY. Thank you.

1482 | Ms. Janey, anything?

1483 | Ms. JANEY. No, sir. I agree. I think this was a doable
1484 | task. Getting the volume of requirements changes as late in
1485 | the process as we got it, two-thirds of the way through the

1486 | plan development time, did have an impact. But I would point
1487 | to address canvassing. It worked. There were challenges
1488 | that certainly came out of the dress rehearsal, but that
1489 | dress rehearsal was done a year ago. Many of the
1490 | technological issues that were encountered were addressed.
1491 | It is not a technology issue. I think it was doable.

1492 | Mr. CLAY. Thank you.

1493 | Mrs. Maloney, you are recognized for five minutes.

1494 | Mrs. MALONEY. Thank you. I thank everyone for their
1495 | testimony.

1496 | I would like to ask Dr. Murdock and then Deputy Director
1497 | Waite and Mr. Scire, Mr. Powner, right on down the line to
1498 | Ms. Janey, as I said in my opening statement, I would like
1499 | you to tell us what goals or benchmarks we should have that
1500 | are objective and accountable and measurable so that by the
1501 | end of this Administration we can get some confidence that if
1502 | you met them, and once this body responded to your financial
1503 | requested appropriately and you got all the money that you
1504 | need to accomplishment, that it would actually work.

1505 | As Mr. Powner said, and Mr. Providakes, this is not that
1506 | hard. We should be able to accomplish this, but we haven't
1507 | been able to accomplish it.

1508 | So I would like to just go down the line and just find
1509 | out what you should put out there to build confidence in us
1510 | that you are going to fix the problem, that you are fixing

1511 | the problem. I would like to also ask do you think we should
1512 | have a monthly hearing or monthly reports on the progress or
1513 | the problems that you are confronting, so that at the end of
1514 | the Administration we can actually get this done.

1515 | As some of you have testified, this should not be that
1516 | difficult. What do we need to get this done? And I believe
1517 | that Congress in a bipartisan way will provide you with the
1518 | funding that you need, but what benchmarks and really
1519 | measurable items should be put out before this Committee to
1520 | let us know and build confidence that this is going to be
1521 | accomplished?

1522 | We will start with Mr. Murdock and go right down the
1523 | line.

1524 | Mr. MURDOCK. Let me begin by saying what we are doing in
1525 | terms of preparing ourselves for this, and another way of
1526 | saying that is that we do recognize we can't continue to do
1527 | things in the way that we have in the past; that we have had
1528 | to make changes, and we have made. I will give you some of
1529 | our plans relative to future changes.

1530 | We have strengthened our management. We have a
1531 | Decennial Census director that comes from two backgrounds
1532 | that are very important for us. He has an IT background and
1533 | he has Decennial experience.

1534 | We have established or strengthening our management
1535 | program to include many of the elements that GAO has talked

1536 | about, have risk management process, issue identification,
1537 | doing extensive product testing, and increasing our
1538 | communications, particularly the communications between
1539 | ourselves and our contractor, and instituting tighter budget
1540 | and cost management.

1541 | We are beginning a process of embedding. By that what I
1542 | mean is having our people working at locations with the
1543 | contractor so that we can improve communication so we don't
1544 | have this kind of gap that we had before in terms of getting
1545 | rapid communication of needs and want.

1546 | We have substantially increased the management
1547 | intensity, meaning the involvement, in particular, of the
1548 | Deputy Director and myself in the day-to-day operations of
1549 | Decennial Census activities, particularly this FDCA.

1550 | Let me give you some of the initial deadlines that we
1551 | have. One of those is that we want to obtain an integrated
1552 | project schedule, which is one of the things that has been
1553 | called for by a number of groups. We plan to have that in
1554 | about 45 days.

1555 | We plan, prior to that, to having plan for the NRFU
1556 | process. What I mean, a plan that tells us what we need to
1557 | do in terms to do this under the new replan objective, which
1558 | is to do it on paper. We will have that in 30 days. So 30
1559 | days for that, and integrated program schedule in 45 days.

1560 | We plan to be doing address canvas testing of software

1561 within 60 days, and with ongoing then processes in terms of
1562 the embedding that we have talked about.

1563 We will flesh out in our plan, in our full plan,
1564 additional deadlines in terms of when we will do what and we
1565 will make sure that in that there are milestones that you and
1566 everyone else can hold us accountable for.

1567 Mr. WAITE. I would just like to second a little bit some
1568 of the stuff that Dr. Murdock talked about. There are two
1569 very serious activities that need to be completed and we need
1570 to have those milestones, and I think we need to meet with
1571 you as often as you feel that we need to to make sure they
1572 get done. One is we have now gone over to a paper NRFU.
1573 There is no plan in the schedule for a paper NRFU, and so it
1574 is very critical that we get the paper NRFU details together,
1575 as Dr. Murdock said, and that in this integrated plan that we
1576 find places in our schedule to make sure, before the end of
1577 this summer, that we can, in fact, get the non-response
1578 follow-up done when we need to do it in 2010.

1579 Also, on the address canvassing, the main activities
1580 that Harris will be working on this summer, assuming that we
1581 have the resources, will be going back and making sure that
1582 any issues that were still unresolved from the dress
1583 rehearsal for address canvassing, or any issues that came up
1584 in the way of new requirements, they can get that programming
1585 done and we should be testing that within 60 days. If that

1586 | doesn't happen, for whatever reason, the address canvassing
1587 | to take place next spring is in some serious jeopardy.

1588 | Mrs. MALONEY. Thank you.

1589 | Mr. Scire?

1590 | Mr. SCIRE. Thank you.

