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NOMINATIONS OF HON. STEVEN DILLINGHAM AND MICHAEL M. KUBAYANDA

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

NOMINATIONS OF HONORABLE STEVEN DILLINGHAM, NOMINEE TO BE DIRECTOR OF THE CENSUS, U.S. DEPARTMENT OF COMMERCE AND MICHAEL M. KUBAYANDA, NOMINEE TO BE A COMMISSIONER, POSTAL REGULATORY COMMISSION

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NOMINATIONS OF THE HONORABLE STEVEN D. DILLINGHAM AND MICHAEL M. KUBAYANDA

WEDNESDAY, OCTOBER 3, 2018

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:05 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Ron Johnson, Chairman of the Committee, presiding.

Present: Senators Johnson, Lankford, Hoeven, Daines, McCaskill, Carper, Peters, Hassan, Harris, and Jones.

OPENING STATEMENT OF CHAIRMAN JOHNSON

Chairman JOHNSON. Good morning. This hearing will come to order.

Today we are considering the nominee to be the Director for the U.S. Census Bureau and a nominee to be the Commissioner for the Postal Regulatory Commission (PRC).

First of all, I want to thank the nominees for your testimony for taking the time here today to testify. I also want to thank you for spending some time in my office. I enjoyed our conversations, and I think what I certainly determined from that is we have two nominees here that are, first, very knowledgeable and I think very well qualified for these positions. So I appreciate the President has picked I think two exceptional candidates for these two very important positions.

I would ask that my written opening statement be entered into the record.[1]

A hearing would not be a hearing under my chairmanship without a couple of charts. So I want to just quick start out with one on the U.S. Postal Service (USPS).[2]

This is just a one-page income statement that I have developed over a number of years, trying to figure out exactly what is the financial condition of the U.S. Postal Service, and it is just three simple columns that gives you the income statement for 2007, and then 10 years later, 2017, and then gives you a total, 10-year.

What I find interesting about it is I think this really does lay out what the issue is. In 2007, the Postal System had a $3 billion oper-

[1] The prepared statement of Senator Johnson appears in the Appendix on page 33.
[2] The chart referenced by Senator Johnson appears in the Appendix on page 189.

ating income, $4.7 billion in 2017, but for the full 10 years lost about $1.4 billion on an operating basis.

The big problem is the pension plan, and with the 2006 Postal Reform that required prefunding, that was a total of $62.6 billion, which is why you show a $63.9 billion, 10-year complete loss.

Now, you also had appreciation. That adds some cash back, and of course, the Postal System is defaulting on that prefunding. So, in the end, it looks like the Postal System has generated $8.5 billion over 10 years, but again, this is because we have not addressed the problem, which is the unfunded liability in the retiree health benefits as well as their pension.

So it is actually pretty simple to take a look at. I am not saying the solution is very simple, but again, I have a copy of this at the dais for all of our Senators.

The next chart really speaks to the issues of the Census Department,[1] and from my standpoint, I think this is the problem right here.

And I am going to focus really on 1990 Census because by 1990, most of the transfer programs were in place. Most of what government was doing that requires information, the kind of data that Census collects, were in place. So these are inflation-adjusted dollars.

In 1990, we spent a little under $5 billion taking the Census. That is the Census cost. Best-case scenario right now, using 2020 methods, the technology, we are estimating it is going to be three times that total cost, $15.6 billion.

Again, we have seen the Internet. We have seen information technology (IT). That cost, if anything, should be reduced, and of course, we have had population growth as well.

The next chart[2] I think shows that that is not the problem. In 1990, the cost per household was $45. 1970 was only $17. But, again, I am moving forward to 1990 when all these programs were in place. Best-case scenario is looking like it would be $107, more than double, on a per-household basis.

So, to me, that is the primary problem with the Census, and that is the question I am asking. Why? Why is the total dollar cost three times? Why is the per-household cost double what it was in 1990? What has changed so significantly that is driving that really ridiculous cost figure when in fact with all the advances of information technology, certainly the cost per household I think should have declined? We have gotten more productive in just about every area of our economy. I do not understand this in the Census.

The other thing, I do want to cover something up front. I am sure this will come up during the hearing, and it is the whole issue of the citizenship question.

I want to read something into the record here. On April 10, 2018, this Committee held a roundtable for Committee Members with representatives of both Department of Commerce and the Census Bureau reading the 2020 Census content, including the addition of a citizenship question in the 2020 questionnaire. At the Roundtable, Acting Census Director Ron Jarmin told the Committee that

[1] The chart referenced by Senator Johnson appears in the Appendix on page 190.
[2] The chart referenced by Senator Johnson appears in the Appendix on page 191.

there was no definitive evidence that the addition of a citizen question would significantly reduce response rates and that other questions such as household impact had proven to have a greater impact on response rates for the American Community Survey (ACS).

Now, I understand the citizenship question is a controversial issue, and reasonable people can come to different conclusions, but I would like to emphasize for the purposes of this hearing that Dr. Dillingham was not at the Census Bureau when this decision was made. Even if confirmed, Dr. Dillingham will not have the ability to change this decision because Congress charges Secretary of Commerce with the authority to determine the Census content. This is, again, one of those powers that Congress has delegated to the Administration. This is well within the Secretary of Commerce's jurisdiction to create the question and determine what it is.

Now, currently, there is an ongoing court case to determine is Secretary Wilbur Ross acted within his authority to add the citizenship question. So rather than argue about an issue that will be fully litigated in the courts, it is my sincere hope that this hearing will focus on whether or not Dr. Dillingham is qualified to lead the Census Bureau.

We are less than 18 months out from the Census Day, and my colleagues and I, including the Ranking Member, have been asking for the President to nominate a qualified individual to serve as a Census Bureau Director since the position was vacated last June, considering the nomination of the Census Bureau Director is presently the most important step this Committee can take to put the 2020 Census on the path for success.

In addition to that, on September 20, I received a letter from Senator Harris, Senator Carper, Senator Hassan, and Senator Peters asking for more oversight hearings. I would like to enter that letter into the record[1] as well as my response the following day on September 31.

And so with that, I will turn it over to Senator McCaskill.

OPENING STATEMENT OF SENATOR MCCASKILL[2]

Senator MCCASKILL. Yes. Let me start out with the Postal Service chart.[3] It would be really helpful if we could huddle before chart time.

My staff does not believe that this is accurate, and we have a difficult time finding, tracing back the numbers that are on it.

So I would offer into the record[4] something that is much more complicated but gives sources for the numbers, and I think the important thing to realize is last year, the Postal Service was profitable, had it not been for prefunding issues.

So I am anxious for us to fix postal, and that is the most important thing we should be doing right now and with comprehensive postal legislation.

The House has gotten further with their work than we have, and maybe we can get together, our staffs, after the hearing, and we can come up with a chart that we can go into the——

[1] The letter referenced by Senator Johnson appears in the Appendix on page 194
[2] The prepared statement of Senator McCaskill appears in the Appendix on page 34.
[3] The chart referenced by Senator McCaskill appears in the Appendix on page 189.
[4] The information referenced by Senator McCaskill appears in the Appendix on page 201.

Chairman JOHNSON. Sure.

Senator MCCASKILL. I am sure we can find agreement because we usually do when we sit down together. Let us see if we cannot get together and see if we cannot come up with a Profit and Loss (P&L) one that we can agree on.

Chairman JOHNSON. Sure.

Just real quick, this was all sourced by the United States Postal Service annual 10–Ks, and we have been working with a number of offices, just trying to hone this so it is correct. I want to make sure it is completely correct information.

Senator MCCASKILL. Yes. Well, we can probably get that figured out.

Chairman JOHNSON. OK.

Senator MCCASKILL. In the meantime, I would like to put this much more complex document into the record.[1]

Chairman JOHNSON. Without objection.

Senator MCCASKILL. Thank you so much.

And I agree with you on the Census. IT acquisition is the black hole of government spending, no matter where it is, and I have spent a lot of time on this at the Pentagon. That would drive the Chairman crazy if he began trying to do all of his charts and his financials over at the Pentagon.

IT acquisition has been a huge problem in government, typically because we cannot compete for the same talent. There has been such a demand for talent in the IT sector that government does not pay what the private sector does. So, as a result, we farm it all out, and if you do not know enough to know what you are buying, you defer to the people you are buying it from. And guess what the people you are buying it from want to make it? Really profitable for them and very expensive, and they want to capture agencies with a build-from-scratch system that they are then wedded to forever as opposed to ever turning to off-the-shelf software that would be available.

I do not know because I have not taken a deep dive into those numbers, but I have a feeling that is probably where our cost increases have come from is wasting money over efforts to acquire a specialized built-from-scratch IT system that turned out not to be efficient and/or effective.

I do think both of these nominations are very important. I agree that the decision today on Mr. Dillingham is on his qualifications and not what has occurred over the last year.

I do think it is very important that we get to the bottom of whether or not this Committee was misled by Secretary Ross. We were clearly told that the reason the question was included was because the Justice Department asked for it. Facts are now coming to light that would indicate that that perhaps was not entirely truthful.

And I think if we have a moment that is as important as that moment is in terms of oversight, if we are not getting the full truth on questions that are pretty important, I think that is something this Committee needs to take a closer look at, and I am not advocating we interfere in the litigation. But it was made very clear to

[1] The document referenced by Senator McCaskill appears in the Appendix on page 202.

this Committee, that the reason the question was included was it was requested by Justice. Well, now it is not so clear. It appears to me that a political decision was made to include the question, and then they sought justice to ask for it so they could hang their hat on that peg. That is not being honest with us or the American people, and it certainly demands oversight.

And so we can let the lawsuit continue, but that is why we are in this mess is because I believe that we were not given all the facts at the point in time that we asked for them. And I do not put that on the roundtable participants. I put that squarely with Secretary Ross.

I know the Census Bureau is approaching the most critical period of a 10-year Census cycle. I frankly have a great deal of sympathy for someone who is being asked to pick up the reins at this point because I think we have a significant problem. I think we need to reassure the American people that their information is protected and private, especially in this era of privacy concerns.

I would certainly comment to you, Mr. Dillingham, if you are confirmed, that that be one of the things that you focus on, not just the Public Service Announcements (PSAs) asking people to participate, but stressing the privacy of their information because I understand why telling people how much money you make is a scary thing for people to do in a Census, giving the government that number, although I think they give it to the Internal Revenue Service (IRS). But the question is, Are the two numbers the same? And that is probably why they are reluctant. But I think that reassurance that the information is private under law, that it is a criminal offense for their information to be shared, I think is very important.

I am anxious to hear your plans for outreach in terms of counting difficult populations to count.

Mr. Kubayanda, it is good to see you also. I feel very strongly that the Postal Regulatory Commission has an important role in our Postal Service. You come with a long record of public service, particularly impressive expertise in the postal issues.

I know you left the Inspectors General (IGs) office 3 years ago, and I am pleased that you are willing to return to public service. It is a little bit like fingernails on a blackboard sometimes when I look at someone like you that people like you are considered the swamp. You have labored hard and honorably in the public sector. You left the public sector, and now you are willing to come back and provide an important public service. And I think that should be admired, not denigrated, and so thank you for that.

I am really worried about the quality of rural mail service. I hear from people all the time in Missouri about the increasing service delays, and the key to rural Missouri in terms of them keeping people in their communities, keeping the next generation in their communities, is in fact reliable mail service because many of them are starting small businesses. The one-two partnership that is essential for rural Missouri is high-speed broadband combined with reliable mail service. That is where you can start businesses and allow businesses to thrive, no matter where you live, if you have those two ingredients.

The universal service obligation (USO) is one of the most important duties of the Postal Service. I would like to hear from you about what you think should be done to safeguard and improve the quality of mail service in rural America.

Obviously, the financial condition of the Postal Service is a problem. The accumulated losses are a problem, and this deficit is a threat to the future of the Postal Service.

I know this. That if we were to make the mistake of trying to privatize Postal Service, then who would end up with the most expensive service, the least reliable service, and the most sporadic service would in fact be that last mile. We have seen it time and time again. The private business model will not want to lose money on that one farmhouse down a mile and a half off the blacktop road. They will not want to lose that money, and so we would be stepping in, anyway, in order to provide universal service.

Do we want to give up the profitable part of our architecture when we are still going to have to own the non-profitable part of our architecture? And that does not make sense to me. It seems to me we should give the Postal Service the tools it needs to thrive and succeed for many years to come while still respecting the universal postal delivery obligation that is set forth in the law.

Thank you both for being here today, and I look forward to your testimony.

Chairman JOHNSON. Thanks, Senator McCaskill.

My final comment to Mr. Dillingham is if confirmed—and we are going to do everything we can to speed this process up—you need to concentrate on getting the Census completed accurately and with as high a response rate as possible. The whole cost issue, that is kind of for after the Census because we start gearing up for 2030 and addressing that.

Again, the questionnaire itself, that is being handled by others. You have a big job ahead of you, and again, our job is to get you on that job as quickly as possible.

It is the tradition of this Committee to swear in witnesses, so if you will both stand and raise your right hand. Do you swear the testimony you will give before this Committee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. DILLINGHAM. I do.

Mr. KUBAYANDA. I do.

Chairman JOHNSON. Please be seated.

Our first nominee is the Honorable Steven Dillingham. Mr. Dillingham is currently serving as the Director for the Office of Strategic Information, Research, and Planning at the Peace Corps. He has an over 40-year career in Federal Government and policy research, including serving as the Director of two Federal statistical agencies—the Bureau of Transportation Statistics and the Bureau of Justice Statistics (BJS). And I hope I do not say that too often. [Laughter.]

Mr. Dillingham.

TESTIMONY OF THE HONORABLE STEVEN DILLINGHAM,[1] NOMINEE TO BE DIRECTOR OF THE CENSUS, U.S. DEPARTMENT OF COMMERCE

Mr. DILLINGHAM. Thank you, Mr. Chairman.

Before I begin, I would like to introduce my wife, Kimberly; my daughter Abigail; my youngest uncle and aunt, John and Debbie Dillingham and very much appreciate them being here today.

Mr. Chairman, Ranking Member, and Committee Members, I would like to share with you an experience some years ago, when my wife Kimberly and daughter Abigail joined me at my confirmation hearing to be the Director of the Bureau of Justice Statistics.

That hearing was before the Senate Judiciary Committee, chaired by the Honorable Joe Biden. As he lifted his gavel to close the hearing, my infant daughter began to cry. Senator Biden smiled and remarked, "Let the record show that Abigail has the last word." While quite memorable, she is an adult now, and I am not expecting her to repeat that performance. [Laughter.]

Let me begin by acknowledging the importance of public service to my family and me. My wife and her mother were public school teachers. My daughter also is a public school teacher. She saves her money for summer travel as a volunteer teacher in villages of developing countries.

My father entered military service at age 17 during World War II and retired from the enlisted ranks after two more decades of service. He named his three sons for military leaders.

My father-in-law retired as a Lieutenant General following his career as a defense strategist and analyst. The Air Force annually bestows a leadership award in his honor. In our household, public service is a noble family tradition.

It is an honor to appear before you today and to be considered for this position of important public trust. I am grateful to President Trump, Secretary Ross, and Under Secretary Karen Dunn Kelley, and all who support my nomination and who have assisted me.

I thank Members of this Committee for your consideration.

If confirmed, I pledge to serve with the professionalism and the integrity that you expect and the Nation deserves.

My public service includes directing two Federal statistical agencies and several research offices. I also have been manager for large and small businesses, non-profits, and universities. My work has ranged from enforcing whistleblower protections to analyzing program results. Historically, the talents of Bureau Directors have served them well. If confirmed, mine should also.

Challenges facing the Bureau are numerous. The Decennial Census presents an immediate need. If confirmed, I will be dedicated to ensuring that the workforce is ready, willing, and able to accomplish the Bureau's mission as the leading provider of quality information on the Nation's people and economy.

I am mindful for the need to work with this Committee, the Government Accountability Office (GAO), the Office of Inspector General (OIG), and others. I will support a workforce committed to mission, principles, and accountability.

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[1] The prepared statement of Mr. Dillingham appears in the Appendix on page 38.

If confirmed, my focus areas will include, one, achieving results. I am committed to providing leadership in fulfilling the Bureau's mission and performing its constitutional and statutory responsibilities while mitigating risks.

Two, maintaining organizational and professional integrity. I pledge to support a Federal statistical agency culture of principles and practices grounded in relevance to policy issues, credibility among data users, trust among data providers, and independence from improper influences.

Three, fostering workforce excellence. I will lead efforts to support an engaged and diverse workforce that provides quality products and services, bolsters employee morale, and is recognized for performance.

Let me provide a personal perspective on data collection. A decade ago, I volunteered for civilian service in Iraq to help restore peace, rebuild the Nation's government and economy, and establish rule of law. My duties included strategic planning and establishing a system of data collection for its justice system under challenging and unsafe conditions.

The work involved Iraqis compiling provincial data and delivering it to the Justice Ministry in Baghdad, which was a target of bombings and attacks. Iraqi officials risked life and limb traveling in unsafe and hazardous conditions across deserts stretching hundreds of miles to deliver the data. At the Justice Ministry, an office staffed with dedicated Iraqi women professionally compiled the data. On my final visit to that office, the Iraqi female officials proudly presented their miraculously published and quite professional statistical results.

Then, in contravention of their custom, they all shook our hands.

Accurate data is an essential underpinning for representative and responsive government, as well as a thriving economy. While the Census Bureau faces challenges, I know that it has the talent and commitment for meeting them.

I hope that you find me worthy to contribute. I look forward to your questions.

Chairman JOHNSON. Thank you, Mr. Dillingham, and I do want to welcome your family and not only thank you for your service but thank you for theirs as well. You will probably see your loved one a little bit less if he gets confirmed for this position.

Our next nominee is Michael Kubayanda. Mr. Kubayanda is currently serving as a privacy officer and board member for access mobile International, an electronic health services technology startup, serving communities in the United States and Africa. He previously worked for the United States Postal Service Office of the Inspector General, House Committee on Oversight and Government Reform, and the United States Postal Service.

Mr. Kubayanda, I would also encourage you to introduce your family. I want to thank them for their attendance and their willingness to kind of sacrifice time with you in your important position.

TESTIMONY OF MICHAEL M. KUBAYANDA,[1] NOMINEE TO BE COMMISSIONER, POSTAL REGULATORY COMMISSION

Mr. KUBAYANDA. Good morning Chairman Johnson, Ranking Member McCaskill, and Members of the Committee. Thank you for inviting me to testify regarding my nomination to the Postal Regulatory Commission.

Unfortunately, my family was unable to be here. My spouse is attending to important prior commitments overseas, and my mother was unable to travel at this time. But they are very excited about my nomination as well.

I have been fortunate to work with this Committee in earlier positions I have held and I am honored by the opportunity to do so again. I have built solid relationships with members of your staff over the years. I have been impressed by their dedication and knowledge, and I understand the importance of providing accurate and timely information to Congress. I believe this ensures better oversight and better public policy. If confirmed, this will be a high priority for me.

I have several years of experience working on postal reform and oversight, most recently at the U.S. Postal Service, Office of Inspector General. I am familiar with many of the key issues and organizations in the field. I believe my understanding of adjacent and complementary issues, such as technology, can also be helpful.

We appear to be close to an inflection point on postal issues. On one hand, declining mail volume and legal mandates contribute to ongoing financial losses. On the other hand, e-commerce and new consumer technologies are transforming delivery services and providing options to improve customer service. It is vital that we in the postal community understand these changes and how they impact the Postal Service.

We should also try to understand how consumer expectations are changing in this era and ensure that services and regulations are responsive to these expectations. I have looked at these issues from many perspectives, especially at the OIG. I believe that this background has prepared me well to address the issues facing the postal sector now and in the future.

I view a Commissioner's role as similar to that of a State utility regulator. The Commission must bring to bear the necessary analytical skills to scrutinize the operations and finances of the Postal Service and ensure compliance with the law and public policy, as established by Congress.

In addition, the Commission should support transparency by making sure that its findings are readily accessible to stakeholders and the public at large.

Key technical matters facing the Commission include negotiated service agreements, Post Office appeals, and complex issues of economic regulation.

The Commission will issue a final order on the 10-year review of the system for regulating market dominant products under the PAEA. It is also looking at the proper contribution of competitive products, such as e-commerce packages, to the institutional costs of the Postal Service. With this sizable and important workload, the

[1] The prepared statement of Mr. Kubayanda appears in the Appendix on page 118.

Commission should continue to emphasize efficiency and responsiveness to stakeholders.

I believe the Commission's emphasis on strategic planning will help it prioritize and execute against this agenda. If confirmed, I look forward to working with Chairman Robert Taub and Commissioners Nanci Langley, Tony Hammond, and Mark Acton to do so.

Thank you for considering my nomination, and I look forward to answering your questions.

Chairman JOHNSON. Thank you, Mr. Kubayanda.

There are three questions the Committee asks of every nominee for the record, and so I will ask the question. Then I will just go to both of you for your answer.

First, is there anything you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated? Mr. Dillingham.

Mr. DILLINGHAM. No, Mr. Chair.

Chairman JOHNSON. Mr. Kubayanda.

Mr. KUBAYANDA. No, Mr. Chairman.

Chairman JOHNSON. Do you know if anything personal or otherwise that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated? Mr. Dillingham.

Mr. DILLINGHAM. No, Mr. Chairman.

Chairman JOHNSON. Mr. Kubayanda.

Mr. KUBAYANDA. No, I do not.

Chairman JOHNSON. Do you agree without reservation to comply with any request or summons to appear and testify before any duly constituted committee of Congress if you are confirmed? Mr. Dillingham.

Mr. DILLINGHAM. Yes, Mr. Chairman.

Chairman JOHNSON. Mr. Kubayanda.

Mr. KUBAYANDA. Yes, I do.

Chairman JOHNSON. Thank you.

I will reserve my questioning until the end out of respect for my colleagues' time. Senator McCaskill.

Senator MCCASKILL. I will defer also.

Chairman JOHNSON. Then Senator Lankford.

OPENING STATEMENT OF SENATOR LANKFORD

Senator LANKFORD. Thank you, Mr. Chairman and Ranking Member, for that.

Mr. Kubayanda, let me ask you a little bit about the Postal Regulatory Commission and the hard issues that you are facing at this point and the very difficult decisions. What ideas do you bring to bear on reforms of the system that will help with pricing efficiency? If I talk to anyone in my State about postal, if they work in the postal office, it is about its ability to be able to be sustained and the prefunding for health. If I talk to anyone else, it is the price of the stamp.

So let me ask you the question about pricing because this will be a big issue for you. Do you have ideas that you are walking into with efficiency to help offset pricing issues?

Mr. KUBAYANDA. The Commission addressed this issue with a Notice of Proposed Rulemaking late last year, and I am aware of

their work on this. I applaud the Commission for taking on this really difficult issue. It is essential to the financial health of the Postal Service.

I think it is important that I come in with an open mind in reviewing the Notice of Proposed Rulemaking. The Commission is currently reviewing comments from stakeholders on this issue before issuing a final rule.

So, if confirmed, that will be at the top of my priority list to assist the Commission in getting out that final rule.

I have worked on this issue extensively in the past. So it is something that I bring some knowledge to, and I do think it is important. Under Title 39, there are objectives and factors that are required to be considered in the establishment of a rate-making system. There are just some common sense issues that I think we need to look at that a lot of people have identified.

Senator LANKFORD. OK. Well, stay on the common sense side of that as well.

One of the big issues facing the entire country is the amount of fentanyl coming through the mail at this point. There has been a lot of emphasis on trying to detect that. Help me understand your perspective on what can be done and should be done trying to pick up illicit fentanyl coming through the mail.

Mr. KUBAYANDA. I understand that there has been some recent legislation on this issue sponsored by Senator Portman from my home State of Ohio. I have not worked on that issue in great detail, but I know my former colleagues at the OIG have been very involved with that and with the new Governor. David Williams, former U.S. Postal Service Inspector General and current member of the Postal Board of Governors, has also been personally involved in that issue.

I know the Postal Service, the Inspection Service and the Office of Inspector General all coordinate with the Department of Homeland Security (DHS) and with other Federal law enforcement agencies on this issue. If confirmed, it is something that I realize is a great priority, and I hope to work with your office on making sure that we interdict fentanyl.

Senator LANKFORD. Yes. We look forward to that. We have added additional funding through the Financial Services and General Government (FSGG) appropriations for this year toward the Inspector General's office to be able to deal with this and the ongoing investigations on every layer, but this is not just a machine to be able to detect it coming in. It is a much broader issue, and we look forward to getting a chance to be able to work through this process and whatever we can do to be able to help and whatever resources you need or backup that you will need to be able to deal with this because it is an entirely different issue when drugs are coming through the mail, especially as deadly as fentanyl and the proliferation of those.

Mr. Dillingham, thank you for the visit that we have had before. I promised you when we visited that every time you see me, I will ask you a question about the Census Bureau and the IRS partnering together every 10 years.

April 1, we do a Census every 10 years, but every single year, most of the American public interacts with their government through a different document on April 15th of that year.

The cost of the Census collection has continued to go up and up and up, and as we look for areas of efficiency, it only seems to make sense to try to partner, every 10 years, IRS form filling with also Census form filling and to see if we cannot partner those two together.

You cannot promise me this is going to happen in 2030. Certainly, I would not ask that of 2020, but is that something that you will look at to be able to examine is that possible to save significant dollars to see if we can partner together in 2030?

Mr. DILLINGHAM. Senator Lankford, I appreciate the question, and I appreciate your interest. And I think it is very important that we consider new approaches and innovative ways to constrain costs and to save money.

And maybe some hypotheticals when I discussed this with you, but there may be some new ways of looking at particularly your proposal and what might be fashioned as a potential solution to an issue of efficiency in Federal Government with two agencies with two separate missions.

Senator LANKFORD. Sure.

Mr. DILLINGHAM. One is an enforcement mission, and the other is gathering statistics.

So I understand that people would see and maybe be concerned about a conflict there, but there could still be perhaps an efficiency in an approach such as you recommend.

So I would pledge to you that we would look at that. We would look at all sorts of options, and from day one, if I am confirmed, we will look at cost constraints and novel ways of looking at that.

Senator LANKFORD. Again, those of us that have the privilege of working here in Washington, DC., understand the two agencies and the two functions. If I am at home, I get one form, and then 2 weeks later, I am filling out a different form. And much of that information is the same, and I am trying to figure out why I am filling this out twice and mailing something to Washington, DC., or emailing it in or going on a website and filling this out.

So to the American citizen, they are going to see this as duplication coming up in 2 years because they are doing basically the same thing.

So if there are ways to be able to cooperate together on that, whether legislative barriers to that or whatever may be, we just need to be able to correct it.

The American Community Survey, you and I have had some conversation on as well. There are a lot of issues. The cost of the American Community Survey has continued to skyrocket as well. That information is exceptionally valuable to a lot of companies and to a lot of agencies to be able to get that information, but a lot of it is also commercially available.

What I would like to do is to be able to encourage you and to be able to follow up in the days ahead, if you are willing to be able to do this, to be able to look at other places that some of that information for the American Community Survey can be received pri-

vately. That we can buy that data, basically, and know that it is reliable and not have to go gather it and redo this.

This is the same issue we are facing with even commercial satellites. If you go back to 15 years ago, if there was a satellite image, it was U.S. Government-produced. Now private companies will give you an image of every square inch of the earth every single day because you can buy that data, commercially available. So the U.S. Government is now partnering with private entities for some satellite images we want to get and some others we have to be able to do.

I am asking just a simple question on the American Community Survey, where it exists and we can buy it privately and can get that cheaper and not have to have such a long American Community Survey that seems rather invasive at times, like how many toilets do you have and what time do you leave for work. Are there ways to be able to do this so we can produce some of it and then buy some of it?

Mr. DILLINGHAM. Senator, it is certainly my intention, if confirmed, to look at that and the potential cost savings with the American Community Survey.

It always involves a balancing of burden versus benefit, and as you point out, we have new technologies. We have new ways of doing business. We have new information needs.

So I do think you will find a very receptive response at the Census Bureau. The Census Bureau is continuously looking at cost savings with the American Community Survey, and rightfully so. And I do think that we will work with you and this Committee and others in Congress, and we probably would benefit from some external views on this. So we would solicit information, ideas, and potential innovations from all corners, Senator.

Senator LANKFORD. Gentlemen, thank you both. Thank you to both of your families for stepping up into this role as well. It is a big deal.

I happen to have a daughter whose middle name is Abigail as well, and she is watching her dad in public service, and I hope she takes on that role as well. So thank you for doing this.

Mr. DILLINGHAM. Thank you.

Chairman JOHNSON. Senator Carper.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. I am going to follow up on the families theme for just a moment.

Michael, you mentioned that your wife is overseas at this time. How long have you all been married?

Mr. KUBAYANDA. Four years.

Senator CARPER. Four years, OK.

And, Mr. Dillingham, I see your wife is here sitting next to—is it Abigail?

Mr. DILLINGHAM. My wife, Kimberly, and daughter Abigail.

Senator CARPER. How long have you all been married?

Mr. DILLINGHAM. Approximately about 30——

Senator CARPER. I am sorry to put you on the record.

Mr. DILLINGHAM. Yes. [Laughter.]

Senator MCCASKILL. I sense real trouble.

Senator CARPER. Wait.

Senator MCCASKILL. There are some flowers in your future, Kimberly.

Mr. DILLINGHAM. My analytical mind sometimes has——

Senator CARPER. Best answer I have ever heard on this. You can stop right now.

Mr. DILLINGHAM. Approximately 30 years.

Senator CARPER. Not long enough. How is that?

Mr. DILLINGHAM. Approximately 30. That is exactly right.

Senator CARPER. Let me hear you say that for the record. Not long——

Mr. DILLINGHAM. Senator, not long enough.

Senator CARPER. Thank you so much. That was very good.

I want to thank seriously Michael. Tell your mom, wherever she is, thanks for raising you and imparting the values in you for service to our country, and thanks very much to your wife for her willingness to share you.

Mrs. Dillingham, I would say the same thing to you.

I want to just start off, if I could, on the Postal Service for a little bit. Some of us have worked on this for quite a while. The man who sat here in this seat, Senator Lankford and I, Tom Coburn and I worked on this issue for years. He is over in Oklahoma now, but I know he follows these issues. And I certainly do with great interest.

When I was in the Navy during the Vietnam War, we could not wait for the mail to come every day. Best part of the day, best part of the week was mail call, and we still get mail. Our troops still get mail overseas, but it is not the big deal that it used to be for all of us. What the Internet taketh away with respect to First-Class Mail volumes, the Internet giveth something in return. As you know, it is packages and parcels, and we have seen double-digit growth in that business for some time.

We have half the number of mail processing centers in this country we had 10 years ago. We have roughly half the full-time employees we had 10 years ago. We have about a third less post offices, full-time post offices than we did 10 years ago. The Postal Service has dramatically downsized itself I think to right-size the organization.

The question for some of us is, The products that are being handled by the Postal Service, are they actually paying their way? The President has raised some concerns about packages and parcels, especially with a focus on Amazon that they are not paying their way.

I am told by the Postal Service that they made 6- or $7 billion last year on the packages and parcels business, which would suggest that is not a bad piece of business, and how do we continue to grow that?

I want to just note for year, we have been coming back to a major problem for the Postal Service is how do they pay for, offset the costs, health care costs for their retirees. And that has been an issue faced by States. We faced it when I was Governor. It is faced by States and local governments today. It is faced by businesses as well.

Most State and local governments put almost nothing aside in order to meet the obligation of health care for their retirees. Most Fortune 100 companies do not either. Fortune 500 companies, they do not set much money aside, if any. Same thing with Fortune 1000 companies.

Having said that, this is an issue that needs to be addressed, and I think there is a fiscally responsible way to do that, and we will be looking to you and your colleagues for some guidance, should you be confirmed. I hope that you will.

One of our colleagues—I think it was Senator Lankford—mentioned that consumers are concerned about the price of stamps, and they are. The last time I checked stamps in this country, we were just a little under 50 cents. It actually dropped a penny or so last year.

Postal stamps in France, 88 cents; Australia, a $1.00; Canada, a $1.00. So I still think 48 or 49 cents is not a bad deal for the service that we get.

Let me ask a couple of questions, if I could, for Dr. Dillingham.

If confirmed, you will face almost immediate management challenges at the Census Bureau ranging from IT acquisition to the need to hire enough enumerators to conduct the 2020 test. As it turns out, the Secretary of Commerce used to be an enumerator, as you probably know. He is paid better now than what he is does, what he is worth, but you never know when those enumerators are going to go.

But what do you believe are the most pressing challenges that we face at the Census Bureau? How would you prioritize that? What are the most pressing challenges? How would you prioritize them?

Mr. DILLINGHAM. Senator, I appreciate the question. I think you really nailed a couple of the priorities and the needs and some of the risks at the Census Bureau.

The IT acquisition, as the Ranking Member pointed out, is a major factor for cost escalations, and we want to make sure it is done right.

We understand and look back at prior Decennial Censuses and understand that there were in the past some technological and IT acquisition challenges, and hopefully, the Census Bureau has learned from those.

You also point out the hiring, and that is going to be of great interest. The Census Bureau, if I am confirmed, would apply a lot of effort to determining how best to identify that workforce and getting them on board. It is a complicated business. There is background investigations and other things that have to be part of that process.

But I probably am looking at the challenges facing the Census Bureau. I would probably look at certainly the GAO reports as well as the OIG reports.

I think, in a way, we are sort of blessed. Agencies do not like to have all their challenges necessarily identified and publicized at times, but it is a great service. It really relieves the agency of the introspection for doing that.

In considering the Decennial Census as a high risk in which the GAO has done, it has identified several important areas. It was

mentioned by the Ranking Member, the security of the IT system. Certainly, that is foremost in everyone's thinking.

There is also the public perception, and I know that with disagreement on one of the questions, we were interested to see how that might impact public perception. What we need to do, with whatever the final questions are in the Decennial Census, we need to ensure that the media campaign, the communication strategy are on track to address those.

Senator CARPER. Hold it right there. My time is about to expire.

Mr. DILLINGHAM. OK.

Senator CARPER. Thank you for those responses.

Mr. DILLINGHAM. Yes.

Senator CARPER. I am going to also ask you for the record, if I do not have a chance to do it here in person. I am going to ask you just to identify for us some of the milestones that we in Congress ought to be looking at as we approach the 2020 Census to figure out whether we are on track or not. Do not hesitate to come to us early. Do not come to us late. If you have a problem, there is something we need to be doing to be of assistance.

Senator Harris has joined us. She and I have been very active in writing to Census Bureau acting directors, active in writing to the Administration about issues involving questions about political interference, some questions on citizenship in the 2020 Decennial. We are asking some questions in that regard on the record. My guess is she may ask those on the record.

All right. My thanks to both of you.

Mr. DILLINGHAM. Thank you.

Senator CARPER. I hope to be around for a second round of questions. Thanks.

Mr. DILLINGHAM. Thank you, Senator.

Chairman JOHNSON. Senator Hassan.

OPENING STATEMENT OF SENATOR HASSAN

Senator HASSAN. Well, thank you, Mr. Chairman and Ranking Member McCaskill.

Good morning and congratulations to both our nominees, and thank you to our families. I will just add my thanks. It is a family affair doing public service, and we are very grateful.

Mr. Kubayanda, I wanted to start with a question for you that is a stakeholder one from my State of New Hampshire, and I was very pleased to hear you say just now how important it is to collaborate and work with stakeholders.

I recently heard from the mayor of Portsmouth, New Hampshire, about plans to close a downtown post office. The city has been working in good faith with the General Services Administration (GSA) to acquire the Federal parcel in which the post office currently resides, and they have been collaborating too on plans for how to remodel the site.

At a recent city meeting in which residents and business owners stress the importance of a downtown post office, the Postal Service said that it does not plan to return to the site once redevelopment is complete, which would leave this vibrant section of the city without a post office. All this, despite the fact that the city is willing and eager to work with the post office to find an interim site dur-

ing construction of the current parcel and structure terms that will enable the post office to remain at the site post-construction.

Post offices have a long history of serving as community hubs and as facilitators of local business, and I have concerns about the United States Postal Service bowing out of communities that are more than willing to work with them.

Should you be confirmed, will you look at this issue in Portsmouth, and will you work to ensure that the Postal Service is doing everything in its power to work with community stakeholders to keep post offices in central locations whenever possible?

Mr. KUBAYANDA. Yes, Senator. I am familiar with that issue, not in this particular example, but the Commission has a number of vehicles for considering appeals of specific post office closings. And that is one vehicle, but then we also have vehicles for looking at the issue more broadly.

So, if confirmed, that will certainly be a high priority of mine, and I do think there are things the Postal Service can do that may actually make their lives easier in the long run, as well as serve their stakeholders better.

Senator HASSAN. Well, that would be terrific. Thank you.

The other thing I will just mention is there was a very good discussion just now with Senator Lankford about the Synthetics Trafficking and Overdose Prevention (STOP) Act, and I would also ask you, if you are confirmed to—I am a cosponsor of that Act. Fentanyl coming into our country is a huge problem, and it is killing way too many people, including in my State.

Having said that, there are going to be costs that the post office is going to have to expend in order to make this STOP Act work, and so I just would ask for your commitment to look at the issue of whether the post office will need additional funding or help in order to fully enact the STOP Act. Will you commit to that?

Mr. KUBAYANDA. Yes. If confirmed, I will definitely look at that issue and work with your office on it.

Senator HASSAN. Thank you very much.

Greetings, Dr. Dillingham. It is nice to see you again. I enjoyed very much our meeting in my office, and I would like to follow up on the discussion we had.

