

The Honorable Tom Coburn, M.D.
Chairman, Subcommittee on Federal Financial Management,
Government Information, and
International Security
Committee on Homeland Security and
Governmental Affairs
United States Senatore
Washington, DC 20510-36045-6250

Dear Senator CoburnMr. Chairman:

This is in response to your co-signed letter of December 5, 2006, regarding your concerns about the U.S. Census Bureau's decision to eliminate the Internet option for the 2010 decennial census.

A copy of this letter also is being sent also to The HonorableSenator Tom Carper, Ranking Member, Subcommittee on Federal Financial Management, Government Information and International Security, Committee on Homeland Security and Governmental Affairs.

EI am enclosed areing responses to your questions that document the Census Bureau's decision to eliminate the Internet option from the Decennial Response Integration System (DRIS) contract and which provides the details as to why the Census Bureau is making this decision is justified both economically and from a security and accuracy perspective. To briefly summarize some of the key points:

- Following our initial small-scale experience with an Internet response option during Census 2000, we believed that this option showed promise for increasing response rates to our censuses and surveys. Increased response rates can, in turn, lower overall costs because they reduce the number of personal visits we must make to those addresses that do not respond (usually the most expensive component of any census or survey).
- For this reason, in 2002 we included this option in our initial design assumptions for the 2010 Census, and began planning tests in 2003 and 2005 to investigatestudy it further.
- For the same reason, this option was included in the scope of work definition for the DRIS contract Request For Proposals (released in March 2005), and thus was a part of the DRIS contract award document (October 2005).
- By the Ffall of 2005, however, we had completed analysis of the Internet response options panels of the 2003 Census Test, and by the Sspring of 2006, we had seen preliminary response information from the 2005 Census Test, (which included an Internet response option for all panels). Both of these tests showed that providing an Internet response options did not increase overall response rates, and that only a small proportion of all respondents (6.7 and 7.2

percent, respectively) chose to use this response option. The 2003 results also showed that providing only an Internet response mode actually reduced overall response.

· Thus, by the Spring of 2006, we had concluded that providing an Internet response option would not provide the desired hoped-for savings. Without such savings, there also was no offset for the substantial costs involved with building and securing the systems needed to support such an option.

The Honorable Tom Coburn, M.D.

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· In addition, while it is true that use of the Internet has increased grown since 2000, so has abuse of the Internet—hacking, identity theft, “phishing,” and a whole range of cyber crimes. Public concerns about the security of their information also have grown, as have our concerns about the ability to protect the information provided to us.

· All of this information contributed to our March 2006 decision to forgo eliminate the Internet response option from the 2010 Census design, and, thus, to remove it from the scope of work for the DRIS contract.

If you have additional questions, please have a member of your staff contact our Congressional Affairs Office at (301) 763-6100.

Sincerely,

Charles Louis Kincannon
Director

Enclosure

cc: The Honorable Tom Carper

The Honorable Tom Coburn, M.D.

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Census Control Number 50029

DMD:JDinwiddie:12/21/06

CQAS:Review:nth:12/22/06:msw:12/26/06

OAES:MinorEdits:MRyan:12/28/06

CQAS:Review:lmh:12/28/06

CAO:Revised:JCaldwell:12/26/06

DMD:Revised:JDinwiddie/CAO:PPowell-Hill:12/28/06

CQAS:Review:lmh:12/28/06

Revised:CAO:P.Powell-Hill:12/29/06

CQAS:Review:nth:12/29/06

Revised:R.Cymber:msw:1/3/07

CQAS:Final:acw:01/03/06

bcc:

A. Moxam, T. Johnson, M. Raines, N. Gordon, R. Swartz, J. Waite, R. Cymber, T.

Mesenbourg,

H. Hogan, J. Hayes, CAO

Identical letter being sent to:

The Honorable Tom Carper

Ranking Member

Ranking Member, Subcommittee on Federal Financial Management,

Government Information, and International Security

Committee on Homeland Security and Governmental

Affairs

United States Senate

Washington, DC 20510-3604

Dear Senator Carper:

Enclosure

RESPONSES TO DECEMBER 5, 2006, QUESTIONS FROM
CHAIRMAN TOM COBURN, M.D. AND RANKING MEMBER TOM CARPER,
SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, AND INTERNATIONAL SECURITY
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Answers to the Questions Regarding the U.S. Census Bureau's
Decision to Eliminate the Use of the Internet as a Means
of Data Collection for the 2010 Decennial Census

1. Why did the Census Bureau award a contract to Lockheed Martin in October 2005, after ten years of analysis leading up to the decision, only to reverse its decision within six months?

The Decennial Response Integration System (DRIS) contract was awarded based on the reengineered 2010 Census design parameters as of March 2005, when the final Request for Proposal RFP was released. At that time, the census design included an objective of offering the Internet as a possible response option. To validate this design, which contained many new features (not just an Internet response option), we developed a multi-year testing strategy to provide relevant information to make final decisions about the data collection features of the 2010 Census. The 2010 Census research and testing effort related to an Internet response option was not scheduled for completion until after the planned award of the DRIS contract. As a result, it would have been premature to remove the Internet response option from the contract.

The timing for the decision to remove the Internet response option from the DRIS contract was, to a large degree, the result of a convergence of key information. Specifically, for the first time, we were able to assess the cost of implementing the Internet response option relative to the combination of unimpressive benefits of Internet usage seen in our early test results, and our ongoing concern about the security of our respondents' information.

2. Which of these three reasons for eliminating the Internet option was the most important? Why?

Our reasoning for eliminating the Internet response option was based on criteria that included expected benefits, risks, and costs. We would not make such a decision without considering the impact of all three criteria, as each has potentially major effects on the success of the 2010 Census.

3. Did the Bureau learn new information about the predicted use of the Internet between October 2005 and March 2006, when the decision was made to eliminate the Internet option? Please provide the documentation that supported this new conclusion.

We had not learned of new information about the predicted use of the Internet response option between the award of the DRIS contract in October 2005 and the March 2006 decision to eliminate the Internet response option. However, by March 2006, we had completed analysis of the 2003 National Census Test results pertaining to an Internet response option, and had seen preliminary results from the 2005 National Census Test. Both sets of results showed no increase in *overall* response rate from offering this option. In addition, we had increasing concerns about security risks to our respondents, particularly in light of information indicating continued increases in the threat to IT systems.

4. Did the Bureau learn new information regarding data security between October 2005 and March 2006, when the decision was made to eliminate the Internet option? Please provide the documentation that supported this new conclusion.?

We had not learned of any specific new information about the data security of the Internet response option. However, concerns about such security risks have grown steadily over time because of the ever increasing level and sophistication of computer crimes, as well as the public's concerns about them. One specific example occurred last year with our American Community Survey, for which we had to stop an e-mail scam that lured individuals with a \$5 instant cash reward to participate in a bogus online "Operation Iraqi Freedom 2005 Survey." The e-mail scam provided individuals with a link that took them to a "spoof" Web page that appeared to be the official Census Bureau Internet site. After luring people into believing that they were at the actual Census Bureau home page, individuals were asked to answer five questions about their opinions on the Iraq War and then to provide their bankcard number and Personal Identification Number to receive the \$5 cash reward. The Census Bureau took immediate action and successfully shut down the bogus Web page less than five hours after the e-mail scam began. The Census Bureau worked closely with the U.S. Department of Commerce and notified the appropriate law enforcement agencies about this fraudulent activity. We were able to respond to this phishing incident quickly without impact to any programs. Because of the pace and volume of activity during the decennial census, a phishing incident of this nature could essentially impact Internet and mail response rates.

5. If there was such skepticism about both the response rates as well as Internet security prior to the contract being offered, why did large, and presumably well thought-out contract include a provision to implement an online component?