1591 | I agree with all of those. I think that for the address
1592 | canvassing that there is a need for dates for the operational
1593 | plan for large assignment areas. There would be a need for a
1594 | deliverable or description of what their plans are for doing
1595 | a restart/redo in the event that the information that is
1596 | transmitted from the address canvassing operation is
1597 | inaccurate.

1598 | There is a need immediately, I think, to make public the
1599 | address canvassing assessment, which is, I believe, still in
1600 | draft.

1601 | There is, as mentioned, an integrated project schedule
1602 | or integrated plan is something that we have recommended for
1603 | a long time. The Bureau has taken some initial steps in that
1604 | direction, but there is still more that needs to be done
1605 | there in terms of laying out the cost of individual
1606 | operations, the risk of those operations, and the milestones
1607 | in a way that you can see what progress the Bureau is making
1608 | and what new assumptions, new information from the various
1609 | tests, would cause shifts or changes in that integrated
1610 | schedule and plan and cost.

1611 I think there is a need for a plan for a NRFU, which Dr.
1612 Murdock described. The testing of the software for address
1613 canvassing, which was mentioned. A clear description of what
1614 it is the Bureau is expecting from Harris in terms of a
1615 dashboard which is anticipated in the contract which would
1616 provide possibly real-time information during address
1617 canvassing of how that is proceeding.

1618 I think by laying that out, that is going to help also
1619 with this communication as to what is needed in terms of
1620 performance during the address canvassing operation.

1621 I will leave it there. I am sure that Mr. Powner will
1622 talk about things in the technology arena.

1623 Mr. POWNER. I would just like to reinforce the
1624 integrated schedule, as I mentioned in my brief oral
1625 statement. It is very important that we understand when the
1626 technologies are going to be deployed, when they are going to
1627 be tested, when the operations are going to be in place.
1628 There is a lot that is going to need to be tested in terms of
1629 the interfaces between the various systems, along with the
1630 operations. We have called for clear end-to-end testing
1631 where we actually test significant functionality. All of
1632 that is up in the air right now.

1633 I think what is key for the Congress is that you have
1634 that integrated schedule, you understand the critical path,
1635 and that they are held to that.

1636 One other item. Forty-five days, I assume there was
1637 already an integrated schedule or aspects of an integrated
1638 schedule, and the sooner we can get that in place, if it was
1639 a bit quicker than 45 days, all the better.

1640 Mr. PROVIDAKES. I go pretty much all the rest. Clearly,
1641 the test and acceptance schedule. I think my biggest concern
1642 right now would be cost. I am having a hard time
1643 understanding the cost of the increase that has been
1644 submitted, and I think it is very important that the Bureau
1645 get with the contractor to understand those costs.

1646 MITRE has done a preliminary review of those estimated
1647 costs, and I cannot work it.

1648 Mr. CLAY. Please let me inject right here that we would
1649 like from you, Mr. Providakes, as well as GAO, a scrubbing of
1650 Harris' contract. We would like your analysis of just what
1651 the American taxpayer is paying for. Are we actually stuck
1652 with the Harris Corporation at this point? And would you
1653 report back to this Committee as soon as possible on whether
1654 we are actually stuck with this contract, this unreasonable
1655 condition, and give us your unbiased opinion?

1656 [The referenced information follows:]

1657 ***** COMMITTEE INSERT *****

1658 Mr. CLAY. Mr. Issa is recognized for five minutes.

1659 Mr. ISSA. I thank you, Mr. Chairman.

1660 Ms. Janey, do you know a gentleman named Vance Roland?

1661 Ms. JANEY. Yes, sir.

1662 Mr. ISSA. And are you aware of a letter that he sent out
1663 on February 13th confirming the stopping of work on a number
1664 of these projects, including the 140,000 hand-helds?

1665 Ms. JANEY. I am.

1666 Mr. ISSA. Okay. And did that cause a cost to Harris in
1667 that personnel were put on something else, laid off, or
1668 contracts were canceled or postponed for some period of time?

1669 Ms. JANEY. Going back in time, Mr. Roland's letter of
1670 February 13th was actually a request for clarification of a
1671 letter that we received from the Census Bureau February 11th
1672 that limited and directed us to focus on only four specific
1673 aspects.

1674 Mr. ISSA. I have read both letters. I guess the
1675 question is: was there action taken after this letter that
1676 caused some overruns, costs, changes, delays? What action
1677 was taken by Harris?

1678 Ms. JANEY. We did focus our staff and our subcontractors
1679 to the letter that we received from the Census Bureau. That
1680 did result in some people being reassigned or focused on
1681 other things.

1682 Mr. ISSA. And I believe they are already in the record,

1683 | but if they are not I will submit them for the record, both
1684 | the letter to Mr. Roland and his response.

1685 | Mr. CLAY. Without objection, and thank you.

1686 | Mr. ISSA. Thank you.

1687 | [The referenced information follows:]

1688 | ***** INSERT *****

1689 Mr. CLAY. Mr. Murdock, you were on board for a very
1690 short period of time when the letter to Mr. Roland by Mr.
1691 Ross Jeffries went out, the contracting officer. Have you
1692 read that letter?

1693 Mr. MURDOCK. Yes.

1694 Mr. ISSA. And I read the letter, and to me it says stop
1695 or limit your activities. Would you agree that that is what
1696 it appears to say?

1697 Mr. MURDOCK. No, I would not.

1698 Mr. ISSA. Okay. Then have you read the letter back to
1699 Mr. Roland from Harris Corporation? Would you agree that
1700 they believed that it indicated that and were responding in
1701 their letter?

1702 Mr. MURDOCK. In our letter, which we had sent--

1703 Mr. ISSA. No, no. We have already moved past your
1704 letter.

1705 Mr. MURDOCK. Okay.

1706 Mr. ISSA. Because I interpret it different than you
1707 interpret it, and I am willing to have that. I want to know
1708 about the Harris letter that very clearly says we are in
1709 receipt and blank, blank, blank. Is that pretty clearly
1710 saying that they believed that the letter said that they were
1711 to cease activities, cease or limit?