I appreciated hearing your perspective on how you will help the Census Bureau reach its goals if you are confirmed. One area we discussed was the possible inclusion of questions around citizenship, such as those the Trump Administration has suggested and appears to be implementing.

I worry that the inclusion of these types of questions will create a chilling effect on the results and could deter people from participating.

As you know, getting a full and accurate count is part of our constitutional obligation and duty, and it is critical that when it comes to appropriations, to grant funding in other areas of Federal investment, that we actually have accurate numbers.

Do you agree that, if included, this citizenship question could hurt participation rates?

Mr. DILLINGHAM. Senator, thank you for that question, and that is a question foremost in many people's minds.

The Census Bureau has had its best and brightest look at this, and they have identified the possibility that there could be changes in the responses. And if there are those changes and we do not get the immediate responses that we would like and anticipate, there are other follow up activities to collect that information.

The most efficient and certainly the cost savings way is for the respondent to immediately reply, and actually, if they do it electronically, you can also save a lot of money. I know that is a challenge in your State.

Senator HASSAN. Right.

Mr. DILLINGHAM. I can assure you that the Census Bureau will apply all of its talents and all of its energies to getting a complete count, and they have plans for investing more monies in those efforts, including the outreach activities you referenced.

Senator HASSAN. Well, I appreciate the outreach activities. I am concerned, though, that the way the Administration went about this, without coming to Congress, and having us work through this issue of whether the question would be a chilling question or how best to get at the information we are trying to get at, that we have really created a potential question with a real chilling effect.

So, if confirmed, will you commit to working with Congress on new questions surrounding citizenship or any other related topics?

Mr. DILLINGHAM. Senator, certainly, we will gain from this experience a knowledge. If in fact the question stays in and we administer the Decennial Census, there will be a learning curve.

There also has been a learning curve with the American Community Survey. That question is in the American Community Survey. So we want to make sure that there is a synergy and a thorough analysis of how the two fit together. Again, this is under the assumption that the question remains in there after decision by the courts.

Senator HASSAN. Well, I appreciate that. A number of us think that we could have avoided a learning curve by actually working on it, the Executive Branch, the Congressional, and the Legislative Branch, together, so that we would not be wondering whether it is going to have a chilling effect and whether we are going to have an inaccurate count as a reason or as a result.

I have one other question, and I only have about 30 seconds left. You talked a little bit about some of your priorities, Dr. Dillingham, if you are confirmed. Can you just tell me—I understand that some of the issues that the Bureau is confronting is a lack of planning and a lack of hiring the hundreds of thousands of temporary employees who will be needed to get this count.

Do you have plans, strategies about getting enough employees to get the count done?

Mr. DILLINGHAM. Senator, that is a very good question. The Census Bureau is looking at that and has contingency plans and in fact has been hiring, for example, in the outreach area at a record speed as compared to the past Decennial Census. We will continue to work and to apprise this body and this Committee of the progress in these areas.

Senator HASSAN. Thank you very much, and thank you, Mr. Chairman.

Chairman JOHNSON. Senator Harris.

OPENING STATEMENT OF SENATOR HARRIS

Senator HARRIS. I am glad the Members of this Committee have an opportunity today to consider a nominee to serve as Census Bureau Director. It is a role that has temporarily been filled since June 2017.

Since I joined the Senate, many of us, we have been concerned about the 2020 Census and the Census Bureau's lack of permanent leader.

A couple of weeks ago, I think there has been mention that my colleagues and I—Senators Carper, Hassan, and Peters—requested for the second time this year that this Committee convene a general oversight hearing focused on the 2020 Census.

This past March, Commerce Department officials intervened to add an untested question to the 2020 Census asking about citizenship status, despite warnings, that this question could compromise survey accuracy and cost effectiveness.

Ongoing litigation has since revealed evidence of political influence, including White House influence, behind the addition of this question.

There is a pressing need for Commerce Secretary Wilbur Ross and the Census Bureau officials to provide sworn testimony to this Committee to explain the addition of this controversial question and address other 2020 Census concerns.

And a roundtable briefing is not the same as an oversight hearing. Sworn testimony is very different than a casual conversation in the area that right now the audience is seated.

Should you be confirmed, Mr. Dillingham, I hope that this Committee will have you back here shortly for an oversight hearing to discuss the wide range of 2020 Census concerns in much greater depth to ensure that we have an accurate and successful count.

And so, specifically, sir, I have a few questions. As a general matter, if a political appointee at the Commerce Department or the White House asked you to take an action to redesign a Census questionnaire in a way that expert Census Bureau staff informed you would make the Census less accurate and more expensive for American taxpayers, how would you deal with that?

Mr. DILLINGHAM. Senator, if I understand your question correctly, a theoretical question that if I am confirmed and in the position at the Census Bureau, that we seek and consider all sorts of recommendations, but the way you have presented it, as I interpret it, it sounded as though you are talking about political interference coming from another level that would perhaps improperly affect the process, the scientific process of designing questions.

So while I can assure you that wherever the information, ideas, and thoughts might come from, they will probably get some consideration at the Census Bureau. But the circumstances you describe do not sound to me as though it would be the appropriate circumstance, and it would be something that I think as Director of the Census Bureau that I would have to carefully consider who is asking the questions or making the request and for what purpose and to push back if I think it was improper influence.

Senator HARRIS. And as a general matter, do you believe that when a new or modified question is added to the Census question-

naire that there should be a contemporaneous, robust process to evaluate research and test that question?

Mr. DILLINGHAM. Senator, I do think that it is very important in designing a survey that you bring together the experience and information for the right people to make sure you are doing the best that you can.

I am not speaking theoretically to—in some instances, there is a history, and the survey questions may be tested in other environments. All those things need to be considered in the analysis done.

Senator HARRIS. But what I am asking you is what do you believe is a process that has integrity when you are talking about adding a new question. I am concerned and would like to know where you stand on the need when there is a new question being proposed for the Census, where you stand on the need and the importance of testing, researching that question, and the potential impact of that question on the result, which is hopefully that we have a Census that truly reflects who we are as a Nation.

Mr. DILLINGHAM. I appreciate that, Senator, and I do think, as a general proposition, that if confirmed as the Director of the Census Bureau that we would bring the best and brightest and the most thorough analysis possible to bear on the consideration of a new question.

Senator HARRIS. Are you aware that numerous experts, including Census Bureau Chief Scientist John Abowd and six former Census Bureau Directors from both political parties believe that the question on the citizenship issue will deter voluntary public participation in the 2020 Census? Are you aware that that is their position?

Mr. DILLINGHAM. Senator, I have only access to public information, but I have seen the public analysis and the presentation of options that were part of the decisionmaking. I am aware that there is a number of views with regard to the possible impacts, as well as to whether or not——

Senator HARRIS. Sir, I am sorry. I only have a minute and a half left.

Mr. DILLINGHAM. Yes. I am aware.

Senator HARRIS. So the point here is that there are a number of views, perhaps, but the views of the Census Bureau Chief Scientist and six former Census Bureau Directors, bipartisan group, both political parties, have serious concerns about this question?

So knowing that, are you also aware that the Census Bureau has failed to conduct a contemporaneous, targeted research and testing on the effect of this question?

What I am just trying to really understand is, What is your perspective on that? Are you concerned at all about that?

Mr. DILLINGHAM. Senator, I am concerned with all questions and particularly in the Decennial Census and the need to get the complete and accurate information and will continue to look at potential impacts and do the analysis to see if there is unexpected impacts or detrimental impacts to a complete and accurate Census, that we address those in other ways.

Senator HARRIS. Do you believe that that question in particular should be tested before it is included in a Census that will leave us with information that we will rely on for the next 10 years, and so the accuracy of that information obviously will have an impact

for the next decade in our country? Do you believe it should be tested before we do that?

Mr. DILLINGHAM. Senator, if confirmed, I would certainly confer with the experts at the Census Bureau and talk to the analysts that you mentioned as well as others in determining their best views on that topic.

Senator HARRIS. Thank you.

Chairman JOHNSON. Senator Hoeven.

OPENING STATEMENT OF SENATOR HOEVEN

Senator HOEVEN. Thank you, Mr. Chairman.

Dr. Dillingham, I chair the Indian Affairs Committee, and earlier, we held a hearing on the 2020 Census. Obviously, there are challenges with getting the accurate count everywhere but certainly on the reservation. So how do you intend to get the most accurate count? What steps are you going to take in regard to Indian Country?

Mr. DILLINGHAM. Senator, I appreciate that question. It is a very good question, and it is a question that has a great deal of interest within the Census Bureau and one for which there has been considerable planning.

In your State, I understand there are certain outreach activities that might be required that may not in many other States, particularly with Native Americans and other groups that are hard to reach.

There has been a comprehensive partnership plan. This morning, I was reading over the statement by the Secretary to Latino groups in which he addressed many of these issues, pointing out that there has been record speed in the hiring for the partnership specialists who work with those groups and sometimes are members of those groups who help encourage the best way to get those groups to complete their Census.

But there is a number of other technologies that might come into play. I understand that some of these outreach activities may occur in an environment in which Internet access is limited and that sort of thing.

So I pledge to be briefed on it and see what activities and what thinking and what plans are in place and to keep this Committee apprised and updated.

Senator HOEVEN. Well, you kind of went to my next question. Of course, that is use of Internet.

People do not realize the incredible diversity when we talk about Indian Country. You have some very urban tribes; for example, Agua Caliente in California, in the Palm Springs area, very urban. But then in States like mine and others, you have some very rural areas. So you are going to have to address both.

You talked about the Internet. Great point. There are places, of course, again, in rural America where that is going to be challenging, and I know you want to use the Internet more as part of your Census efforts.

So I think you are going to have to have clear strategies to address the diversity of areas that you are going to be dealing with, and I hope you are looking at it in that context.

Mr. DILLINGHAM. Certainly, Senator, and if confirmed, I will look even much further at it.

Senator HOEVEN. All right. Mr. Kubayanda, talk about your view of the Postal Service's universal service obligation. This goes to the same question I was just asking Dr. Dillingham.

Universal service. We need to cover everybody, right? Let us talk about that for a minute.

Mr. KUBAYANDA. Yes, Senator. The universal service obligation is the cornerstone of postal policy. I think it is basically the reason that we have a public sector postal provider, and it goes back to the reason that the Postal Service was recognized in the Constitution in the first place.

So I think further defining universal service and working with the Commissioners and working with Congress to fine-tune the definition of universal service in the modern era will be among my highest priorities if confirmed.

Senator HOEVEN. How do you evaluate keeping rural post offices and processing facilities open relative to your cost challenges?

Mr. KUBAYANDA. One of the issues that the Commission considers in a number of different formats, as I mentioned, specific post office closings can be appealed to the Commission.

Regarding the processing network, changes that affect service on a nationwide basis are issues that the Commission weighs in on in advisory opinion reports to the Postal Service, and the Commission has made some recommendations to Congress about requiring the Postal Service to respond to those advisory reports. And I think that is something worthy of consideration.

I think that, as I mentioned, universal service is the cornerstone of public policy, and the reason that we have a universal service obligation is to make sure communities that otherwise would not be served purely on a commercial basis get that service.

The importance of rural communities cannot be overstated with relevance to the universal service obligation.

Senator HOEVEN. Before you get into making decisions about closing or moving post offices or closing or moving processing centers, are you willing to come out and visit rural areas like areas in my State to get a firsthand knowledge of what the situation is there and listen to the people?

Mr. KUBAYANDA. Yes. If confirmed, I would love to do that.

Senator HOEVEN. All right. Thank you very much.

Thank you, Mr. Chairman.

Chairman JOHNSON. Before we move on to Senator Jones, Senator Carper would like to acknowledge a couple of people from the audience.

Senator CARPER. Thanks so much.

We have people come and go that service the Census and PRC. We also have folks who come and go and serve on our committees and subcommittees.

I think maybe the most enduring Subcommittee in the Senate is the Permanent Subcommittee on Investigations, and there are two folks who have come to us as details and now return to work in the Postal IG's office. One of them is Felicia Hawkins. I am going to ask her just to stand up briefly and remain standing. She is sitting next to Alex Fisk. Alex has returned to OIG, I think, at Postal

Service a couple years ago, and I just want to say thank you very much for your continued service to our country. We are going to miss you guys. Thanks so much.

Thank you, Mr. Chairman.

Chairman JOHNSON. Thank you for your service. Senator Jones.

OPENING STATEMENT OF SENATOR JONES

Senator JONES. Does that 30 seconds go against me?

Chairman JOHNSON. You got the full 7 minutes. [Laughter.]

Senator JONES. Thank you, Mr. Chairman, and thank you to both nominees for your willingness to be here and for your service. I really appreciate it.

Dr. Dillingham, I want to ask a couple questions about the Census. You answered Senator Hoeven's questions. I had very similar questions about rural America because 55 out of my 67 counties are rural. So I would appreciate being updated and continuing to be updated on how we are going to reach them because there are so many that are also not served by the Internet, and it is going to be a real problem.

The other area that—statistics I have seen show that coverage of adults by the Census has improved a good bit since 1980, but there is still a net undercount of young children. And that has been increasing. According to the Census Bureau's own data, the 2010 Census missed a million children under the age of 5. Because there is so much that depends on the Census count, whether it is for congressional seats or for Federal funds such as Head Start, Medicare, school lunch programs and all.

Have you looked at or thought about how we can work to make sure that the undercounting of children starts going down and we can get an accurate count of all the children in America, not just the adults?

Mr. DILLINGHAM. Senator, thank you so much, particularly on, first of all, your outreach question. I understand the geography of your State is quite diverse, and you have both the urban and the rural areas, and probably on football day, you have shifts in populations.

Senator JONES. Yes. They are concentrated in Alabama and Auburn, on those days. [Laughter.]

Mr. DILLINGHAM. Senator, but on the undercount of the youth, it is my understanding from the publicly available information that the Census Bureau has studied this to date at great length, probably more studies to be done, and in fact, some of the questions have been revised over time. Particularly I think with the grandchildren question, there was some revision and improvement.

So there is training of the people assisting with the Decennial Census, and certainly, some people that use the telephone option, etc., there is extensive trainings where they can probe and help to complete the Census and prevent that undercount. But I know it has been targeted as an issue that needs to be addressed. If confirmed, I will certainly be briefed on it and report back to this Committee our progress.

Senator JONES. Great. Well, thank you very much for that.

Also, a report from the GAO in 2017 placed the 2020 Census on its high-risk list, and I think you have already mentioned the systems, the IT systems, and the cybersecurity readiness.

Are you convinced—we are now less than 2 years away from the 2020 Census—that the Bureau has addressed those GAO concerns and their reservations and is ready to start executing the Internet-based 2020 Census with—I will not say glitch-free, but with minor glitches?

Mr. DILLINGHAM. Senator, that is another excellent question.

From public information and from observing the briefings that were public briefings recently as well as public materials, significant process has been made.

The end-to-end test in Rhode Island, for example, there was significant process. I think Secretary of Commerce mentioned that yesterday to one of the national groups that he was addressing.

The integration of the information technology systems are very important, and in that particular test, there was a general agreement that the 44 systems that were sort of being tested as part of the end-to-end test in Rhode Island performed very well.

But I share with you the concern to make sure that it continues to perform well and that we are well prepared in 2020 for the national application of the various systems within the Census Bureau.

Senator JONES. Great. Well, thank you very much.

Mr. Kubayanda, I have been somewhat vocal about opposition to privatizing the Postal Service. I know it has been a hot topic for a long time, and this Administration has raised it once again.

I would like to get your thoughts, just general thoughts as you sit here as a nominee, on privatizing the United States Postal Service.

Mr. KUBAYANDA. The Administration has not put out a detailed proposal yet, as you know.

I think it is important that if I am confirmed I keep an open mind on potential solutions to the Postal Service's problems.

I would in general have some concerns about privatization. I think there is a very difficult balance in preserving universal service to all American communities while making the investment opportunity attractive enough for investors. It is a hard thing to do, I think, in the American context because of the size of our country and the vastness of it.

So I would have some concerns about how to achieve that balance and whether that is possible. So far, I have not seen anything that details exactly how to achieve that balance.

Senator JONES. All right. You really struck the right chord that I was hoping. Achieving that balance is going to be I think the real key, if it is even possible to do that.

So, with that, I did not even need that extra 30 seconds, Mr. Chairman.

Thank you very much to both of you. Thank you.

Chairman JOHNSON. You used the time well. Senator McCaskill.

Senator MCCASKILL. Dr. Dillingham, I am really concerned about cybersecurity.

Mr. DILLINGHAM. Yes.

Senator MCCASKILL. If we had a breach of Census data, it would permanently affect the capability of this country to gather essential data in the future, and I think many Americans do not realize how important that data is in terms of many decisions that directly impact their lives.

The Chairman and I have been part of briefings on what our government is doing, both through DHS and the Department of Defense (DOD) and other agencies, but primarily those two in terms of our cybersecurity mission in this country for both economic security as it relates to national security and also things like election security and just combating the cyber wars that have been committed against us.

I would ask you as to what you think you need to do immediately since GAO has identified high-risk issues at Census.

We are told by the staff that it is going to begin this coming spring. I am trying to figure out why we are waiting until next spring. We have the capability within DHS and DOD right now, if they are assigned the mission by this Administration, to do all-hands-on immediately to make sure that the steps have been taken to make the system secure.

Mr. DILLINGHAM. Ranking Member, that is an excellent question. It is one I think is foremost on probably all the members' minds as well as others throughout the government and the American public, and that is how well can we protect the privacy of individuals, the confidentiality of information, and to prevent some of the cybersecurity risk that you identified.

I only have access to the public information and have not received some of the briefings that I am sure this Committee has, but as you pointed out, the Census Bureau welcomes the involvement and the relationships and collaboration with the other agencies you mentioned and the intelligence agencies and those with expertise in this area.

I am informed generally from publicly available information that significant process is under way. That also some of the best talents even from the private sector is being brought to bear on this issue.

But it is an issue we have to remain vigilant about, and I think in government and the private sector, with all these important datasets, the security is foremost in everyone's mind.

What I would do, Senator, is to probably be read into some of the specifics that you mentioned and would like to be briefed on this.

Generally, I will say that from the management reviews that have been conducted, the Census Bureau is reporting their progress and their confidence in many of the security protections being put into place—the encryption, putting the data immediately behind the wall in the vault. All these things, I think contribute to the safety of the data, yet we still need to make sure that we have the plans in place as well as the resources to accomplish that mission.

Senator MCCASKILL. Well, I would think one of your first tasks would be to sit down with Cyber Command at DOD and with the appropriate personnel at DHS and ask them how best to move forward, for them to come in and do their own independent analysis of the safety. So that if there are problems, we do not have to wait

until midyear next year to get them solved, and I will look forward to hearing back from you on that.

Mr. Kubayanda, do you support cuts to USPS mail delivery service or the number of delivery days?

Mr. KUBAYANDA. Those are issues primarily for the Postal Service Board of Governors. However, to the extent that they impact service, that is something that we need to oversee and weigh with an open mind.

Senator MCCASKILL. So, in other words, you do not know?

Mr. KUBAYANDA. Yes. Until I am presented with a specific issue, if confirmed, it is hard to weigh in on the specifics.

Senator MCCASKILL. Well, I got to tell you, I respectfully disagree. I think you have to come to this job deciding whether or not you think the number of delivery days, it can be cut back, whether the universal service obligation means the same service for someone in a rural community as it does for someone who lives in an urban area or if somehow universal has two different definitions.

I do not see how a service obligation that is universal has one standard for people who live in the city and another standard for people who live in the country. So I would ask you to reconsider your uncertainty in that area and determine what is the definition of a universal service obligation. Is it different, depending on where you live?

I think that is, frankly, hard to reconcile, and I am disappointed that at this point are not willing to express that clearly.

Mr. KUBAYANDA. I do think rural and urban communities need to receive the same level of service. I think that is clearly an element of universal service. What exactly that service looks like is something that, if confirmed, I would work with you and with my fellow commissioners to look at very closely. I think we need to further define universal service going forward.

Senator MCCASKILL. One of my constant harangues with the Postal Service is the co-op petition arrangements with its direct competitors. I have said over and over again that it is a weird business model where you give a good deal to your competitors for the most expensive part of your operation.

I know the pressure on volume. It is concerning to me that the Postal Service is charging—whether they are charging United Parcel Service (UPS) and Federal Express (FedEx) as much as it could.

The Postal Service has refused to comply with my request for copies of the contracts. "Trust us" is what they have told us.

I understand the Postal Regulatory Commission has confirmed that most of the time, these agreements at least cover costs, but that is not really the issue. Whether or not they cover costs should not be the measure. It is whether or not they are in the best interest financially of the Postal Service.

I have had one of the companies actually tell me outside of this hearing room that the Postal Service has no idea whether or not they are maximizing profits off these agreements, and this is coming from the one that is getting the good end of the deal.

So you share my concern that the Postal Service may not be getting the best deal available in their rush toward their concern on volume and not toward profitability?

Mr. KUBAYANDA. That is a very important concern, and it is something that, if confirmed, I would want to take a look at.

I am one of the many people who have not seen those contracts myself, and so it is hard for me to state what exactly could be in them. But, if confirmed, that will be a top priority.

Senator MCCASKILL. Will they let you look at them once you are confirmed?

Mr. KUBAYANDA. I believe so.

Senator MCCASKILL. Well, that would be good.

Mr. KUBAYANDA. Yes.

Senator MCCASKILL. They sure will not let anybody else see them, which is weird to me. It would be one thing if they could say, "Well, we are making money on it, and we do not want to show you because we do not want to expose to one competitor the money we are making off the other one." But they will not make representations if they are making money off of it. So what we are doing is we are upping the profitability of our competitor. It is just bizarre. Only in government does this happen.

So I would look forward to you getting back to me on that, and that is all of my questions.

Chairman JOHNSON. Thank you, Senator McCaskill.

By the way, I will reinforce the point you just made that it has been very difficult to get information out of the Postal Service, and if you are going to solve this problem, you need accurate information. That is why it took me quite a few years just to put together a relatively simplified income statement to kind of get a grasp on what is pulling off here.

When it comes to urban rural, again, a piece of information that I would hope the task force develops, just so we know, to what extent are urban customers subsidizing the service within rural? Not saying that they should, not saying that it should not be completely identical service. A piece of information we ought to have is to what extent does that cost the Postal Service money. Again, just basic information to be able to take a look and solve a problem.

Other information I want to talk about, other than ask you to work with us, if confirmed to the Postal Regulatory Commission, to get this information, but one of the things I have been looking at, when you look at the profitability, to what extent has the Postal Service increased its prices relative to competition?

The information we have gleaned, not from the post office, but from the PRC, is on parcel. This is both ground and air. Both UPS and FedEx have increased prices since 2007, a pretty narrow band. Some are between 76 and 89 percent. On parcel for the Postal Service, they have increased prices somewhere between 50 and 88 percent. So, on the top band, they are relatively competitive, but on the lower band, about 50 percent.

What is actually pretty remarkable is on first class, where they have a monopoly market—let us face it, monopolies have the ability to raise prices regardless—only increased prices about 16 to 17 percent since 2008. Do you want to just make that commitment to help to work with us to get this information? Do you have any comments on that? I know we spoke about this in my office a couple of days ago.

Mr. KUBAYANDA. I think that obviously many areas of pricing are within the purview of the Commission in an oversight role, and that is something I want to take a look at closely.

We have some vehicles. The Commission does have some vehicles to make recommendations to Congress as well, if any legislative changes are merited, and so that is something I will work with you to take a look at.

Chairman JOHNSON. Do you think looking within the private sector, where there is competitive situations, is that a relevant comparison?

Mr. KUBAYANDA. Absolutely. I think it is a very relevant comparison.

Chairman JOHNSON. Mr. Dillingham, when we talked—again, I think you have seen the GAO reports, correct?

Mr. DILLINGHAM. Yes, sir.

Chairman JOHNSON. There are many issues facing this Census. They are held over from many years ago that you are going to have to be dealing with.

The good news is some progress has been made, but there is still a lot of outstanding issues. When we spoke, one of my biggest concerns, having traveled around Wisconsin for the last 7.5 years, not one manufacturing plant, cannot hire enough people. I would say there is not one main street in Wisconsin that you can go down where there are not Help Wanted signs in just about every business front window.

We are at 3.9 percent unemployment nationally. Wisconsin is less than 3 percent. I think hiring the people you are going to need, the enumerators, is going to be real challenging.

By the way, maybe one of the incentives, you can talk about how being enumerated can lead to being Commerce Secretary. That is kind of an interesting comment.

But can you just speak to really the challenge of hiring the workforce you are going to need to be able to take the Census?

Mr. DILLINGHAM. Mr. Chairman, thank you for asking that question. It is again foremost on many minds.

It certainly will be. The hiring of the enumerators during the Decennial Census and to conducting it has been described as the largest employment program since World War II, and when you are hiring, even on a temporary basis, hundreds of thousands of excavation, it is a mammoth responsibility.

I am informed from public information that the plans are there. Progress is being made, and it appears to be at this time on schedule.

However, as you point out, we are in a different economy these days, and it could be that some of the planning may need revision as we learn more, and there may be a need for sort of innovative thinking.

Some of the things you pointed out—and I have sitting here next to me someone from the Postal Service—what is the potential role of the Postal Service? I know that has been discussed and studied many times, but there are other groups that may be available.

I have here today the Director of the Peace Corps, and they have return Peace Corps volunteers that may be looking for employment. And they may well be positioned.

And I just point to those by way of example, but I do think it would be very important to identify groups that may be ready, willing, and able to assist with enumeration and then figure out how quickly they can be brought on board.

Chairman JOHNSON. You are going to have to pull out all the stops and use your imagination. I think that is a good idea.

Listen, there have been a number of issues raised. I want to associate myself with Senator Lankford looking at the use of the IRS, and that could be through electronic filing, making sure the forms are identical, and then it could be just a voluntary system. So there are many things you can do.

Certainly, I have raised the issue of the overall cost, cost per household. We have raised the citizenship questions, as I knew we would.

If confirmed, let me repeat what I said in the opening, though. Eighteen months before this begins, there are so many challenges you need to overcome. We just talked about the hiring. I really do want you to focus on that issue. How do we take the Census? How do we get the highest response rate? How do we get the greatest deal of accuracy?

And then following the Census, then really start turning your attention to these other issues, but we have to do it right away. We do not want to wait, again, 2 or 3 years before this and then it is too late, and we have all these problems. I really hope you organize your managerial emphasis, your priorities. Let us get the Census taken, but as soon as that is done, we start moving into making the 2030 Census far more efficient, utilizing all the opportunities we have, whether it is the IRS, where there is greater technology, start bringing down these costs. This really ridiculous.

Again, thank you for your willingness to serve.

Senator Daines, you have some questions.

OPENING STATEMENT OF SENATOR DAINES

Senator DAINES. Thank you, Mr. Chairman.

It has been discussed a lot today about citizenship in the 2020 Census. Before we get into my questions, I want to thank both of the nominees for coming here today and for your willingness to serve our Country in these very important capacities.

Dr. Dillingham, as you know, the Census data is critical. It is a valuable tool utilized by all levels of government, by academia, as well as the private sector. I believe your firsthand experience and background in all these areas would serve you well in leading the Census Bureau.

You mentioned the importance of public service to your family and to yourself. Your wife and mother-in-law were public school teachers. Your daughter is currently teaching.

I can tell you my wife, Cindy, has a degree in elementary education. She has taught. My daughter graduated with a degree in elementary education. So I appreciate how important our teachers are. I live it every day to the next generation, as do you.

I want to talk about, though, this issue of citizenship in the 2020 Census. This data is so important, as we have worked to develop policies for our Country, having an understanding of something as

fundamental as how many citizens and noncitizens are in the Country. I think that is essential.

In fact, it was Thomas Jefferson, the first Director of the Census, back in 1790. He suggested keeping track of citizenship status because it enables a more detailed view of the makeup of our Country, and I agree with that. I do not think that is an unreasonable position to take.

We must make sure the taxpayer dollars are distributed fairly and that U.S. citizens are properly represented in Congress. Of course, while the Census counts each resident of the Country, my job is to represent the citizens of Montana and to ensure the citizens-of-Montana's voice is heard here in Washington, DC. I believe citizens in Montana should have more of a say in Washington, DC., than illegal immigrants harboring in sanctuary cities across the country. And having a breakdown of citizens and noncitizens in our Country is common sense, especially given the millions of illegal immigrants who are in our Country today.

Dr. Dillingham, do we know how many citizens we currently have in the United States?

Mr. DILLINGHAM. Senator, that is an excellent question. It is one that many people are interested in.

We do collect, currently, information on citizenship through the American Community Survey. It was inserted again, at least that is the plan, for the Decennial Census as well.

Senator DAINES. So are these surveys as accurate as the Census?

Mr. DILLINGHAM. Senator, I think that they are very accurate surveys depending on their methodology, and I do think that is a consideration beyond the decision to add it to the Decennial Census is to get one more measure. And then, of course, the experts in the Census Bureau can look at it and try to determine if this results in a more accurate measurement.

Senator DAINES. Would not the best data come from the Census if we were able to determine citizens and noncitizens through the Census?

Mr. DILLINGHAM. Senator, it certainly would provide another measure of citizenship.

Senator DAINES. Do you support including a citizenship question in the Census, and if so, what benefits might come of it?

Mr. DILLINGHAM. Senator, I have no plans to voice an opinion on that question. I think it would not be advisable in my position, if I am confirmed to be the Director of the Census Bureau.

The decision, as I understand, it will be determined by the courts, and it would be my responsibility, if confirmed, to administer the Decennial Census in accordance and consistent with that judicial decision. So it would be problematic, I think, to take a public position on that question.

Senator DAINES. Like the Chairman of this Committee, I spent my career in the private sector before coming to Capitol Hill. I have an engineering background, taught to solve problems, look at numbers, view the world through a quantitative lens when possible, and I do believe having additional data on something as fundamental as citizenship could help Congress better understand the makeup of our States and assist us in making better policies.

Dr. Dillingham, Montana is home to 12 federally recognized tribes, and the State recognized Little Shell Tribe, each which are a fundamental part of our State and our Nation's history. Historically, Native Americans have been undercounted in the Census.

Under your leadership, how will the Census Bureau engage with Indian tribes such as those in Montana to ensure an accurate population count and proper representation?

Mr. DILLINGHAM. Senator, I understand, particularly with the geography of Montana and the dozen tribes that you said are within that State, that it is quite a challenge that needs to be met.

So the outreach activities alluded to earlier in this hearing and the partnership activities are very much a part of that equation.

In some instances, that we actually hire partnership specialists sometimes from the tribal communities to participate and assist in the outreach to those communities.

At the same time, we just deploy all of our technologies in terms of mapping, etc., to assist in this process. There are communication strategies, but some of those communication strategies—for example, the media campaigns and stuff may not reach adequately some of the populations that you are concerned with.

So what I can assure you is that this is being examined. This is being looked at. We hope that by achieving efficiencies in one area, for example, the electronic responses, that maybe some of those resources can be deployed to the hard-to-reach populations and the hard-to-count populations. We would be glad to work with you and other Members of this Committee because there are many States that to differing degrees that have that challenge.

Senator DAINES. Dr. Dillingham, you brought up the remote nature of parts of Montana and Indian Country and just the rural culture that we have.

I want to switch gears before I run out of time here and ask a question of Mr. Kubayanda. The Postal Service is critical to rural communities in Montana. When you think about the Postal Service, when you live a long ways away from town, you do not go into town to get your prescription medications. The Postal Service comes to you to deliver that, and oftentimes, weather challenges and so forth, the rural postal delivery is critically important.

I am concerned the challenges that the organization continues to face that will lead to USPS failing to meet its commitment to Montanans particularly in our rural areas.

As you know, the Board of Governors for the Postal Service still has an inadequate number of members. In November of last year, I joined in a letter to the Administration urging them to move quickly in nominating qualified members.

My question is, Could you discuss the difficulties you foresee in working with a board of Governors that remains significantly understaffed?

Mr. KUBAYANDA. If confirmed, I look forward to sitting down with the two new Governors who have been confirmed, but I think it is important that the board is filled for a number of reasons. It is really difficult for the Postal Service to engage in sort of the long-term planning that a lot of us have called for in the postal community without knowing what the new potential Governors, what direction they might go in, and I think there are certain re-

sponsibilities that the board dwindled and lost their quorum, they enacted some procedures so they could function sort of in a skeletal way. But I think having a fully functional board that is fully staffed will be absolutely critical going forward as we lay all these important issues on the table for the Postal Service.

Senator DAINES. Thank you.

Chairman JOHNSON. Thank you, Senator Daines.

Again, I want to thank the nominees and your families for your willingness to serve. These are important positions, and we certainly want to move these nominations through the process as quickly as possible.

The nominees have made financial disclosures and provided responses to biographical and prehearing questions submitted by the Committee. Without objection, this information will be made part of the hearing record,[1] with the exception of the financial data, which are on file and available for public inspection in the Committee's offices.[2]

The hearing record will remain open until noon tomorrow, October 4, with the submission of statements and questions for the record.

This hearing is adjourned.

[Whereupon, at 11:39 a.m., the Committee was adjourned.]

[1] The information submitted by Mr. Dillingham appears in the Appendix on page 40.
[2] The information submitted by Mr. Kubayanda appears in the Appendix on page 121.

APPENDIX

"The Nominations of Dr. Steven Dillingham to be Director, U.S. Census Bureau, and Michael Kubayanda to be Commissioner, Postal Regulatory Commission"

Opening Statement of Chairman Ron Johnson
October 3, 2018

As prepared for delivery:

Today, the Committee will consider the nominations for two important positions, the Director of the U.S. Census Bureau and a Commissioner of the Postal Regulatory Commission.

The Census Bureau Director is responsible for carrying out the Bureau's mission to collect and publish statistics about the United States. The most significant program at the Bureau is the decennial census, required by the Constitution to count the population of the United States for the purpose of determining Congressional representation. Managing the decennial census is a monumental task. The Census Bureau will need to hire nearly 500,000 temporary employees and establish regional offices to support 2020 Census operations. The Bureau will also actively engage with thousands of contractors to ensure critical information technology systems are ready and secure in time for 2020 Census operations. The Bureau and other governmental partners will have to work closely to mitigate the risk of bad actors manipulating Census results or attacking public trust in this critical civic activity.

In addition to overseeing the 2020 Census, the next Census Director will be responsible for the Bureau's other periodic censuses and surveys of the American people and economy, including the American Community Survey, the Economic Census, and the Annual Survey of Manufacturers.

The Postal Regulatory Commission is an independent agency responsible for regulating the United States Postal Service. The Commission limits price increases on market dominant products, or those for which the Postal Service has a legal or natural monopoly, and ensures that competitive products are priced according to law. The Commission also reviews Postal Service compliance with laws to protect postal services for the American people.

President Trump has nominated two well-qualified candidates to serve in these positions. Dr. Steven Dillingham currently serves as the Director of Strategic Information, Research and Planning for the Peace Corps. He has an over 40-year career in federal government and policy research, including serving as the Director of two federal statistical agencies—the Bureau of Transportation Statistics and the Bureau of Justice Statistics.

Michael Kubayanda currently serves as the Privacy Officer and Board Member for *access.mobile International*, an electronic health services technology startup serving communities in the United States and Africa. He previously worked for the United States Postal Service Office of Inspector General, House Committee on Oversight and Government Reform, and the United States Postal Service.

I thank both of the nominees and your families for your willingness to serve and for joining us today.

U.S. Senate Committee on Homeland Security and Governmental Affairs
Nomination of Steven D. Dillingham to be Director
of the Census Bureau
and
Michael M. Kubayanda to be Member of the
Postal Regulatory Commission

October 3, 2018
Ranking Member Claire McCaskill

Opening Statement

Thank you, Chairman Johnson.

At today's hearing, we will consider nominees for two very important positions.

Steven Dillingham is nominated to be the Director of the Census Bureau. Welcome, Dr. Dillingham. The Census is one of the oldest and most important functions of the federal government, and we have a responsibility to ensure that it is done as well and as thoroughly as possible, but also that it is done at a responsible cost. You come to us with a long career in public service and the private sector, and I appreciate your willingness to continue to serve.

The Census Bureau is approaching the most critical period of the ten-year Census cycle, and problems with our preparedness for the Census need to be addressed sooner rather than later. We need to be sure that the Bureau is ready and that the preparations, the systems, and the budget are all in place to make this

Census successful. I'm looking forward to hearing from you today about how you plan to do that.

One of the most important issues I hope you will address is the question of data security and public confidence in the Bureau. Since 1954, Title 13 of the U.S. Code has required that the Census Bureau protect the personal information that Americans share with the Bureau every ten years. Americans need to be able to trust that the Census Bureau will protect their private information, and the Census Bureau needs that trust to be able to do its job properly. Cybersecurity in particular is a concern of mine, and there are real questions about how prepared the Bureau is to safeguard Americans' information against cyberattacks. I look forward to hearing from you today about how you will address those problems and secure Census data as the law requires.

I will also be interested in hearing from you about your plans to improve the Census Bureau's outreach to hard to count populations. The Census has an obligation to count everyone in the country, and that means that we need a robust program of outreach to connect with populations in rural areas and other areas that are hard to reach. It also means that we need a plan to build confidence among people who are nervous about the Census and to help those people understand the importance and the safety of participating in the count. I'm pleased to know that you are committed to this vital part of the Census Bureau's mission, and I'm

looking forward to hearing about your plans to improve the Bureau's partnerships and outreach to those hard to count populations.

Mr. Kubayanda, I'm also glad to see you. The Postal Regulatory Commission is an important part of the regulation of the Postal Service, and an especially important part of ensuring that the Postal Service continues to provide reliable and affordable service to the entire country.