As mentioned above, the timing for the decision to remove the Internet response option from the DRIS contract was to a large degree the result of a convergence of key information. Specifically, for the first time we were able to assess the cost of implementing the Internet response option relative to the combination of unimpressive predicted benefits of Internet usage and our ongoing concern about the security of our respondents' information.

We must emphasize our acquisition strategy for the 2010 Census necessitated earlier preparation and award than for Census 2000, to manage risk and allow adequate time for the 2008 Dress Rehearsal systems development. In arriving at this acquisition strategy for earlier award (which also was recommended by the U.S. Government Accountability Office (GAO) in 2000), we recognized that the award timing for the large contracts would not allow us to take full advantage of the results from our testing program as a means of informing initial contract scope. However, in our judgment, it was far less risky to award the contracts early.

When Internet is offered as an option on a mail-out questionnaire, no increase in overall response was observed.

6. When the Census Bureau tested the Internet option in 2001, 2003, and 2005, did it advertise the option or simply it as an option on the mail-out questionnaire?

In all three tests, we informed respondents directly through the mail materials (advance letter,; questionnaire mailing package itself,; reminder postcard) of the Internet response option. Because these were National tests, involving a limited number of widely dispersed households throughout the country, a national advertising campaign was not operationally feasible, nor cost effective. Nonetheless, these tests are statistically representatives of the United States, so it *is* possible to compare the proportions of all responses, as well as the relative response rates, of different options (e.g., mail and Internet).

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7. Has the Census Bureau conducted a thorough analysis of what the response rates would be in 2010 if an extensive public advertising campaign preceded it?

We have analyzed this as best as we can, but it is not possible to test this directly because there is no way to simulate the full advertising and expanded media coverage environment of an actual census. Furthermore, much of the media coverage during the 2010 Census will be outside the control of the Census Bureau. For example, if the past is any indication, there likely will be major news stories—some positive,; some negative—based on statements by public officials at all levels of government (federal, state, tribal, and local), news personalities, and spokespersons for various public and private organizations. These statements, and the media coverage of them, can also influence response rates to the census.

8. Do you believe it is possible to accurately predict the response rates in 2010 without such an analysis? If so, why?

Again, we only can infer Internet response rates based on our tests (that cannot simulate a full national advertising and media coverage environment) and from what we can learn from the experiences of other nNNations. However, we believe we can accurately predict that the overall response rate will not go up; that is, Internet responses likely will come only from those who would have responded anyway, not from the hard to count or other populations groups that historically have not mailed back their questionnaire. Also, this is consistent with the recent experience in the Canadian census (in which approximately 20 percent of the responses were made via the Internet)----the overall response rate did not increase, and offering this response option did not save any money.

Growing Concerns around Internet Security

9. Could you please provide documentation supporting the “growing concerns” you see as an impediment to offering the Internet in 2010?

Please see the following enclosed documents:

- Statistics Canada’s “2006 Census Information Technology Security Verification Task Force” report.
- GAO’s 2006 report (in particular, page 24) on absentee voting assistance to military and overseas citizens.

10. Please provide documentation supporting your conclusion that costs would be too high to address the security concerns if an Internet option was a part of the 2010 Census?

We did not prepare a detailed cost estimate because all the data we have indicate we cannot *save* any money by offering an Internet Response option, and thus, we believe that *any* cost associated with security would add to the overall cost of the 2010 Census.

11. Did your concerns about the cost of Internet security reviews arise before or after you decided to award a contract for an Internet option to Lockheed Martin in October 2005? Please elaborate and provide dated documentation behind those concerns.

Our concerns about the cost of independent security reviews have grown over time. The knowledge base about IT security threats and perceived weaknesses in protecting confidential information has grown considerably since award of the DRIS contract. During this time, we have learned more from the experience of other nNNations, as well as from independent expert sources, such as The MITRE Corporation. In fact, a recent independent analysis by MITRE indicated the need for significant resources to fulfill independent comprehensive testing and audit functions.

Enclosures

Date Provided to Agency: December 6, 2006

Date Due to Subcommittee: January 4, 2007