1712 Mr. MURDOCK. They indicated to us that they saw it as
1713 such a letter.

1714 Mr. ISSA. Okay. And the question is: why wasn't there
1715 an immediate reaction out of your offices if that was
1716 erroneous?

1717 Mr. MURDOCK. There were discussions that were done
1718 with--

1719 Mr. ISSA. No, no. Why wasn't there immediate action? In
1720 other words, why would even one day go by when a vendor says
1721 we received your letter two days ago and we think you are
1722 telling us to stop?

1723 Mr. MURDOCK. There were telephone calls made to, in
1724 fact, Mr. Roland.

1725 Mr. ISSA. Okay. Would you provide the Committee with
1726 records and personnel that made those calls and the substance
1727 of those calls? I don't have them?

1728 Mr. MURDOCK. I will.

1729 Mr. ISSA. I appreciate that.

1730 [The referenced information follows:]

1731 ***** COMMITTEE INSERT *****

1732 Mr. ISSA. Now, Mr. Murdock, you are a political
1733 appointee of the President.

1734 Mr. MURDOCK. Yes.

1735 Mr. ISSA. How many appointees of the President are there
1736 in the Census Bureau?

1737 Mr. MURDOCK. I don't know the exact number.

1738 Mr. ISSA. Three?

1739 Mr. MURDOCK. Three.

1740 Mr. ISSA. Okay. So substantially, of the many thousands
1741 of employees, it is a career position except for you and two
1742 others?

1743 Mr. MURDOCK. Basically, yes.

1744 Mr. ISSA. Okay. Mr. Waite, this is the 23rd Census. I
1745 don't want to be too sarcastic, but this didn't come as a
1746 surprise to you that 2010 was going to be another one, did
1747 it?

1748 Mr. WAITE. No, sir.

1749 Mr. ISSA. And you were on board for the last one?

1750 Mr. WAITE. Yes, sir, I was.

1751 Mr. ISSA. And the last one cost us, the last ten-year
1752 period, which we are still in, cost us how much, versus the
1753 \$15 billion for this ten-year period?

1754 Mr. WAITE. The last Census cost about \$6.7 billion.

1755 Mr. ISSA. Okay. So \$6 billion for 240 million people,
1756 \$15 billion for 300 million people. Throw in inflation.

1757 This one is presently going to cost us more per person. I
1758 get it as about \$50 a person to conduct, more than the
1759 previous one, even adjusted for inflation; is that correct?

1760 Mr. WAITE. I don't have those figures. Fifty dollars
1761 more per person?

1762 Mr. ISSA. No, \$50 per person. I just did the numbers of
1763 \$15 billion into 300 million.

1764 Mr. WAITE. That sounds about right, yes.

1765 Mr. ISSA. The only thing I am really good at is money. I
1766 seldom miss a decimal point when it comes to the dollars.

1767 Mr. WAITE. That's good.

1768 Mr. ISSA. Billions and trillions sometimes get me, but I
1769 do my best.

1770 So for the American people, a Constitutional
1771 responsibility, 23rd time it is being done, clearly in the
1772 Constitution you have to do a physical count of Americans,
1773 including a follow-up, to diligently try to get every
1774 American counted.

1775 Mr. WAITE. Yes, sir.

1776 Mr. ISSA. Why is it, separate from Harris on again, off
1777 again, first 400 things to do, then 600, then 1,000, just
1778 this year. Separate from all of those things, which I
1779 understand, can you tell this Committee why we are going to
1780 pay more, adjusted for inflation, to do it than we would have
1781 done if we simply counted the way we did the last time? I

1782 mean, this is a career. You folks are there year in, year
1783 out. You have ten years to plan each of these. Government
1784 Accountability I am sure would be glad to answer the question
1785 after you take your best shot at it, but tell us why we
1786 shouldn't be outraged that it is costing us more this time
1787 than last time, adjusted for inflation.

1788 Mr. WAITE. Well, the taxpayer is getting more product. A
1789 big chunk of that increased cost is that, instead of getting
1790 a long form once every ten years with that information, the
1791 American Community Survey is providing you that information
1792 annually, so it is a lot more current and it is a lot more
1793 useful since it is current. By the time you get to 2009, the
1794 2000 long-form data is not as useful as it could be.

1795 You are also getting a GPS-aligned TIGER system, which
1796 will virtually eliminate what we call geocoding errors,
1797 counting you once but counting you in the wrong place.
1798 That's because enumerators don't always know exactly where
1799 they are. If they get the help from technology, they can put
1800 that in the correct place.

1801 The real driver for cost, in my opinion--that's my
1802 opinion--we have set out for ourselves as a people a goal of
1803 virtually 100 percent counting. The last three or four
1804 percent are very, very expensive. Nobody at Census Bureau or
1805 at the Congress or anywhere else has been prepared to say
1806 well, we don't need to have 100 percent. We can live with 96

1807 | percent.

1808 | My opinion is unless something is done about that, and
1809 | you are always continually striving for every last person,
1810 | these costs that you see at Census will continue to go up. I
1811 | don't see anything that is going to stop that.

1812 | Mr. ISSA. Mr. Chairman, I hope the Government
1813 | Accountability Office could answer their view of it, but I do
1814 | want to say that, at least as one person on the Committee,
1815 | every American needs to be counted in the Census, and if it
1816 | costs us more to do it, at least I, for one, think it is well
1817 | invested and not a choice. I would like to hear sort of the
1818 | other part of why this went up so high, if you could indulge
1819 | us.