You come to us with a long record of public service, and a particularly impressive expertise in postal issues. I understand that you left the Postal Service Inspector General's office three years ago, and I thank you for your willingness to return to public service.

I'll be especially interested in hearing from you today about an issue of concern to many of my constituents in Missouri, which is the quality of rural mail service, and the threat of post office closures. I hear from people in Missouri all the time about increasing service delays that are causing problems for small businesses, costing people money in late fees, and increasing their frustration with the postal service. The universal service obligation is one of the most important duties of the Postal Service, and I hope to hear from you about what you think should be done to safeguard and improve the quality of mail service in rural and other areas.

We also need to address the financial condition of the Postal Service. The Postal Service has experienced eleven consecutive years of net losses, and its accumulated net losses total more than $65 billion. This deficit is a threat to the future of the Postal Service, and to its ability to continue providing service to the entire country. I hope to hear from you about how you expect to deal with this longstanding problem in a way that preserves the American people's ability to rely on affordable and universal postal delivery.

Again, thank you both for being here today, and I look forward to your testimony.

OPENING STATEMENT OF STEVEN DILLINGHAM

Mr. Chairman, Ranking Member and Committee Members, I would like to share with you an experience some years ago, when my wife Kimberly and daughter Abigail joined me for my confirmation hearing to be Director of the Bureau of Justice Statistics. That hearing was before the Senate Judiciary Committee chaired by the Honorable Joe Biden. As he lifted his gavel to close the hearing, my infant daughter began to cry. Senator Biden smiled and remarked, "Let the record show that Abigail has the last word." While quite memorable, we will not have a repeat performance today.

Let me begin by acknowledging the importance of public service to my family and me. My wife has been a part-time social worker and public school teacher. Her mother also was a school teacher. My daughter is a public school teacher. She saves her money to support her summer travels as a volunteer teacher in villages of developing countries, including in Southeast Asia, Central America and Africa. My father entered military service at age 17 during World War II and retired from the enlisted ranks more than two decades later. He named his three sons for military leaders for whom he served during two wars. My father-in-law retired as a Lt. General following his distinguished career of more than three decades as a leading defense strategist and analyst. The Air Force annually bestows a prestigious leadership award in his honor. In our household, public service is a noble family tradition.

It is an honor to appear before you and to be considered for this position of public trust. I am grateful to President Trump, Secretary Ross and Under Secretary Kelley, and all who support my nomination. I particularly thank Members of this Committee for your consideration. If confirmed, I pledge to serve with the professionalism and integrity that you expect and the nation deserves.

My commitment to public service background includes directing two Federal statistical agencies and several research offices. I also have been a manager in large and small businesses, non-profits, and universities. My management and research experience ranges from enforcing whistleblower protections to analyzing program results. Historically, the talents and experiences of Bureau Directors have served them well. If confirmed, I think mine will as well.

I understand that challenges facing the Bureau and its incoming Director are numerous and difficult, and the 2020 Decennial Census presents an immediate need. If confirmed, I will be dedicated to ensuring that the workforce is ready, willing and able to accomplish the Bureau's mission as the leading provider of quality information on the nation's people and economy. I am mindful of the need to work with this Committee, the Government Accountability Office, the Office of Inspector General, and others to be successful. I will support a workforce committed to mission, principles and accountability.

If confirmed, my focus areas will include:

1) *Achieving results.* I am committed to providing Bureau leadership in fulfilling the Bureau's mission and performing its constitutional and statutory responsibilities for conducting censuses and surveys, while mitigating risks;

2) *Encouraging and maintaining organizational and professional integrity.* I pledge to support a Federal statistical agency culture of principles and practices grounded in relevance to policy issues, credibility among data users, trust among data providers, and independence from improper influences;

3) *Fostering workforce excellence.* I will lead efforts to support an engaged and diverse workforce that provides quality products and services, bolsters employee morale, and is recognized for professionalism and performance.

Let me provide a personal perspective on the importance of data collection. A decade ago, I volunteered for civilian service in Iraq as part of a US led initiative to restore peace, rebuild the Nation's government and economy, and establish the rule of law. One of my duties was to assist with strategic planning and establishing a system of data collection, including for Iraq's justice system, under challenging and often unsafe conditions. The effort involved the compilation of data in provinces and its physical delivery to the Justice Ministry in Baghdad, which was a target of car bombings and other attacks. Iraqi officials would risk life and limb traveling in unsafe and hazardous conditions across deserts stretching hundreds of miles to deliver this data. At the Justice Ministry, an office staffed with dedicated Iraqi women professionally compiled and reported the data. On my final visit to that office, the Iraqi female officials proudly presented their miraculously published statistical results. Then, in contravention of custom, they all shook our hands.

Accurate data is an essential underpinning for representative and responsive government, as well as a thriving economy. While the Census Bureau faces challenges, I know that it has the talent and commitment for meeting them. I hope that you find me worthy to contribute. I look forward to your questions.

REDACTED

HSGAC BIOGRAPHICAL QUESTIONS FOR EXECUTIVE NOMINEES

1. Basic Biographical Information

Please provide the following information.

Position to Which You Have Been Nominated	
Name of Position	**Date of Nomination**
Director, Bureau of the Census, US Dept. of Commerce	2018

Current Legal Name			
First Name	**Middle Name**	**Last Name**	**Suffix**
Steven	Dean	Dillingham	

Addresses					
Residential Address (do not include street address)			**Office Address** (include street address)		
[redacted]			Street: Peace Corps, 1111 20th Street, NW		
City: *Alexandria*	**State:** *VA*	**Zip:** *22314*	**City:** Washington	**State:** *DC*	**Zip:** *20526*

Other Names Used						
First Name	Middle Name	Last Name	Suffix	Check if Maiden Name	Name Used From (Month/Year) (Check box if estimate)	Name Used To (Month/Year) (Check box if estimate)
none					Est ☐	Est ☐

Birth Year and Place	
Year of Birth (Do not include month and day.)	Place of Birth
1952	Orangeburg, SC

Marital Status					
Check All That Describe Your Current Situation:					
Never Married	Married	Separated	Annulled	Divorced	Widowed
☐	X☐	☐	☐	☐	☐

Spouse's Name (current spouse only)			
Spouse's First Name	Spouse's Middle Name	Spouse's Last Name	Spouse's Suffix
Kimberly	Kent	Dillingham	

Spouse's Other Names Used (current spouse only)						
First Name	**Middle Name**	**Last Name**	**Suffix**	**Check if Maiden Name**	**Name Used From** (Month/Year) (Check box if estimate)	**Name Used To** (Month/Year) (Check box if estimate)
none					Est ☐	Est ☐

Children's Names (if over 18)			
First Name	**Middle Name**	**Last Name**	**Suffix**
Abigail	Kent	Dillingham	

2. Education

List all post-secondary schools attended.

Name of School	**Type of School** (vocational/ technical/trade school, college/ university/ military college, correspondence/ distance/ extension/ online school)	**Date Began School** (month/year) (check box if estimate)	**Date Ended School** (month/year) (check box if estimate) (check "present" box if still in school)	**Degree**	**Date Awarded**
George Mason University	university	Est ☐ Aug 2014	Est ☐ Present ☐ May 2016	n/a	
George Washington University	university (non-continuous enrollment)	Est ☐ 1998	Est ☐ Present ☐ 2005	M.B.A.	2005

Georgetown University	university	Est ☒ 1991	Est Present ☒ ☐ 1993	LL.M.	1993
University of South Carolina	university	Est ☐ 08/1973	Est Present ☐ ☐ 1987 (period includes Ph.D. completion)	Ph.D., M.P.A., J.D.	1987 1978 1976
Winthrop University	university	Est ☐ 07/1972	Est Present ☐ ☐ 05/1973	B.A.	1973
US Air Force Academy	university	Est ☐ 06/1970	Est Present ☐ ☐ 06/1972 (transferred to WU)	none	

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

Type of Employment (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other Federal employment, State Government (Non-Federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other	Name of Your Employer/ Assigned Duty Station	Most Recent Position Title/Rank	Location (City and State only)	Date Employment Began (month/year) (check box if estimate)	Date Employment Ended (month/year) (check box if estimate) (check "present" box if still employed)

Federal Employment	Peace Corps	Director, Office of Strategic Information, Research and Planning	Washington, DC	Est xo Mar 2018	Est xo present
Federal Employment	US Office of Personnel Management	Deputy General Counsel; and Director, Office of Strategy and Innovation	Washington, DC	Est x o June 2017	Est xo Mar 2018
State Government	George Mason University	Associate Registrar	Fairfax, VA	Est xo June 2014	Est xo June 2017
Federal Government	US Dept. of Transportation, FMCSA	Director, Office of Registration and Safety Information	Washington, DC	Est xo Apr 2012	Est xo June 2014
Federal Government	US Dept. of Transportation, RITA, Transportation Safety Institute	Director	Oklahoma City, OK	Est xo Sep 2010	Est xo Apr 2012
Federal Government	US Dept. of Transportation, RITA, Bureau of Transportation *Statistics*	Director BTS (also Senior Rule of Law Advisor during detail to *IRAQ)*	Washington, DC (and Baghdad, Iraq)	Est xo Jan 2007	Est xo Sep 2010
Federal Government	US Merit Systems Protection Board	Chief Counsel to Vice Chair	Washington, DC	Est x o May 2006	Est xo Jan 2007
Federal Government	US Dept. of Justice, Executive Off. For US Trustees	Director, Research and Planning; also Acting Dep. Dir	Washington, DC	Est x o Jan 2004	Est xo May 2006
Non-Government Employment	American Prosecutors Research Institute (APRI); also National District	Chief Administrator, APRI; Also Dep. Director, NDAA	Washington, DC	Est o Jan 2001	Est o Jan 2004

	Attorneys Association (NDAA)				
Federal Government	US House Comm. On Oversight and Government Reform	Subcommittee Counsel	Washington, DC	Est xD May 1999	Est xD Dec 2000
Non-Government Employment	George Mason University, Dept. of Government, International and Public Affairs	Asst. Professor (term appointment)	Fairfax, VA DC	Est xD Jan 1999	Est xD May 1999
Federal Government	US Dept. of Energy, Office, Office of Inspector General	Inspector (temporary appointment)	Washington, DC	Est xD Jan 1999	Est xD May 1999
Non-Government Employment	Koch Industries Inc. (KII)	Director, Public Affairs	Washington, DC	Est x D Dec 1997	Est xD Jan 1999
Federal Government	US Dept. of Energy, Office, Office of Inspector General (OIG)	Team Leader for Inspections	Washington, DC	Est xD 1996	Est xD Dec 1997
Federal Government	US Dept. of Energy, Office, Office of Contractor Employee Protection (reorganized to OIG)	Team Leader for Adjudications	Washington, DC	Est xD Dec 1992	Est xD 1996
Federal Government	US Dept. of Justice, Office of Justice Programs (OJP)	DOJ-OJP Acting Asst. Atty. Gen.; Director, Bureau of Justice *Statistics; Dep.* Director, Off. for Victims of Crime	Washington, DC	Est xD Aug 1988	Est xD Dec 1992

		(OVC); Dep. Dir., Office of Bureau of Justice Assistance (BJA).			
Non-Government Employment	Carter Goble Associates (while on unpaid leave from DOE)	Senior Associate	Washington, DC	Est x□ Aug 1987	Est x□ Aug 1988
Federal Government	Dept. of Energy, Office of General Counsel	Attorney Advisor	Washington, DC	Est x□ Aug 1986	Est x□ Aug 1988
Federal Government	US Office of Personnel Management (includes USC sabbatical time)	Attorney Advisor	Washington, DC	Est x□ Aug 1985	Est x□ Aug 1986
Federal Government	US Senate Committee on the Judiciary (during sabbatical from USC)	Counsel	Washington, DC	Est x□ Jan 1985	Est x□ Aug 1985
State Government	University of South Carolina	Faculty – Asst. Prof.	Columbia, SC	Est x□ Aug 1980	Est x□ 1986
State Government	SC Commission for the Blind	Residential Manager and consultant	Columbia, SC	Est x□ 1979	Est x□ 1980
State Government	SC Dept. of Corrections	Research analyst	Columbia, SC	Est x□ 1977	Est x□ 1979

State Government	USC Government & International Affairs Dept. (now Pol. Sci.). & USC Residential Life	Graduate teaching associate (1976-9) & residence hall advisor (1975-6)	Columbia, SC	Est x□ 1975	Est x□ 1979
Non- Government	Dillingham's Grocery and Service (family owned business)	Retail manager (intermittent)	Rock Hill, SC	Est x□ 1966	Est x□ 1974

(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

Name of Government Entity	Name of Position	Date Service Began (month/year) (check box if estimate)	Date Service Ended (month/year) (check box if estimate) (check "present" box if still serving)
none		Est □	Est □ Present □
		Est □	Est □ Present □

4. Potential Conflict of Interest

(A) Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated. None.

(B) Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration or execution of law or public policy, other than while in a federal government capacity. None.

5. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

Society of Human Resource Management Senior Certified Professional (SHRM-SCP) (2018)
Selected for the George Mason University Leadership Legacy Program (2015-2016).
Served on Federal Executive Board (in Oklahoma region) to coordinate Federal activity (2011).
Iraq Special Recognition & Service Awards from: Deputy Attorney General; DOT Sec. and Deputy Secretary (2009-2010).
Selected for Beta Gamma Sigma, graduate business school honor society (2005)
Selected for National Partnership Board (now Alumni Council), College of Arts and Sciences, USC (2002 - present)
Selected for USC Department of Political Science Advisory Board (2002 – present; currently inactive)
Outstanding Alumnus, College of Arts and Science, University of South Carolina, (2002)
Selected as Moot Court Judge, Georgetown University Law School (1994-96)
Certified Mediation Specialist, training required for S.C. Circuit Court certification (1994)
Outstanding Young Alumnus, University of South Carolina, (1993)
Attorney General's Outstanding Service Award (1992)
United States/ Department of Justice Representative at United Nations Inter-regional Crime Research Institute (UNICRI) meeting (1992)
Senate confirmation (unanimously) as Director, Bureau of Justice Statistics, DOJ (1990)
Assistant Attorney General's Outstanding Service Award (1989)
Outstanding Teaching Award, University of South Carolina (1983-1984)
Selected for Leadership South Carolina Program for business / government leaders (1981)
Offers of Appointment: USAFA, USMA, USNA (accepted USAFA) (1970)
Eagle Scout (1968)

6. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last 10 years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of $1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam's Club), or affinity memberships/consumer clubs (such as frequent flyer memberships).

Name of Organization	Dates of Your Membership (You may approximate.)	Position(s) Held
American Statistical Association	2018 - present	none
American Association for Public Opinion Research	2018 - present	none
American Association of Collegiate Registrars and Admissions Officers	2014 - 16	none
Southern Association of Collegiate Registrars and Admissions Officers	2014 - 16	none
Senior Executives Association	Periodically since 2008	none
Federal Executive Institute Alumni Association	Periodically since 2008	none
South Carolina State Society Association	Periodically since 2008	none
American Association of Retired Persons	2015 - present	none
SC Bar	2008 – present (inactive status late 2016 – reactivated early 2017)	none
University of South Carolina Alumni Association & Arts & Sciences Alumni Council	2008 - present	none

Georgetown University Law Alumni Association	2008- present	none
George Washington University Alumni Association	2008 - present	none
Winthrop University Alumni Association	2008 - present	none
Society for Human Resource Management	2017 - present	none
Smithsonian Associates	2015 - 16	none
National Rifle Association	2010 - 17	none
National Republican Senatorial Committee	2010, 2014, 2015	none
Reagan-Bush Alumni Association	2008 - present	none
The Heritage Foundation	2011, 2017	none
Oklahoma City Museum of Art	2011 - 12	none
The North American Society for Sport Management (NASSM)	2014 - 16	none
Nethergate Homeowners Association	2008 - present	none
The Federalist Society	2008- present	none

7. Political Activity

(A) Have you ever been a candidate for or been elected or appointed to a political office?
See following non-career appointments:

Name of Office	Elected/Appointed/ Candidate Only	Year(s) Election Held or Appointment Made	Term of Service (if applicable)
Director, Bureau of Justice Statistics, DOJ	Appointed (PAS)	1990-92	none
Chief Counsel to Vice Chair, MSPB	Appointed (non-career SES)	2005-6	none
Deputy General Counsel, OPM	Appointed (non-career SES)	2017-18	none
Director, Office of Strategic Information, Research and Planning, Peace Corps	Appointed (non-career SES equivalent)	2018-present	5 yrs.

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

Name of Party/Election Committee	Office/Services Rendered	Responsibilities	Dates of Service
Volunteer Trump for President campaign.	Telephone calls.	Telephone calls.	2016

(C) Itemize all individual political contributions of $200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

Name of Recipient	Amount	Year of Contribution
none		

8. Publications and Speeches

(A) List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet. Please provide the Committee with copies of all listed publications. In lieu of hard copies, electronic copies can be provided via e-mail or other digital format.

Title	Publisher	Date(s) of Publication
"USTP Data Shows Enhanced System Integrity"	ABI Journal	(March, 2005)
"U.S. Trustee Program Promotes Financial Education"	ABI Journal	(September, 2004)
"Homeland Security: Focus Is On Protection and Prevention"	NDAA Prosecutor magazine	(Jan. / Feb. 2003)
"Performance Measurement: Beyond Conviction Rates"	NDAA Prosecutor magazine	(Nov. / Dec. 2002)

"Drug Prosecution, Prevention and Treatment"	NDAA Prosecutor magazine	(September / October 2002)
"Prosecution and Federalism: Most Justice is Local"	NDAA Prosecutor magazine	(July / August 2002)
"Federal Resources for Local Prosecutors"	NDAA Prosecutor magazine	(May / June 2002)
"DOJ and NDAA Launch Gun Violence Prosecution Training"	NDAA Prosecutor magazine	(Mar. / Apr. 2002)
"The Business of Assisting Prosecutors"	NDAA Prosecutor magazine	(January / February 2002)
"Identifying Prosecutor Needs"	NDAA Prosecutor magazine	(July / Aug. 2001)
"New Directions for Community Prosecution"	NDAA Prosecutor magazine	(July / Aug. 2001)
"DOJ and APRI Target Gun Violence"	NDAA Prosecutor magazine	(May /June 2001)
"APRI Measurement & Accountability Initiatives"	APRI Highlights newsletter / publication	(Winter 2003)
"Eastern District of Virginia Serves as Project Safe Neighborhoods Model"	APRI Highlights newsletter / publication	(Spring 2002)
"Local Prosecutors: Numbers Matter"	APRI Highlights newsletter / publication	(Summer 2002)

"Eastern District of Virginia Serves as Project Safe Neighborhoods Model"	APRI Highlights newsletter / publication	(Spring 2002)
"Combating Terrorism: A New Priority"	APRI Highlights newsletter / publication	(Winter 2002)
"APRI Serving the Nation's Prosecutors"	APRI Highlights newsletter / publication	(Summer 2001)
Foreword to Chasing Shadows: Confronting Juvenile Violence in America (by G. Crews and R. Montgomery, Jr.)	Prentice-Hall	2001
"Fight Crime, but Don't Forget the States"	The Brookings Review	winter 1993
"New Era in Federal and State Justice Statistics"	JRSA newsletter	Aug. 1992
"No Politics in Bureau's Data"	The Christian Science Monitor	July 8, 1991
"An Overview of National Corrections Statistics" (co-authored)	Federal Probation	June 1991
Probation and Parole in Practice (co-authored)	Anderson Publishing Co. 2nd ed.	1990
"The National Drug Control Strategy: A Sound Policy and a Comprehensive Plan"	Update, in Anderson Publishing Co. newsletter	spring 1990

The Federal Personnel-Loyalty-Security Program in the 1980s: A Transition in Politics, Laws and Policies	(dissertation) University of South Carolina)	1987
Prison Violence in America (co-edited)	Anderson Publishing Co.	1985
"Section 1983 Litigation: An Effective Remedy to Police Misconduct or an Insidious Federalism?" (co-authored)	Journal of Criminal Justice	Spr. 1984
"Prison Riots: A Corrections Nightmare Since 1774" (co-authored)	The Prison Journal	Spring-Summer, 1983
"The Judicial System in South Carolina" (co-authored) in Government in the Palmetto State (edited by L. Carter and D. Mann)	Bureau of Government Research and Service, University of South Carolina	1983
"The Emergence of Sentencing Reform and Correctional Priorities as Public Issues: Establishing a Framework of Analysis"	Southern Journal of Criminal Justice	Fall 1982 & Spring 1983
Central Correctional Institution (CCI) Ward	SC Department of Corrections	November, 1978

Supervision Research Project: Final Report		
The Developmentally Disabled Offender (training manual)	University Affiliated Facilities, University of South Carolina	1977

(B) List any formal speeches you have delivered during the last five years and provide the Committee with copies of those speeches relevant to the position for which you have been nominated. Include any testimony to Congress or any other legislative or administrative body. These items can be provided electronically via e-mail or other digital format.

Title/Topic	Place/Audience	Date(s) of Speech
none		

(C) List all speeches and testimony you have delivered in the past ten years, except for those the text of which you are providing to the Committee.

Title	Place/Audience	Date(s) of Speech
none		

9. Criminal History

Since (and including) your 18th birthday, has any of the following happened?

- Have you been issued a summons, citation, or ticket to appear in court in a criminal proceeding against you? (Exclude citations involving traffic infractions where the fine was less than $300 and did not include alcohol or drugs.) No.
- Have you been arrested by any police officer, sheriff, marshal or any other type of law enforcement official? No.

- Have you been charged, convicted, or sentenced of a crime in any court? No.
- Have you been or are you currently on probation or parole? No.
- Are you currently on trial or awaiting a trial on criminal charges? No.
- To your knowledge, have you ever been the subject or target of a federal, state or local criminal investigation? No.

If the answer to any of the questions above is yes, please answer the questions below for each criminal event (citation, arrest, investigation, etc.). If the event was an investigation, where the question below asks for information about the offense, please offer information about the offense under investigation (if known). Not applicable.

A) Date of offense:
   a. Is this an estimate (Yes/No):

B) Description of the specific nature of the offense:

C) Did the offense involve any of the following?
   1) Domestic violence or a crime of violence (such as battery or assault) against your child, dependent, cohabitant, spouse, former spouse, or someone with whom you share a child in common: Yes / No
   2) Firearms or explosives: Yes / No
   3) Alcohol or drugs: Yes / No

D) Location where the offense occurred (city, county, state, zip code, country):

E) Were you arrested, summoned, cited or did you receive a ticket to appear as a result of this offense by any police officer, sheriff, marshal or any other type of law enforcement official: Yes / No

   1) Name of the law enforcement agency that arrested/cited/summoned you:

   2) Location of the law enforcement agency (city, county, state, zip code, country):

F) As a result of this offense were you charged, convicted, currently awaiting trial, and/or ordered to appear in court in a criminal proceeding against you: Yes / No

   1) If yes, provide the name of the court and the location of the court (city, county, state, zip code, country):

2) If yes, provide all the charges brought against you for this offense, and the outcome of each charged offense (such as found guilty, found not-guilty, charge dropped or "nolle pros," etc). If you were found guilty of or pleaded guilty to a lesser offense, list separately both the original charge and the lesser offense:

3) If no, provide explanation:

G) Were you sentenced as a result of this offense: Yes / No

H) Provide a description of the sentence:

I) Were you sentenced to imprisonment for a term exceeding one year: Yes / No

J) Were you incarcerated as a result of that sentence for not less than one year: Yes / No

K) If the conviction resulted in imprisonment, provide the dates that you actually were incarcerated:

L) If conviction resulted in probation or parole, provide the dates of probation or parole:

M) Are you currently on trial, awaiting a trial, or awaiting sentencing on criminal charges for this offense: Yes / No

N) Provide explanation:

9. Civil Litigation and Administrative or Legislative Proceedings

(A) Since (and including) your 18th birthday, have you been a party to any public record civil court action or administrative or legislative proceeding of any kind that resulted in (1) a finding of wrongdoing against you, or (2) a settlement agreement for you, or some other person or entity, to make a payment to settle allegations against you, or for you to take, or refrain from taking, some action. Do NOT include small claims proceedings.

Date Claim/Suit Was Filed or Legislative Proceedings Began	Court Name	Name(s) of Principal Parties Involved in Action/Proceeding	Nature of Action/Proceeding	Results of Action/Proceeding
none				

(B) In addition to those listed above, have you or any business of which you were an officer, director or owner ever been involved as a party of interest in any administrative agency proceeding or civil litigation? Please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity.

Date Claim/Suit Was Filed	Court Name	Name(s) of Principal Parties Involved in Action/Proceeding	Nature of Action/Proceeding	Results of Action/Proceeding
none				

(C) For responses to the previous question, please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity. Not applicable.

10. Breach of Professional Ethics

(A) Have you ever been disciplined or cited for a breach of ethics or unprofessional conduct by, or been the subject of a complaint to, any court, administrative agency, professional association, disciplinary committee, or other professional group? Exclude cases and proceedings already listed. No.

Name of Agency/Association/ Committee/Group	Date Citation/Disciplinary Action/Complaint Issued/Initiated	Describe Citation/Disciplinary Action/Complaint	Results of Disciplinary Action/Complaint

(B) Have you ever been fired from a job, quit a job after being told you would be fired, left a job by mutual agreement following charges or allegations of misconduct, left a job by mutual agreement following notice of unsatisfactory performance, or

received a written warning, been officially reprimanded, suspended, or disciplined for misconduct in the workplace, such as violation of a security policy? No.

11. Tax Compliance

(This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

REDACTED

REDACTED

13. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State). none

14. Outside Positions

☒ See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.) *OGE form completed.*

For the preceding ten calendar years and the current calendar year, report any positions held, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

Name of Organization	Address of Organization	Type of Organization (corporation, firm, partnership, other business enterprise, other non-profit organization, educational institution)	Position Held	Position Held From (month/year)	Position Held To (month/year)

15. Agreements or Arrangements

X☐ See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.) *OGE Form completed.*

As of the date of filing your OGE Form 278, report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment.

Provide information regarding any agreements or arrangements you have concerning (1) future employment; (2) a leave of absence during your period of Government service; (3) continuation of payments by a former employer other than the United States Government; and (4) continuing participation in an employee welfare or benefit plan maintained by a former employer other than United States Government retirement benefits.

Status and Terms of Any Agreement or Arrangement	Parties	Date (month/year)

16. Additional Financial Data

All information requested under this heading must be provided for yourself, your spouse, and your dependents. (This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

REDACTED

REDACTED

SIGNATURE AND DATE

I hereby state that I have read the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

Steven D. Dillingham

This 1st day of August, 2018

REDACTED

UNITED STATES OFFICE OF
GOVERNMENT ETHICS

July 26, 2018

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Steven Dillingham, who has been nominated by President Trump for the position of Director, Bureau of the Census, Department of Commerce.

We have reviewed the report and have obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

SETH JAFFE Digitally signed by SETH JAFFE Date: 2018.07.26 17:11:37 -04'00'

Seth Jaffe
Chief, Ethics Law and Policy Branch

Enclosures REDACTED

Mr. David Maggi
Designated Agency Ethics Official
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Mr. Maggi:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Director, U.S. Census Bureau at the U.S. Department of Commerce.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I resigned from my position with George Mason University in June 2017. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know that this entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), or obligations of the United States.

My spouse is a part-time employee with the Alexandria City Public Schools (ACPS). For as long as my spouse works for ACPS, I will not participate personally and substantially in any particular matter involving specific parties in which I know ACPS is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I will meet in person with you during the first week of my service in the position of Director of the Bureau of the Census in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

Steven Dillingham

Date: 5/31/2018

U.S. Senate Committee on Homeland Security and Governmental Affairs
Pre-hearing Questionnaire
For the Nomination of Steven Dillingham to be
Director - United States Census Bureau
United States Department of Commerce

I. Nomination Process and Conflicts of Interest

1. Did the President or Secretary of the Department of Commerce ("Department") give you specific reasons why he nominated you to be the next Director of the United States Census Bureau ("Bureau")?

Yes, I was informed that I was chosen for reasons of my qualifications and experience, particularly in directing two other Federal statistical agencies, the Bureau of Justice Statistics (BJS) and the Bureau of Transportation Statistics (BTS).

2. Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

There were no conditions, but assurances were requested regarding my commitment to the objective, fair, and efficient collection, analysis, and dissemination of data in accordance with applicable laws and professional requirements.

3. Have you made any commitments with respect to the policies and principles you will attempt to implement as Director? If so, what are they, and to whom were the commitments made?

I assured the Department of Commerce and the Administration that I would adhere to applicable laws and professional requirements that apply to the Census Bureau and its activities.

4. Are you aware of any business relationship, dealing, or financial transaction that could result in a possible conflict of interest for you or the appearance of a conflict of interest? If so, please explain what procedures you will use to recuse yourself or otherwise address the conflict. And if you will recuse yourself, explain how you will ensure your responsibilities are not affected by your recusal.

I am aware of no existing conflicts. I have worked closely with the Office of Government Ethics and the Department of Commerce Ethics Office to confer and coordinate regarding any potential financial conflicts that might evolve, and I agreed to recuse myself from any actions when recommended and needed.

II. Background of the Nominee

5. What specific background, experience, and attributes qualify you to be the Director of the Bureau?

I hold five graduate degrees in the fields of government, law, public administration and business administration. I have more than 25 years of Federal service that includes directing two statistical agencies and several national agency offices of research and planning. While completing graduate studies, I received a fellowship to the Inter-university Consortium for Political and Social Research (ICPSR) program at the University of Michigan. My doctoral cognate area of study was research methods. I completed the Federal Executive Institute (FEI) program in Democratic Leadership in conjunction with my career Federal Senior Executive Service (SES). I completed the Legacy Leadership Program for faculty at George Mason University (GMU). I am a Society of Human Resource Management Senior Certified Professional (SHRM-SCP). My personal attributes include a strong command and significant experience in strategic planning and management, directing surveys and statistical programs, public sector law, and supervising data and research programs.

6. Please describe:

   a. Your leadership and management style.

My leadership style emphasizes: participatory leadership, performance management, organizational learning, workplace integrity and trust, diversity, innovation, and empowerment.

   b. Your experience managing personnel.

I have served in supervisory, management, and leadership roles continuously since the late 1980s in large and small government agencies, the private sector, and non-profit organizations. My executive branch career began in the Office of the General Counsel of the U.S. Office of Personnel Management (OPM) in employment law. I expanded my employment law experience while serving in the Office of General Counsel at the U.S. Department of Energy (DOE). I later assisted in the establishment of the DOE Office of Contractor Employee Protection (OCEP), where I supervised investigations, adjudications and mediations of claims involving protected disclosures and reprisals. I continued this work following a transfer of the program to the DOE Office of Inspector General (OIG). I have managed numerous offices, programs and agency components of many different sizes since the 1980s. The size of the workforces I managed ranged from less than a dozen employees to more than a thousand employees and included managing two Federal statistical agencies. I have professional interests and substantial experiences in strategic planning and management.

   c. What is the largest number of people that have worked under you?

Several hundred Federal employees plus contractors worked under me while I was Acting Assistant Attorney General for the DOJ Office of Justice Programs, which funded national, state, and local programs totaling more than several hundred million dollars annually. 1200 federal employees nationally worked under me at the Department of Justice U.S. Trustee Program carrying out administrative, regulatory, litigation, and enforcement activities in

bankruptcy cases, and I oversaw about 1200 private trustees distributing bankruptcy estate assets of about $10 billion annually.

III. Role of the Director

7. **Please describe your view of the Bureau's core mission and the Director's role in achieving that mission.**

The Bureau's core mission is accurately described in the current Census Bureau Strategic Plan, which I strongly support: "To serve as the nation's leading provider of quality data about its people and economy." The critical role of the Director is to exercise leadership and work closely and collaboratively with senior Bureau and Department officials in accomplishing the Bureau's mission, goals and legal requirements.

8. **If confirmed, what would be your top three priorities for the Bureau? What do you hope to have accomplished at the end of your tenure?**

If confirmed, my top three priorities are:

1) Achieving results. I plan to lead the agency in fulfilling its mission and performing its constitutional and statutory responsibilities – including conducting a complete and accurate decennial census and more than 100 surveys and special censuses.
2) Encouraging and maintaining organizational and professional integrity. I support a Federal statistical agency culture of principles and practices that address relevance to policy issues, credibility among data users, trust among data providers, and independence from improper external influences.
3) Workforce excellence. I will lead efforts to support an engaged workforce that produces quality services and products and is recognized for outstanding performance.

If confirmed, at the end of my tenure I would hope to have successfully managed the completion of the 2020 Decennial Census, to have effectively and efficiently fulfilled all significant agency responsibilities (including more than 100 other censuses and surveys), and to have achieved my priorities noted above (i.e., results, professional integrity, and workforce excellence). In sum, I hope to achieve and build on many of the successes experienced by prior Bureau directors and career leadership who have well served the Bureau, its statistical communities and stakeholders, and the nation.

IV. Policy Questions

Statistical Agency Organization

9. **What steps would you take, if confirmed, to ensure the Bureau's various statistical programs are meeting the current and emerging needs of the nation's policy makers and other data users?**

If confirmed, I would continue to assess Bureau statistical programs and customer needs for purposes of: identifying promising practices; implementing reforms, including innovative

technologies to promote efficiencies and effectiveness; motivating Bureau professionals to achieve cost-savings; building organizational knowledge; and delivering results to satisfied customers. I would lead and reinforce Bureau efforts in collecting feedback from customers and users of Census data, and I would continuously analyze how best to meet changing information and data needs.

10. **The Director works with a variety of stakeholders, including Congress, officials at all levels of government, nongovernmental agencies, and the statistical community, among others. Please discuss how the Bureau can identify and leverage the resources of these organizations and other stakeholders to accomplish shared goals.**

The Director and the Bureau's leadership team must seek out ideas and recommendations from present and prospective stakeholders, customers and data users, including from: all branches and levels of government, large and small businesses, universities and non-profits, research and planning communities, and data users in disciplines and fields including statistics, economics, demography, and many others. The Census Bureau's stakeholders, customers and data users represent a wealth of knowledge that should be identified, shared and leveraged by the Bureau in conducting its work and assisting others in improving decisions and policy making. Federal statistical agencies must ensure the accuracy and relevancy of data and work collaboratively with stakeholders to accomplish shared interests.

11. **Many agencies are involved in the data collection and dissemination of federal statistics, including the Bureau of Economic Analysis and Bureau of Labor Statistics. Further, the Chief Statistician of the United States is within the Office of Management and Budget.**

    a. **How do you view the role of the Director of the Bureau between these various agencies?**

My experiences heading two of the thirteen principal Federal statistical agencies (which include BEA and BLS) have reinforced the value of regular monthly meetings of all principal Federal statistical agency heads coordinated by the Chief Statistician. These meetings and associated events promote building collegial relations, sharing ideas and information, and coordinating agency and professional activities. If confirmed, while directing the largest Federal statistical agency that provides data and analytic support to sister agencies, including BEA and BLS, my role would be to assist the statistical agencies whenever feasible in managing data collection, performing analyses, and disseminating data and statistical products. The Census Director is uniquely positioned to build close and productive relationships that will assist agencies in meeting their growing data and analytic needs.

    b. **What are your views on reducing respondent burden and perhaps combining or streamlining survey data collected by all various government agencies?**

I support reducing respondent burdens and streamlining data collection practices when and where needed. I would seek to eliminate organizational impediments and to promote greater productivity and cost-savings through effective collaborations, partnerships and joint

assessments of potential improvements. While progress has been made in the past (e.g., FEDSTATS serves as a gateway to statistics from more than 100 Federal agencies), the Federal statistical agencies and communities can do more by working together.

c. How would you balance the potential for increased data sharing to reduce costs with concerns about privacy and confidentiality?

The legitimate interests of data stakeholders, users and providers in cost-savings proposals must be evaluated and changes carefully implemented in a manner that safeguards privacy and confidentiality needs. Data sharing is dependent upon an ability to protect privacy and confidentiality in order to preserve the trust of respondents and the public.

Management

12. What do you believe are the most pressing internal and external challenges currently facing the Bureau? Which challenges will you prioritize and what do you plan to do to address each of those challenges?

The successful implementation of the 2020 Decennial Census is the most pressing challenge currently faced by the Bureau. Internal challenges include: a) ensuring the most secure and effective information technology systems possible, while also implementing new cost-savings technologies; and b) staying on schedule and within budget in agency programs. External challenges include: a) the need to ensure a successful national communications plan to encourage respondents to submit accurate and complete answers to 2020 Census questions while maintaining respondent trust; b) the need to maintain public trust by protecting data privacy and confidentiality requirements; and c) the need to hire an enormous temporary workforce of enumerators to help administer the census.

In meeting these priority challenges, I would continue to reinforce, monitor and revise as needed Bureau programs and risk mitigation plans addressing each. Management reviews would include efforts to address GAO, OIG and Bureau identified needs and recommendations in these areas. Recent recommendations pertinent to these priority areas include GAO's call for management attention to mitigate risks that could jeopardize a cost-effective and secure enumeration. The GAO found challenges associated with 2020 Decennial Census field innovations, IT system testing, and better life-cycle costs estimations.

It is my understanding that mitigating strategies have been developed and are underway for these internal and external challenges. The Bureau's 2020 Operational Plan identifies a dozen risk areas and includes exposure level ratings and mitigation plans. I strongly support and plan to use recent guidance provided by the Office of Management and Budget (e.g., OMB Circular No. A-123, *Management Responsibility for Enterprise Risk Management and Internal Control*), the guidance of GAO and others (e.g., U.S. Chief Financial Officers Council) with updated enterprise risk management frameworks and good practices, and the recommendations of this committee in prioritizing and addressing Bureau challenges.

