



**THE SECRETARY OF COMMERCE**  
Washington, D.C. 20230

January 19, 2007

The Honorable Alan B. Mollohan  
Chairman  
Subcommittee on Commerce, Justice,  
Science, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

As you know, in 2001 the Department of Commerce began implementing an initiative to reengineer the 2010 Decennial Census to improve the relevance and timeliness of census long form data, reduce operational risk, improve the accuracy of census coverage, and contain costs. This initiative to reengineer the 2010 Census, and capture significant budgetary savings over the life-cycle of the Census, currently remains on track. However, the likelihood of a full-year continuing resolution (CR) for FY 2007 that provides funding that is frozen at the FY 2006 level will have detrimental consequences for the 2010 Census and for this reengineering program. Operating under a full-year CR in 2007 will result in an \$88 million reduction to the President's Budget for Census Bureau's Periodic Censuses and Programs account – \$63 million of which would be taken from the 2010 Census reengineering effort. A reduction of this magnitude will have a major impact on counting the population in 2010.

For the Census Bureau, the increase in the FY 2007 budget over FY 2006 is not the result of new initiatives or expanding base programs. Rather, the increase stems from the previously anticipated ramp-up of existing cyclical programs. These cyclical programs require more resources in FY 2007 over FY 2006 because they are conducting more activities; this growth is necessary to prepare for the peak years of activities that are yet to come. For the Economic Census and the Census of Governments, the pinnacle of activity is soon – the current five-year cycle will crest in FY 2008 in a broad data collection effort. Prior to that, in FY 2007, it is important that the development of collection instruments and processing systems take place. For example, one new activity is the construction of the mailing list covering 26 million businesses – a critical step before they can be contacted for the Economic Census. Without the funding increases in the President's Budget request, the data products from the Economic and Government Censuses will be delayed 6 to 8 months.

The other major cyclical effort is the 2010 Decennial Census Program. Every year between now and FY 2010, more needs to be done to prepare for the massive field operation. Because each year's activities build on what was accomplished in the previous year, it is important to keep the development process on schedule from year to year. For

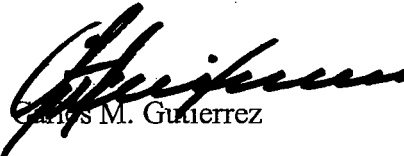
example, the 2008 Census Dress Rehearsal is the Census Bureau's one chance to put all the field operation pieces together and make sure they function as intended ahead of the actual nationwide census in 2010. FY 2007 has several new activities that need to be completed ahead of the 2008 Census Dress Rehearsal – from developing the field materials, procedures, and training formats for the temporary workforce to implementing a management plan for the shipment of forms, equipment, and supplies to the field offices. These are in addition to finishing development of the hand-held computers and the automated data collection systems.

If the Census Bureau does not receive sufficient funding in FY 2007, it would have to eliminate all efforts to develop and implement hand-held computers for use in address listing and in the non-response follow-up (NRFU) field operations. This equipment and methodology must be tested during the 2008 Census Dress Rehearsal, for which early operations already have begun. Without sufficient field testing, the hand-held computers cannot be used in 2010. The Census Bureau's only option would be to revert to paper-based operations that will add more than \$1 billion to the overall cost of the 2010 Census and will likely harm coverage quality.

In addition to adding significant costs to the 2010 Census, reverting back to a paper-based operation will compromise efforts devoted toward improved coverage (i.e., reducing undercounts, overcounts, and geographic misallocations), and will significantly increase the risk of operational failure during the 2010 Census. More specifically, efforts and investments to improve coverage via the realignment to Global Positioning System coordinates of street locations for 3,232 counties across the Nation, Puerto Rico, and island areas will be lost. Curtailing this effort now will leave approximately 720 counties, including the entire State of Connecticut, uncorrected. Even the street locations for the counties that have been corrected will not benefit 2010 Census operations and coverage because enumerators will not have the hand-held computers and will have to revert back to paper maps. Therefore, this investment will have been wasted as far as the 2010 Census is concerned.

Mr. Chairman, it is because of these issues that I urge your continued support of the President's Budget request for the Census Bureau during proceedings on the FY 2007 budget.

Sincerely,



Carlos M. Gutierrez



**THE SECRETARY OF COMMERCE**  
Washington, D.C. 20230

January 19, 2007

The Honorable Rodney Frelinghuysen  
Ranking Member  
Subcommittee on Commerce, Justice,  
Science, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Frelinghuysen:

As you know, in 2001 the Department of Commerce began implementing an initiative to reengineer the 2010 Decennial Census to improve the relevance and timeliness of census long form data, reduce operational risk, improve the accuracy of census coverage, and contain costs. This initiative to reengineer the 2010 Census, and capture significant budgetary savings over the life-cycle of the Census, currently remains on track. However, the likelihood of a full-year continuing resolution (CR) for FY 2007 that provides funding that is frozen at the FY 2006 level will have detrimental consequences for the 2010 Census and for this reengineering program. Operating under a full-year CR in 2007 will result in an \$88 million reduction to the President's Budget for Census Bureau's Periodic Censuses and Programs account – \$63 million of which would be taken from the 2010 Census reengineering effort. A reduction of this magnitude will have a major impact on counting the population in 2010.

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Representative Frelinghuysen, it is because of these issues that I urge your continued support of the President's Budget request for the Census Bureau during proceedings on the FY 2007 budget.

Sincerely,



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**THE SECRETARY OF COMMERCE**  
Washington, D.C. 20230

January 19, 2007

The Honorable Barbara A. Mikulski  
Chairman  
Subcommittee on Commerce, Justice,  
Science, and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Madam Chairman:

As you know, in 2001 the Department of Commerce began implementing an initiative to reengineer the 2010 Decennial Census to improve the relevance and timeliness of census long form data, reduce operational risk, improve the accuracy of census coverage, and contain costs. This initiative to reengineer the 2010 Census, and capture significant budgetary savings over the life-cycle of the Census, currently remains on track. However, the likelihood of a full-year continuing resolution (CR) for FY 2007 that provides funding that is frozen at the FY 2006 level will have detrimental consequences for the 2010 Census and for this reengineering program. Operating under a full-year CR in 2007 will result in an \$88 million reduction to the President's Budget for Census Bureau's Periodic Censuses and Programs account – \$63 million of which would be taken from the 2010 Census reengineering effort. A reduction of this magnitude will have a major impact on counting the population in 2010.

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**THE SECRETARY OF COMMERCE**  
Washington, D.C. 20230

January 19, 2007

The Honorable Richard C. Shelby  
Ranking Minority Member  
Subcommittee on Commerce, Justice,  
Science, and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Senator Shelby:

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