1820 | Mr. SCIRE. If I may, in addition to what Mr. Waite
1821 | described, the response rate or the difficulty in getting
1822 | people to respond to surveys generally has increased over
1823 | time, and that explains part of the increase in cost of the
1824 | decades. Also, the nature of households is different, where
1825 | it might be more difficult to count some households today
1826 | than ten years ago. There are far more households than there
1827 | were ten years ago. But nonetheless, as you pointed out, in
1828 | a constant dollar basis and on a per person basis, the cost
1829 | is definitely going up over the decades.

1830 | I would add to that that there is a lot of uncertainty
1831 | right now as to what this will cost. The estimates that you

1832 | are receiving right now I would not necessarily characterize
1833 | as being accurate or credible. We are doing work right now
1834 | which is looking closely at those issues. But, just to give
1835 | you one measure here, and that has to do with assumptions
1836 | regarding address canvassing operation, in the life cycle
1837 | cost model it is estimated that address canvassers would be
1838 | able to do 25.6 housing units per hour. They actually
1839 | discovered in the dress rehearsal that they are doing more
1840 | like 13.

1841 | I am not certain that that is reflected in the estimates
1842 | that you are receiving right now, so if that were to be put
1843 | into the cost model I would expect the cost to be even
1844 | greater.

1845 | Mr. ISSA. Thank you, Mr. Chairman.

1846 | Mr. CLAY. Thank you, Mr. Issa.

1847 | Mr. Issa, would you provide us with the copies of all of
1848 | the material you have inserted into the record?

1849 | Mr. ISSA. Absolutely. Thank you, Mr. Chairman.

1850 | Mr. CLAY. Thank you so much.

1851 | Mr. Hodes of New Hampshire, recognized for five minutes.

1852 | Mr. HODES. Thank you, Mr. Chairman.

1853 | In 2008 the GAO issued a report saying the entire 2010
1854 | Census was high risk. One of the principal reasons was that
1855 | the Census Bureau failed to develop an integrated and
1856 | comprehensive plan to control its costs and manage its

1857 | operations. Every year since 2004 the GAO made the same
1858 | recommendation, and every single year it seems the Census
1859 | Bureau ignored it to the tune of billions of dollars of
1860 | wasted taxpayers' money.

1861 | Mr. Murdock, in your written testimony you say at page
1862 | three, ``We now understand that the problem was due in part
1863 | to a lack of effective communication between the Census
1864 | Bureau and the prime contractor, and to difficulties in
1865 | developing the full scope of the project within deadlines.``
1866 | That's what you said.

1867 | I just want to get through and make sure I understand
1868 | some of what may be euphemism and what you mean. When you
1869 | say we, are you meaning the royal we, meaning the Census
1870 | Bureau as a whole?

1871 | Mr. MURDOCK. I mean the Census Bureau. Yes.
1872 | Particularly management.

1873 | Mr. HODES. Okay. So you acknowledge that the Census
1874 | Bureau has ignored the GAO's recommendations for developing a
1875 | comprehensive cost management and planning process since
1876 | 2004?

1877 | Mr. MURDOCK. Well, I was not there, of course, and all I
1878 | can know is what I have seen in the same documents that you
1879 | are seeing, and I think we should have followed the advice
1880 | more fully than we did. But that is easy to say from
1881 | hindsight.

1882 Mr. HODES. Mr. Waite, you would agree with that?

1883 Mr. WAITE. I would agree that we had plans for every
1884 piece that we were testing. We were not working without
1885 plans. But we didn't have all those plans integrated.

1886 Mr. HODES. And you also say, Mr. Murdock, that this was
1887 due, in part, to a lack of effective communication. How can
1888 we be assured that there is now effective communication
1889 between the Bureau and the contractor?

1890 Mr. MURDOCK. Well, I think the very program I talked
1891 about a few minutes ago, we have recognized that the
1892 communication was not what it should have been. We have
1893 restructured our program to ensure that that communication is
1894 there. We recognize, the contractor recognizes that we need
1895 to cooperate to ensure that this Census is completed on time
1896 and as accurately as possible. So we have committed, I
1897 think, each part to ensure that we move forward, because both
1898 of us, both the contractor and certainly we in the Census
1899 Bureau want to get a complete and accurate census.

1900 Mr. HODES. Good. I want to get to the question of the
1901 operational requirements, management, and oversight in the
1902 following way. Mr. Powner, in 2006 you testified that the
1903 Census Bureau had not year approved a baseline set of
1904 operational requirements for the contract, am I correct?

1905 Mr. POWNER. That is correct.

1906 Mr. HODES. You also warned that the Census Bureau was

1907 | planning to rely on the contractor, not its own Government
1908 | experts, to help refine requirements, project plans, and
1909 | performance measures, right?

1910 | Mr. POWNER. Correct.

1911 | Mr. HODES. So it sounds to me like you were warning that
1912 | the Bureau was relying on Harris to set up the operational
1913 | requirements.

1914 | Mr. POWNER. Clearly there was an over-reliance on the
1915 | contractor.

1916 | Mr. HODES. Now, Harris, through Ms. Janey, has just
1917 | testified here today that their problem, in large part, was
1918 | because they weren't getting requirements from the Bureau.
1919 | You heard that testimony. Can you help me square the
1920 | testimony you gave and what actually happened? Who failed to
1921 | do what in terms of the operational requirements, and how can
1922 | we be assured today that the proper party is going to manage
1923 | this, oversee it, and set the requirements?