13. The Bureau has many parts of its organization that must work together if it is to achieve the effective enterprise management needed to contain costs for the 2020 Decennial Census, the American Community Survey (ACS), and the many demographic surveys the Bureau conducts.

    a. If confirmed, what strategies will you implement to ensure coordination among various Bureau activities to achieve the common goals?

    Continuous and effective coordination within the Bureau will be a key responsibility that includes: regular meetings with updates and program metrics regarding costs and progress; personnel encouragement and rewards for developing and demonstrating cost-savings reforms; and careful consideration of ideas and recommendations from this committee, the Government Accountability Office (GAO), the Office of the Inspector General (OIG), the Office of Management and Budget (OMB) and others.

    b. In your view, what practices are key to facilitating effective collaboration across organizational boundaries?

    Productive meetings, continuous discussions and openness regarding improvements along with enhanced information sharing practices among leaders and staff will help to maintain continuous and productive collaborations across the Bureau. Shared assignments and responsibilities that include inclusive working groups and process improvement teams provide valuable opportunities for combining resources and ideas across organizational boundaries to facilitate effective collaboration. Collaboration should be addressed in all Bureau employee performance plans and ratings.

14. Both Government Accountability Office ("GAO") and the Department Office of Inspector General have noted that the Bureau's accounting systems have significant weaknesses and laek the necessary information to help guide daily decision making. Additionally, these weaknesses make it very difficult for the Bureau to estimate costs and scheduling of a long-term project like the 2020 Decennial Census. If confirmed, what would you do to help ensure the Bureau's accounting and estimation information is reliable and accurate, and is able to inform both Bureau and congressional decision making?

If confirmed, I will provide immediate attention to better understanding challenges, perspectives and recommendations for responding to any accounting system weaknesses and risks in order to chart a productive and timely path to improvements. I strongly support the OMB, GAO, OIG and Chief Financial Officer Council guidance and approaches to enterprise risk management (ERM). This response will require applying best cost and scheduling practices with appropriate human resource talents. If needed, the Bureau could use its special hiring authorities to acquire additional talent for this purpose.

15. Since 1970, when measured in constant dollars, decennial census costs have increased faster than inflation, even after allowing for population growth, with the 2020 Decennial Census currently estimated to cost over $15 billion.

a. What are the trade-offs between the cost of conducting a surveys such as a decennial census and the quality of such surveys?

In analyzing costs and potential data quality trade-offs involved in conducting censuses and surveys, the use of the best available cost data must be matched with core data quality needs to identify acceptable trade-offs and inform decisions and practices. Many cost factors and quality enhancement options occur in addressing frames and design, instrument testing, census and survey administration, and data cleaning and tabulations. It is my understanding that if the 2020 Census stays on course, the Census Bureau can achieve high quality data with reasonable costs. Lessons learned in the 2020 Census will be beneficial to all the censuses and surveys across the enterprise.

b. What are your suggestions for balancing the tension between a quality decennial census and the need to control costs?

Through effective strategic planning and management, the Bureau should be able to identify and assess reasonable ways to control costs without posing serious risks to the quality or completion of the decennial census. It is my understanding that such plans are underway, and the previous 2010 Census and recent tests provide valuable experience for reducing costs without posing unreasonable risks to census quality.

c. What steps will you take to keep the 2020 Decennial Census within the current lifecycle cost estimate?

If confirmed, I will confer and work closely with Census Bureau and Department of Commerce leaders and specialists to continuously monitor lifecycle costs and make adjustments as expeditiously as possible.

16. Protecting whistleblower confidentiality is of the utmost importance to this Committee.

a. During your federal career, how have you addressed whistleblower complaints?

I have had various opportunities in my career to devote my legal and management talents to processing, adjudicating and resolving whistleblower complaints consistent with merit system principles and legal protections. While at the Department of Energy (DOE), I was involved in establishing the Office of Contractor Employee Protection (OCEP) where I served as team leader for adjudications. When the function was moved into the DOE Office of Inspector General (OIG), I assumed the team lead role for inspections and adjudications of contractor whistleblower complaints in that office, consistent with and supportive of the OIG role. My responsibilities included recommending remedies for meritorious whistleblower claims of DOE contractor employees, who made up approximately 90 percent of the DOE workforce at sites across the nation. I also was a certified mediator of employment disputes for the OIG. At the Merit Systems Protection Board (MSPB), I advised the Vice Chair regarding the adjudication of whistleblower matters presented to the Board.

b. How do you plan to implement policies within the Bureau to encourage employees to bring constructive suggestions forward without the fear of reprisal?

If confirmed, working closely with the Bureau's leadership, OIG and human resource officials, I would ensure that regular trainings are conducted at least annually and that conspicuous postings of whistleblower protections are provided. I would encourage the workforce and managers to work together in promoting an organizational culture that fosters openness, values constructive suggestions, and does not tolerate reprisals for protected disclosures.

c. Do you commit without reservation to work to ensure that any whistleblower within the Bureau does not face retaliation?

Yes.

d. Do you commit without reservation to take all appropriate action if notified about potential whistleblower retaliation?

Yes.

17. What is your view of the role of the Department's Inspector General as it relates to the Bureau? If confirmed, what kind of relationship do you anticipate having with the Inspector General?

Having worked for the DOE Office of Inspector General and during my career with various OIG offices, I can assure you that I have the utmost respect and appreciation of important roles and responsibilities of the OIG. As with all organizations served by IGs, the Bureau's OIG advice and recommendations to combat fraud, waste and abuse, and promote efficiency and cost-savings, and protect whistleblowers, would be valued and acted upon.

2020 Decennial Census

18. According the 2020 Decennial Census operational plan, the goal of the census will be to "count everyone once, only once, and in the right place."

a. What are the greatest challenges to getting a complete and accurate count of the American population?

Based on my current understanding, challenges include, but are not limited to, the following: risks associated with guaranteeing the availability and use of administrative records and third-party data; public perceptions of the Bureau's ability to protect response data; and the possibility of cybersecurity incidents. The Census Bureau may also face challenges recruiting and hiring the hundreds of thousands of temporary workers needed for the 2020 Census, particularly given the strong economy. Finally, motivating a

majority of the population to self-respond to the Census is always a challenge, and 2020 will be no different.

b. If confirmed, what steps would you take to address those challenges?

If confirmed, I would engage in threat assessments and contingency planning for all three challenges, including continuous reconsideration of the mitigation strategies that have been developed by the Bureau. I also would consider the use of the Bureau's special hiring authorities to obtain experts and specialists, as needed, to assist in the review, update and execution of Bureau contingency plans. Use of administrative and third-party data must be done properly and effectively. Favorable public perceptions are important to obtaining complete and accurate responses. Cybersecurity incidents must be prevented and privacy safeguards provided. I also think a strong communications and partnership program is critical, and I will work to make sure the Census Bureau's efforts in this area are as robust as possible.

19. The Bureau is planning to provide an internet response option for the 2020 Decennial Census which will include allowing individuals to respond via the internet without a unique census identification number.

a. What challenges and opportunities do you believe exist in implementing an internet response option for the 2020 Decennial Census?

The opportunities for cost-savings through easy and timely internet responses can result in substantial savings as well as the availability of more resources for other 2020 Decennial Census needs. The challenges that may arise include the need to provide fail-safe system protections from cyber incidents to the maximum extent possible. Expert IT advice and talents will be applied to this priority need. Further, the Census Bureau will need to work with its partners and trusted voices in local communities to promote the census with respondents so that people will feel assured that responding to the 2020 Census will be easy and secure. If confirmed, I am committed to working with this Committee and others to find solutions to protect citizen data and citizen privacy wherever risks exist. We also need to make sure that those without strong Internet connectivity can respond easily. My understanding is that the Census Bureau is addressing this by giving people multiple ways to answer the 2020 Census.

b. If confirmed, what steps would you take to mitigate problems that may arise in implementing the internet response option?

Constant system monitoring and testing are needed to mitigate such risks. If confirmed, I expect to be briefed on the current status of these ongoing efforts and to take immediate action where needed.

20. Currently the Bureau is planning on using federal, state, local and private third-party administrative records to support address canvassing and enumeration efforts in the 2020 Decennial Census. How should Census Bureau balance the potential value of

administrative records to the decennial census and other surveys with the risk of incomplete or inaccurate records?

The Bureau must review and assess federal, state, local, and third-party records systems, including through collaborations with the organizations supplying the data, to identify system limits, data deficiencies and privacy protections. Close professional relationships and coordination must be maintained. When problems and anomalies arise, traditional and less automated remedies such as enumerator visits may be required. Finally, planned redundancies and confirmation of data integrity may be needed in some circumstances. I understand that the Bureau has expertise and experience in this area.

Information Technology Management and Cybersecurity

21. **The Bureau estimates that information technology (IT) costs for the 2020 Decennial Census will be nearly $5 billion—nearly one-third of the total cost estimate for the decennial census. Therefore, management of large IT contracts and investments will be important to the success of an accurate and cost-effective 2020 Decennial Census.**

    a. **What are the top risks or challenges the Bureau faces in managing the IT investments and contracts for the 2020 Decennial Census?**

GAO has been working closely with the Census Bureau throughout the decade to assist in identifying risks related to managing IT investments and contracts. GAO has identified four areas that require immediate management attention, including schedule management, contractor oversight, IT cost growth and cybersecurity. GAO has made 93 specific recommendations to the 2020 Census program over the decade and acknowledges in a recent report that the Census Bureau has made good progress to address these. GAO's August update explains that the Census Bureau had implemented 61 of these 93 and had taken steps including action plans to address the remaining 32 recommendations.

Based on information recently presented publicly during the Bureau's 2020 Census Program Management Review, the Bureau indicates it has adopted a data stewardship framework designed to protect information at all times from collection to dissemination. The framework includes critical elements for protecting privacy and confidentiality, and overall information security. It is my understanding that the comprehensive four phase Census data stewardship plan underway addresses major known and potential risks, and the IT major investments and contract awards generally are on track. If factors are identified that indicate IT solutions and contracts may not fully meet 2020 Decennial Census requirements, effective mitigation strategies should be developed rapidly to fulfill the requirements. Partnerships have been developed with the Federal intelligence community and private security partners for this purpose.

If confirmed, my most immediate action in this areas would be to understand the scope, scale, and risk of the unimplemented recommendations and to ensure that progress in

corrective action plans is prioritized and that these steps will mitigate the concerns that GAO and others, including the OIG, have raised in their careful work.

b. If confirmed, what actions would you take to mitigate these risks?

If confirmed, I will carefully assess potential IT investment and contract risks, and obtain the expert opinions of Department and Bureau IT managers and personnel and outside partners, on such topics as back-up plans and reliance on existing systems that may require modifications and improvements. Internal and external cyber threats must be addressed to mitigate risks, and IT investments must be effectively managed to stay on schedule and on budget.

22. Federal IT systems and data have been under constant attack by domestic and foreign actors whose technical sophistication and capabilities continue to grow. The decennial census is at particular risk as a High Value Asset given its role in American democracy.

a. If confirmed, how do you plan to confront the cyber threat and secure the Bureau's systems to ensure that sensitive and personally identifiable information is property protected and that the integrity of census results is preserved?

Based upon publicly available information, I understand that possible cyber threats to the Bureau's systems are being constantly monitored and responses developed to protect sensitive and personally identifiable information. The Office of the Chief Information Officer indicates data security is the first priority and includes a secure system design to contain damage, sustain operations and maintain public trust. Some of the security features and techniques include: layering physical entry; isolating separate areas; and locking down data once it has been collected. External threat mitigation strategies include: mitigating threats on respondents' devices through minimal storing of data on those devices and using encryption of data; mitigating external network access through proactive monitoring and coordination with federal partners including the intelligence community; addressing Census personnel impersonation through identification of rogue websites, through coordination with federal intelligence community partners and effective outreach; and identification of invalid responses through automated analysis. Internal threat mitigation strategies include: preventing website disruptions through monitoring of spikes and unusual traffic; prevention of data breaches though ongoing cyber awareness training and monitoring of irregular and unauthorized data flows; and addressing compromised employee devices through encryption, two-factor authentication, and remote wipe capability.

b. What role do you believe the Department, other bureaus within the department, or other federal agencies have in helping the Census Bureau secure its systems?

The Department, its other Bureaus, and other federal agencies can and should play a major role in helping the Census Bureau secure its systems. For example, the Department CIO will have a unique vantage point and ability to enlist external partners, especially the

Department of Homeland Security and the federal intelligence community, and to pool necessary Department resources and IT services as needed.

American Community Survey

23. The American Community Survey (ACS) is an ongoing survey that collects and provides information about our nation's population every year and replaced the "long form" survey in the decennial census program following the 2000 Census. What advantages and disadvantages exist to collecting data in an annual survey versus in the previous decennial "long form" survey?

The ACS enables the Bureau to estimate population data for intervening years of the decennial censuses through continuous administration of sample surveys. It is also the richest source of social, economic and demographic data on America's population. The ACS produces a continuous measurement of housing units totaling more than 3.5 million per year. The data are aggregated into one-year and five-year estimates. By combining years of data, more refined estimates can be generated for smaller geographic areas. The intended advantages of the ACS include the desire to increase public acceptance of the decennial census by decoupling the entire population count from the sample survey that was included in the census long-form. This was intended to obtain more initial responses in the decennial census. A second intended advantage was to produce more timely information on an on-going basis, which was particularly important to distributing Federal funds and for planning purposes for both public and private decision-making at the state and local levels.

24. In your view, how should the Census Bureau balance the need for sufficient data that service the needs of all stakeholders with privacy and time constraints of those who receive the ACS?

It is my current understanding that the Bureau has made much progress and is continuously researching ways to reduce time requirements and reconsidering stakeholder needs, and also in developing information and communication resources for better explaining the survey questions and the important uses of requested data from respondents. There is also a Respondent Advocate for households to contact to ask questions or to raise issues or concerns regarding the American Community Survey. The Census Bureau must continuously balance data needs, privacy concerns, and operational requirements. The Bureau must clearly explain the value and uses of data collection efforts and reduce respondent burden where possible. If confirmed, I look forward to addressing these challenges.

V. Relations with Congress

25. Do you agree without reservation to comply with any request or summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Yes.

26. Do you agree without reservation to make any subordinate official or employee available to appear and testify before, or provide information to, any duly constituted committee of Congress if you are confirmed?

Yes.

27. Do you agree without reservation to comply fully, completely, and promptly to any request for documents, communications, or any other agency material or information from any duly constituted committee of the Congress if you are confirmed?

Yes.

VI. Assistance

28. Are these answers your own? Have you consulted with Bureau, Department, or any other interested parties? If so, please indicate which entities.

These are my answers. I consulted and coordinated with Department of Commerce and Census Bureau officials regarding information accuracy and answer completeness.

Minority
Supplemental Pre-hearing Questionnaire
For the Nomination of Steven Dillingham to be
Director of the Census

I. Nomination Process and Conflicts of Interest

1. Has the President or his staff asked you to sign a confidentiality or non-disclosure agreement?

No.

2. Has the President or his staff asked you to make any pledge or promise if you are confirmed as Director?

No.

3. Have you been asked to pledge loyalty to the President, Administration, or any other government official?

No.

4. According to your biographical form, between December 1997 and January 1999, you worked as the Director of Public Affairs for Koch Industries Inc., and in February 2004 you co-authored an American Prosecutors Research Institute report, "Prosecution in the 21st Century: Goals, Objectives, and Performance Measures." The report states that it was produced, "thanks to a contribution from the Charles G. Koch Charitable Foundation," amongst other contributions.

    a. Are you currently affiliated, in any way with Koch Industries, or charitable organizations affiliated with Koch Industries? If so, please describe the nature of the affiliation(s).

    I have no current affiliation with the company or its charitable organizations.

    b. Have you consulted with any of these entities or persons affiliated with these entities in your pursuit to be confirmed as Director of the U.S. Census Bureau?

    I have not consulted with entities or persons affiliated with these entities about this position or my nomination.

II. Background of the Nominee

5. Why do you want to be the Director of the U.S. Census Bureau?

Directing a statistical agency is a unique opportunity for public service to the nation and one that presents an unparalleled professional opportunity. If confirmed, I look forward to guiding the work of the Census Bureau as the leading provider of quality data about our nation's people and economy. In 1990, while serving in the career legal and management position at Department of Justice (DOJ) as Deputy Director for the Bureau of Justice Assistance (BJA), I was asked to consider a nomination to the Senate confirmed position of BJA Director. BJA had enormous appeal and had by far the largest budget for national assistance programs of any OJP component. Instead, I asked to be considered as the Director of the Bureau of Justice Statistic (BJS), where I had strong professional interest in data and its uses for decision making and policy making. Later in my career, I made a similar decision to apply of the career positon for directing the Department of Transportation (DOT) Bureau of Transportation Statistics (BTS). To the best of my knowledge, I am the only person who has served as director two of the thirteen principal Federal statistical agencies, at least during the past several decades. Directing the Census Bureau, a much larger statistical agency, would be continuation of my professional desire for meaningful public service in providing the nation and its citizens with the best possible data for making decisions and policies.

6. **Do you seek out dissenting views and encourage constructive critical dialogue with subordinates?**

Yes. It is my experience that considering the views of others lead to better informed decisions. Dissenting views should be encouraged rather than discouraged, and can provide valuable perspectives that may otherwise be overlooked. Varying viewpoints should be welcomed as they encourage others to come forward and to share their ideas regarding the best options and the Bureau's and Nation's best interests.

7. **Please give examples of times in your career when you disagreed with your superiors and aggressively advocated your position. Were you successful?**

First, I recommended and advocated for an additional $1 million to be included in my agency budget request while directing the Bureau of Justice Statistics (BJS). The money would allow the agency to develop its first national survey of the nation's probation and parole population, representing about three-fourths of all convicted offenders. The recommendation was not agreed to by the Department's Justice Management Division (JMD) which coordinates budget requests, largely due to across-the-board imposed budget limits. I appealed the decision and advocated for the monies to the Deputy Attorney General. My appeal was forwarded to the Office of Management and Budget (OMB) for its consideration. OMB reviewed the request and inserted the funding in the President's budget. The survey has been extremely valuable to the criminal justice community and continues more than 25 years later. It provides the most authoritative data on this topic.

Second, I once recommended and advocated on behalf of the Bureau of Justice Statistics (BJS) to begin a national program to support improvements to state criminal history records systems. A much larger DOJ component, the Federal Bureau of Investigation (FBI), advocated that the FBI was better suited and situated to establish and promote such a program. The Deputy Attorney General was the decision maker. After presentations from

myself and senior officials of the FBI, BJS was selected by the Deputy Attorney General to manage the national records assistance program. The record improvement program was institutionalized and has made significant progress in advancing the nation's vital criminal history records systems. Improved and accurate records enable law enforcement and others with essential information to perform their responsibilities (e.g., more accurate background investigations).

8. **Please list and describe examples of when you made politically difficult choices that you thought were in the best interest of the country.**

First, I led an initiative and established an expert working group that recommended and instituted major improvements to the nation's largest crime survey (that relies upon data collection for BJS by the Census Bureau), and I personally renamed the national survey as the National Crime Victimization Survey (NCVS). I was a strong advocate for improvements to the previous National Crime Survey (NCS) in order to collect better data for estimates of sexual assaults and rapes. I established a blue ribbon panel of national experts in survey research, statistics, criminology, victimology and other disciplines for this purpose – including methodological assistance from the Census Bureau. Significant improvements were made to the survey and changes were phased in over several years. I renamed the survey to increase public understanding of the source of the data, and to distinguish it from official crime reports. The importance of improving crime sexual assault victimization data to understand better the nature and prevalence of these crimes is without question.

Secondly, the implementation of the national Criminal History Records Improvement (CHRI) program that I led at BJA to improve the nation's criminal history record keeping (referenced above) has served the nation and states well, promoting better law enforcement records systems and public safety nationally. On behalf of BJS, I competed for this initiative with the FBI (which provides reported crime data), in order to provide an effective and efficient alternative to serve the interests of both agencies, the department and the nation.

9. **What would you consider your greatest successes as a leader?**

First, the successes of the BJS National Crime Victimization Survey (NCVS) and the BJS Criminal History Records Improvement (CHRI) program (described above).

Second, my success while directing BJS in establishing a national probation and parole survey that is now an institutionalized program (described above).

Third, directing the OMB Program Assessment Rating Tool (PART) process for measuring and documenting agency results pursuant to the Government Performance and Results Act (GPRA), while serving as Deputy Director and Director for Research and Planning for the DOJ US Trustee Program (USTP). The Agency received the highest rating assigned within the Department of Justice and matched the highest rating given to any Federal agency that year. The rating documented the accomplishments and management successes of USTP, and contributed to the Director receiving a Presidential Award. It was an important example of

achieving and documenting quality performance and results by a Federal agency with critical duties overseeing the nation's bankruptcy system.

Fourth, while on detail (2008-9) as a career Senior Executive Service (SES) volunteer to the Department of State and Department of Justice Rule of Law (ROL) Program for Iraq, serving as Senior ROL Advisor, I had strategic planning and management responsibility for developing Iraq's judicial data collection and reporting system which was critical to operating Iraq's legal system. Working with Iraqi justice officials and non-government agency advisors, we were able to collect vital court data from Iraq's provinces and have it delivered to the justice ministry in Baghdad, where it was tabulated and reported. Iraqi officials placed themselves at great personal risk in collecting and delivering the data during military operations, and took great pride in the accurate results and reports that were developed and published to bolster Iraqi ROL reforms.

10. What do you consider your greatest failure as a leader? What lessons did you take away from that experience?

While I have enjoyed many successes in past jobs and assignments, I realize that my desired goals and aspirations do not always come to fruition. I consider my greatest failure to be my inability to further critical elements of a promising strategy to promote and expand rule of law in Iraq. During my one-year volunteer detail (2008-9) with the ROL program in Iraq, I was honored to be the program's ROL strategic planner and liaison with the U.S. military, international partners and organizations, and the Iraqi government to develop a comprehensive strategy to promote ROL in Iraq. I worked with the most committed and inspiring colleagues of my professional career who assumed great personal risks to help a nation in dire need of assistance and reforms. While tremendous improvements were made to promote ROL in Iraq, one reform that I personally developed and advocated was the reintroduction of concepts of supervised conditional release for low-risk prisoners (similar to U.S. probation and parole options) where there was sufficient evidence of a reduced risk of the prisoners harming others. I found historical precedent in Iraq for the concept. I was allowed to describe and advocate for such reforms directly to the Iraqi Chief Justice with whom we worked. The Iraqi prisons were filled far beyond capacity, and my ROL associates were teaching the Iraqi officials concepts for assessing prisoner risk levels. We were unable to achieve this reform in the short-term due in part to the pressing timetable and challenges in reaching a Status of Forces Agreement (SOFA) between Iraq and the United States. Among the lessons I learned were: a) critical stakeholders must be persuaded and enlisted to support reforms to assure success; b) senior leadership must anticipate and plan for many internal and external challenges that can prevent reform; c) system risks must be identified and promising risk mitigation strategies developed; and d) developing and advocating for an idea or policy change may provide a foundation for incremental and future reforms if not immediately adopted. This unaccomplished goal did not detract from other significant ROL accomplishments, but could have had an enormous positive impact to improve human conditions in a nation where combat was continuing, and government legitimacy and ROL were at stake.

11. Please briefly describe your experience or familiarity with the programs and operations of the U.S. Census Bureau.

I have remained current regarding many Census Bureau developments for many years (since 1990) and had the opportunity to work with Census Bureau directors and senior officials while directing two Federal statistical agencies and have relied upon Census data collections and availability. Interactions include monthly meetings over a period of years among the agency directors. Monthly meetings were chaired by the Chief Statistician of the United States. In partnering with the Census Bureau on major programs, we often alternated meetings at my agency and at the Census Bureau. Major joint surveys at the agencies I led included BJS's National Crime Victimization Survey (NCVS), and BTS's Commodity Flow Survey (CFS). At both of these agencies, the largest portion of the agency budget was for Census Bureau data collection and services. I had senior personnel at those statistical agencies who previously had worked for the Census Bureau, and who contributed to the statistical agency culture at each. The Census Bureau, working closely with BJS, adopted special procedures and conducting special trainings for the collection of sensitive victimization data regarding rapes and sexual assaults.

12. Please describe the experiences and positions in your employment history that you believe prepared you for the role of Director of the U.S. Census Bureau.

As explained above, my years successfully directing DOJ's Bureau of Justice Statistics (BJS) and DOT's Bureau of Transportation Statistics (BTS) are most directly related and pertinent to this position. The largest surveys at both agencies were conducted in partnership with the Census Bureau which was responsible in collecting the data. Additionally, my many years in directing several nationwide Federal research and planning offices also relied heavily on data collection, data analysis and conducting surveys. For example, at OPM, I directed the administration of the Federal Employee Viewpoint Survey (FEVS) for the nation's Federal civilian workforce. Also, while currently directing the Peace Corps Office of Strategic Information, Research and Planning (OSIRP), I oversee the international administration of the Annual Volunteer Survey. Finally, my 25 years of experience at senior levels of the Federal Government in managing professionals in small and large agencies and offices provide me with extensive management experience pertinent to directing the Census Bureau.

13. On your biographical form, you included four political appointment positions in which you have served, including: Director, Bureau of Justice Statistics, DOJ; Chief Counsel to Vice Chair, MSPB; Deputy General Counsel, OPM; Director, Office of Strategic Information, Research and Planning, Peace Corps. Please describe your role and responsibilities for each of these positions.

- I served as the Senate-confirmed Director of BJS, directing the Federal statistical agency and having full responsibility for its statistical products and services, as well as the administration of its national Criminal History Record Improvement (CHRI) program.
- As Chief Counsel for the Vice Chair of MSPB, I provided legal advice and performed legal research and analysis on matters before the Board. I supervised a small staff of

attorneys and non-attorneys, and worked collegially with Board member counsels and others.

- At OPM, I held the position of Deputy General Counsel, providing advice to the General Counsel. I simultaneously assumed the Acting Director positon of the Office of Policy and Planning (OPP), which was reorganized into the Office of Strategy and Innovation (OSI) which I directed. OSI responsibilities included the strategic planning and management, and administration of the Federal Employee Viewpoint Survey (FEVS).
- At the Peace Corps, as Director of Strategic Information, Research and Planning, I direct and manage agency research, planning and select surveys (including the Annual Volunteer Survey).

14. You have more than 25 years of statistical, research, senior management, and legal experience in the Federal government, and previously served as Director of the Bureau of Justice Statistics and the Bureau of Transportation Statistics. What are some key lessons you have learned in leading and managing federal statistical agencies and statistical programs that are relevant to the Census Bureau?

I am a strong adherent to guidance developed for Federal statistical agencies by the National Academies of Sciences, Engineering and Medicine (NAS) Division of Behavioral and Social Sciences and Education, Committee on National Statistics (CNSTAT). CNSTAT's *Principles and Practices for a Federal Statistical Agency, 6th Edition* is the premier guidance document dedicated to and supported by the Federal statistical community. I support the core four principles guiding Federal statistical agencies: relevance to policy issues, credibility among data users, trust among data providers, and independence from political and other undue external influences. I also support the thirteen practices that are considered critical for the effective, principled operations in a Federal statistical agency – ranging from openness about sources and limitations of data, to protection of data confidentiality and the privacy of data providers. Other key lessons that I have learned include the need to continuously inform stakeholders and customers of the importance of accurate data for purposes of decision making and policy making. Finally, I appreciate the strong cultures within Federal statistical agencies that must be reinforced in support of the mentioned principles and practices, particularly as they relate to the Census Bureau.

15. What challenges and opportunities do you see facing the Census Bureau, and if confirmed, what will be your priorities be for the agency?

The immediate and most significant challenge facing the Bureau is the successful completion of the 2020 Decennial Census. Challenges presented by the 2020 Census are many (see recent GAO and OIG findings and recommendations), but promising mitigating strategies have been developed at the Bureau and continuous monitoring and adjustments are planned. If confirmed, meeting those challenges will be my first priority. Other priorities include the successful accomplishment of the 100 plus additional Bureau censuses and surveys, the general need to achieve greater efficiencies and cost-savings across the Bureau, and the important need of maintaining public support and understanding of the vital importance of the Bureau's products and services to its many stakeholders and customers, including the Congress, the nation's businesses and the public-at-large.

III. Publications

16. In 1984, you co-authored an article entitled, "Section 1983 Litigation: An Effective Remedy to Police Misconduct or an Insidious Federalism?" Today, what is your answer to the question presented by the article's title?

The article was generated from a course on the topic of civil liability in the justice system that was co-taught with the co-author. It was intended to highlight the importance of recent developments in holding justice system professionals accountable for their actions. As I recall, the article title was presented as a question to entice reading. I personally view Federal and state civil liability litigation as an important factor in promoting law abiding behaviors by public officials and holding them accountable for their actions.

17. In 1991, you authored an editorial, "No politics in bureau's data," in which you defended statistics you stated were primarily collected by the Bureau of the Census and reported by the Bureau of Justice Statistics, and, stated, "[s]acrifices in the quality and accuracy of crime statistics for reason of 'political spin' do not occur and are not tolerated." If confirmed, will you make all reasonable efforts to ensure Census data collection is objective and not shaped by political pressures?

Yes.

IV. Policy Questions

Independence and Integrity

18. What steps will you take to ensure the independence of the Census Bureau, protect the integrity of its products, and safeguard its reputation for producing complete, credible, relevant, accurate, timely, and non-partisan information that adheres to professional and scientific standards?

If confirmed, I will work closely with Census Bureau seasoned and experienced career officials to comply with legal requirements and maintain professional standards, particularly those identified in OMB guidance, and guidance found in *Principles and Practices for a Federal Statistical Agency* published by the Committee on National Statistics (CNSTAT) of the Division of Behavioral and Social Sciences and Education of the National Academies of Sciences, Engineering, and Medicine (NAS). Fundamental principles of data relevance, credibility with data users, trust of data providers, and prevention of improper influence must be protected. If confirmed, this message would be continuously emphasized and enforced by me and Census Bureau career leadership.

Citizenship Question

19. As you know, Commerce Secretary Wilbur Ross decided to add a question on citizenship to the 2020 Census. Please answer the following questions based on your professional

experience and knowledge of surveys and survey methodology. Please cite any research or studies that support your answers.

a. Can the order of questions on a survey or census form, as well as the format of the questionnaire, affect the rate, quality, and accuracy of responses to one or more questions on the survey form?

Yes, to some degree in certain circumstances. For example, survey methodologists have found that question order can matter in developing survey attitudinal questions. See *Survey Methodology, 2nd Ed.*, R. Groves, et al. (2009).

b. Can the wording of instructions and messages on a survey or census form affect the rate, quality, and accuracy of responses?

Yes, to some degree in certain circumstances. As explained by one survey methodologist, a good question needs to mean the same thing to each respondent, and the answers that constitute an appropriate response should be communicated consistently to all respondents (e.g., through instructions). See *Survey Research Methods*, F. Fowler (2014).

c. Can the political, social, or economic environment that exists when a survey or census is conducted affect the rate and quality of responses, and the overall willingness of households and individuals to participate?

Yes, to some degree in certain circumstances. It is my understanding that Census Bureau officials have discussed and planned (e.g., through an integrated communications plan) for external factors that may impact survey and census response rates. A discussion of this topic is found in *Nonresponse in Household Interview Surveys*, R. Groves and M. Couper (1998).

d. What are the specific risks of fielding a question in the 2020 Census that has not been tested and evaluated in any of the field and content tests conducted as part of the 2020 Census research and testing program?

Testing provides feedback regarding how respondents may reply. I would need to discuss this topic in more detail with Census Bureau survey methodologists and others to better understand potential risks in the 2020 Census, including knowledge of past experiences with the American Community Survey and past decennial questions. The Bureau has institutional knowledge and decades of experience in these matters.

e. Do you believe that the burden of proof with respect to evaluating and demonstrating the consequences (rate of response; quality and accuracy of data collected) of adding a new question or modifying an existing question to a census or survey rests with the Census Bureau or with external stakeholders?

I think that the Census Bureau has expertise in evaluating and demonstrating consequences of adding census and survey questions. I think ideas and opinions of external stakeholders also should be considered.

20. What are your views about the decision to add a citizenship question to the 2020 Census?

My view is that, if confirmed, I will have responsibility for successfully administering the 2020 Decennial Census whether the question remains or not. It is my understanding that the final resolution now rests with the courts. I have no plans to advocate for the inclusion or exclusion of the question, but to devote my attention to the successful administration of the 2020 Census.

21. What impact to the cost and accuracy of the Census do you anticipate will result from adding the citizenship question?

I presently lack detailed and independent knowledge of Census Bureau analyses or projections regarding costs and possible impacts on accuracy. If confirmed, I look forward to briefings and discussions on this topic with Bureau officials for this purpose and to engage in contingency planning. I am committed to working with this Committee and Congress as updated cost and impact estimates are developed.

22. What products and/or use for any data collected on citizenship do you envision, if this proposed measure is approved by the courts?

While I am aware of a Department of Justice request submitted to the Department of Commerce for data to be used in voting rights enforcement, I presently lack details and specific knowledge as to many potential statistical uses to be derived from the citizenship data, now and in the future. If the question remains in the census after the litigation is addressed, I understand that aggregate data and statistics would become available to all users of Bureau data. If confirmed, governing Federal statistical agency laws and guidance will be followed.

Decennial Census

23. In February 2017, GAO placed the 2020 Census on its list of high-risk federal programs because the Bureau (1) has redesigned the census but has scaled back critical tests; (2) continues to face challenges in implementing and securing IT systems; and (3) will need to control any further cost growth and develop cost estimates that reflect best practices. With less than 2 years remaining until Census Day, the 2020 Census is facing cost overruns and significant IT and implementation challenges. If confirmed, what are some key steps you would you take to mitigate these risks and ensure the decennial stays on-track going forward?

GAO program risk findings and recommendations will continue to receive priority attention and inform agency actions. First to be considered are the recommendations for Bureau actions and the available options for mitigating identified risks. Cost overruns must be

avoided and IT challenges remedied. If confirmed, I will review with Bureau senior officials the details of available options to mitigate risks identified by GAO, OIG, Congress and others.

24. **Last fall, the Bureau announced that it had updated its October 2015 life-cycle cost estimate and now projects the life-cycle cost of the 2020 Census will be $15.6 billion, more than $3 billion above its earlier estimate. What steps will you take to control any further cost growth?**

It is my understanding that the Bureau has developed a Cost Estimation Enhancement Plan to mature the 2020 Census Lifecycle Cost Estimate (LCCE) and its associated processes by means of three-month sprints covering four enhancement areas: 1) documentation; 2) processes; 3) cost-estimates; and 4) cost integration. The LCCE provides the Bureau and Department leadership with critical information for decision making, executing budgets and addressing financial issues. The approved December 2017 LCCE will be a key tool for management to ensure the success of the 2020 Census and to control future cost growth.

25. **GAO has reported that IT spending for the 2020 Census rose from $3.41 billion in October 2015 to $4.97 billion in December 2017—an increase of $1.56 billion. GAO also reported that many of the IT systems have experienced schedule delays. Do you have experience in managing the cost, schedule, and performance of IT systems? How will you ensure that these critical IT systems will be delivered on time and budget?**

My experience to date in managing IT system costs, schedules, and performance has been as an office and program head partnering with the agency Chief Contracting Officers to ensure that products and services are delivered on budget and on time while meeting performance requirements. At DOT FMCSA, I oversaw staff and worked with program and contract management officials in performing this function for ongoing contracts and during the early stages of two multi-year IT improvement projects. During my tenure, a new project IT award was made, and ongoing projects were kept on budget and meeting performance requirements. The best way to ensure that critical IT systems will be delivered on time and budget is to through the assignment of skilled mangers and continuous monitoring that identifies and makes course corrections as needed.

26. **GAO has reported that the Census Bureau has several large IT-related contracts for the 2020 Census, and that the Bureau has been challenged in managing those important contracts. What experience do you have in overseeing or managing such large contracts? What do you think is most important to ensuring that IT contracts meet expected cost, schedule, and performance targets?**

My past Federal government experience with overseeing contracts includes working closely with agency and department acquisition officials to ensure full compliance with applicable regulations and requirements governing acquisitions. This generally includes having trained and experienced project managers fully engaged in monitoring progress, including schedules and costs. At the Department of Transportation, I worked closely with the agency's contracting officer to ensure that contract requirements were clear and systems

were in place to identify slippages in schedules and deliverables. These efforts and best project management practices helped to prevent cost overruns.

27. The security of the 2020 Census IT systems is important as millions of American citizens will be providing the Bureau with personal information. How will you ensure that the personal data of these citizens is protected?

The Bureau's August 2018 Census Program Management Review included cybersecurity updates from the Associate Director, Information Technology and Information Officer. That presentation outlined how data stewardship is the formal process for protecting respondent information from the beginning to end. The comprehensive framework that relies upon a culture of confidentiality based on law and designed to maintain public trust with a four phase approach that includes: 1) culture reinforcement; 2) implementation of secure systems; 3) secure data collection and dissemination; and 4) testing, monitoring and communicating. External and internal cyber mitigation strategies are being implemented. If confirmed, I will make it a priority to ensure that necessary steps are taken to avoid security gaps and provide timely responses to identified cyber threats.

28. In its April 2018 testimony, GAO noted that over the past decade it had made 84 recommendations specific to the 2020 Census. The Department of Commerce has generally agreed with GAO's recommendations and has made progress in implementing them, but as of April 2018, 30 of GAO's recommendations had not been fully implemented. How will you work with GAO to address its recommendations?

If confirmed, I will make implementation of GAO recommendations a continuing priority, and I will assign working groups to develop and execute action plans for that purpose.

29. What is your first order of business, operationally, to take on in the interest of a complete and accurate Census? What potential issue or operation concerns you most, and how will you address this matter with satisfaction and an eye toward resolution? What are your biggest concerns regarding the conduct of the 2020 Census?

If confirmed, my first order of business would be to convene the senior officials with primary responsibilities for the 2020 Decennial Census to obtain updates on recent progress and the identification of remaining challenges. I am informed that this process is underway through the 2020 Census Memorandum Series that documents decisions, actions, and accomplishments. This process also informs stakeholders, coordinates interdivisional efforts, and documents changes. The Bureau's 2020 Operational Plan documents the design for conducting the 2020 Census, and supports evidence-based decision-making. Overall, the Operational Plan establishes where to count, how to motivate responses, how to conduct the count and how to release the results. Primary concerns that I have relate to staying on time and budget, while ensuring that census results are accurate and complete. This will require everyone to work together and stay focused on all parts of the comprehensive plan. It will also require the development of contingency plans for potential developments and continued emphasis on risk mitigation.

30. Do you foresee any need to further reorganize offices within the Census Bureau if confirmed?

If confirmed, I have no immediate plans for a reorganization, but plan to consult with Bureau senior career officials on the topic. Relevant considerations would include efficiency considerations and ways to advance the Bureau's mission.

31. What will you do, if confirmed, to ensure a full and complete count of every individual in the country--without respect to race, ethnicity, geographic location, immigration status, etc., in the upcoming 2020 Census?

The answer to that question generally is to perform the responsibilities of the director in ensuring that all plans (including primary operational and communications plans) are executed properly, timely and successfully. Much effort has been devoted to plan development. As the 2020 Census approaches, plan execution will be the focus. A count of all individuals is planned for, including outreach to hard-to-reach populations and hard-to-count populations. I know that plans are being finalized and the preparations underway to execute them, but I also recognize that vigilance, commitment and difficult work lies ahead for Bureau's talented and dedicated workforce. If confirmed, a large part of my job will be to support their efforts. I also recognize that a strong communications and partnership program is critical to ensuring public responds to the 2020 Census, and I will work to ensure that efforts in this area are as robust as possible. Finally, Bureau intends to move forward in addressing recent GAO recommendations for mitigating hard-to-count group challenges.

32. Will you ensure that messaging and outreach strategies, as provided for in the Integrated Communications Campaign, reach all populations residing in the United States, including rural/urban populations, status and non-status households, young children, and historically undercounted populations?

Yes. The Integrated Communications and Partnership Program is designed for that purpose and will be strongly supported and relied upon to accomplish those needs.

33. What steps will you take to ensure the 2020 Census is conducted consistent with the best data science and validated data collection mechanisms?

If confirmed, I will work closely with senior Bureau officials to emphasize the continued importance of best data collection and validation practices. This will be informed by past practices and consideration of new efficiencies and technologies.

Funding

34. Because of insufficient funding, the Census Bureau had to cancel FY 2017 tests of special counting procedures for tribal lands and rural and remote areas in the Dakotas, Washington state and Puerto Rico, as well as the rural portion (West Virginia) of the end-to-end readiness test in FY 2018. What will you do as director to ensure an accurate count of rural America and American Indian and Alaska Native areas?

If confirmed, I will confer with Bureau senior officials to learn the details of past experiences with prior censuses in counting special populations. I agree that carefully planned efforts are needed to obtain an accurate count of residents in these areas. As an example, I understand that the 2020 Decennial Census has an early start date in some locations in Alaska in order to meet this need. There are also other targeted data collection operations planned in rural areas and areas with low Internet connectivity. Other needed special procedures and accommodations will be expected, planned for, and implemented for tribal lands, remote areas, Puerto Rico, and other places as necessary to conduct an accurate count. I commit to working with stakeholders and partners to ensure these groups are included in the 2020 Census.

35. Some Census stakeholders have called for additional Census Bureau funding to support a variety of Census 2020 related activities, including: a contingency fund (as recommended by the Secretary of Commerce); expansion of the targeted communications campaign; an increase in the number of Partnership Program staff from 1,000 to 2,000; and an expansion in the number of local area census offices and questionnaire assistance centers nationwide. Of these items which do you believe should be prioritized as areas for targeting additional investments?

If confirmed, I would expect to be briefed on the details of these special funding needs and funding opportunities. My first impression is that a contingency fund recommended by the Secretary would indeed be a top priority, as risk mitigation and management requires resources. The benefits and costs of expanded outreach, field office staff increases, and questionnaire assistance may involve a closer analysis and careful balancing of each.

36. If confirmed, you will be leading the 2020 Census during its final preparations and implementation. Significant resources will be needed to fully fund the 2020 Census in Fiscal Year 2020 and to address, in particular, all of the possible scenarios the first high tech census could pose. What are your plans for ensuring the Bureau has the funding it needs to not only fulfill its current roll out plans, but also to prepare for inevitable technical and operational challenges?

If confirmed, I would work closely with the Secretary and Deputy Secretary, and senior Department and Bureau officials (including the Chief Financial Officer), to develop a budget with adequate resources to meet the planned needs of the 2020 Census with flexibility to address challenges that may arise. All funding options, ranging from reprogramming requests to potential supplemental budget requests would be considered, as would budget cuts in non-critical areas. Working as a team, we would seek solutions that are mindful of taxpayers and efficiencies.

37. How do you plan to address the lack of funding for non-Decennial programs such as the Economic and Demographic surveys, American Community Survey and areas like Human Resources and Information Technology?

If confirmed, I would need to be briefed on the details of any programs with funding shortfalls in order to address them and other Bureau priorities. Each of the programs and offices mentioned have critical functions that should be adequately maintained.

Data Collection

38. What new methodologies or innovative data collection methods will you undertake or support as the Census Director, to ensure the continued collection of accurate, timely information on this country's diverse economy and people--including communities of color and small populations? What changes, if any, will you consider making to maintain the Census Bureau's competitive position as the premier source of data on the American people and its economy, given these growing challenges in data collection? What balances must you ensure and/or sacrifices might you consider to address this need?

If confirmed, I will work closely with Bureau senior officials to promote new and promising methodologies that will improve efficiencies, and also to develop viable options for reaching hard-to-count and hard-to-reach populations. The Census Bureau competitive position should not be sacrificed, and the Bureau must continue to innovate and retain highly skilled specialists. The internet has increasing potential for improving census and survey efficiencies, but traditional outreach and contact methods must be available when needed to meet special population needs.

39. What is your commitment to the collection of race and ethnic data and improving collection methods to obtain more accurate data for these populations?

If confirmed, I will work closely with Bureau senior officials to ensure that the latest ideas and options for collecting accurate race and ethnicity data are fully understood and considered in Bureau planning and in maintaining comparable trend data.

40. What role do you see Census surveys playing in a society where data are becoming a cheap, highly available commodity due to technology, and digital data extracted from the Internet?

I see Census surveys as supplying readily accessible data for decision and policy making. New technologies and internet capabilities can reduce costs significantly and enhance data availability to wider audiences. The role of the Census Bureau is to retain its reputation as the nation's leading provider of quality data about its people and economy.

Interagency Data Sharing

41. Many agencies are involved in the data collection and dissemination of federal statistics, including the Bureau of Economic Analysis and Bureau of Labor Statistics, and the Census Bureau is increasing its reliance on the use of administrative records to help improve the cost and quality of the decennial census. Do you have experiences with significant data sharing among statistical agencies? How would you balance the benefits of data sharing with concerns about privacy and confidentiality?

Yes. Two of my employees at statistical agencies that I directed played key roles in developing and managing FEDSTATS, in conjunction with the Office of the Chief Statistician. FEDSTATS was established to facilitate the sharing of Federal agency statistical data and supplies customers with data from more than 100 agencies. Agencies where I have conducted surveys typically use administrative data to achieve efficiencies and reduce costs (e.g., at OPM, Peace Corps, BJS). Most agencies that share data do so collaboratively and professionally, and ensure appropriate safeguards are agreed to and provided for. Privacy and confidentiality protections and safeguards must be in place to prevent misuse of shared data, and preserve the trust of data providers.

42. **Are you committed to protecting the Title 13 privacy and confidentiality provisions as it pertains to the collection of Census data in the face of any Executive office/Administration requests for such data?**

Yes. The Census Bureau only uses information for statistical purposes, and it cannot disclose individual information for any other purpose. Confidentiality is an important guarantee for the respondent, and if confirmed, I will be committed to ensuring the Census Bureau's Title 13 requirements are upheld.

Human Capital Capacity and Engagement

43. **The Census Bureau has been without a Director and it has been difficult for Census Bureau employees to perform the mission of the agency at their full capacity. What is your strategy to improve employee morale and increase employee engagement?**

If confirmed, I will work closely with Department and Bureau senior officials, including human resource officers and the Department's Chief Human Capital Officer (CHCO) to review existing indicators of employee satisfaction (e.g., the latest results of the Bureau's Federal Employee Viewpoint Survey) and help develop an array of motivation strategies and supervisor options for keeping employee morale high, particularly during periods of high demands and pressing workloads. The options I would emphasize include promising methods for improving employee retention, providing professional development through quality trainings, and developing practices that promote and support accountability. The Bureau's professional culture, morale and effectiveness are enhanced through career trainings, performance recognition and accountability.

44. **The Census Bureau is in the beginning stages of a transformation of how they do business. Are you going to continue working with the staff to transform the Census Bureau for the future?**

If confirmed, I would be honored to assist in the transformation of the Bureau's business processes. The history of the Bureau is one of success and as a leader in knowledge development for our nation. With continued efforts and support, I think the Bureau has a very bright future.

45. The Census Bureau has a strong working relationship with their Union over many years; will you commit to continuing that relationship with your leadership? If so, how?

I have maintained productive relations with employee unions in the performance of our respective management and union representation roles, and I intend to continue doing so at the Census Bureau. Transparency and communication are key to maintaining a productive relationship.

46. Around 40 percent of the Census Bureau's workforce who were on-board at the end of fiscal year 2015 will be eligible to retire by 2020. If not managed well, the Bureau could face mission critical skills gaps. What workforce and strategic planning strategies do you feel are necessary to ensure the Bureau's workforce is aligned with its current and evolving mission requirements? Are there key steps that you believe are useful in carrying out effective succession planning?

While the number of employees eligible to retire is high, retirements often occur long after attaining eligibility. This benefits the Bureau, as institutional knowledge is of high value to the Bureau in critical areas (e.g., administering decennial censuses). For these and other reasons, good management practices must continue at the Bureau, and will be a priority of mine if confirmed as director. Continuous alignment of the Bureau's workforce to its mission is the primary purpose of the Bureau's Strategic Plan, and requires effective implementation. I will employ my extensive strategic planning experience to ensure that alignments are current and productive, and succession planning is accounted for. Professional development opportunities and special recruitment practices are important in meeting succession needs. It is my understanding that the Subcommittee on Regulatory Affairs and Federal Management has been considering various policies to ensure that Federal agencies attract talented young professionals and retain productive mid-level employees. If confirmed, I will work with Members of this Committee to address these concerns.

47. The Census Bureau was ranked 176 out of 339 agency subcomponents in the Partnership for Public Service's 2017 "Best Places to Work" survey, with a score of 65.2. Although this is around 6 points higher than the Bureau's 2016 score, it is still below the median. What are some key steps you would take to foster and sustain a positive work environment? What has your experience been in this area at BJS and BTS?

The rankings of the OPM-administered FEVS survey by the Partnership provides general guidance and comparisons that can be useful to agencies in identifying management priorities. Still, the rankings do not tell the whole story and must be considered in context of agency mission, size, and other factors (i.e., reasons for which OPM does not provide similar rankings). The improvement in the Bureau score is a positive indicator, and rough comparisons to other agencies are insightful. There is widespread agreement that positive workplace perceptions and worker satisfaction should be management priorities. It is my experience that employees strongly appreciate attention to their work and recognition for their accomplishments. Accordingly, I feel that it is important for managers to work closely with employees to promote and document their success, and provide them with deserved recognition for their accomplishments. While directing BJS and BTS, agency

accomplishments increased measurably (e.g., new programs were established at BJS and dramatic increases experienced in the number of BTS published reports) and employees received enhanced agency and Department recognition for their efforts and results, thus raising employee morale and improving performance. If confirmed, I will be committed to improving the workplace and reinforcing employee pride in public service.

48. **The Census Bureau suffers from a significant lack of staff diversity, especially within the senior ranks of the agency. Please articulate concrete steps you will take, if confirmed, to improve diversity at the agency, particularly in senior level positions of GS-13 and above, and into Senior Executive Service positions.**

Diversity and inclusion are important in all organizations and workforces, and generally require special outreach efforts and professional development opportunities. The Census Bureau is a large organization with a reputation for retaining many senior officials throughout their career. While institutional knowledge and agency experience are beneficial in many ways, new perspectives and talents are also important. If confirmed, I plan to work closely with Bureau human resource professionals and request an assessment of the Bureau's human resource needs, including its talent, retention and succession needs for the future. This assessment should identify where senior positon vacancies and opportunities for advancement will occur. The Department and Bureau will undertake new recruitment efforts and provide new professional development advancement opportunities that should increase diversity and inclusion in the Bureau's senior ranks. I was able to increase diversity among professional staff at both BJS and BTS despite the relatively limited hiring and promotion opportunities available. I am confident that the Bureau has competitive advantages that can be used to attract and develop professionals of diverse backgrounds, and encourage them to pursue a promising Federal career with the Census Bureau.

Census Stakeholders and Advisory Committees

49. **The Census Bureau has had a longstanding relationship with Census stakeholders over several decades in support of the decennial census. In addition, Census Advisory Committees have played a significant role providing feedback on Census plans and programs. What relationship will you have (if any), with Census stakeholders if confirmed by the Senate as the Census Director? How do you propose to interact with census stakeholders and involve them in the work that the Census Bureau conducts across all of its surveys and programs? What experience do you have working with diverse populations and external groups who may differ in perspectives and positions on the work you performed particularly as a federal senior employee/executive?**

If confirmed, I plan to solicit and consider the views and ideas of stakeholders and customers through a variety of means, including customer satisfaction surveys, focus groups and advisory groups. External stakeholder perspectives can provide valuable suggestions and ideas deserving of Bureau consideration. The Bureau should actively seek feedback and recommendations for improving its products and services. At BTS, I renewed a previously dormant advisory committee. At OPM, we held open town halls to discuss the FEVS. In my

view, diverse communities should be welcomed to share their views and have their recommendations carefully considered.

50. Census Advisory Committees (i.e., the National Advisory Committee on Racial, Ethnic and Other Populations and the Census Scientific Advisory Committee) have provided advice and external perspectives to the Census Bureau on decennial and non-decennial programs for more than 40 years.

    a. Are you aware of the work of these committees and do you plan to work with them in support of 2020 Census objectives, if confirmed?

I am not aware of these specific committees and their work. If confirmed, I will discuss with Bureau senior officials and others their past experiences in working with all external groups and their assessment of the Bureau's needs in this area.

    b. What do you think should be the role of these advisory committees?

It has been my experience that advisory groups and committees provide their best advice for agency consideration.

    c. How important do you consider the recommendations from these Committees to the overall work of the Census Bureau?

If confirmed, I will discuss with the Bureau senior officials their past experience in working with such committees and the results of such efforts. I favor the enlistment of views from all groups with interests in Census Bureau work. Effective mechanisms and options for capturing their views and knowledge should be considered.

    d. Would you maintain the National Advisory Committee on Racial, Ethnic and Other Populations and the National Scientific Advisory Committee if confirmed to the position of Director?

If confirmed, after discussing with the Bureau senior officials their past experience in working with such committees and the results of such efforts, I will seek their advice in making decisions regarding advisory roles. I would certainly consider past and prospective roles of these groups.

51. The Commerce Department recently announced that it would not stand up a 2020 Census Advisory Committee, after initially announcing its formation and soliciting nominations more than one year ago. Do you agree with this decision? Why?

I am not aware of the factors considered or reasons supporting the decision. If confirmed, I will learn more about the Bureau's experience with such committees and external sources of advice.

Including Hard to Count Populations

52. Based on your experience, what are the most important steps the Census Bureau can take to ensure that traditionally undercounted populations are included in the 2020 Census?

The 2020 Census Integrated Communications Plan has made hard-to-count (HTC) and hard-to-reach (HTR) populations a priority. In addition to traditional outreach including advertising and mail, the Bureau intends to increase its use of digital and social media and expand educational emphasis, including increasing audience awareness and promoting positive associations with completed responses. I also recognize the importance of the Partnership Program. In 2010, the Census Bureau had hundreds of thousands of census partners, who are the trusted voices in communities helping HTC and HTR people understand that responding to the census is safe and important. We need an even stronger Partnership Program in 2020, and I will with the Census Bureau toward this goal. Also, one of the most important efforts will be to recruit a diverse and talented team of Partnership Specialists to work with the trusted voices in local communities through the Partnership Program. If I am confirmed, guidance of stakeholders will continue to be solicited, including from Congress.

53. In the 2010 Census, young children had the highest net undercount and highest omission rates of any age group. More than 10 percent of children age 0 to 4 were missed in the 2010 Census. Moreover, the net undercount of young children has been increasing while the coverage of adults has improved since 1980. If confirmed, what will you do to make sure young children are counted more accurately in the 2020 Census?

If confirmed, I will make every effort to achieve the most complete and accurate count possible. I am not aware of the details regarding past challenges in this area, but I understand the Census Bureau has used the Census in Schools program and other efforts in the past to reach households with young children. I will work with Bureau senior officials to consider all options for improving the count of the nation's children.

American Community Survey

54. Some members of Congress are concerned that the American Community Survey (ACS) may be too intrusive and burdensome. What are your views regarding the mandatory nature of the American Community Survey? How would you propose to address respondent burden on the ACS?

The ACS enables the Bureau to estimate population data for intervening years of the decennial censuses through continuous administration of sample surveys. It is also the richest source of social, economic and demographic data on the American population. The ACS produces a continuous measurement of housing units totaling more than 3.5 million per year. The intended advantages of the ACS include the desire to increase public acceptance of the decennial census by "decoupling" the entire population count from the sample survey that was included in the census long-form. This was intended to obtain more initial responses in the decennial census. A second intended advantage was to produce more timely and

continuously updated information, which was particularly important to distributing Federal funds and for planning purposes for both public and private decision-making at the state and local levels. I understand the Census Bureau has conducted research regarding the effectiveness of conducting the ACS as a mandatory survey, and I look forward to discussing this with Census Bureau officials.

It is my current understanding that the Bureau has made much progress and is continuously researching ways to reduce time requirements and reconsidering stakeholder needs, and also is developing information and communication resources for better explaining the survey questions and the important uses of requested data from respondents. There is also a Respondent Advocate for households to contact to ask questions or to raise issues or concerns regarding the American Community Survey. This balancing process of analyzing competing needs and efficiencies helps to reduce respondent burden. I think that potential reductions in respondent burden should remain foremost in the Bureau's consideration of future changes to the ACS.

V. Relations with Congress

55. If confirmed, how will you make certain that you will respond in a timely manner to Member requests for information?

Yes.

56. If confirmed, do you agree without reservation to reply to any reasonable request for information from the Ranking Member of any duly constituted committee of the Congress?

Yes.

57. If confirmed, do you agree without reservation to reply to any reasonable request for information from members of Congress?

Yes.

58. If confirmed, do you commit to take all reasonable steps to ensure that you and your agency comply with deadlines established for requested information?

Yes.

59. If confirmed, do you commit to protect subordinate officials or employees from reprisal or retaliation for any testimony, briefings or communications with members of Congress?

Yes.

60. If confirmed, will you ensure that your staff will fully and promptly provide information and access to appropriate documents and officials in response to requests made by the Government Accountability Office (GAO) and the Congressional Research Service?

Yes.

61. If confirmed, will you direct your staff to fully and promptly respond to Freedom of Information Act requests submitted by the American people?

Yes.

VI. Assistance

62. Are these answers your own? Have you consulted with the Commerce Department, the Census Bureau or any other interested parties? If so, please indicate which entities.

These are my answers. I consulted and coordinated with Department of Commerce and Census Bureau officials regarding information accuracy and answer completeness.

I, Steven D. Dillingham, hereby state that I have read the foregoing Pre-Hearing Questionnaire and Supplemental Questionnaire and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

(Signature)

This 10th day of September, 2018

District of Columbia: SS
Subscribed and sworn to before me, in my presence, this 10th day of September 2018

Barbara A. Mumane, Notary Public, D.C.
My commission expires April 30, 2023.

Senator Claire McCaskill
Post-Hearing Questions for the Record
Submitted to the Honorable Steven Dillingham

Hearing to Consider the Nominations of the Honorable Steven D. Dillingham to be Director of the Census, U.S. Department of Commerce, and Michael M. Kubayanda to be a Commissioner, Postal Regulatory Commission
Wednesday, October 3, 2018

Privacy and Confidentiality

In 2010, the Department of Justice ruled that Title 13 protections override even authorities granted by the USA PATRIOT Act of 2001.

1. Do you agree with that interpretation? Based upon a January 4, 2010 memorandum opinion from the Department of Justice for the General Counsel of the Department of Commerce, the legal conclusion was reached that no provision of the PATRIOT Act compels the Secretary of Commerce to disclose census information to federal law enforcement or national security officers where prohibited by Census Act Title 13 provisions. I agree with that memorandum and understand that Title 13 protected data is to be used for statistical purposes, not for law enforcement purposes.

2. How will you ensure that Census data is properly protected when shared with other agencies and will not be improperly used against any individuals? The Census Bureau only uses information for statistical purposes, and it cannot disclose individual information for any other purpose. Confidentiality is an important guarantee for the respondent and, if confirmed, I will be committed to ensuring that Census Bureau's Title 13 requirements are upheld.

Administrative Records

The Census Bureau has discussed attaining administrative records to acquire certain citizenship data. While Census has long worked with Social Security Administration for records, it has had limited data sharing experiences with the Department of Homeland Security (DHS) and US Citizenship and Immigration Service (USCIS).

3. What is the status of attaining administrative records from DHS and its agencies? If confirmed, I plan to be briefed on this topic expeditiously and discuss with you and committee staffs my assessment, including the identification of any significant issues.

IPC Program

In August 2016, the U.S Census Bureau awarded an Integrated Communications Contract for the 2020 Census valued at over $400 million. This contract is expected to be Census' main tool to engage and motivate people to self-respond through the internet or other means. It is also the

way Census plans to raise and keep awareness throughout the 2020 Census in hard-to-count communities.

4. How do you intend to support the Integrated Communications and Partnership Program to ensure messaging and outreach strategies reach all populations in the U.S.?

   If confirmed, I will work to ensure a successful national communications plan to encourage respondents to self-respond to 2020 Census questions and to maintain public trust that their answers will be secure and confidential. To be successful, this messaging and outreach must be tailored to hit all populations, especially those that the Census Bureau's research has shown are traditionally hard-to-count. These efforts are essential for a complete and accurate census.

5. How have budget cuts and underfunding delayed the IPC program? What impact will further delays have on advertisements and partnerships?

   I have no independent understanding or public knowledge regarding past delays and potential future delays in this area. Generally, I am informed that critical planning is on time and on budget. As time passes, delays could become more problematic and increase risks. Unjustified delay should be avoided in this area, and I will ensure that attention is devoted to this priority need.

6. When can we expect the first ads to air?

   I am not aware of the schedule beyond the published integrated communication plan. If confirmed, I will need to be briefed on details regarding the topic, including planned schedules and any anticipated delays or problems. Such knowledge will be shared with you and committee staff.

Advisory Committees

7. If you are confirmed, what steps do you plan on taking to insulate the career scientists, statisticians, and other Census staff from partisan efforts to influence the 2020 Census and other Census operations?

   If confirmed, one of my top priorities would be encouraging and maintaining organizational and professional integrity. Because of that priority, I support a federal statistical agency culture of principles and practices that address relevance to policy issues, credibility among data users, trust among data providers, and independence from political and other undue external influences.

8. Will you commit to the Bureau's continued use of the National Advisory Committee on Racial, Ethnic and Other Populations (NAC) and the Census Scientific Advisory

Committee (CSAC) to provide you with independent feedback on ways to improve the Bureau's programs and data products?

Yes

9. If you are confirmed, what criteria do you plan on using to appoint members of the Bureau's two advisory committees?

I will consult with the senior career officials in the Bureau on what needs exist and what options are available for meeting the needs, including the making of Committee appointments.

10. Historically, members of the two advisory committees are reappointed to a second third-year term if they have been active members.

    a. If you are confirmed, will you commit to following that precedent and reappoint the current active members of the advisory committees when they complete their initial three-year term? If not, why not? How do you plan to seek the guidance of stakeholders if not through the advisory committee?

First, as previously stated, I will consult with senior career officials to determine what needs exist and how to meet them. I have no preconceived ideas regarding the benefits (or not) of following past practices. Still, I am aware that agency and census needs change and new talents may be needed in some instances to meet changing Bureau census and survey needs. Second, should stakeholders who are not on advisory committee have ideas to share, I intend to follow an "open-door" policy that allows interested stakeholders to communicate and meet directly with senior Bureau officials, including the director. I will consult with senior Bureau officials regarding other options for soliciting the views of stakeholders (e.g., via websites, customer surveys, etc.).

11. If you are confirmed, will you commit to expediting hiring to fill all remaining budgeted Program Specialist positions?

If confirmed, I would examine this issue and take appropriate action and report to you any decisions or actions taken. I presently lack detailed knowledge on this topic. I am unaware of reasons for delays, if they are now being experienced.

12. Will you commit to increasing the number of Program Specialists for hard-to-count areas such as rural areas, tribal lands, and reservations?

If confirmed, I pledge to be briefed and to study this need, and have no reason to limit specialists, as budgets permit, for this high priority need.

13. If you are confirmed, what directions do you intend to give to Program Specialists assigned to 2020 Census Operations in hart-to-count areas to secure a more accurate enumeration?

I fully support the Bureau's efforts to use program specialists effectively and consider this a high priority. Specialists should be properly trained and advised as to the importance of fulfilling their responsibilities, and assisted in doing so.

Citizenship Question

14. Are you committed to assessing the cost of adding a citizenship question, and reporting to Congress the real costs associated with adding the citizenship question to Congress?

If confirmed, I anticipate that the impact of the citizenship question will remain a topic of further research and analysis, including cost implications. The results of such analyses will be communicated when finalized.

15. How do you plan to deal with the risks that including a citizenship question poses to public perception and the broad willingness to participate in the Census?

If confirmed, I will work hard to promote trust regarding the uses of the data among groups most likely to have adverse perceptions relating to this question and in need of explanatory information and assurances.

Puerto Rico

Citing budget constraints in late 2016, the Census Bureau announced it was cancelling plans to test field operations in Puerto Rico. At the time of the announcement Census said it would consider adding Puerto Rico to the 2018 End-to-End test. That turned out to not be the case. The purpose of the Puerto Rico operation was test Spanish language systems and non-traditional addressing in Puerto Rico. Not conducting these tests certainly pose a risk to an accurate and complete 2020 Census in Puerto Rico.

Furthermore, Hurricane Maria significantly altered the population, physical households and much of the landscape of the Island.

16. What are your plans to both address the lack of testing and the aftermath of the disasters in Puerto Rico?

After Hurricane Maria, the Census Bureau decided to conduct the Update Leave (UL) operation across the Commonwealth of Puerto Rico during the 2020 Census. I understand that this operation will update the address list and feature data for the area assigned, and leave a questionnaire at every housing unit identified, allowing households to self-respond. All respondents will have the ability to respond to the 2020 Census by internet, telephone, or a paper questionnaire hand-delivered to every housing unit. Households that do not respond will be included in the Nonresponse Followup operation. Field enumerators will make an in-person contact attempt to determine the status of the housing unit and, when occupied, collect the census response.

Hundreds of thousands of Puerto Ricans have moved to many Florida communities and that surely has created a unique challenge.

17. How will you deal with the migration to Florida and other communities from Puerto Ricans?

If confirmed, I will need to be briefed and to collect information regarding this special need, and develop a promising plan to ensure that people are counted as accurately as possible and their place of primary residence appropriately determined.

Native Americans

The Census Bureau cancelled two field tests in Indian Country in 2017 that were scheduled for the Colville Reservation in Washington State and the Standing Rock Reservation in North Dakota. The tests were critical to devising methods for counting people in tribal areas lacking street addresses, testing methods of making in-person counts in American Indian and Alaska Native households, and determining where and how to use oversampling to counteract the undercount facing Native people living on reservations and in Native villages.

18. If you are confirmed, what steps do you intend to take in the 2020 Census to decrease the undercount of those living in tribal areas and on reservations, which was 4.9 percent in the 2010 Census – double the undercount of the next closest racial or ethnic group?

If confirmed, I will request to be briefed as to what improvements and safeguards are planned and actions taken to prevent an undercount of these special populations. The Bureau must continue to emphasize the need to reach these hard-to-count populations, and to employ the best methodologies for doing so. I pledge to keep the Committee updated on plans for addressing this need as well as progress made. The use of partnerships appears to be an important element for this outreach priority.

19. How do you propose to improve the enumeration of hard-to-count populations with non-traditional mailing addresses or who face housing instability or homelessness, such as Alaska Natives and American Indians?

If confirmed, I will be briefed on past decennial practices and planned improvements to address this need. It would seem that close collaboration with local governments and groups are required in this regard, and that collaborative risk mitigation strategies and remedies must be developed.

20. Many Alaska Natives and American Indians living in tribal areas and on reservations have no broadband access, are unable to afford access where it may be available, or simply do not use it. Given the Bureau's emphasis on using the Internet in the 2020 Census, how do you plan on bridging the digital divide to secure an accurate count from Indian Country?

It is my understanding that immediate internet access is not required of enumerators and that other means of data collection will be employed (including paper forms, as needed). Obviously, some of the available options will require more resources than normal and extra efforts. Again, partnerships should play an important role in this regard.

Funding

The Administration's last two budget requests for the Census Bureau asked for smaller increases in funding than at a similar point in past Census cycles, the Commerce Department has been funded by continuing resolutions for much of the last two years, and the Census Bureau has been without a Senate-confirmed director for over a year. This has raised concerns that the preparations for the Census are not moving forward sufficiently to ensure the success of the Census in less than two years.

21. Do you think that current Census funding is sufficient considering where we are in the current Census cycle?
    Yes, that is the most recent information made available to me.

22. If you are confirmed, are you prepared to advocate within the administration and here on Capitol Hill for the resources that the Census Bureau needs to accomplish its mission?

    Yes

23. Last fall, the Bureau announced that it had updated its October 2015 life-cycle cost estimate and now projects the life-cycle cost of the 2020 Census will be $15.6 billion, more than $3 billion above its earlier estimate. What steps will you take to control any further cost growth?

    Cost containment will be a special objective emphasized throughout the process. After consultation with HR, cost containment will be considered for inclusion in Bureau employee performance plans, as well as in employee trainings. Frequent program budget reviews will be undertaken to identify potential areas for cost-savings. Other employee incentives (e.g., recognition and rewards) will be considered.

24. GAO has reported that IT spending for the 2020 Census rose from $3.41 billion in October 2015 to $4.97 billion in December 2017—an increase of $1.56 billion. GAO also reported that many of the IT systems have experienced schedule delays. How will you ensure that these critical IT systems will be delivered on time and budget?

    Bureau officials will be advised and trained to follow project management best practices and will work closely with Department and Bureau acquisition officials to prevent IT deployment and operations delays, mistakes, inefficiencies, and other risks. Problems must be identified quickly and responded to as soon as possible. The hiring of additional Federal and contractor IT specialists will be considered.

IT Systems

25. GAO has reported for several years that the Bureau has faced challenges related to managing the schedule, cost, and contractors for its IT systems for the 2020 Census. How confident are you that these systems will be completed and fully tested before they are needed for the Census? What actions will you take to ensure that they are ready in time?

I will ensure that senior officials are cognizant of the need to identify and report problems and work collaboratively and expeditiously to find and implement solutions. It is my understanding that major IT needs are being met, but further monitoring and testing may be needed. I plan to work closely with GAO and OIG to address the priority risks that are identified. I will ensure that the Bureau's Risk Management officials are reporting regularly their progress.

26. GAO has reported that, during the operational tests in 2017 and 2018, the Bureau assumed increased risk when systems were deployed before security assessments could be completed as planned. In August 2018, GAO also reported that the Census Bureau had over 3000 potential security weaknesses that needed to be addressed before the 2020 Census. What actions will you take to help reduce cyber risk for the 2020 Census?

The Bureau will continue to examine and triage these risks, consistent with a reasoned risk appetite. A comprehensive risk list will be maintained and priority risks will be responded to, working collaboratively with the GAO and OIG as needed. Collaborations and close coordination with agencies and private firms with cyber security expertise will continue to be a priority.

27. GAO has reported that the Census Bureau has several large IT-related contracts for the 2020 Census, and that the Bureau has been challenged in managing those important contracts. What do you think is most important to ensuring that IT contracts meet expected cost, schedule, and performance targets?

Best DOC and Bureau acquisition talents must be utilized and best practices followed. Effective project management practices include close monitoring and increased agility in identifying and meeting project needs. Accordingly, I would request an immediate briefing on the major contracts and an assessment of the status of each project and its implementation milestones.

28. In August 2018, GAO reported that the Bureau still had to fill key federal IT vacancies in the government program management office overseeing a major contractor. How do you plan to recruit, hire, and retain these types of technical staff, given the difficultly across the government to do so?

If confirmed, I will request an immediate briefing on the Bureau's IT human resource needs and the availability of talents within the Department or elsewhere to meet them.

The ideas and advice of the DOC CHCO would be solicited as well as the Bureau's human resource officials, including how to expedite hiring for vacant IT slots.

Department of Energy

29. While on unpaid leave from the Department of Energy, you worked as a Senior Associate at Carter Goble Associates. What type of projects did Carter Goble Associates manage during your time at the company? Please describe the type of work you performed for the company.

While working at Carter Goble, I worked on state and local justice facility and space planning associated with building new courthouses and related justice system facilities. For example, the modernization and expansion of the historic courthouse for Prince Georges County in Upper Marlboro, Maryland, was one such project that I worked on. It involved developing staffing and space projections of all offices in the planned new courthouse. I worked closely with court officials, courthouse occupants, judges, county officials and others in developing the space needs and plans, and coordinating with facility architects.

Additional question submitted by Senator McCaskill on behalf of Congressman Cummings

1. On March 24, 1991, an article published in The Boston Globe, entitled, "Crime report unveiled amid disagreement on remedies," attributed the following statement to you: "Over time, when imprisonment rates fell violent crime rates soared, and when imprisonment rates rose, the violent crime rate experienced decreased rates of growth or even reductions." Does this statement match your view, today? Please explain why you made the statement, and provide the statistical resources you relied upon to arrive at your conclusion.

The statement was the product of Bureau of Justice Statistics data analysis conducted by senior career statisticians and analysts. The data at that time supported the observations made for the time period covered. The data was descriptive of violent crime-related trends and associations during the 1960s, 1970s and 1980s. Criminologists historically have sought to identify intervening and confounding variables, such as improved law enforcement efficiencies, changes in incarceration practices, etc. that impact trends. Rigorous and experimental design research, when possible, can shed more light on factors underlying such trends. I have not reviewed incarceration and crime data since 1992, or performed further analysis on this topic. I have no reason to believe that the trends described in the presentation continued for a prolonged period. In fact, I surmise they have not. Major changes in criminal behaviors, incarceration practices, law enforcement tools and practices, advances in crime prevention, sentencing reforms, and many other societal and demographic changes undoubtedly have had significant impacts. Without examining more recent data, I expect that both national incarceration

rates and violent crime rates generally have dropped in recent decades, for the reasons cited and others. The aggregate incarceration data used for the original trend analysis was compiled by BJS. The crime-related data included both the FBI Uniform Crime Reports and the National Crime Survey (now the "NCVS", which began in 1973).

Senator Heidi Heitkamp
Post-Hearing Questions for the Record
Submitted to the Honorable Steven Dillingham

Hearing to Consider the Nominations of the Honorable Steven D. Dillingham to be Director of the Census, U.S. Department of Commerce, and Michael M. Kubayanda to be a Commissioner, Postal Regulatory Commission
Wednesday, October 3, 2018

1. Indian Country presents unique challenging characteristics which have historically led to undercounts on Reservations. Many homes lack deliverable mail, individuals are more likely to reside in unconventional dwellings, and according to Census Bureau data only 52 percent of American Indians, nationwide, use the internet.

    a. Based on these hurdles, what steps can the Census Bureau take to ensure an accurate count in 2020? It is my understanding that additional data collection techniques and resources will be used in collecting data in areas of hard-to-count populations, especially regarding Indian Country. The expanded use of partnerships and specialists is planned, and the schedule for hiring of partnership specialists is being pushed forward (as compared to the prior decennial census). If confirmed, I pledge to monitor closely these outreach and partnership efforts, and to report progress to this committee. I also invite promising ideas from other stakeholders and experts, including from members of this committee, to improve and expand Bureau efforts in this regard.

    b. Due to the lack of deliverable mail coupled with low internet usage, what steps should the Census Bureau take to ensure that members of these communities are not overly burdened when responding to the census questionnaire?