1924 | Mr. POWNER. The requirements are clearly the
1925 | Government's responsibility. Okay? So clearly the
1926 | Government needs to define to the contractor what it wants,
1927 | so they are primarily at fault. This issue of
1928 | miscommunication and now that we are communicating that is
1929 | going to solve the problem, I mean, the problem here was
1930 | miscommunication. The problem was an over-reliance on the
1931 | contractor. The problem was poor program management. And

1932 | also the problem was poor leadership and governance. So
1933 | that's what needs to occur. We need to shore up the
1934 | requirements, we need to fix the program management, and we
1935 | need to get the executives engaged in overseeing this.

1936 | That is where we have some concerns, because you just
1937 | don't flip a switch and then all of the sudden you are
1938 | performing program management and executive level leadership
1939 | in a stellar way.

1940 | There was a mention of IRS. Years ago that was the
1941 | problem IT project. Now when you look at their program
1942 | management and executive level leadership it is one of the
1943 | better in the Government. Why? Because they worked at it
1944 | for years. So you can't just flip the switch, so that's a
1945 | huge concern and that's why we made the comments that the
1946 | folks at the Department level are going to need to also play
1947 | a role in overseeing this whole initiative.

1948 | Mr. HODES. As you sit here today, you are still not
1949 | confident that we have in place the management team at the
1950 | Bureau to get done what you have just said needs to get done?

1951 | Mr. POWNER. We still have concerns, and one of our
1952 | recommendations to the Secretary of Commerce has been when
1953 | this happens with other agencies and departments, I mean,
1954 | there are people who have a history of coming in and rescuing
1955 | problem programs. There are some folks who are very good at
1956 | doing that. Perhaps we need to look at that and look for

1957 help.

1958 Mr. HODES. Thanks very much.

1959 Thank you, Mr. Chairman.

1960 Mr. CLAY. Thank you.

1961 Mr. Sarbanes, you are recognized for five minutes.

1962 Mr. SARBANES. Thank you, Mr. Chairman.

1963 Mr. Waite, you said plans weren't integrated. You had
1964 plans, but they weren't integrated, right?

1965 Mr. WAITE. Correct.

1966 Mr. SARBANES. Why weren't they integrated?

1967 Mr. WAITE. Well, the integration is a lot more
1968 difficult. We were behind schedule, and we would put a plan
1969 together, for example, for address canvassing, and we had
1970 detailed plans of how to do that address canvassing, but we
1971 didn't have that integrated into the operations that would go
1972 behind it. We need to do that, and we are working on that
1973 integration, and we now are very, very close to getting that
1974 done, but it is too late. It is a lot longer than it should
1975 be. It is a very big job. There's literally thousands of
1976 activities that need to make sure that they fit together.

1977 Mr. SARBANES. Mr. Powner, do you do integration by
1978 having an integration team? And what are the things about
1979 this Census, if there are things about this Census, that make
1980 it apparently a so much more complicated management exercise
1981 than the last Census? In other words, are you prepared to

1982 | excuse the lack of management that you see based on some new
1983 | and different dimensions of the way we want to see the Census
1984 | done this time around, or not?

1985 | Mr. POWNER. Clearly I don't believe there is an excuse.
1986 | Many aspects of the operations are similar in that clearly
1987 | individuals in this room and at this table have experience in
1988 | conducting prior Census. I think there is a unique aspect
1989 | where they are relying more on technology and they do not
1990 | have a culture that has a history of effectively acquiring
1991 | the technology.

1992 | I am not saying that is an excuse, but I do think you
1993 | want experienced individuals managing those technology
1994 | acquisitions, and clearly there is room for improvement here.

1995 | Mr. SARBANES. Is there more reliance this time around on
1996 | outside contractors because of the technology requirements?

1997 | Mr. POWNER. Yes, there is more, but we also had
1998 | technology with the 2000 Census. Interestingly enough, there
1999 | is some of the same lessons learned. The IG issued a report
2000 | on the lessons learned from 2000, and this whole requirements
2001 | issue came up in 2000 where we had cost increases with the
2002 | technology that was acquired then.

2003 | Mr. SARBANES. Mr. Murdock, you all appear to have
2004 | conceded that there was a breakdown in management, and that
2005 | has certainly been the observation from the GAO, so I am
2006 | curious as to specifically what changes in the management

2007 process and the people. You don't have to give me names, but
2008 what are the kinds of positions, management positions that
2009 are being looked at to make sure that going forward this
2010 doesn't happen again.

2011 Mr. MURDOCK. Well, we certainly have done a number of
2012 things. I talked about the intensification of management,
2013 but we are also going to increase the role of our contractor
2014 that helps us by watching us from the outside, so to speak,
2015 even though they are our contractor, and tell us when we are
2016 going away. MITRE is going to play a much more active role
2017 in the management of our projects to tell us when we may be
2018 doing things that are not in good concert with the best
2019 practices.

2020 As I said, we have a new Decennial Director who has
2021 experience in IT as well as Decennial Census. I think, more
2022 importantly, we are going to have processes such as recurrent
2023 meetings between ourselves and the contractor, daily and
2024 biweekly meetings that look at individual risk factors. What
2025 are the risks that we are dealing with now? Important to us,
2026 or perhaps lacking for us in the past, has been an am the of
2027 decisiveness in terms of making decisions in a quick manner
2028 so we can move forward to complete our objectives. We are
2029 instituting processes that will ensure that decisions are
2030 made on key factors in a timely manner.

2031 Very important, as well, is there is a good indication

2032 | that we didn't do as much testing as we should. The
2033 | end-to-end testing that one of the other panelists talked
2034 | about is a key part of our plans going forward. We are going
2035 | to ensure that our products are working before we take them
2036 | to the next stage in development and application.

2037 | So we are substantially changing the processes that have
2038 | been used and we do have people such as myself that are new
2039 | in this process, but which also have, if you will, a new set
2040 | of eyes to look at what we have done and to move forward.