    If confirmed, I will be briefed regarding current knowledge and efforts for reaching special hard-to-reach populations, and intend to make promising communications and partnerships options priorities of the Bureau. Special assistance via community contacts and partnerships may include use of local resources relied on by specific tribes and groups in their geographic regions. Past best practices also need to be considered and assessed. Generally, creative thinking and new and innovative options may be required if continued deficiencies are identified in reaching some hard-to-reach communities or if avoidable burdens are imposed. This also should be made a Bureau research priority and successes should be documented for future censuses.

2. For the 2020 Decennial Census, the Census Bureau has moved to tablets for Non-Response-Follow-Up (NRFU). The Census Bureau has stated that one of the benefits of this change will be increasing the productivity of Enumerators, who will have a new address pushed to them once they have input information about their last interview. It is my understanding that these devices will be reliant on cellular networks. However, many tribal communities lack such infrastructure.

    a. What steps will you recommend the Census Bureau take to ensure the productivity of enumerators is not limited by a lack of cellular service?

    I know from the Census Bureau's program management reviews that the devices are designed to work when there is no cellular service. Data can be collected whether or not the enumerator is in an area with adequate service. When the device regains a signal, the information will be securely uploaded to the Census Bureau's systems.

3. Due to historic mistreatment by the Federal government, American Indians and Alaska Natives are not as likely to trust the government. This increases the likelihood that individuals will simply ignore requests to participate in the census.

    a. Considering the impacts of census data on Federal assistance programs, which are greatly needed in Indian Country, how can the Census Bureau best counter this apprehension when contacting American Indians and Alaska Natives?

    It is my understanding that the use of partnerships, especially involving the hiring of tribe representatives and specialists, can make data collection much more effective with these populations and reduce potential fears. If confirmed, I will need to be briefed as soon as possible regarding the progress of identifying and hiring partners and specialists, as well as other promising communications and outreach options that will meet the needs of these special populations.

4. As part of the preparations for the 2020 Decennial Census, there were two tests planned for Indian Country. One of these test sites was located at the Standing Rock Reservation. The reason for the cancelation, given by then Director Thompson, was "budgetary uncertainty". In the same press release, it was noted that the Census Bureau would consider incorporating pieces of the canceled tests into other actions being taken in preparation for the 2020 Decennial Census.

a. Considering the challenges enumerators will face in Indian Country, will you advocate for additional preparatory activities, by the Census Bureau, to ensure an accurate count in native communities? Yes

Senator Kamala Harris
Post-Hearing Questions for the Record
Submitted to the Honorable Steven Dillingham

Hearing to Consider the Nominations of the Honorable Steven D. Dillingham to be Director of the Census, U.S. Department of Commerce, and Michael M. Kubayanda to be a Commissioner, Postal Regulatory Commission
Wednesday, October 3, 2018

Mitigating Potential Impact of Citizenship Question on Census Accuracy

During your nomination hearing, in response to my question about whether or not you are worried about the impact of the citizenship question on the accuracy of the 2020 Census, you responded, "I am concerned with all questions in particular in the Decennial Census, and the need to get complete and accurate information and will continue to look at potential impacts and do the analysis to see if there are unexpected impacts or detrimental impacts to a complete and accurate census that we address those."

In response to my question about whether the citizenship question should be tested before it is included on the decennial census, you said, "If confirmed, I would certainly confer with the experts at the Census Bureau, including the analyst that you mentioned [Census Bureau Chief Scientist John Abowd] as well as others to determine the best views on that topic."

1. **Will you commit to meeting with Census Bureau staff and with academics outside the Census Bureau who have expertise on survey response about the impact of the citizenship question on response rates?** Yes

2. **Will you commit to having the Census Bureau conduct targeted research and testing on the citizenship question as soon as possible?** Yes

    a. **If yes, will you commit to working with academics outside the Census Bureau with expertise on survey response to conduct such research and testing?** Yes

Before the addition of the citizenship question, Census Bureau staff lowered their estimated public response rates to the 2020 Census from earlier estimates due to public distrust.

3. **Given that experts warn that the citizenship question will further reduce responses, if confirmed, if confirmed, will you commit to lead the Census Bureau to revise its plans for conducting essential outreach to promote public participation and to locate census offices and staff within American communities?** Yes

    a. **Will you consider expanding the targeted communication campaign?** Yes

b. **Will you consider expanding the partnership program and increasing the number of partnership specialist?** Yes

c. **Will you consider increasing the number of Local Area Offices and questionnaire assistanee eenters?** Yes

d. **What other areas do you bclieve should be prioritized for additional resource investment?** Hiring Enumerators and Documenting Best Practices re 2020 Decennial Census.

e. **Are you willing, if confirmed, to makc these requests to Congress through the appropriations process?** Yes

4. **Will you commit to work with academics outside the Census Bureau with expertise on survey response to develop strategies to counteract reduced response rates?** Yes

In response to a question from Senator Daines about the citizenship question on the 2020 Census, you responded that, "It certainly would provide another measurement of citizenship." I am concerned with this answer because it does not acknowledge risks to an accurate response highlighted by Census Bureau Chief Scientist John Abowd and six past Census Bureau Directors.

5. **Please expand upon your answer to Senator Daines.** Data generated during the Decennial Census from a citizenship question should be carefully analyzed and compared to other available data, including the ACS.

6. **Does your answer reflect a belief that the citizenship question on the 2020 Census will yield accurate citizenship data?** I am not in position to project the anticipated responses from this question. The Census Bureau has conducted an internal analysis, which was provided to the Secretary. Prior data from the ACS is informative on this topic.

7. **What do you understand to be the risks to decennial census response accuracy posed by the citizenship question?** I am aware that potential risks have been identified. If confirmed, I will receive briefings and have discussions that will provide a more detailed knowledge on this topic.

Interactions with National Advisory Council on Racial, Ethnic, and Other Populations

The Census Bureau's National Advisory Committee on Racial, Ethnic, and Other Populations (NAC) is tasked to advise the Director on reaching hard-to-count populations, race and ethnicity, language issues, and immigrant populations, amongst other concerns.

8. **Will you commit to continue and support the work of the NAC?** Yes

9. If you are confirmed, how do you plan to engage with the NAC?

If confirmed, I plan to solicit and consider the views and ideas of stakeholders and customers through a variety of means, including customer satisfaction surveys, focus groups and advisory groups. External stakeholder perspectives can provide valuable suggestions and ideas deserving of Bureau consideration. The Bureau should actively seek feedback and recommendations for improving its products and services. At the Bureau of Transportation Statistics (BTS), I renewed a previously dormant advisory committee. At the Office of Personnel Management (OPM), we held open town halls to discuss the Federal Employee Viewpoint Survey (FEVS). In my view, diverse communities should be welcomed to share their views and have their recommendations carefully considered.

10. Will you commit to personally meet with NAC members and to respond to recommendations provided by the NAC? Yes

A number of NAC members are reaching the end of their second term and are no longer eligible to serve on the NAC.

11. Will you commit to filling NAC vacancies with new members from organizations who represent diverse and hard-to-count populations and with backgrounds in social sciences, specifically survey and demographic work? Yes

Sexual Orientation and General Identity

On March 28, 2017, the Census Bureau delivered a report to Congress on topics to be included in the 2020 Census and the American Community Survey, which did not include the topic of sexual orientation and gender identity. An earlier, unpublished draft of this report released through the Federal Information Act process did include this topic.

Sexual orientation and gender identity data could be used, among other purposes, for enforcing laws, regulations, and policies against discrimination.

12. If confirmed, will you commit to meeting with representatives from LGBTQ groups to become educated on the importance of collecting this data? Yes

Census Bureau Staff Diversity

One of the Census Bureau's missions is to count every person in the United States where they live. Despite the Census Bureau's task to be accountable to a diverse American public, the Census Bureau's workforce – especially supervisory and Senior Executive Service-level employees – does not reflect America's diversity. According to OPM data publically available on Fedscope, there are no reported Latino Americans, Asian Americans, or Native Americans in the Census Bureau's Senior Executive Service (SES).

13. How do you plan to ensure that the Census Bureau's workforce, especially its Senior Executive Service-level workforce, reflects America's diversity?

The Census Bureau's Diversity Network comprises a number of volunteer employee organizations that represent Census Bureau employees of different background and interests. I intend to examine the workforce applicant pool and solicit information regarding how best to attract diverse applicants and improve agency hiring practices and diversity.

14. If you are confirmed, will you commit to meeting with these volunteer employee organizations on the topics of diversity at the Census Bureau and specifically about diversity in supervisory and SES positions? Yes

Census Bureau Staff Engagement and Morale

Census Bureau staff do incredibly important jobs. As the Census's mission of counting every person in the United States where they live becomes harder due to a more complex populous, increased distrust of government, and a more-politicized environment, the jobs of Census Bureau employees also become harder.

15. How do you plan to increase employee engagement and improve employee morale at the Census Bureau?

If confirmed, I will work closely with Department and Bureau senior officials, including human resource officers and the Department's Chief Human Capital Officer (CHCO) to review existing indicators of employee satisfaction (e.g., the latest results of the Bureau's Federal Employee Viewpoint Survey) and help develop an array of motivation strategies and supervisor options for keeping employee morale high, particularly during periods of high demands and workloads. The options I would emphasize include promising methods for improving employee retention, providing professional development through quality trainings, and developing practices that promote and support accountability. The Bureau's professional culture, morale and effectiveness are enhanced through career trainings, performance recognition and accountability.

16. As business processes transform at the Census Bureau, how do you plan to work staff and their unions on these transforming business processes?

It is my intention to have close communications with staff and their unions regarding transforming business process. It is my opinion that close communication can prevent misunderstandings and promote shared ideas.

####

Opening Statement of Michael M. Kubayanda

Nominee, Postal Regulatory Commission

October 3, 2018

Good morning Chairman Johnson, Ranking Member McCaskill, and members of the Committee. Thank you for inviting me to testify regarding my nomination to the Postal Regulatory Commission.

I have been fortunate to work with this Committee in earlier positions I have held and I am honored by the opportunity to do so again. I have built solid relationships with members of your staff over the years. I've been impressed by their dedication and knowledge and I understand the importance of providing accurate and timely information to Congress. I believe this ensures better oversight and better public policy. If confirmed, this will be a high priority for me.

I have several years of experience working on postal reform and oversight, most recently at the Office of Inspector General. I'm familiar with many of the key issues and organizations in the field. I believe my understanding of adjacent and complementary issues, such as technology, can also be helpful.

We appear to be close to an inflection point on postal issues. On one hand, declining mail volume and legal mandates contribute to ongoing financial losses. On the other

hand, e-commerce and new consumer technologies are transforming delivery services and providing options to improve customer service. It is vital that we in the postal community understand these changes and how they impact the Postal Service.

We should also try to understand how consumer expectations are changing in this era and ensure that services and regulations are responsive to these expectations. I have looked at these issues from many perspectives, especially at the OIG. I believe that this background has prepared me well to address the issues facing the postal sector now and in the future.

I view a Commissioner's role as similar to that of a state utility regulator. The Commission must bring to bear the necessary analytical skills to scrutinize the operations and finances of the Postal Service and ensure compliance with the law and public policy, as established by Congress. In addition, the Commission should support transparency by making sure that its findings are readily accessible to stakeholders and the public at large.

Key technical matters facing the Commission include negotiated service agreements, Post Office appeals, and complex issues of economic regulation. The Commission will issue a final order on the 10-year review of the system for regulating market dominant products under the PAEA. It is also looking at the proper contribution of competitive products, such as e-commerce packages, to the institutional costs of the Postal Service

With this sizable and important workload, the Commission should continue to emphasize efficiency and responsiveness to stakeholders. I believe the Commission's emphasis on strategic planning will help it prioritize and execute against this agenda. If confirmed, I look forward to working with Chairman Taub and Commissioners Langley, Hammond, and Acton to do so.

Thank you for considering my nomination and I look forward to answering your questions.

###

REDACTED

HSGAC BIOGRAPHICAL QUESTIONS FOR EXECUTIVE NOMINEES

1. Basic Biographical Information

Please provide the following information.

Position to Which You Have Been Nominated	
Name of Position	Date of Nomination
Commissioner, Postal Regulatory Commission	June 11, 2018

Current Legal Name			
First Name	Middle Name	Last Name	Suffix
Michael	Mwinkum	Kubayanda	

Addresses					
Residential Address (do not include street address)			Office Address (include street address)		
[redacted]			Street: 341 South Third Street		
City: Columbus	State: Ohio	Zip: 43215	City: Columbus	State: Ohio	Zip: 43215

Other Names Used

First Name	Middle Name	Last Name	Suffix	Check if Maid en Name	Name Used From (Month/Year) (Check box if estimate)	Name Used To (Month/Year) (Check box if estimate)
					Est ☐	Est ☐
					Est ☐	Est ☐

Birth Year and Place	
Year of Birth (Do not include month and day.)	**Place of Birth**
1973	London, United Kingdom

Marital Status					
Check All That Describe Your Current Situation:					
Never Married	**Married**	**Separated**	**Annulled**	**Divorced**	**Widowed**
☐	☑	☐	☐	☐	☐

Spouse's Name (current spouse only)			
Spouse's First Name	Spouse's Middle Name	Spouse's Last Name	Spouse's Suffix
Michelle	Anne	Lee	

Spouse's Other Names Used (current spouse only)						
First Name	Middle Name	Last Name	Suffix	Check if Maiden Name	Name Used From (Month/Year) (Check box if estimate)	Name Used To (Month/Year) (Check box if estimate)
					Est ☐	Est ☐
					Est ☐	Est ☐

Children's Names (if over 18)			
First Name	Middle Name	Last Name	Suffix

2. Education

List all post-secondary schools attended.

Name of School	Type of School (vocational/technical/trade school, college/university/military college, correspondence/distance/extension/online school)	Date Began School (month/year) (check box if estimate)	Date Ended School (month/year) (check box if estimate) (check "present" box if still in school)	Degree	Date Awarded
Georgetown University	University	08/2012	08/2014	MA	10/2014
Graduate Institute - Geneva	University	06/2014	07/2014	Certificate	07/2014
Northwestern University	University	08/1995	05/1998	JD	05/1998
The Ohio State University	University	09/1991	06/995	BA	06/1995
		Est ☐	Est ☐ Present ☐		

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

Type of Employment (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other Federal employment, State Government (Non-Federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other	Name of Your Employer/ Assigned Duty Station	Most Recent Position Title/ Rank	Location (City and State only)	Date Employment Began (month/year) (check box if estimate)	Date Employment Ended (month/year) (check box if estimate) (check "present" box if still employed)
Non-Government	access.mobile International, Inc.	Privacy Officer, Board Member	Denver, CO	Board, 02/2013; Privacy Advisor/ Privacy Officer, 10/2015 Est. ☑	Present
Self-employment (contractor to access.mobile)	Intelus Advisors, LLC	Principal	Columbus, OH	Est. 12/2016 ☐	Present
Federal Government	USPS Office of Inspector General	Director of Government Relations	Arlington, VA	Est. 01/2011 ☐	10/2015 Est. ☐
Federal Government	House of Representatives Committee on Oversight and Government Reform	Counsel	Washington, DC	Est. 05/2009 ☐	01/2011 Est. ☐
Non-Government	CJ Strategies	Associate	Washington, DC	Est. 03/2009 ☐	05/2009 Est. ☐
Federal Government	U.S. Postal Service	Government Relations Representative, Policy and Strategy Development	Washington, DC	06/2004	03/2009
Non-Government	Copeland, Lowery & Jacquez	Associate	Washington, DC	04/2000	05/2004

(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

Name of Government Entity	Name of Position	Date Service Begun (month/year) (check box if estimate)	Date Service Ended (month/year) (check box if estimate) (check "present" box if still serving)
		Est ☐	Est ☐ Present ☐
		Est ☐	Est ☐ Present ☐
		Est ☐	Est ☐ Present ☐

4. **Potential Conflict of Interest**

(A)Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

I do not anticipate conflicts. If confirmed I will, however, monitor the issues related to the relationships below and work with counsel to prevent any actual conflicts.

The company with which I am affiliated, access.mobile International, Inc., has received support from Microsoft, primarily in the form of in-kind contributions, training, and advice from business and technical experts. Microsoft provided this support through its BizSpark program in Africa and the United States. To my knowledge, Microsoft is not active before the Commission, but it is a major federal contractor.

In 2014, while finishing an MA at Georgetown University through evening courses, I applied for and received a fellowship sponsored by Google. The fellowship placed recipients at nonprofit organizations working on technology issues, and I served with the Internet Education Foundation, analyzing and setting up events related to privacy, digital copyright in the United States and Europe, and other technology issues. Google/Alphabet, to my knowledge, does not have business before the Commission but is a major federal contractor.

Since 2017, I have served as an unpaid advisor, primarily on privacy issues, to the Fashion Innovation Alliance, a trade association focusing on issues at the intersection of technology and fashion. Microsoft is a member of the Alliance. The Alliance has not had any business before the commission and has not been involved in postal issues, but given the importance of electronic commerce to the fashion industry, it is conceivable that some of its members would have a future interest in postal matters.

If confirmed, I would monitor these matters, raise discuss potential conflicts with ethics counsel, and if necessary and appropriate, recuse myself from consideration of relevant matters.

(B)Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration or execution of law or public policy, other than while in a federal government capacity.

From March 2009 to May 2009, I worked with CJ Strategies, a government relations firm in Washington, DC. I helped to formulate strategies related to consideration of the Affordable Care Act, Appropriations, and the American Recovery and Reinvestment Act of 2009 on behalf of California-based hospitals and local governments. I helped to organize and participated in meetings with the Department of Health and Human Services in Rockville and Congressional offices (California delegation, House Energy and Commerce Committee, and Senate HELP Committee) related to these matters. I left the firm in May 2009 to work for the House Oversight and Government Reform Committee, prior to the filing of any lobbying registrations.

5. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

Google Policy Fellow
Six awards for service at the US Postal Service
Kappa Alpha Tau-National Journalism Honor Society

6. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last 10 years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of $1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam's Club), or affinity memberships/ consumer clubs (such as frequent flyer memberships).

Name of Organization	Dates of Your Membership (You may approximate.)	Position(s) Held
International Association of Privacy Professionals	03/2011 - Present	Member
Smart Columbus Meetup Group	05/2017 - Present	Member
Internet Law and Policy Foundry	07/2014 - Present	Founder, Fellow, and Member
Afrikafe (networking group)	2003 - 2009 (Est.)	Member
Washington International Trade Association	01/2004 - 2009 (Est.)	Member

7. **Political Activity**

(A) Have you ever been a candidate for or been elected or appointed to a political office?

No

Name of Office	Elected/Appointed/ Candidate Only	Year(s) Election Held or Appointment Made	Term of Service (if applicable)

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

N/A

Name of Party/Election Committee	Office/Services Rendered	Responsibilities	Dates of Service

(C) Itemize all individual political contributions of $200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

N/A

Name of Recipient	Amount	Year of Contribution

8. **Publications and Speeches**

(A) List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet. Please provide the Committee with copies of all listed publications. In lieu of hard copies, electronic copies can be provided via e-mail or other digital format.

Title	Publisher	Date(s) of Publication
How to Keep Smart Cities Data Safe	International Association of Privacy Professionals	August 21, 2017
Towards a Postal Service Intellectual Property Strategy	USPS OIG	December 18, 2013

Public-Private Partnerships: Best Practices and Opportunities for the Postal Service	USPS OIG	June 24, 2013
Revisiting the CPI-Only Price Cap Formula	USPS OIG	April 12, 2013
A Possible Pilot Collaboration Between Rural Telecom Providers and the Postal Service	USPS OIG	February 8, 2013
Parallel Tracks?: Lessons from the Railroad Industry	USPS OIG	August 32, 2012
Make Way for ~.post"; August 1, 2011	USPS OIG	August 1, 2011
Give USPS a viable trust-fund payment schedule (Op Ed written for Congressman Edolphus Towns)	Federal Times	November 14, 2010
Information Communications Technology and the Health Sector: Opportunities and Challenges in Sub-Saharan Africa	Network for the Improvement of World Health	July 2006
Learning From the Governor: Why Democrats Should Build on the Legacies of Howard Dean's Insurgent Campaign	DC Democratic State Committee	Winter 2003/2004 Magazine (Est. Dec. 2003).

(B) List any formal speeches you have delivered during the last five years and provide the Committee with copies of those speeches relevant to the position for which you have been nominated. Include any testimony to Congress or any other legislative or administrative body. These items can be provided electronically via e-mail or other digital format.

N/A

Title/Topic	Place/Audience	Date(s) of Speech

(C) List all speeches and testimony you have delivered in the past ten years, except for those the text of which you are providing to the Committee.

Title	Place/Audience	Date(s) of Speech

Panel Moderator: "Can Europe Force Search Engines to Censor Information You're Looking for on the Internet? Assessing the Right to be Forgotten.	Rayburn Building. Internet stakeholders and policy analysts. (Part of Google Policy Fellowship with the Internet Education Foundation)	August 8, 2014
Oral discussion of white paper on public-private partnerships	National Academy of Public Administration	August 29, 2013
Oral presentations of two papers on economic regulation ("Revisiting the CPI-Only Price Cap" and industry restructuring ("Parallel Tracks")	Annual Eastern Conference, Advanced Workshop in Regulation and Competition, Rutgers University Center for Research in Regulated Industries,	May 17, 2012
Speech on Postal Reform Legislation	Association of Postal Commerce (Postcom) Board of Directors Meeting at Venable offices in DC	2010
"Discussant" (Conference's term for a reviewer) on a panel reviewing economic research papers on postal industry regulation and reform	Annual Eastern Conference, Advanced Workshop in Regulation and Competition, Rutgers University Center for Research in Regulated Industries, Skytop, Pennsylvania	May 16, 2008
Speech on Postal Accountability and Enhancement Act and its implementation	Cleveland Postal Customer Council, Independence, Ohio	April 18, 2008

9. Criminal History

Since (and including) your 18th birthday, has any of the following happened?

- Have you been issued a summons, citation, or ticket to appear in court in a criminal proceeding against you? (Exclude citations involving traffic infractions where the fine was less than $300 and did not include alcohol or drugs.) No
- Have you been arrested by any police officer, sheriff, marshal or any other type of law enforcement official? No
- Have you been charged, convicted, or sentenced of a crime in any court? No
- Have you been or are you currently on probation or parole? No
- Are you currently on trial or awaiting a trial on criminal charges? No
- To your knowledge, have you ever been the subject or target of a federal, state or local criminal investigation? No

If the answer to any of the questions above is yes, please answer the questions below for each criminal event (citation, arrest, investigation, etc.). If the event was an investigation, where the question below asks for information about the offense, please offer information about the offense under investigation (if known).

A) Date of offense:

   a. Is this an estimate (Yes/No):

B) Description of the specific nature of the offense:

C) Did the offense involve any of the following?
   1) Domestic violence or a crime of violence (such as battery or assault) against your child, dependent, cohabitant, spouse, former spouse, or someone with whom you share a child in common: Yes / No
   2) Firearms or explosives: Yes / No
   3) Alcohol or drugs: Yes / No

D) Location where the offense occurred (city, county, state, zip code, country):

E) Were you arrested, summoned, cited or did you receive a ticket to appear as a result of this offense by any police officer, sheriff, marshal or any other type of law enforcement official: Yes / No

1) Name of the law enforcement agency that arrested/cited/summoned you:

2) Location of the law enforcement agency (city, county, state, zip code, country):

F) As a result of this offense were you charged, convicted, currently awaiting trial, and/or ordered to appear in court in a criminal proceeding against you: Yes / No

1) If yes, provide the name of the court and the location of the court (city, county, state, zip code, country):

2) If yes, provide all the charges brought against you for this offense, and the outcome of each charged offense (such as found guilty, found not-guilty, charge dropped or "nolle pros," etc). If you were found guilty of or pleaded guilty to a lesser offense, list separately both the original charge and the lesser offense:

3) If no, provide explanation:

G) Were you sentenced as a result of this offense: Yes / No

H) Provide a description of the sentence:

I) Were you sentenced to imprisonment for a term exceeding one year: Yes / No

J) Were you incarcerated as a result of that sentence for not less than one year: Yes / No

K) If the conviction resulted in imprisonment, provide the dates that you actually were incarcerated:

L) If conviction resulted in probation or parole, provide the dates of probation or parole:

M) Are you currently on trial, awaiting a trial, or awaiting sentencing on criminal charges for this offense: Yes / No

N) Provide explanation:

10. Civil Litigation and Administrative or Legislative Proceedings

(A) Since (and including) your 18th birthday, have you been a party to any public record civil court action or administrative or legislative proceeding of any kind that resulted in (1) a finding of wrongdoing against you, or (2) a settlement agreement for you, or some other person or entity, to make a payment to settle allegations against you, or for you to take, or refrain from taking, some action. Do NOT include small claims proceedings.

No

Date Claim/Suit Was Filed or Legislative Proceedings Began	Court Name	Name(s) of Principal Parties Involved in Action/ Proceeding	Nature of Action/Proceeding	Results of Action/ Proceeding

(B) In addition to those listed above, have you or any business of which you were an officer, director or owner ever been involved as a party of interest in any administrative agency proceeding or civil litigation? Please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity.

No

Date Claim/Suit Was Filed	Court Name	Name(s) of Principal Parties Involved in Action/ Proceeding	Nature of Action/Proceeding	Results of Action/ Proceeding

(C) For responses to the previous question, please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity.

11. **Breach of Professional Ethics**

(A)Have you ever been disciplined or cited for a breach of ethics or unprofessional conduct by, or been the subject of a complaint to, any court, administrative agency, professional association, disciplinary committee, or other professional group? Exclude cases and proceedings already listed.

No

Name of Agency/ Association/ Committee/Group	Date Citation/ Disciplinary Action/ Complaint Issued/ Initiated	Describe Citation/Disciplinary Action/Complaint	Results of Disciplinary Action/Complaint

(B) Have you ever been fired from a job, quit a job after being told you would be fired, left a job by mutual agreement following charges or allegations of misconduct, left a job by mutual agreement following notice of unsatisfactory performance, or received a written warning, been officially reprimanded, suspended, or disciplined for misconduct in the workplace, such as violation of a security policy?

No

12. **Tax Compliance**

(This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

REDACTED

13. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State).

No

14. Outside Positions

☑ See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.)

For the preceding ten calendar years and the current calendar year, report any positions held, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

Name of Organization	Address of Organization	Type of Organization (corporation, firm, partnership, other business enterprise, other non-profit organization, educational institution)	Position Held	Position Held From (month/year)	Position Held To (month/year)

15. Agreements or Arrangements

☑ See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.)

As of the date of filing your OGE Form 278, report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment.

Provide information regarding any agreements or arrangements you have concerning (1) future employment; (2) a leave of absence during your period of Government service; (3) continuation of payments by a former employer other than the United States Government; and (4) continuing participation in an employee welfare or benefit plan maintained by a former employer other than United States Government retirement benefits.

Status and Terms of Any Agreement or Arrangement	Parties	Date (month/year)

16. Additional Financial Data

All information requested under this heading must be provided for yourself, your spouse, and your dependents. (This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

REDACTED

REDACTED

SIGNATURE AND DATE

I hereby state that I have read the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

Michael Kubayanda

This 6th **day of** July **, 2018**

REDACTED

UNITED STATES OFFICE OF
GOVERNMENT ETHICS

June 26, 2018

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Michael Kubayanda, who has been nominated by President Trump for the position of Commissioner, Postal Regulatory Commission.

We have reviewed the report and have obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

DAVID APOL

Digitally signed by DAVID APOL
Date: 2018.06.26 14:15:35 -04'00'

David J. Apol
Acting Director and General Counsel

Enclosures REDACTED

June 13, 2018

David A. Trissell
General Counsel and Designated Agency Ethics Official
Postal Regulatory Commission
901 New York Ave., Suite 200
Washington, DC 20268-0001

Dear Mr. Trissell:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner at the Postal Regulatory Commission.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my positions as Director and as Privacy Officer/ Consultant to access.mobile International, Inc. For as long as I retain stock in access.mobile International Inc., I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of access.mobile International, Inc. unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption pursuant to 18 U.S.C. § 208(b)(2). For a period of one year after my resignation, I also will not participate personally and substantially in any particular matter involving specific parties in which I know access.mobile International, Inc., is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my position as Privacy and Digital Advisor of the Fashion Innovation Alliance. For a period of one year after my resignation from this position, I will not participate personally and substantially in any particular matter involving specific parties in which I know Fashion Innovation Alliance is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My position as a fellow of the Internet Law and Policy Foundry expired in September 2017. For a period of one year after the expiration of my position, I will not participate personally and substantially in any particular matter involving specific parties in which I know the Internet Law and Policy Foundry is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I am the sole proprietor and Principal of a consulting firm, which does business as Intelus Advisors, LLC. Upon confirmation, Intelus Advisors, LLC will cease engaging in any business, including providing consulting services to access.mobile International. Inc. and all other clients. During my appointment to the position of Commissioner, Intelus Advisors, LLC will remain dormant and will not advertise. I will not provide any services for the firm, except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain the firm while it is in an inactive status. As Commissioner, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Intelus Advisors, LLC. In addition, I will not participate personally and substantially in any particular matter involving specific parties in which I know a former client of mine is a party or represents a party for a period of one year after I last provided services to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I will meet in person with you during the first week of my service in the position of Commissioner in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

Michael Kubayanda

U.S. Senate Committee on Homeland Security and Governmental Affairs
Pre-hearing Questionnaire
For the Nomination of Michael Kubayanda to be
Commissioner, Postal Regulatory Commission

I. Nomination Process and Conflicts of Interest

1. Did the President give you specific reasons why he nominated you to serve as a Commissioner on the Postal Regulatory Commission ("PRC" or "the Commission")?

   No

2. Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

   No

3. Have you made any commitments with respect to the policies and principles you will attempt to implement as Commissioner of the PRC? If so, what are they, and to whom were the commitments made?

   No

4. Are you aware of any business relationship, dealing, or financial transaction that could result in a possible conflict of interest for you or the appearance of a conflict of interest? If so, please explain what procedures you will use to recuse yourself or otherwise address the conflict. And if you will recuse yourself, explain how you will ensure your responsibilities are not affected by your recusal.

   I am not aware of any conflicts. I have worked with the Commission's General Counsel and the Office of Government Ethics to identify potential issues and signed an ethics agreement in which I pledged to resign from certain non governmental positions if confirmed, and to avoid participating as a Commissioner in any matter in which I have a financial interest. I will adhere to this agreement.

   Throughout the nomination process I have raised a few potential issues that I would monitor if confirmed. I received an academic fellowship sponsored by a major technology company that does not have interests pending before the Commission, to my knowledge. Separately, the startup with which I am associated was part of a startup program providing grants and in kind contributions from another major technology company. The technology company does not have any pending interests before the Commission to my knowledge.

I have served as an unpaid advisor to an advocacy and knowledge sharing organization in the fashion technology space. The organization does not presently and has not had interests before the Commission.

While none of these matters present a conflict at this time, I would monitor these matters for any potential conflicts if confirmed. I would raise any issues with the Commission's ethics counsel and if necessary recuse myself from any Commission business. I would follow the Commission's guidelines regarding recusal and dealing with any impact on the Commission's work.

II. Background of the Nominee

5. What specific background, experience, and attributes qualify you to be a Commissioner of the PRC?

I am a subject matter expert on postal issues with several years of relevant experience in the legislative and executive branches. I previously held oversight roles at the Office of Inspector General (OIG) and the House Committee on Oversight and Government Reform. I have gained insights on a variety of regulatory and strategic issues and importantly in this complex policy area, I have an idea of how to find the information I don't know. In the House, I advised the Committee Chairman on postal reform legislation, and worked in a bipartisan and bicameral fashion to support passage of legislation to stabilize the Postal Service's finances. At the OIG, I worked in a research group in coordination with some of the sharpest economists and analysts in the industry to produce insightful reports that I believe could help lay the groundwork for stronger postal policy and oversight in the coming years. One example is highlighting the criticality of economies of density for the financial health of the postal network. Performing this intensive work with outstanding colleagues provided not just expertise, but perspective on matters such as rate regulation, universal service, the impact of technology, network design, retail issues, reform of other network industries, and many more issues affecting the Postal Service.

In a legislative affairs role, I also supported the OIG's practice of providing accurate, timely, and useful information to Congress. I helped to update and standardize these efforts, coordinating with the Inspector General, Deputy Inspector General, audit and investigative units, and General Counsel to ensure Congress consistently received timely, responsive, and high quality products and responses from the OIG. I worked with colleagues to utilize technology and adapt knowledge management techniques to strengthen the OIG's understanding of the

broad postal ecosystem and ensure that the OIG was incorporating the latest insights and information from this ecosystem. Over the years, I have built cordial and productive relationships with personnel at the relevant oversight and policymaking bodies involved in postal affairs as well with many stakeholders.

I have also built some experience and knowledge in adjacent and complementary industries and issues, including the Internet and transportation. As network industries, the postal system shares economic, strategic and regulatory characteristics with some of these adjacent and complementary industries. The Postal Service also relies on other network industries (such as air and ground transportation, and computer hardware and software), and provides key inputs in retail and electronic commerce. Demand for postal services is partially derived from demand in these other areas, while intermodal competition from electronic communications options has been a key factor in the financial stress on the Postal Service.

While working with a cloud and mobile focused startup in recent years, I have had a front row view of how increasing standardization and modularization of technology resources (through the development of business models such as "software as a service," "infrastructure as a service," and "platforms as a service;" application programming interfaces; and open source software and product development) have supported rapid advances in product design and deployment, as well as nearly constant iteration to test ideas and improve customer experience. It's not clear that all parts of the postal sector are moving at the same pace as private sector entities to leverage these developments. I believe these insights can be useful as we work to understand how the Postal Service fits into a modern technology-driven economy, and how the combination of these factors impact citizens and consumers.

6. Please describe:

   a. Your leadership and management style.

My leadership and management style emphasizes collegiality, flexibility, and commitment to excellence. I seek out colleagues and staff who are motivated and talented and work to ensure that my team reflects my key work values: to enjoy the work experience and to produce excellent results. I prefer relatively flat organization structures that encourage dialogue and teamwork rather than hierarchical and rigid structures. I believe that a lack of internal communication and open discussion can lead to errors that cascade across regulatory and business systems.

b. Your experience managing personnel.

I have generally worked in small teams and managed staff on a project basis rather than as a full time administrator. I have learned to prioritize working with highly talented technical staff. I use structured processes I have gathered from the best practices of private and public sector organizations to organize projects, surface difficult issues, and drive towards timely, high quality results. This structured approach has helped me in working with analytical staff, earning their respect and working collectively toward common goals.

c. What is the largest number of people that have worked under you?

The largest group I have managed included 10 to 12 staff members, as I stepped in to replace full time managers on a temporary basis. More typically, I managed teams of 3-5 staffers and consultants for specific projects, such as when I worked in the OIG's research group. For some specific projects, such as regulatory compliance projects in the private sector or hearing preparation in the public sector, I have coordinated the work of 10-20 team members, working as a project leader rather than a permanent administrative manager.

III. Role of the Postal Rate Commission and its Commissioners

7. Please describe your view of the Commission's core mission and an individual Commissioner's role in achieving that mission.

The Commission's mission is to ensure transparency and accountability of the Postal Service and to foster a vital and efficient universal mail system. In meeting its mission the Commission is tasked with establishing and from time to time revising a modern system for ratemaking and classification; consulting and advising the Postal Service on service standards and certain operational matters; while also reviewing complaints related to rates, classification, and services.

An individual Commissioner's role is to provide rigor and insight within the Commission and in the Postal System as a whole. I believe providing accurate information to Congress is part of fulfilling this role.

8. What kind of role do you believe the Commission should play in overseeing the United States Postal Service (USPS or Postal Service)?

The Commission's statutory role is sensible. As the industry undergoes major changes, I believe continuing to enhance the quality of analysis and providing

accurate, timely, and helpful information to Congress is particularly important. Congress may wish to consider enhancing the Commission's role in defining universal service.

9. The Commission is an independent agency. How do you understand that obligation of independence? How does such independence affect your approach to the evaluation and decision of cases?

Commissioners are chosen based on technical qualifications, professional standing, and demonstrated expertise in relevant fields. An independent commission must act in accordance with these values, rather than political considerations or the interests of particular stakeholders.

10. Protecting whistleblower confidentiality is of the utmost importance to this Committee.

    a. During your career with the USPS Office of Inspector General, how did you address whistleblower complaints?

Consistent with the values and practices of the Office of Inspector General, I placed the highest value on whistleblower complaints. In addition to OIG policy, the Inspector General personally made it clear that he placed great importance on these matters and I, together with the other staff, acted accordingly. In my position in government relations, I received complaints forwarded by members of Congress and Congressional committees. The main priority was protecting confidentiality of whistleblowers throughout the processes of investigating and reporting on these complaints, a focus that was bolstered by my perspective as a certified information privacy professional. This priority guided everything from how the complaints were discussed in meetings, to management of digital and paper records related to the cases.

In the government relations office, I also oversaw some of the records, databases, and processes used to track the OIG's progress on meeting deadlines. On a weekly basis, at the minimum, I briefed the IG on the status of whistleblower complaints that had been forwarded to my government relations office. I coordinated with OIG officials to ensure that the complaints were being adequately addressed and that the relevant Congressional offices would receive timely and accurate updates regarding the process. I arranged and participated in several briefings of Congressional staff related to whistleblower complaints.

    b. How would you plan to implement policies within the Commission to encourage employees to bring constructive suggestions forward without the fear of reprisal?

The best way to implement such policies is to communicate them clearly and then act accordingly. Any rebukes or disciplinary action should focus on personnel undertaking such reprisals rather than those offering constructive suggestions. Where possible, I will seek to reward those who bring critical problems to my attention.

c. Do you commit without reservation to work to ensure that any whistleblower within the Commission does not face retaliation?

Yes

d. Do you commit without reservation to take all appropriate action if notified about potential whistleblower retaliation?

Yes

IV. Policy Questions

Previous Postal Service Reforms

11. It has been nearly twelve years since the Postal Accountability and Enhancement Act of 2006 (PAEA) (P.L. 109-435) changed postal pricing to provide the Postal Service with more flexibility as well as improve the rate-making process.

a. Do you believe the Postal Service has effectively utilized the pricing flexibility provided by the PAEA? If yes why, if no why not?

The PAEA provided a streamlined ratemaking process, which, to my knowledge, has benefited the Postal Service in terms of speed, reduced bureaucracy, and lower costs. The Postal Service appears to have taken advantage of Negotiated Service Agreements, market tests, and the ability to provide seasonal discounts, among other aspects of flexibility.

b. Do you believe that the goal of increased flexibility was met? If yes why, if no why not?

There are at least two aspects of flexibility - procedural or process flexibility, and substantive flexibility. As described above, the Postal Service has been able to take advantage of some the process flexibility provided by the PAEA. It has also been able to utilize substantive pricing flexibility for competitive products.

In terms of substantive pricing flexibility for market dominant products, it's not clear whether Congress prioritized such flexibility over other policy goals. The combination of the price cap, price floors, statutory "objectives" and "factors" to

be considered in ratemaking, as well as some mandatory discounts, is not conducive to substantive pricing flexibility for market dominant products.

c. Should "flexibility" include the ability of the Postal Service to have different price increases for one class of mail versus another class? If yes why, if no why not?

A cap that applies across all classes of regulated products (rather than to baskets of particular products) is sometimes called a "global price cap." To my knowledge, the overwhelming majority of price caps utilize "bands," which are groupings of products or services that the regulator caps at a particular percentage. My recollection of the economic literature (particularly the work of economists Jean-Jacques Laffont and Jean Tirole on telecommunications regulation) is that a global price cap is believed to have theoretical advantages in terms of economic efficiency, while there are obvious benefits in terms of business flexibility for the regulated entity. In the postal sector, however, we should approach any such proposal with great caution. For more than 200 years, postal policy has reflected a number of important priorities, of which efficiency is just one. A global price cap could be highly disruptive for many stakeholders, and it's possible that the harm from such disruption would outweigh any benefits.

d. Do the workshare provisions of the Commission rules, all else equal, foster flexibility? If yes why, if no why not?

Workshare discounts, in general, allow operational flexibility in the postal system, using pricing mechanisms to distribute certain functions in a manner that can enhance efficiency and reduce the total costs of producing postal services. The PAEA, and the Commission's implementation of the law, provide some limited flexibility in pricing workshare discounts. The discounts may not exceed the Postal Service's avoided costs.

12. The PAEA substantially changed the relative responsibilities of the Postal Service Board of Governors and the Commission.

a. What do you believe are the most important decisions the Commission has made since the PAEA?

The Commission's most important decision since the PAEA was finding in December 2017, after completing its the ten-year review mandated by the PAEA, that the market dominant rate system established by the PAEA had not met the

objectives of the law, in particular those objectives related to pricing efficiency, financial health, and high quality service standards.

In February 2018, the Commission issued a notice of proposed rulemaking on the minimum contribution to the Postal Service's institutional costs required by competitive products. The Commission proposed a new formula. These two orders are major undertakings and appear to encapsulate the most important regulatory pricing issues for the Postal Service. The Commission is attempting to address these issues in a substantive manner.

Previously, the Commission approved an exigent rate increase request as permitted by the PAEA.

b. What are the key decisions you expect the Commission to make in the future under the PAEA?

The Commission's final decision on the minimum contribution issue will be critical. The issue can be remarkably complex. The Commission will also issue its final rule regarding the price cap as part of the ten year review. In recent years, stakeholders and policymakers have paid greater attention to problems in the terminal dues system affecting electronic commerce, and the Commission has a role in ensuring fairness in this system. Chairman Taub recently stated his commitment to implementing a Presidential Memorandum regarding necessary reforms to the Universal Postal Union.

The PAEA requires the Commission to revisit the system of price regulation for market dominant products from time to time. This is also a best practice in rate regulation across different sectors and jurisdictions.

In addition, the Presidential Task Force recommendations could affect the work of the Commission and other entities in the postal system.

c. Generally, what approaches do you advocate the Commission should take in regulating the Postal Service and why?

The Commission should focus on core regulatory matters while continuing to emphasize, and increase, the rigor of its technical analysis and the data and analyses submitted by the Postal Service. I also believe communicating with Congress and stakeholders is critical to ensuring the smooth operation of postal policy. Given my background working for an innovative Inspector General and in

technology issues, I'm a strong believer in adopting innovations that could enhance the Commission's work. For example, in overseeing quality of service issues, there can sometimes be a discrepancy between what government officials are seeing from standard reporting mechanisms, and what is being reported by customers. Reference to tools such as sentiment analysis might help the Commission supplement traditional methods of service measurement, identify potential problems early, and point to problematic hot spots. I am inspired in this belief partly by the OIG's use of data analytics.

In addition, I believe government and the postal system would benefit from an emphasis on user experience or customer experience that goes beyond surveys. Speaking as a consumer and citizen, as well as a potential regulator, I strongly believe the public should have positive, productive, and smooth interactions with the Postal Service and its oversight agencies. The private sector has developed many tools to measure and enhance customer experience. It is not clear how exactly these tools could fit into the world of postal regulation, but they are worth considering.

I believe Chairman Taub's emphasis on strategic planning can provide an excellent framework for considering, prioritizing, and potentially incorporating updates to the Commission's regulatory approach.

13. What is your overall impression of how well the postal reforms under the PAEA have been implemented so far? What areas have been most challenging, and what areas do you believe need the most attention in the future?

The PAEA's implementation has been relatively solid, given the challenges and limitations faced by relevant parties. The PAEA was first implemented as the country was sliding into a major recession, which quickly made achieving its objectives more challenging. In short order, the Commission had to meet a variety of increased responsibilities such as implementing a complex ratemaking system, and developing an appropriate floor for the contribution of competitive products. I believe the Commission met the major deadlines.

Going forward, more technical rigor can be brought to bear on issues such as the contribution of competitive products, and the price cap. I believe the Commission is moving aggressively to do just that.

I also believe defining universal service is growing more challenging, but also more important, as technological advancements are applied in the transportation and delivery sectors and impact a wider range of business and household customers.

14. The PAEA set forth a new process for resolving complaints against the Postal Service. What do you believe must be done to ensure that the Commission will review and resolve any complaints promptly and fairly?

At a strategic level, the Commission must continue to emphasize and communicate the importance of resolving complaints promptly and fairly. At a tactical level, the Commission must continue to implement and revise processes that bring visibility and focus to these matters. I helped to implement similar processes when dealing with Congressional inquiries and consumer complaints at the OIG. I believe this issue also dovetails with the emphasis on customer experience that I highlighted in an earlier answer.

Postal Service Operations

15. What role, if any, should the Commission have in the Postal Service's operational decisions?

Consistent with the current structure, the Postal Service should make operational decisions, while the Commission has some oversight and advisory responsibilities.

16. Should Congress modify or repeal the requirement for the Postal Service to seek advisory opinions from the Commission, as some have proposed? Why or why not?

There are some reasons for considering this change. Primarily, the Commission has a full slate of increasingly complex economic regulation issues that are referred to throughout this questionnaire. If, however, this requirement is repealed, it's important to identify what would take its place. Postal Service operational decisions have a variety of impacts on the public. Some third-party advisory role in the process makes sense, particularly from the standpoint of transparency.

17. What do you believe should be the role of the Commission in helping to ensure that the quality and timeliness of the Postal Service's data in cases before the Commission are adequate?

I believe the Commission may require the Postal Service to revise and resubmit data and analyses. It is my understanding the Commission used this authority in recent years where it had concerns with the quality of analysis provided by the Postal Service in rate cases. The Commission should continue to take such actions, and to ensure that the Commission is adequately staffed and has the technical and analytical qualities needed to monitor and act on these matters.

18. The Postal Service continues to experience volume and revenue losses, ending Fiscal Year (FY) 2017 with a net loss of $2.7 billion.

    a. What additional steps do you believe the Postal Service should take that do not require Congressional action to improve its financial condition?

The Postal Service should use all means within its current authority to increase revenues and manage costs. I believe that a better focus on customer experience and strategic management would benefit the Postal Service and its stakeholders greatly in the long run. There are likely potential innovations and uses of technology the Postal Service can use to modernize within its existing authority. Without access to focused legal arguments from the relevant parties and an extensive evidentiary record, I cannot state definitively what specific innovations are permissible, but I can comment generally on developments of which I am aware. A recent example is the Informed Delivery® service. The service appears to have been well received, although it's reach seems to be limited and does not extend to packages, for example.

Had the Postal Service implemented this or a similar approach 20 years ago, it would have allowed an entry point for a generation of "digital natives" to grow with and learn to utilize the Postal Service, both as household consumers and in business roles such as marketing. My understanding from speaking with some experts is that many young marketers tend not to consider mail as part of the marketing mix, despite its proven benefits as a high touch marketing channel with higher response rates. This is due to a lack of exposure or experience with hard copy mail and fewer options for analysis and experimentation relative to digital marketing, among other reasons. One advantage of modernization tactics such as incorporating augmented reality, hybrid and reverse hybrid mail, and similar approaches, is the potential to stay relevant to a variety of groups and business activities. It is a good sign that the Postal Service has begun to take some steps in this direction.

Another area with potential is parcel lockers, which are being implemented aggressively by some in the private sector. The Postal Service smartly considered and experimented with parcel lockers at a relatively early stage. In the past, my observation as a Capitol Hill and OIG staffer was that the public sector's implementation in this area was unnecessarily tentative and lackluster relative to the private sector, even as electronic commerce packages have become central to the health and relevance of the Postal Service to consumers and the business community. Managing package deliveries has become a major pain point and focus in retail, real estate, and urban planning among other disciplines, and thus provides an opportunity for any major entity with the wherewithal to address these issues. It is possible that progress has been made in this area since I observed earlier efforts.

Many similar improvements are possible. It is important to understand, however, that most such innovations would likely improve short term revenue at the margins, at best. The main benefits, I believe, would be long term transformation, continued relevance, and enhanced customer experience.

Similarly, efficiency gains may be possible through better use of technology and rigorous modeling and operational management. The OIG has identified a very large range of potential cost savings opportunities and the Postal Service should consider and implement them. On this front, however, it is also important to recognize that the Postal Service is limited in its ability to cut costs by the universal service obligation and several statutory, regulatory, and practical considerations. Policy decisions must likely be made by competent entities in order to see large gains in this area.

b. What legislative changes do you believe Congress should consider to help improve the Postal Service's financial condition?

I believe Congress should continue to consider addressing the Postal Service's retiree health obligations. In addition, I believe Congress and the Commission should consider whether better defining the universal service obligation could: a) benefit Postal Service customers; b) provide some needed clarity in postal policy about balancing issues such as cost cutting, efficiency, and service; c) give some direction and certainty to Postal Service management about balancing these needs; and d) help in identifying potential measures for financing universal service.

19. In your view, how can the Postal Service return to viability in a market in which e-commerce and electronic communication and payments are increasing and mail volume is declining? What role do you believe the Commission should play in shaping the future Postal Service given these rapid changes?

In my answer to 18a, I identified areas where the Postal Service might be able do better within existing law. The Commission would not be directly involved in many of these steps, as the Commission must continue to focus on monitoring the Postal Service's compliance with the law. When appropriate, however, I do believe that the Commission has an important role informing Congress and stakeholders of relevant developments in the postal system.

20. Since enactment of PAEA, the Commission has interpreted the term "non-postal service" through consideration of various Postal Service proposals for new products and services.

a. Do you believe the Postal Service should be allowed to compete with the private sector? If so, under what circumstances?

The Postal Service already competes with the private sector in a few ways. Obviously, in the package market, the Postal Service has well-known competitors and the delivery world in general has seen several interesting entrants and significant investment in recent years. Mail also competes with other channels for marketing and advertising dollars. In addition, the Postal Service may sell or rent its real estate assets, like private sector entities. The Postal Service may also provide services to other federal agencies, and some of these services could have competing private sector providers.

Beyond these examples, further participation in the marketplace warrants some consideration.

b. What concerns, if any, do you have about such efforts?

Many observers have stated a theoretical concern that the Postal Service could compete unfairly in non-postal areas given its public sector role, and its vast infrastructure which was built under a government mandate to provide universal service. Common sense and sound economic policy support this concern. On the other hand, it conflicts with the other oft-stated concern that the Postal Service inherently lacks the competence to compete with the private sector.

A substantive and practical concern, in my opinion, is that there has not been a robust strategic business and policy framework that addresses why the Postal Service should be able to enter non postal markets; how this could benefit the public; the role of non postal services relative to providing and financing universal service; and how to address fairness and competition policy issues. Until these issues are addressed, caution, and perhaps inertia, in changing the current policy is warranted.

c. What role do you believe the Commission should play in the introduction or pricing of new products?

The Postal Service Board of Governors and postal management should continue to manage these matters. The Commission's proper role is to focus on oversight, transparency, and scrutiny for compliance with the law.

Postal Ratemaking

21. During consideration of the PAEA, there was debate about the impact of a consumer-inflation-based rate cap. In your opinion, how has the rate cap helped the Postal Service, the mailing community, and postal customers? How has the rate cap hurt these groups?

The rate cap has helped the mailing community, particularly large mailers who are frequent mail users, by capping the growth of prices at the rate of inflation, except for the exigent rate case. Some stakeholders and observers might argue that an increased urgency to reduce infrastructure and labor costs has helped the Postal Service.

The cap has hurt the Postal Service financially and the financial situation seems to have placed a straightjacket on the capacity for long term thinking in the sector. Arguably, the cap has hurt customers interested in consistent and fast service by driving a decline in service that would not have occurred without the cap.

22. In your view, what drawbacks and advantages would exist to increasing postal rates through legislation, rather than through the existing ratemaking process?

The advantage of changing postal rates through legislation is that Congress would be able to directly enact its priorities rather than leaving this to other parties. The disadvantages of doing this as a regular practice are more numerous, as Congress evidently decided in 1970. Market dominant postal

services are presently regulated through a price cap. Price caps are revisited every few years in other industries. It is demonstrably difficult to revise complex, substantive postal legislation on a similar schedule. Price regulation is also highly technical and requires a rather large technical staff for evaluation and interacting with the regulated entity and adjusting to market and operational conditions. In the time it took to debate the PAEA for example, the market changed in a way that partially undermined the goals of the price regulation approach in the legislation. (The changes in economic and operational conditions and their impact on economies of density have been documented in OIG reports).

Perhaps for these reasons, I'm not aware of other price caps designed through legislation. While one-off changes might be warranted when Congress believes a change in previous policy is necessary, I think such measures should be reserved for rare situations and legislation on pricing matters should address the major policy imperatives identified by Congress.

23. According to 39 U.S.C. § 407, the Commission submits views to the Secretary of State regarding any treaty, convention, or amendment which alters the rate or classification of certain types of mail. In your view, how should the Secretary of State consider U.S. law and the views of the Commission when concluding such treaties, conventions, or amendments?

The Secretary of State should prioritize U.S. law and the views of the Commission when negotiating treaties, conventions, or amendments. U.S. law and the views of the Commission should be at the core of the goals and objectives of such negotiations.

Service Standards and Other Performance Obligations

24. Debates about postal reform legislation raise fundamental questions about the role of the Postal Service in our nation, including the nature of the Postal Service's universal service obligation.

    a. What is your view of the Postal Service's universal service obligation?

Universal service is the centerpiece of postal policy, is the reason that our Founders recognized the importance of postal services in the Constitution, and should guide decisions regarding the Postal Service and its business model going forward.

b. Do you believe the concept of universal service has evolved since the 2008 report? If so, how? How do you believe Postal Service can adapt to meet that obligation?

Yes, the concept of universal service has evolved with changes in communications, computing, and commerce. While mail is still a critical communications channel for many businesses and households, the slow decline of mail's centrality in communications has continued over the past 10 years. Since 2008, we have also seen innovators merging computers, mobile devices, and physical infrastructure to create new services or transform retailing and transportation practices. We have also seen many interesting uses of Internet-connected sensors attached to physical objects (the "Internet of Things"), and efforts to evolve urban infrastructure using such technology ("smart cities").

Collectively, these innovations are likely changing the expectations of the American public regarding service and customer experience. I believe we are in the early days of many of these changes. The Postal Service has begun to adapt, introducing new apps and services such as Informed Delivery®, and attempting to encourage the use of augmented reality through price incentives. It is worth analyzing how new technologies, services, economic realities, and the shifting expectations of the American public should impact universal service.

c. In your view, what is the Commission's role in preserving universal service?

The Commission provides critical transparency by calculating the cost of universal service. The Commission also monitors and analyzes service issues, consults with the Postal Service, and advises Congress on service matters. I have argued throughout my responses in this document that more strategic insight and coherence is necessary in postal matters, and I believe the Commission might be able to contribute to meeting this need on the issue of universal service.

25. What do you believe should be the Commission's role in establishing performance standards for postal products and services and for monitoring the Postal Service's results in meeting these standards?

I believe the Commission's present role relative to performance standards is appropriate. The Commission consults with the Postal Service as the USPS develops service standards. The Commission also analyzes actual performance and may direct the Postal Service to improve weak areas of service. The

Commission annually reviews the Postal Service's performance goals; its performance plan for represent fiscal year; evaluates whether the Postal Service met its goals in the preceding year, and offers related recommendations. The Commission publishes these reports, providing crucial transparency in service issues.

26. The Postal Service continues to face the problem of reducing costs while also maintaining fast and reliable service. In your opinion, how can the Commission help the Postal Service try to find this balance?

The Commission has several vehicles for overseeing and advising the Postal Service on cost and service issues. One is its role in providing consultation on the development of services standards. Another vehicle is annual monitoring of the Postal Service's goals and performance as described above. Yet another opportunity is provided by the Commission's advisory opinions, which the Postal Service must take into account before implementing changes in service. In its Annual Compliance Determination, the Commission has directed the Postal Service to improve cost coverage for market dominant and competitive products, align workshare discounts with avoided costs, and improve service performance for some products.

Beyond these oversight and regulatory issues, there are important issues of business strategy and public policy that are the purview of Congress, the Board of Governors, and Postal Service management.

27. In your view, what degree of transparency should the Postal Service provide to Congress, mailers, and the public on delivery performance goals and general quality of delivery services? Do you believe the Commission has sufficient information to monitor service quality?

A high degree of transparency on service performance issues is critical for quality oversight. Title 39 sets forth standards for the Postal Service's performance plans and reports. For 2016, the Commission found problems with the information the Postal Service was providing on these issues. In April 2018, the Commission reported substantial progress in the quality of information provided by the Postal Service.

Where feasible, the Postal Service, postal regulators, oversight bodies, and policymakers should endeavor to create simple, understandable, and accessible analyses and reports to enhance transparency. A cultural emphasis on usability

and customer experience in many aspects of the postal system would support and enhance formal transparency initiatives.

28. Many postal stakeholders have raised concerns about the adequacy of the Service's financial transparency. The PAEA requires the Postal Service to meet the financial reporting requirements of the Sarbanes-Oxley legislation. What is your opinion of this mandate and do you believe the Postal Service has satisfied this mandate? Are further improvements necessary to make Postal Service finances more transparent? If yes, what additional improvements are needed?

I believe these financial reporting obligations are justified and helpful in conducting oversight of the Postal Service. Utilizing standards that are imposed on the private sector aids in transparency and facilitates scrutiny from a broad range of stakeholders, in addition to formal regulatory bodies. In the past, I benefited from scrutinizing the Postal Service's 10-K filing. The Commission produces a relatively detailed annual Financial Analysis of the Postal Services Financial Results and 10-K statement, and Chairman Taub, who has intimate knowledge of the PAEA's requirements, has reported that the Postal Service has improved its financial reporting and is complying with the Commission's reporting rules.

My understanding is that in recent years, an independent auditing firm has found that the Postal Service generally deploys controls required by Sarbanes-Oxley properly, and has made corrections when necessary. If confirmed, I will focus on developing a more sophisticated understanding of how the financial reporting requirements aid the Commission in meeting its responsibilities and how they can be improved.

Post Office Closings and Relocations

29. In your opinion, does the existing process for closing and relocating post offices adequately protect the interests of postal customers and the affected communities, especially in small towns and rural areas? If yes, how? If not, what additional protections do you believe are necessary?

The procedural protections for Post Office closings provided by Title 39, Commission rules, and Postal Service practices are substantial. They include a right to appeal closures and statutory deadlines for considering appeals. The Commission has continued to examine the appeal process, and in 2016, the Commission sought public comments on jurisdictional matters. The Commission should continue to review these procedures.

It seems unlikely, however, that procedural protections or other Commission actions alone are sufficient to protect the interests of stakeholders. Coherent and updated standards for universal service, long term strategies for providing retail services to customers in all areas of the country, and understanding of the role of technology in these matters are critical to adequately protecting citizens. Many of these substantive issues are, at their core, up to the Postal Service and Congress. The Commission does have a role in monitoring progress on these fronts and advising Congress accordingly.

30. To what extent do you think the availability of postal services at alternative locations should be a key factor when considering closing or consolidating traditional retail facilities?

The availability of postal services at alternative locations should be a key factor in such decisions. Alternative retail locations have been an important part of the Postal Service's approach to providing retail services. The Postal Service and the Commission should have a full understanding of how these locations are used and viewed by *customers*, not just the Postal Service, and take this into consideration in evaluating closures, relocations, and consolidations.

31. Do you believe the Postal Service should have additional flexibility to more quickly and easily close post offices? If so, what impact do you believe this will have on the Postal Service's current retail network?

The law provides the Postal Service with substantial authority over its operations, while inserting some procedural steps to provide transparency and fairness. I am not presently aware of a coherent strategy for the future of the retail network that takes into consideration all key factors, such as customer experience and expectations; national, regional and local infrastructure; and the role of technological progress, to name some specific issues. Until there is such a strategy, removing procedural protections seems risky.

32. Many members of the public have expressed a concern that the Postal Service does not adequately involve affected communities in the decision-making process for the closings of post offices and processing facilities. What are your views on this issue?

In terms of processes and procedures, there are decent opportunities for stakeholder input. Without strategic direction and coherence, as I've mentioned previously, it is difficult for stakeholders to meaningfully weigh in on such decisions. It is also more difficult for oversight bodies to monitor these matters

and provide meaningful direction. One issue that needs strategic input is understanding what happens to communities when a post office is eliminated.

33. Are improvements needed to the Commission's appeals process related to closing and consolidating post offices? If yes, what specific changes do you believe are needed? If no, please explain why you believe the current process is viable.

The Commission adopted new rules in 2015, establishing relevant standards for public notice, participation by interested parties, the contents of required filings, and deadlines. The Commission has established processes to measure performance in this area, particularly the ability to meet statutory deadlines for the appeals process. The Commission has continued to examine the appeal process, and in 2016, the Commission sought public comments on jurisdictional matters. The Commission should continue to review these procedures.

34. Should the Commission have greater input over the closures or consolidations of post offices or postal processing facilities? Why or why not?

I believe the Postal Service should continue to make operational decisions, although I am also cognizant of proposals to create a control board or similar entity. I do believe that developing processes or modalities that encourage input by the Commission and other bodies into the strategic framework that I have called for in these answers could be helpful.

V. Relations with Congress

35. Do you agree without reservation to comply with any request or summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Yes

36. Do you agree without reservation to make any subordinate official or employee available to appear and testify before, or provide information to, any duly constituted committee of Congress if you are confirmed?

Yes

37. Do you agree without reservation to comply fully, completely, and promptly to any request for documents, communications, or any other agency material or information from any duly constituted committee of the Congress if you are confirmed?

Yes

VI. Assistance

38. Are these answers your own? Have you consulted with the Postal Service, the Commission, or any other interested parties? If so, please indicate which entities.

Yes, these answers are my own. I consulted with the Commission regarding some of its rules, and the Commission reviewed the answers for legal, regulatory, and technical accuracy. I consulted with the OIG regarding the accuracy of my summary of issues related to Sarbanes-Oxley. The opinions are my own, except where I cited another party's views or findings in an answer.

Minority Supplemental Pre-hearing Questionnaire
For the Nomination of Michael Kubayanda to be
Commissioner, Postal Regulatory Commission

I. Nomination Process and Conflicts of Interest

1. Has the President or his staff asked you to sign a confidentiality or non-disclosure agreement?

No

2. Has the President or his staff asked you to pledge loyalty to the President or the Administration?

No

3. Have you made any commitments with respect to the policies and principles you will attempt to implement as Commissioner of the PRC? If so, what are they, and to whom were the commitment made?

No

4. If confirmed, are there any issues from which you would have to recuse or disqualify yourself because of a conflict of interest or the appearance of a conflict of interest? If so, please explain what procedures and/or criteria you will carry out such as a recusal or disqualification.

I am not aware of any conflicts. I have worked with the Commission's General Counsel and the Office of Government Ethics to identify potential issues and signed an ethics agreement in which I pledged to resign from certain non governmental positions if confirmed, and to avoid participating as a Commissioner in any matter in which I have a financial interest. I will adhere to this agreement.

Throughout the nomination process I have raised a few potential issues that I would monitor if confirmed. I received an academic fellowship sponsored by a major technology company that does not have interests pending before the Commission, to my knowledge. Separately, the startup with which I am associated was part of a startup program providing grants and in kind contributions from another major technology company. The company does not have any pending interests before the Commission to my knowledge.

I have served as an unpaid advisor to an advocacy and knowledge sharing organization in the fashion technology space. The organization does not presently and has not previously had interests before the Commission.

While none of these matters present a conflict at this time, I would monitor these matters for any potential conflicts if confirmed. I would raise any issues with the Commission's ethics counsel and if necessary recuse myself from any Commission business. I would follow the Commission's guidelines regarding recusal and dealing with any impact on the Commission's work.

II. Background of Nominee

5. Do you seek out dissenting views and how do you encourage constructive critical dialogue with subordinates?

Yes, as a quality control measure, I have learned to seek out alternative views and constructive criticism. When working with highly analytical or technical staff, I often emphasize early on that I need technically correct and rigorous analysis, rather than what I or any other stakeholder wants to hear. I often speak with staff to remind them that I respect and require open dialogue and feedback. I believe every significant undertaking should include space for principled disagreement and criticism.

6. Please give examples of times in your career when you disagreed with your superiors and aggressively advocated your position. Were you ever successful?

When I started working in the OIG's government relations function, I was tasked with offering suggestions for revising its relevant processes. Among my first suggestions to the IG were revisions to the office's hearing preparation processes, based on my experiences working on Capitol Hill. Because the IG was a highly experienced witness with a proven framework for hearing preparation, my suggestions were not adopted directly. Eventually, however, we still worked out ways to address the concerns I had raised within the existing processes.

While working with a startup, I did not have an explicit disagreement with my superiors, but had to work to explain why the organization needed to use limited resources on a cloud security platform. Working with the technical team, I developed detailed risk analyses explaining how such a platform would simplify regulatory compliance. The organization's leaders quickly grasped the value of such a step and we worked to vet potential providers. The eventual shift to a new cloud security platform enhanced security and regulatory compliance, and actually saved the startup valuable funds, as the move enabled a change in underlying cloud infrastructure.

7. What would you consider your greatest successes as a leader?

While working at the OIG, I led teams that developed rigorous, technical reports on subjects such as price regulation, intellectual property, and public private partnerships. These projects involved organizing teams of technical experts and producing technically sound, yet digestible work products. The results informed OIG leadership and improved the organization's understanding and knowledge base, as well as helping to change the debate regarding vexing technical issues. The most critical of these reports highlighted the centrality of economies of density (as opposed to economies of scale or scope) to the financial health of the postal system.

As a board member and advisor to a startup, I have helped to devise and implement strategies that helped the company expand from its base in emerging markets and enter the United States healthcare market by successfully navigating due diligence hurdles to acquire clients in the compliance-centric U.S. healthcare field.

III. The Role of the PRC and its Commissioners

8. What do you believe are the most important responsibilities of the PRC, and what is your opinion of how those responsibilities have been fulfilled?

The most important responsibilities of the PRC are establishing, revising, and implementing pricing regulations; providing accountability and transparency for service and operational issues; and providing complaint mechanisms for aggrieved parties. The Commission has done well in these areas, and has noticeably accelerated its progress in recent years with serious efforts to address price regulation of both market dominant and competitive products. These subjects are multilayered and highly technical and there is always room to continue improving, based on my review of price regulation across several sectors and jurisdictions.

9. In your view, what are the major challenges facing the PRC?

From an operational standpoint, the Commission is facing a significant workload in reviewing NSAs, dealing with complaints and appeals, and handling highly technical regulatory revisions with a limited staff. Substantively, the efforts to revise price regulations for market dominant and competitive products involve significant stakeholder disagreements, serious technical challenges, and are critical to the future of mail and electronic commerce.

10. What do you believe should be the PRC's top three priorities over the next five years?

First, rate regulation - reviewing and monitoring implementation of rate regulation for market dominant products (the price cap) and competitive products (minimum contribution to institutional costs). Second, tracking universal service issues in light of the changing economy, technological advancements, and the specific issues affecting rural and poor communities. Advising Congress in these respects is critical. Third, maintaining and expanding the base of talent for the Commission. This is a looming problem in the postal sector as it is in the rest of the federal government.

11. If confirmed, how will you coordinate and communicate with PRC staff to accomplish the PRC's goals?

This is a very high priority for me. I have met much of the PRC's staff over the years while working on Capitol Hill, doing legislative affairs work, and at many workshops and conferences. I have built some solid relationships and respect the technical and practical institutional knowledge possessed by the staff. If confirmed, one of my early priorities will be to meet the rest of the PRC staff, establish my interest in receiving high quality an honest input, and opening lines of communication. Collegial and productive relations with talented and motivated partners has always been an issue of great importance to me.

IV. Policy Questions

12. Generally, what approaches do you advocate that the PRC should take in regulating the Postal Service and why?

The Commission's rules in rate regulations, providing transparency and accountability, as well as consultation and advice on service on operational issues, are all critical. Establishing robust processes for managing its workload and maintaining transparency

and communication with stakeholders is also important. I believe the Commission's emphasis on strategic planning will help in prioritizing and advancing these goals.

Rigorous, high quality technical analysis is a touchstone for any industry regulator. As the industry undergoes major changes, I believe continuing to enhance the quality of analysis and providing accurate, timely, and helpful information to Congress is particularly important. To this end, recruiting, retaining and encouraging excellent staff must always be a top priority.

13. The Postal Service has been operating without any independent Board Members for over a year and without a quorum since 2015. What do you believe are the challenges the Postal Service faces without having a statutorily required Board of Governors? How should the PRC approach its role given the vacancies on the Board of Governors?

Before losing a quorum the Board of Governors utilized some legal maneuvers to allow the Board to continue many vital functions in the absence of a quorum. Yet, the lack of independent Governors is a bad sign for the postal system in many ways. The Postal Service needs strategic direction and coherence and this is a major part of the Board's responsibilities. The lack of any independent Governors created some inherent uncertainty for Postal Service management and stakeholders at a time when relevant markets are undergoing significant changes. Once the new Governors are confirmed they might have their own priorities, and the postal community might have to adjust abruptly if a newly confirmed slate of Governors wishes to move in new directions. The new Governors would also have to get up to speed on a variety of complicated postal issues relatively quickly. It would be helpful if the independent Governors had access to high quality, independent analysis of postal policy and business issues.

In general, the Commission must continue to exercise its responsibilities under Title 39 regardless of the composition of the Board.

As I prepared these responses, the Senate confirmed two independent Governors. This is a positive step for the postal system.

14. The Office of Management and Budget (OMB) recently issued a report on government reform and reorganization, which includes a recommendation to privatize all or portions of Postal Service operations. In addition, President Trump has created a task force that is expected to make recommendations on legislative and administrative changes at the Postal Service to make agency financially viable. What are your thoughts on the Administration's privatization proposal and the task force's mandate?

As a potential regulator, it might be irresponsible to express strong opinions on a skeletal potential proposal and a reform template that has not yet been published. I think it is important be open minded toward serious proposals on the future of the postal system. That being said, my general thoughts about the issue are as follows.

To many observers, privatization apparently has the potential benefit of resolving some confusion and cognitive dissonance regarding the current status of the Postal Service. Many postal observers have been vexed about the dual status of the Postal Service as a public sector entity providing commercial services, tasked with providing low margin or money losing services while being self-sustaining overall. In addition, some policymakers and experts have expressed willingness to consider an expanded role for the Postal Service in non postal services only if it is privatized, and there are theoretical benefits to consumers if the Postal Service has more freedom to innovate.

On the other hand, privatization might raise some new difficulties. Critical portions of the postal network -- the first and last mile -- have historically been considered a natural monopoly. The impact on consumers of turning over such monopoly assets to private investors should be considered carefully. One might argue that recent investments by technology-enabled entrants into delivery seem to have the potential for eroding these monopoly characteristics. Yet, some successful new delivery business models seem to be centered around "cherry picking" -- focusing on dense, high income markets packed with early adopters. If the profitable business models for investor-backed delivery services must focus on areas such as San Francisco and Manhattan, policymakers should evaluate how this fits with the long standing goal of providing universal service to all Americans.

If a strict universal service model is retained, it's unclear how attractive this would be to potential investors. Thus anyone seeking to implement privatization might face the following dilemma - granting potential monopoly-type powers to private investors with an incentive to leverage this position to extract rents from consumers or burdening a privatized Postal Service with obligations that would dissuade savvy potential investors. These questions must be raised and satisfactory answers should be found before going down this path.

15. 39 USC § 101 establishes the seven fundamental pillars of U.S. postal policy.

a. If confirmed, what legislative or administrative reforms would you advocate to help the Commission and the Postal Service ensure these policies are fully realized?

I believe an intelligent system of rate regulation is critical to achieving these policy priorities. The Commission's recent efforts to address key regulatory issues related to market dominant and competitive products are steps in the right direction and should be continued. I believe legislation can also be helpful in these goals, and in the last few years, the legislative proposals are increasingly close to the mark.

b. Should any of these policies be reformed? If not, why not and if so, in what ways?

I believe the policies make sense and are solid pillars for postal policy. It might make sense to require the key institutions in the postal system -- regulators, oversight bodies, and Postal Service management -- to consider how technology affects the achievement of these broad goals and to adjust practices and tactics accordingly.

c. Specifically, 39 USC § 101(b) states that "The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities." Do you support this policy goal or believe it should be changed in any way?

I support the policy goal. The provisions regarding not closing post offices solely for operating at a deficit and stating the intent of Congress to provide effective postal services in both urban and rural communities are clear statements of the basic foundation of universal postal service throughout American history. The provision requiring the "maximum degree of postal services" in other areas is somewhat vague and therefore might be more difficult to implement. It is the responsibility of the Commission to implement the law as written and within the authority of Congress, not Commissioners, to weigh potential changes to Title 39.

16. The number of Negotiated Service Agreements is rapidly increasing. In FY 2012 the Commission approved 54 NSA, growing to 316 in FY 2017, a 485% increase.[1] Such proliferation of NSA work could soon over stretch the Commission's ability to provide high quality, and timely, reviews. If confirmed, how will you address this issue?

[1] Postal Regulatory Commission: *Annual Report to the President and Congress (2017).*

Under the leadership of Chairman Taub and the present Commissioners, the Commission has made laudable efforts to organize, prioritize, and follow through on its increasing workload, including NSAs. If confirmed, I will work with the Commissioners and staff to obtain a more granular understanding of these efforts and the Commission's workload. While working at the OIG, I helped to organize and bring visibility to a full slate of Congressional and public inquiries and whistleblower complaints. I worked with my direct reports, colleagues, and the OIG executive team to bring visibility to the processes, incorporating databases and relevant software, identifying and addressing potential bottlenecks, and focusing on both timeliness and quality. Where applicable, I frequently tried to adapt useful project and program management methods from the private and public sector. I will apply these experiences to tackling the Commission's priorities, including NSAs. Where necessary, I will work with Chairman Taub and the Commissioners to identify areas where greater resources are needed to achieve the Commission's mission.

PRC Rate Review

17. One of the core principles of PAEA was to provide Postal Service customers, through the establishment of an inflation-based rate cap, with predictability and stability in pricing of the Postal Service's market dominant products. Pursuant to PAEA, the PRC completed a review of whether the rate cap met the criteria laid out by 30 U.S.C. §3622, including stability, fairness, and generating adequate revenue to cover Postal Service costs. The PRC found that the cap did not meet all of these criteria, specifically the cap did not allow for the Postal Service to reach long-term financial stability or to maintain high quality service standards.

    a. What is your opinion of the PRC's conclusion?

    The conclusion was correct and is supported by the evidence.

    b. Do you believe any of the objectives or factors should be weighted above others?

    The Commission must follow the law. To my knowledge, Congress has not required or permitted any factors or objects to be weighted above others.

18. The PRC did find that "The system was largely successful in achieving the goals related to the structure of the ratemaking system. However, the Commission concludes that the ratemaking system has not increased pricing efficiency."[2]

[2] Postal Regulatory Commission: *"PRC CONCLUDES RATE SYSTEM HAS NOT ACHIEVED NECESSARY OBJECTIVES and ISSUES PROPOSED RULEMAKING TO ADDRESS SHORTCOMINGS: Would Retain Price Cap System"* (December 1, 2017) (https://www.prc.gov/press-releases/prc-concludes-rate-system-has-not-achieved-necessary-objectives-and-issues-proposed).

a. If confirmed, what reforms would you recommend to increase postal pricing efficiency?