2041 | Mr. SARBANES. Well, there were so many warnings that
2042 | came along the way, it is just curious why you didn't do
2043 | these things, why the Census Bureau didn't respond that way
2044 | before.

2045 | Can I ask one real quick question of Mr. Powner and Mr.
2046 | Scire?

2047 | Mr. CLAY. Sure.

2048 | Mr. SARBANES. Can you just tell us, in terms of the
2049 | redesign, looking ahead, what are the things that you worry
2050 | the most about not happening that need to happen, the sort of
2051 | risk points? Take two or three that maybe aren't keeping you
2052 | up nights, hopefully, but when you focus on it you could
2053 | predict that if there is going to be a problem, if there is
2054 | going to be a breakdown in the redesign, here is where it is
2055 | going to be and here is when it is going to happen.

2056 | Mr. POWNER. Well, from a technology point of view, there

2057 | are three things that I would still worry about. One is
2058 | requirements. We still need to stabilize those requirements.
2059 | There are other contracts. There was a comment made that the
2060 | DRIS contract is on schedule. It is on schedule after they
2061 | revised the schedule, so that is not on schedule, and there
2062 | are still some requirements issues there. So requirements
2063 | concerns me. Managing the many interfaces, that would
2064 | concern me. There are a lot of interfaces where these things
2065 | are going to be interacting together, the various systems,
2066 | and then testing. There is a lot of testing that is going to
2067 | need to occur between now and the Decennial.

2068 | We were betting that a lot of the testing was going to
2069 | occur with the dress rehearsal. Now that we have deferred
2070 | functionality and got in trouble, we are pushing all that, so
2071 | that makes testing even more important post-dress rehearsal.

2072 | So, again, requirements, interfaces, and testing are
2073 | going to be three areas that we are going to need to watch
2074 | closely.

2075 | Mr. SARBANES. Okay. Thank you, Mr. Chairman.

2076 | Mr. CLAY. Thank you so much.

2077 | Ms. Janey, just a final round of questioning, just for
2078 | clarification. Has the final version of the hand-held been
2079 | tested with MAF/TIGER? Mr. Murray, you may testify.

2080 | Mr. MURRAY. Good afternoon. Right now the final version
2081 | of the hand-held with the MAF/TIGER database has not yet been

2082 | tested. It has not been tested with the final version
2083 | because, as Mr. Waite mentioned earlier, there are still a
2084 | few counties that are still outstanding to be delivered for
2085 | MAF/TIGER, but that program is currently ahead of schedule on
2086 | delivering the counties. There are just a few remaining that
2087 | we have to get. Once those are delivered, then we will go
2088 | through in the middle of the summer, as I think it was Dr.
2089 | Murdock mentioned earlier, and we will start the testing with
2090 | the final software baseline.

2091 | Mr. CLAY. Mr. Waite and Dr. Murdock, do you agree with
2092 | the Mr. Murray's testimony?

2093 | Mr. WAITE. Yes. We have three counties that have been
2094 | delivered by Harris that haven't been quality checked,
2095 | although we have been getting 99.9 percent approval. We
2096 | don't expect a problem. When they get done, which should be
2097 | in just a few weeks, at the most, maybe a few days, then we
2098 | will have a final version of the TIGER database.

2099 | Harris has tested with the original version of the TIGER
2100 | database, so the main difference is that we are updating the
2101 | street centerlines. We will be ready to test those with that
2102 | input into the machine next month.

2103 | Mr. CLAY. Thank you for that.

2104 | Mr. Murray and Ms. Janey, according to the Bureau, many
2105 | of the requirements that Harris received on January 16, 2008,
2106 | were modifications to existing requirements. According to

2107 | their record, 286 of the 418 requirements were clarifications
2108 | of existing requirements. Harris doesn't see it that way.
2109 | In your opinion, they are new requirements. How many of the
2110 | requirements were actually new requirements according to
2111 | Harris' record, and how many were modifications to or
2112 | clarifications of requirements that were set before January
2113 | 16th of 2008?

2114 | Ms. JANEY. In my testimony, Mr. Chairman, I said that we
2115 | saw more than 400 new or altered modifications, so we were
2116 | not presenting that all 400 were new. Our number may
2117 | disagree some with the Bureau in terms of how many were
2118 | clarifications, but, as I pointed out in my testimony, at
2119 | this late stage of development any change requires a
2120 | significant amount of re-evaluation to ensure that it is
2121 | going to work, basically.

2122 | Mr. CLAY. Of the 418 requirements, how many did Harris
2123 | agree to complete and how many did you determine you would
2124 | not be able to complete?

2125 | Ms. JANEY. I would ask for a clarification of your
2126 | question. If your question was including an automated NRFU
2127 | or assuming a paper-based NRFU.

2128 | Mr. CLAY. For the paper.

2129 | Ms. JANEY. For paper?

2130 | Mr. CLAY. Yes.

2131 | Ms. JANEY. In or about 246, there were only about 85

2132 | that we said were not able to be done, and there were some
2133 | that are already implemented and some others that we are
2134 | still in discussions with the Bureau as to how those will be
2135 | disposed.

2136 | There are some technical ways of handling some of the
2137 | issues. There are other process ways that the Bureau could
2138 | opt to handle some of the issues.

2139 | Mr. CLAY. And at this time how many of the requirements
2140 | are not completed?

2141 | Ms. JANEY. Well, we haven't begun work on any of the 400
2142 | since that was received. We have not been authorized by the
2143 | Bureau to begin work on any of those.

2144 | Mr. CLAY. Okay. But you still are under contract?

2145 | Ms. JANEY. Excuse me?

2146 | Mr. CLAY. You are still under contract, correct?

2147 | Ms. JANEY. Yes, sir.

2148 | Mr. CLAY. And you intend on performing? But you waited
2149 | on the okay from the Bureau?

2150 | Ms. JANEY. We have to be authorized.

2151 | Mr. CLAY. Okay.

2152 | Mr. MURRAY. What the Bureau has authorized us to do on
2153 | these requirements is to take them to the design phase. The
2154 | first step in our design process is a system requirements
2155 | review and a system design review, and the Bureau has
2156 | authorized us to take it to that point in the design.

2157 | And just one other point of clarification. These 416 or
2158 | so requirements are not for paper NRFU. The paper NRFU
2159 | requirements have not yet been defined.

2160 | Mr. CLAY. Okay. Let me ask about the justification of
2161 | the new cost estimates for the Census, particularly the
2162 | dramatic increase in the cost of the Harris contract.

2163 | Mr. Murdock and Mr. Waite, my understanding is that the
2164 | cost increases that are under the control of the Census
2165 | Bureau have been carefully scrubbed and analyzed; is that
2166 | accurate?

2167 | Mr. MURDOCK. Certainly they have been scrubbed. They
2168 | may be scrubbed some more before they are finalized.

2169 | Mr. CLAY. Well, my concern is whether the cost increases
2170 | for Harris have been subject to the same scrutiny. The
2171 | contract was originally going to cost about \$600 million for
2172 | over 500,000 hand-held computers. Under the new contract,
2173 | Harris will produce only 150,000 computers, less than half
2174 | the number called for under the original contract, yet the
2175 | amount will skyrocket to \$1.3 billion. The result is that
2176 | the taxpayer is now paying twice as much for fewer than half
2177 | the number of computers.

2178 | We are also being told that Harris will now be paid
2179 | hundreds of millions of dollars just in overhead. This
2180 | dramatic increase seems hard to justify or to understand.
2181 | What kind of analysis did the Census Bureau conduct to verify

2182 | Harris' budget numbers?

2183 | Mr. MURDOCK. This is a rough order of magnitude and was
2184 | represented as such by Harris. It has yet to be evaluated,
2185 | validated, and negotiated, which is the process that goes
2186 | forward after a rough order of magnitude is done.

2187 | Mr. CLAY. Okay. Under the new budget the Census Bureau
2188 | is going to be running the non-response follow-up and not
2189 | Harris, yet I understand that Harris is now going to be paid
2190 | an extra \$80 million for supporting this effort. Harris is
2191 | doing less but being paid more. How does this make any
2192 | sense?

2193 | Mr. MURDOCK. Well, I think it is important to understand
2194 | that one of the major activities that they are performing in
2195 | this whole process is the operational control system. In
2196 | fact, even though we go to paper, we are still dependent on
2197 | the operational control system, which is, in a sense, the
2198 | brains of the operation. It tells us how we are doing in
2199 | terms of field operations, how many additional places there
2200 | are to go, what the productivity is of different groups, etc.

2201 | That process is still being developed by our contractor.

2202 | Now, again, we have not, as I said, done the total
2203 | evaluation on this contract, and that process will go
2204 | forward.

2205 | Mr. CLAY. An operational control system was not part of
2206 | the original \$600 million contract?

2207 Mr. MURDOCK. There was an operational control system,
2208 but it was of a different nature. It was for an automated
2209 process, not for a paper-based process.

2210 Mr. CLAY. My understanding is that the Commerce
2211 Department, not the Census Bureau, took the lead in
2212 scrutinizing the new Harris contract terms; is that correct?

2213 Mr. MURDOCK. In terms of that process, the evaluation
2214 and so forth has not begun in terms of that process.

2215 Mr. CLAY. Okay. So you will work in conjunction with
2216 the Commerce Department?

2217 Mr. MURDOCK. We will work in conjunction to do that,
2218 yes.

2219 Mr. CLAY. Okay. Thank you.

2220 I recognize the gentleman from California.

2221 Mr. ISSA. Mr. Chairman, I will continue in the same line
2222 that you have been going.

2223 You know, up until now we have been talking history. I
2224 think now we are trying to talk the go-forward on a couple of
2225 these areas.

2226 Let me understand, 418 changes, modifications, or
2227 clarifications that have occurred. If I understand the
2228 normal procedure properly that you are going to follow, Ms.
2229 Janey, you receive these. You interpret them. You produce
2230 your interpretation of what it is going to take to comply
2231 with them. You then come back, and that is what you have

2232 | been authorized to do. You then come back and say this is
2233 | what we believe you asked for, this is what we agree to do,
2234 | and this is what it will cost. Is that roughly the next
2235 | step?

2236 | Ms. JANEY. Yes.

2237 | Mr. ISSA. Okay. And at that juncture, if you have
2238 | misunderstood or over-complied, then the Bureau will have the
2239 | ability to say that is not what we meant, we don't want you
2240 | to do this, you can do less, there is a simpler way; is that
2241 | correct?

2242 | Ms. JANEY. Yes.

2243 | Mr. ISSA. So we are in a position where it is, to a
2244 | great extent, not in your hands, but in your hands as the
2245 | Census Bureau to determine how many of these 418 and what
2246 | they really mean. That is more or less correct. I am seeing
2247 | nodding, so nobody disagrees here.

2248 | So it is a little premature to know what it is going to
2249 | cost, but the two things we know are some of these 418 will
2250 | represent material, additional taskings for which there will
2251 | be additional costs in addition to your cost of preparing it,
2252 | correct?

2253 | Ms. JANEY. That's correct.

2254 | Mr. ISSA. And if I understand you correctly, when the
2255 | decision was made to go from automated to paper, the overhead
2256 | of your control system, which is the part that the Chairman

2257 | was speaking of, by definition is more expensive, more
2258 | difficult. Is that also true? I know what it is like to
2259 | look at an electronic data system that is transferring back
2260 | and forth with WalMart from my old company, and I know what
2261 | it was like to go back and forth with invoices. There is no
2262 | question in my mind which one costs more.

2263 | Am I getting that right, that that is one of the reasons
2264 | that that I believe \$80 million, to a certain extent we are
2265 | going with a more expensive system or less efficient system
2266 | than anticipated because of paper; is that right?

2267 | Ms. JANEY. Largely, yes. I wouldn't characterize it as
2268 | more difficult; I would classify it as different. And it
2269 | should be pointed out again, sir--

2270 | Mr. ISSA. I always think of difficult as expensive, for
2271 | some reason. The dollars are what I was focusing on. And it
2272 | is more expensive. It is going to take more people, more
2273 | time, and therefore cost more money.

2274 | Ms. JANEY. Yes.

2275 | Mr. ISSA. Okay. From the GAO's standpoint, do you feel
2276 | comfortable that you have the transparency necessary with
2277 | both the vendor and the Bureau to ensure that this latest
2278 | round of changes doesn't skyrocket and that we are not back
2279 | here again looking at yet another increase.

2280 | I knew I would have one last question that would not
2281 | necessarily be sure, we can.

2282 Mr. POWNER. Well, right now here is what we would look
2283 for. We would want to understand what the process is. I
2284 mean, clearly they are going to look at those requirements,
2285 the contractor, they are going to come up with costs,
2286 schedules, and then the question is: what does the Government
2287 do to validate that? That can be done different ways. Some
2288 Federal agencies and departments have internal capability to
2289 validate contractor schedules and estimates, some don't. And
2290 if you don't you can go out and get an independent assessment
2291 of that. Also, folks like MITRE can help with that
2292 assessment.

2293 I would suggest they get help to make sure that the
2294 schedule and the costs are realistic.

2295 Mr. SCIRE. If I could just add to that, we are also
2296 looking at the cost for the entire Decennial, and part of the
2297 estimate you are getting represent more than contract costs.

2298 Mr. ISSA. I realize it is \$5 per person per year if you
2299 break \$50 into ten years.

2300 Mr. SCIRE. Yes.

2301 Mr. ISSA. If you break it into weeks, it is even
2302 cheaper.

2303 Mr. SCIRE. One of the largest cost elements here is the
2304 hiring of half a million temporary field workers, and so
2305 assumptions about productivity for those field workers, for
2306 example, can have a big affect on the ultimate life cycle

2307 costs. Same can be said for the address canvassing
2308 operation. While much smaller, if you need far more people
2309 and more devices to conduct that because of your finding that
2310 individuals are not working as many hours, or, in addition to
2311 that, while they are working they are not as effective, you
2312 are going to have higher costs.

2313 Mr. ISSA. Okay. And we have been called to a vote. I
2314 would only, not cynically, but seriously, suggest to the
2315 Chairman that perhaps one staff member from each side of the
2316 dias here needs to be available for all of you to see if, in
2317 fact, the predictions made here today stay on schedule,
2318 because I know the Chairman undoubtedly will call another
2319 hearing like this. I would hope between now and then that
2320 our staff on either side of the aisle not be blindsided by
2321 additional problems.

2322 I, as one, would invite any of you that see a problem to
2323 communicate with both the majority and minority so that, in
2324 fact, we are not here again astonished that things have been
2325 delayed or derailed.

2326 With that, Mr. Chairman, I thank you very much. This
2327 was a very worthwhile hearing.

2328 Mr. CLAY. Thank you for suggesting it, too.

2329 Mr. Sarbanes, you are recognized for a second round, if
2330 you would like.

2331 Mr. SARBANES. I do have one question for the GAO. You

2332 | talked about not having a rehearsal. There is not another
2333 | major rehearsal coming in terms of doing the testing, so what
2334 | could happen? I mean, just paint a scenario for me. Could
2335 | we end up with 500,000 temporary workers out in the field
2336 | working on something that they are complaining about? I
2337 | mean, is that a possible scenario? And, along those lines,
2338 | if the technology is still being worked out while the Census
2339 | takers are being trained, potentially you could have a
2340 | situation where you are going to have to change direction on
2341 | them, which could create problems in the field.

2342 | I am trying to get a sense practically of what could
2343 | happen in the field as a result of not getting enough testing
2344 | done ahead of time.

2345 | Mr. SCIRE. Right. That's possible, and that is why it
2346 | is so important to do everything. The Bureau needs to do
2347 | everything in its power to test and understand and lay out
2348 | specifically what its plans are for each of these operations.

2349 | We have talked about end-to-end testing in terms of the
2350 | software. There also needs to be testing of the linkages
2351 | between operations and the systems that support them. That
2352 | is why I think some of the milestones and benchmarks that we
2353 | talked about earlier are so important. That's the only thing
2354 | that is going to give you any assurances that the Bureau will
2355 | be in a position, come 2010, that they don't experience what
2356 | you are describing and have to make some fundamental changes

2357 | in the operations while they are unfolding.

2358 | Mr. SARBANES. Thank you.

2359 | Mr. CLAY. Thank you, Mr. Sarbanes.

2360 | I would hope that the next time the stakeholders of the
2361 | 2010 Decennial Census meet we can reassure the American
2362 | public, we can reassure this panel that we have a clear-cut
2363 | path to a successful Decennial Census without all of these
2364 | issues being on the table, with a real plan that we go
2365 | forward with it. You certainly will hear again from this
2366 | Committee, and hopefully we will come together knowing just
2367 | where we are going from there.

2368 | Let me thank all of the witnesses for their testimony
2369 | today.

2370 | That concludes the hearing.

2371 | [Whereupon, at 4:20 p.m., the committees were
2372 | adjourned.]

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