The PRC's dockets address key issues related to revising rate price regulations for both market dominant and competitive products. I believe the Commission is moving in the right direction by addressing these key issues and would support these efforts. These issues are highly technical, and the precise resolution of the key questions should be based on a detailed review of the record by the Commissioners, working with the analytical and legal staff, and carefully considering the views of relevant stakeholders and participants in the dockets.

19. Some argue that much of the Postal Service's financial instability has been caused by its retiree healthcare prefunding payments.

a. Do you agree with this view?

Yes

b. How, if at all, should the effect of prefunding requirement affect the PRC's views on the Postal Service's business model and the open rate case?

Prefunding and the Postal Service's business model are issues that must be addressed by the Postal Service's Board of Governors and management, together with Congress. The OIG, OMB, and OPM have produced interesting work on prefunding hat should be considered in weighing proposals to resolve the problem. The Postal Service's costs and its ability to cover them are issues that must be considered by the Commission in revising the regulations affecting rates.

20. The PRC also proposed adjusting the rate cap to allow the Postal Service to raise prices above inflation on market dominant products. In considering price increases, how should the Postal Service balance the need for additional revenue with the possibility that higher rates could further reduce mail volume?

Determining the right pricing levels for a multiproduct firm is a highly technical exercise and should be guided by analysis rather than casual or flippant observations. In addition to adhering to Title 39 and the Commission's regulations, a business in the Postal Service's position would pay close attention to data on price elasticities of demand for the different categories of mail. The OIG, for one, has done detailed and interesting work on elasticities, working with some of the best consultants in the field. The Postal Service also has a team of pricing economists and highly skilled consultants to assist

with this issue. Pricing is an important business function that can and should incorporate financial and economic data, behavioral psychology, business strategy and game theory, and an understanding of competitive forces (including competition from other modes of communication, for example). Casual inferences and commentary on this topic are usually dangerous, self-interested and/or misguided.

Universal Service Obligation

21. Debates about postal reform legislation raise fundamental questions about the role of the Postal Service in our nation, including the nature of the Postal Service's universal service obligation. President Trump's task force is also charged with evaluating the definition of the universal service obligation in light of changes in technology, e-commerce, marketing practices, and customer needs.

    a. What is your view of the Postal Service's universal service obligation?

Universal service is the centerpiece of postal policy, the reason that our Founders recognized the importance of postal services in the Constitution, and should guide decisions regarding the Postal Service and its business model going forward.

    b. Do you believe the concept of universal service has evolved since the PRC issued its 2008 Report on Universal Service and the Postal Monopoly? If so, how? How do you believe the Postal Service can adapt to meet the obligation?

Yes, the concept of universal service has evolved with changes in communications, computing, and commerce. While mail is still a critical communications channel for many businesses and households, the steady decline of mail's centrality in communications has continued over the past 10 years. Since 2008, we have also seen innovators merging computers, mobile devices, and physical infrastructure to create new services or transform retailing and transportation practices. We have also seen many interesting uses of Internet-connected sensors attached to physical objects (the "Internet of Things"), and efforts to adapt urban infrastructure with such technology ("smart cities"). Collectively, these innovations are likely changing the expectations of the American public regarding service and customer experience. The Postal Service has begun to adapt, introducing new apps, services such as Informed Delivery®, and attempting to encourage use of augmented reality. I believe we are in the early days of these changes. It is worth analyzing how new technologies,

services, economic realities, and the shifting expectations of the American public should impact universal service.

c. In your view, what is the PRC's role in preserving universal service?

The Commission provides critical transparency by calculating the cost of universal service. The Commission also monitors and analyzes service issues, consults with the Postal Service, and advises Congress on service matters. I have argued throughout my responses in this document that more strategic insight and coherence is necessary in postal matters, and I believe the Commission might be able to contribute to meeting this need on the issue of universal service.

Service Performance

22. The PAEA requires the Postal Service to consult with the PRC in establishing modern service standards, as well as in modifying the standards and planning for future standards. How do you believe this consultation should be carried out? What additional value, if any, do you believe the PRC can bring to this process? Do you believe PRC consultation has been effective thus far? If yes why, if no, why not?

The Commission and the Postal Service have utilized several meetings and conversations to implement the consultation required by the PAEA. The Commission continually hosts technical conferences, bringing together key staff from both bodies to dive deeply into complex matters.

I believe the Commission's present role relative to performance standards has been helpful and appropriate. In addition to the required consultation, the Commission's analyses and reviews in annual reports provides helpful feedback and crucial transparency in service issues.

23. The Commission's Ten Year review of PAEA's rate system found that "High quality service standards have not been maintained."[3]

In what ways might have PAEA's ratemaking system affected the Postal Service's ability to maintain high service standards?

The PAEA established a price cap designed to improve on cost of service regulation by increasing rate predictability and encouraging the Postal Service to operate efficiently. Because cost coverage is not guaranteed under a price cap as it would be under cost of

[3] *Id.*

service or rate of return regulation, the regulated entity must consider cost cutting reforms if product or service sales at the capped prices are not producing sufficient income. Cost cutting may affect the ability to meet service standards by reducing expenditure on infrastructure and labor utilized to provide services. This might have occurred in the postal system over the past ten years.

24. There have been suggestions that the Postal Service should be privatized. What are your perspectives on potential privatization of the US Postal Service, and what impact would do you believe that it have on rural communities?

I discussed some of the issues surrounding privatization above. Regarding rural communities, specific policy and regulatory mechanisms would have to be developed to preserve rural services. It's unclear how such mechanisms would be received by potential investors or whether policymakers would commit to financing services in rural communities.

V. Relations with Congress and the Public

25. If confirmed, how will you make certain that you will respond in a timely manner to Member requests for information?

I believe agencies have a duty to provide accurate and timely information to Congress. Furthermore, my observation is that this flow of information tends to produce more effective, better informed oversight and much better policy outcomes. Therefore, I would prioritize this issue personally and with staff if confirmed. I would also work with Chairman Taub and the Commissioners to leverage the Commission's process for tracking and following through on Congressional requests, and would work toward any necessary adjustments to these processes.

26. If confirmed, do you agree without reservation to reply to any reasonable request for information from the Ranking Member of any duly constituted committee of the Congress?

Yes

27. If confirmed, do you agree without reservation to reply to any reasonable request for information from members of Congress?

Yes

28. If confirmed, do you commit to take all reasonable steps to ensure that you and the PRC comply with deadlines established for requested information?

Yes

29. If confirmed, do you commit to protect subordinate officials or employees from reprisal or retaliation for any testimony, briefings or communications with members of Congress?

Yes

30. If confirmed, will you ensure that your staff will fully and promptly provide information and access to appropriate documents and officials in response to requests made by the Government Accountability Office (GAO) and the Congressional Research Service?

Yes

31. If confirmed, will you agree to work with representatives from this Committee and the GAO to promptly implement recommendations for improving U.S. Postal Service operations and effectiveness?

Yes

32. If confirmed, will you direct your staff to fully and promptly respond to Freedom of Information Act requests submitted by the American people?

Yes

33. If confirmed, will you ensure that political appointees are not inappropriately involved in the review and release of Freedom of Information Act requests?

Yes

VI. Assistance

34. Are these answers your own? Have you consulted with the U.S. Postal Service or any other interested parties? If so, please indicate which entities.

Yes, these answers are my own. I consulted with the Commission regarding some of its rules, and the Commission reviewed the answers for legal, regulatory, and technical accuracy. I consulted with the OIG regarding the accuracy of my summary of issues related to Sarbanes-Oxley. The opinions are my own, except where I cited another party's views or findings in an answer.

I, Michael Kubayanda, hereby state that I have read the foregoing Pre-Hearing Questionnaire and Supplemental Questionnaire and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

Michael Kubayanda
(Signature)

This 31st day of August, 2018

Senator Claire McCaskill
Post-Hearing Questions for the Record
Submitted to Mr. Michael M. Kubayanda

Hearing to Consider the Nominations of the Honorable Steven D. Dillingham to be Director of the Census, U.S. Department of Commerce, and Michael M. Kubayanda to be a Commissioner, Postal Regulatory Commission
Wednesday, October 3, 2018

1. As people increasingly use email, and online bill paying, the Postal Service has seen significant declines in its first class mail revenues. Do you still consider the Postal Service to be a true monopoly?

   Technically, the Postal Service has a statutory monopoly with two key facets -- the mailbox monopoly and private express statutes. The Postal Regulatory Commission calculates and reports on the value of these provisions and has reported for several years that overall the monopoly has a value in the billions of dollars annually.

   The practical strength of the monopoly, however, has clearly eroded due to email, online bill paying and presentment, the ease and relative cheapness of long distance phone calls, and many other factors. It is certainly true that the Postal Service does not appear to have the ability to fully monopolize any key segment of communication or transportation of packages as it might have in the distant past. Advertisers, for example, now have a number of digital alternatives in addition to traditional options such as periodicals or billboards.

2. With the growing numbers of home delivery packages, the Postal Service is competing with private sector companies more and more. How can the Commission ensure that the Postal Service is competing fairly with private sector delivery companies in face of the huge growth in the number of package?

   The Postal Accountability and Enhancement Act directed the Commission to promulgate rules related to fair competition in the competitive products category. The Commission's rules presently require competitive products to cover their costs and, in addition to covering their own costs, make a minimum contribution of 5.5% to the institutional costs of the Postal Service. This requirement prevents the Postal Service from unfairly subsidizing competitive services. The Commission has issued a notice of proposed rulemaking to revise the minimum contribution using a formula that takes into account the size of the competitive market and the Postal Service's position in that market. By using a formula rather than a set percentage, the minimum contribution can change appropriately as

market conditions change. When the final rule is issued, it will be an additional step toward ensuring fair competition.

Another area that the Commission monitors for the potential for unfair competition is terminal dues. The Commission submits its views to the Department of State on terminal dues, and together with other observers, has noted that imbalances in the terminal dues system, as established and adjusted by the Universal Postal Union, can distort competition in the mail, package, and retail markets. The Commission has noted that terminal dues rates are only available to designated postal operators, which has caused some private businesses and carriers to raise concerns about fairness. The Commission, the Federal Trade Commission, and private sector competitors to the Postal Service have also identified differential customs treatment of inbound packages as an area to monitor for the potential for unfair competition.

In addition, stakeholders including Postal Service competitors may bring complaints before the Commission related to unfair competition under the provisions of title 39 of the U.S. Code.

These areas bear watching in the future, and provide many potential avenues to address fair competition issues.

3. During the hearing, I incorrectly stated that I was still waiting to receive the Negotiated Service Agreements (NSA) between the Postal Service and FedEx and UPS. My office has, in fact, received and reviewed those documents. While the agreements appear to take into account the Postal Service's unique network, particularly in rural areas, I remain concerned that the Postal Service is "chasing volume" instead of maximizing revenues. Nevertheless, under current law, the Postal Service is only required to ensure that NSAs cover their costs, and no more. GAO found that the Postal Service does not look at NSA costs on an individual basis and does not always collect penalties for failure to meet minimum volume requirements. How can the Commission ensure that the Postal Service is getting the most out of its NSAs?

   The Commission must continue to scrutinize each NSA for compliance with title 39. It is true that for competitive NSAs, the requirements for cost coverage are rather basic, which may have helped lead to the proliferation of NSAs in recent years.

   One way of strengthening NSA requirements might be to adapt the requirements for market dominant NSAs, which appear to be more stringent, for regulation of competitive NSAs. This could provide more opportunities for the Commission to

closely scrutinize NSAs. If confirmed, I would work with my fellow Commissioners and Congress to see if any changes to the NSA process are warranted.

Even without legislative changes, the Commission's focus on transparency and accountability provides a framework to scrutinize systemic weaknesses in Postal Service operations, finances, and strategy. If confirmed, I would, as warranted, help identify shortcomings and bring them to the attention of the Postal Service and Congress.

4. The Postal Service has taken many steps to reduce costs: it cut its workforce by nearly half, it closed its post offices and processing facilities, and it reduced its service standards. Many people say this has tarnished the value of the Postal Service's products. What can the PRC's Commissioners do, in the future, to ensure the Postal Service balances the steps it takes to cut costs, without degrading the value of its services?

The Commission has several vehicles for overseeing and advising the Postal Service on cost and service issues. One is its role in providing consultation on the development of service standards. Another vehicle is annual monitoring of the Postal Service's goals and performance as described above. Another opportunity is provided by the Commission's advisory opinions, which the Postal Service must solicit before implementing changes that would affect service on a nationwide or substantially nationwide basis. In addition, in the Annual Compliance Determination, the Commission has previously directed the Postal Service to improve cost coverage for market dominant and competitive products, align workshare discounts with avoided costs, and improve service performance for particular products.

Beyond these oversight and regulatory issues, there are important issues of business strategy and public policy that are under the purview of Congress, the Board of Governors, and Postal Service management.

5. The Postal Service has had some recent difficulties meeting its service performance goals. In the most recent round of post office closures and reductions in retail service hours, the Postal Service has ended up with far less savings than it originally anticipated. What might the PRC do to ensure that the actual savings from that previous round of closures and reductions is used to more accurately estimate savings from any future cuts in postal retail and mail processing operations?

If confirmed, bolstering the quality of data and analysis throughout the postal community would be a high priority for me. I would address this issue largely through encouraging and modeling good practices in hiring and training staff and seeking opportunities to strengthen the Commission's capabilities in this area. This would strengthen the Commission's hand in scrutinizing Postal Service analyses and requesting improvements.

The Commission presently has a few avenues tor addressing data and analytical quality. The Commissions can ask the Postal Service to revise and resubmit an analysis, and took this step on a few occasions for a recent rate case. In addition, the Commission can use its formal rulemaking process to require improvement in the methods of analysis submitted by the Postal Service. If confirmed, I would work with the Commissioners to use these and any other necessary measures to address this issue.

6. The Occupational Safety and Health Administration has reported over 3000 safety violations at the Postal Service since 2006, including serious, repeated, and willful violations. During the period from 2015 to 2017 alone, OSHA reports show 66 heat-related hospitalizations, 426 other hospitalizations, and 52 amputations. What can the PRC do to ensure that the Postal Service is held accountable for resolving these violations and creating a safe workplace?

   The Commission provides important transparency and oversight in this area. The Commission annually review the Postal Service's performance plan and actual performance against the plan. These reviews include monitoring progress towards the goal of ensuring a safe and engaged workplace. The Commission highlights the injury and illness rate, a calculation required by OSHA, and progress in reducing the rate of accidents. The Commission has previously recommended that the Postal Service retain, revise, and add important measures of safety in the workplace. The Commission can continue to monitor this issue and highlight areas where the Postal Service is lacking and can do better.

7. As America's population grows, the Postal Service requires investment money to replace its aging infrastructure and modernize its operations so it can handle the growing ecommerce parcel deliveries and stabilize its long term finances. In particular, the Postal Service will soon be spending billions of dollars on a new vehicle fleet. What role can the PRC play to ensure that the Postal Service makes sound business decisions in its procurement of new vehicles?

   The Commission provides transparency on this issue through its financial analysis of the Postal Service's financial report and 10-K statement. The Commission has highlighted the problem of growing maintenance costs as the

fleet of delivery vehicles continues to age. As the Postal Service looks to replace the vehicle fleet, the Commission should continue to focus on this issue and could perhaps examine best practices and benchmarks from the approaches of other government and non-government fleet procurement efforts.

Under title 39, the Commission takes the Postal Service's financial health into account while pursuing potential changes to the system for regulating market dominant rates and classifications following the Ten-Year Review mandated by the Postal Accountability and Enhancement Act. This means, among other issues, looking at the capital investment needs of the Postal Service. The changes the Commission has proposed in its notice of proposed rulemaking can assist the Postal Service in raising the revenue needed to procure new vehicles.

8. The Postal Service has a troubling history of long-term "emergency" closures. Although the Postal Service has taken steps to reduce the number of facilities that are closed using emergency closure procedures, I remain concerned that such a process can be used as a backdoor way to permanently close post offices without any community input. If confirmed, will you ensure that the PRC continues to monitor the number of emergency closures and the length of time that such facilities remain closed?

Yes. I am aware of this issue and the concern that it is possible to abuse the emergency suspension process as a way of accomplishing *de facto* closures of postal retail facilities. If confirmed, I would monitor this issue closely and work with my fellow Commissioners to provide transparency on emergency suspensions. I believe S. 2629, the Postal Reform Act of 2018, would take some steps to address this issue as well.

Senator Heidi Heitkamp
Post-Hearing Questions for the Record
Submitted to Mr. Michael M. Kubayanda

Hearing to Consider the Nominations of the Honorable Steven D. Dillingham to be Director of the Census, U.S. Department of Commerce, and Michael M. Kubayanda to be a Commissioner, Postal Regulatory Commission
Wednesday, October 3, 2018

1) As you know, I am incredibly passionate about improving and protecting mail service in rural America. From mail processing plant consolidations, to reductions in post office hours, to the complete elimination of the overnight service standard, rural America has been hit especially hard in recent years by degradations in mail service. I believe there is simply no substitute for the Postal Service in rural America, and that is why I have been vocal in my opposition to proposals to privatize this vital institution. I have also introduced bipartisan legislation to alleviate the Postal Service's challenges.

   - If confirmed, how would you work as a Commissioner to focus on strong service performance so that mail delivery in rural America is both protected and improved?

   The Commission has several vehicles for addressing rural service issues. If confirmed, I would use these vehicles to focus on issues affecting rural areas to ensure proper transparency and oversight for these areas.

   For specific post offices, individuals and communities are presently able to appeal closures to the Commission. The Commission also issues advisory opinions when Postal Service makes changes that affect service on a nationwide or substantially nationwide basis. The Commission also has a general complaint mechanism which can be used to file complaints about a number of problems with the Postal Service.

   The Commission also monitors and reports service issues within the Annual Compliance Determination. Recent changes to the Postal Service's internal performance measurement systems should allow a specific oversight focus on issues affecting rural areas. Furthermore, the Commission reviews and comments on the Postal Service's annual performance plan and publishes an analysis of actual performance against that plan.

The Commission has in the past considered or recommended measures to further protect postal customers. The Commission has taken the approach that, contrary to the Postal Service's opinion, retail "stations and branches" should be be treated the same as main post offices in terms of procedural protections and the appeals process. The Commission has also recommended that the Postal Service be required to respond in writing to the Commission's advisory opinions. I support the Commission's approaches to these matters and if confirmed, I will work with the Commissioners and Congress to support any warranted changes to support these priorities.

- How would getting postal reform legislation passed be helpful to you in your role, if confirmed, as a Commissioner of the PRC?

The postal reform bill pending before the Senate, S. 2629, the Postal Service Reform Act of 2018, holds the potential for a positive consumer-focused step forward on service matters. The bill would require USPS to consider, before closing or consolidating post offices:

- Distance to other retail facilities;
- Geographic characteristics;
- Availability of mobile telecom services; and
- Broadband access.

Adding these considerations explicitly to the process of closing or consolidating post offices would help me, if confirmed, bring additional rigor to the oversight of the Postal Service. I have argued in previous answers to this Committee that greater strategic coherence is needed in a number of postal matters, and these particular provisions are a step in that direction.

In addition, S. 2629 contains language on service standards, performance targets, performance measurement, and emergency suspension of retail facilities that provide a necessary and more rigorous framework that I would apply, if confirmed, to assess how the Postal Service is meeting the needs of rural communities.

2) There is a reason that the Postal Service is in our Constitution and why it has a wholly unique Universal Service Obligation – it is the only nationwide communications network of its kind that is accessible and affordable to everyone. According to a frequently asked question about the Commission's purpose on the PRC website, "The Commission

promotes high quality universal mail service for the American people by ensuring Postal Service transparency, accountability and compliance with the law."

- What does the Postal Service's universal service obligation mean to you?

I agree that universal service is the centerpiece of postal policy, is the reason that our Founders recognized the importance of postal services in the Constitution, and should help guide decisions regarding the Postal Service and its business model going forward. At its core, I believe universal service means affordable services to people and organizations in all parts of the country. The Commission identified the universal service obligation (USO) in 39 U.S.C. § 101(a) which states that the Postal Service "shall provide prompt, reliable, and efficient service to patrons in all areas and shall render postal services to all communities." In a 2008 report required by the Postal Accountability and Enhancement Act, and in subsequent publications, the Commission has identified seven principal attributes within the USO:

- Geographic scope;
- Product range;
- Access;
- Delivery;
- Pricing;
- Service quality; and
- An enforcement mechanism.

I believe this framework provides helpful guidance for the Commissioners. If confirmed, I would work as necessary with my fellow Commissioners and Congress to see if further definition or clarification would be helpful.

- If confirmed, how will you ensure that rural America continues to be protected under universal service?

The Commissioners can provide transparency regarding impact of delivery and retail matters on communities, especially in rural areas. The Commission monitors and analyzes service issues, consults with the Postal Service, and advises Congress on service matters. The Commission also provides critical transparency by calculating the cost of universal service. I believe the Commission could continue to contribute to meeting the need for greater strategic coherence on the issue of universal service. If confirmed, I would

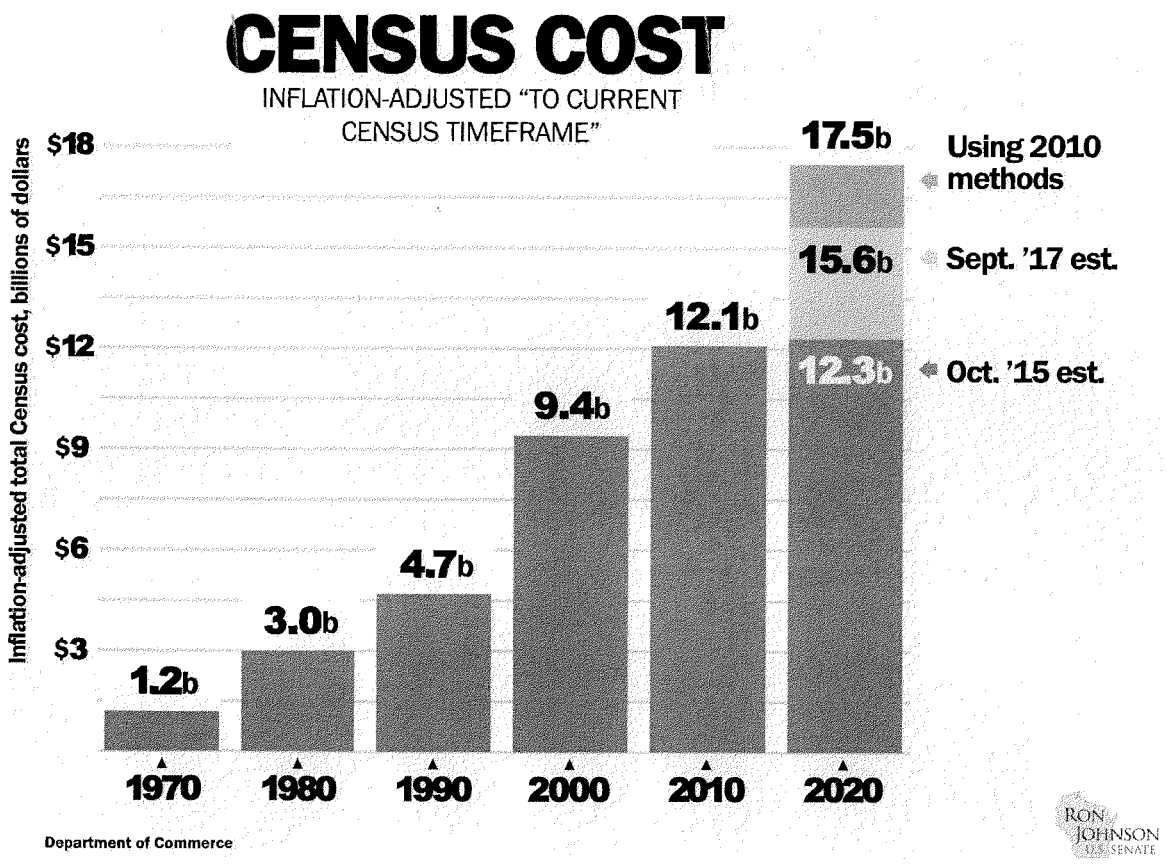
carefully monitor universal service issues, identify threats to universal service, and where appropriate work with the other Commissioners and Congress to identify opportunities to preserve and strengthen universal service.

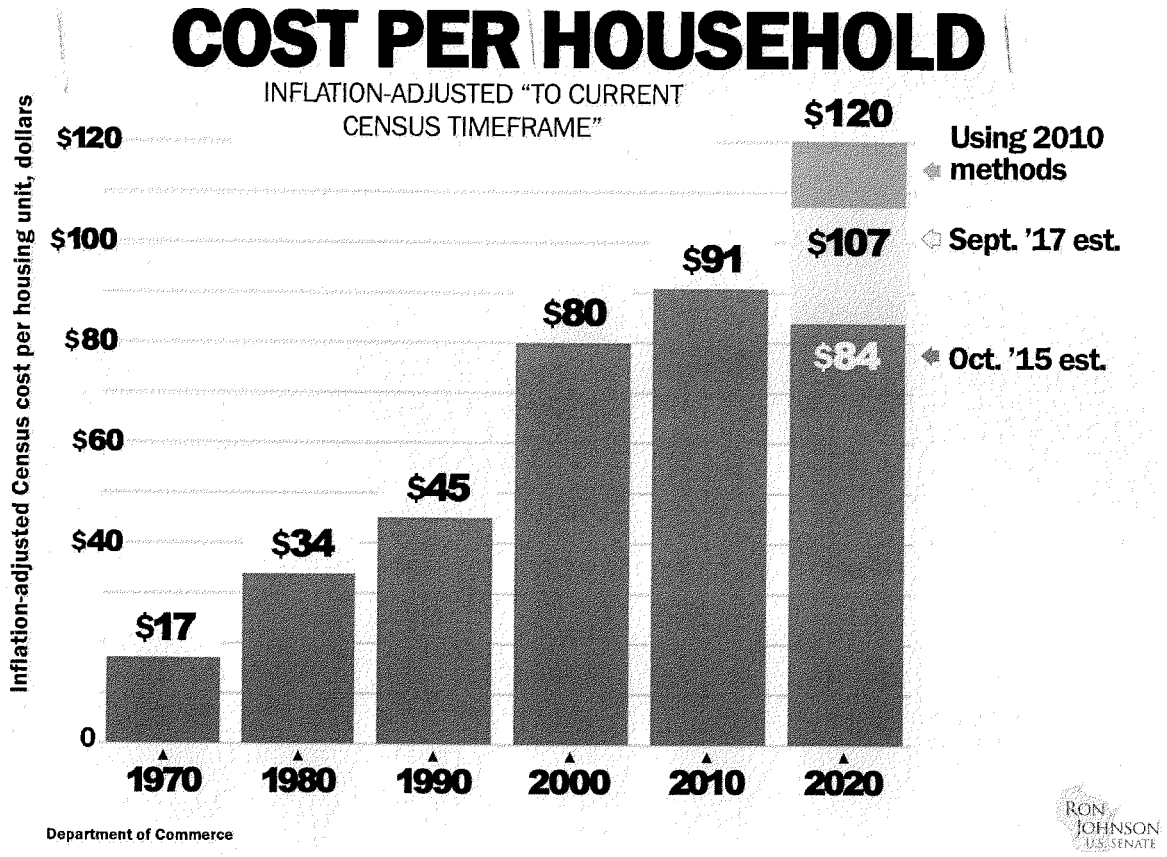
U.S. Postal Service

All figures in billions of dollars

	FY 2007		FY 2017		Totals '07-'17	
Income statement						
Operating revenue		74.8		69.6		761.0
Cash operating expense	(61.3)		(57.4)		(625.8)	
Worker's comp (FECA)	(0.9)		0.8		(22.6)	
Retiree health annual	(1.7)		-		(25.1)	
Retiree pension annual	(5.7)		(6.6)		(66.4)	
Total operating expense		(69.6)		(63.3)		(739.9)
Operating income before deprec		5.2		6.4		21.1
Depreciation		(2.2)		(1.7)		(22.5)
Operating income (loss)		3.0		4.7		(1.4)
Health care prefunding	(8.4)		(4.6)		(59.4)	
Pension prefunding	-		(2.7)		(3.1)	
Total prefunding		(8.4)		(7.3)		(62.5)
USPS reported income (loss)		(5.3)		(2.6)		(63.9)
Cash flow adjustments						
Non-cash adjustments	0.5		0.2		(1.3)	
Change in FECA liability	-		(2.2)		9.5	
Depreciation	2.2		1.7		22.5	
Subtotal non-cash adjustments		2.5		(0.3)		30.8
Cash flow before retiree default		(2.8)		(2.9)		(33.2)
Retiree prefunding default	-		4.6		38.5	
Retiree current default	-		2.7		3.2	
Total default		-		7.3		41.7
Increase (decrease) in cash		(2.8)		4.4		8.5

Source: USPS annual 10-Ks


CENSUS COST
INFLATION-ADJUSTED "TO CURRENT CENSUS TIMEFRAME"
Inflation-adjusted total Census cost, billions of dollars
$18
$15
$12
$9
$6
$3
1.2b
3.0b
4.7b
9.4b
12.1b
17.5b
15.6b
12.3b
Using 2010 methods
Sept. '17 est.
Oct. '15 est.
1970
1980
1990
2000
2010
2020
Department of Commerce
RON JOHNSON U.S. SENATE


COST PER HOUSEHOLD
INFLATION-ADJUSTED "TO CURRENT CENSUS TIMEFRAME"
Inflation-adjusted Census cost per housing unit, dollars
$120
$100
$80
$60
$40
0
$17
$34
$45
$80
$91
$120
$107
$84
1970
1980
1990
2000
2010
2020
Using 2010 methods
Sept. '17 est.
Oct. '15 est.
Department of Commerce
RON JOHNSON U.S. SENATE

United States Senate

WASHINGTON, DC 20510

June 28, 2017

President Donald J. Trump
The White House
1600 Pennsylvania Ave. NW
Washington D.C. 20500

Dear Mr. President:

We are writing as the leaders of the U.S Senate Committees with jurisdiction over the Department of Commerce and the Census Bureau to respectfully urge you to move quickly to nominate experienced and qualified individuals to serve in essential positions overseeing the operations of the Census Bureau. The current Director of the Census Bureau, John Thompson, will be stepping down in a matter of days, leaving a leadership vacuum at the Bureau just as the preparations for the 2020 Census move into the final three critical years. In addition to the vacancy at the top, the Bureau is lacking a presidentially-appointed Deputy Director of the Census Bureau. Also both positions at the Department of Commerce responsible for Census oversight – Deputy Secretary of Commerce and Under Secretary of Economic Affairs – are currently vacant.

The U.S. Census affects *all* Americans. Census data help to determine the annual allocation of billions of federal dollars, the apportionment of seats for the U.S. House of Representatives, and provide a social, demographic, and economic profile of the nation's people to guide policy decisions at each level of government. With less than three years to go until Census Day (April 1, 2020), the Bureau will soon start implementing new innovations, ramping up staff, employing marketing and advertising campaigns, and opening area offices nationwide. Capable leadership is needed to help the Bureau accomplish its goal to have operations plans finalized and ready to go by the Census Bureau's 2018 End-to-End Readiness Test.

The 2020 Census is currently facing serious challenges. In early February, it was added to the Government Accountability Office (GAO) 2017 High Risk List because of concerns with implementation of the Bureau's new census innovations and redesigns.[1] In addition, a recent House Committee on Appropriations, Subcommittee on Commerce Justice and Science hearing examined significant cost overruns with the Census Bureau's new IT system in addition to other budgetary concerns.[2] The Director's resignation, six months prior to the end of his term, adds to

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[1] Government Accountability Office, *High Risk Series: Progress on Many High Risk Areas, While Substantial Efforts Needed on Others* (GAO 17-317) (Feb. 2017).

[2] House Committee on Government Reform, Subcommittee on Commerce, Justice, Science, and Related Agencies, *Hearing on Oversight of the 2020 Census*, 115th Cong. (May 3, 2017).

the mounting challenges facing the Census Bureau and could further jeopardize the 2020 Census program moving forward.

We understand that your Administration has faced historic delays in filling senior positions in the executive branch; however swift action is needed to ensure public confidence in the Census. As you continue to submit qualified nominees for your Administration, we respectfully ask that you make fully staffing the Census Bureau a priority. Thank you in advance for your attention to this important matter.

Sincerely,

Ron Johnson
Chairman
Committee on Homeland Security and Governmental Affairs

Claire McCaskill
Ranking Member
Committee on Homeland Security and Governmental Affairs

John Thune
Chairman
Committee on Commerce, Science, and Transportation

Bill Nelson
Ranking Member
Committee on Commerce, Science, and Transportation

KAMALA D. HARRIS
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United States Senate

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
COMMITTEE ON THE JUDICIARY
SELECT COMMITTEE ON INTELLIGENCE
COMMITTEE ON THE BUDGET

September 20, 2018

The Honorable Ron Johnson
Chairman
U.S. Senate Committee on Homeland Security and Governmental Affairs

Dear Chairman Johnson:

We respectfully request that the Senate Homeland Security and Governmental Affairs Committee schedule a public oversight hearing with Commerce Secretary Wilbur Ross and top Census Bureau officials on 2020 Decennial Census planning and operations as soon as practicable. We previously requested such an oversight hearing on March 30, 2018, emphasizing how the late addition of an untested citizenship question and well-documented Census Bureau management and operational challenges risked compromising an accurate and cost-effective decennial census. A failed 2020 Census could have wide-ranging negative implications for American business and infrastructure development, state sharing of federal funds for public health and safety, proportional representation in Congress, and natural disaster funding, amongst other critical areas.[1]

Since our last request for a hearing, the need for this Committee to fulfill its oversight responsibilities to ensure 2020 Census accountability has only grown more acute. New evidence suggests that Secretary Ross's addition of a citizenship question may have involved improper political considerations and dismissed a warning about added costs and decreased census accuracy from a senior Census Bureau expert. As the 2020 Census rapidly approaches, it is critical that Secretary Ross and top Census Bureau officials testify under oath to this Committee about the addition and effect of this question and other pressing concerns.

New evidence revealed in litigation suggests that Secretary Ross may have misled Congress about political considerations underlying the addition of the citizenship question, including involvement of White House officials. On March 20, 2018, Secretary Ross testified before a House Appropriations Subcommittee that his decision to add a citizenship question was "responding solely to the Department of Justice's request."[2] However, on June 21, 2018, he admitted in a court filing to have begun deliberating a citizenship question, "which other senior Administration officials had previously raised," shortly after his appointment in February 2017.[3]

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[1] Sens. Kamala D. Harris, Claire McCaskill, Thomas Carper, Gary C. Peters, Letter to HSGAC Chairman Ron Johnson, Mar. 30, 2018, *available at*: https://apps.npr.org/documents/document.html?id=4427104-180330-Letter-to-Sen-Johnson-HSGAC-Census-Hearing

[2] House Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies, U.S. House of Representatives, *Hearing on the Fiscal 2019 Budget Request for the Department of Commerce*, Mar. 20, 2018, *available at*: https://www.youtube.com/watch?v=NDWiAiSWgNU&feature=youtu.be&t=36m25s

[3] U.S. Commerce Secretary Wilbur Ross, *Supplemental Memorandum by Secretary of Commerce Wilbur Ross Regarding the Administrative Record in Census Litigation*, Jun. 21, 2018, *available at*: https://assets.documentcloud.org/documents/4550954/Wilbur-Ross-Supplemental-Memo.pdf

E-mail evidence suggests that during the spring and early summer of 2017, Kris Kobach, the co-chair of the Presidential Advisory Commission on Election Integrity, communicated with Secretary Ross about adding such a question at the direction of White House Chief Strategist Steve Bannon.[4] E-mail evidence also suggests that Secretary Ross personally advocated to a Commerce Department official to add such a question during the same period.[5] This official then asked Department of Justice officials to considering making a request to add the citizenship question.[6] It is incumbent upon Secretary Ross to account accurately to this Committee about who influenced the deliberative process and the true reasons for the addition of this question.

Troubling new evidence also reveals that Secretary Ross added a citizenship question to the 2020 Census against the direct advice of Census Bureau Chief Scientist John Abowd. We now know that Secretary Ross ignored a January 19, 2018 memorandum from Abowd that recommended he not add a citizenship question to the 2020 Census. Abowd warned that adding such a question would be "very costly" and would "har[m] the quality of the census count" by reducing voluntary public participation in the count. He also warned that such a question would yield "substantially less accurate citizenship status data than are available from administrative sources."[7] As we previously noted, on January 26, 2018, six former Census Bureau Directors who served under both Democratic and Republican administrations likewise warned Ross that adding a citizenship question would harm 2020 Census accuracy.[8] In light of Secretary Ross's dismissal of census expert warnings, he and Census Bureau officials must explain to this Committee how ongoing 2020 Census planning and preparations intend to mitigate reduced public participation in the count and resulting increased costs experts predict to result.

In addition to concerns regarding a citizenship question, this Committee must examine myriad continuing managerial and operational challenges for the 2020 Census. The 2020 Census remains on the Government Accountability Office (GAO)'s High-Risk List due to untested technological innovations, IT system implementation and security challenges, as well as unreliable cost estimates.[9] In June 2018, the GAO reported that Census Bureau 2018 End-to-End field testing was hampered by hiring difficulties, especially in rural areas, and that the Census Bureau is relying on undocumented workload projections and has faced technological problems

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[4] Kansas Secretary of State Kris Kobach, E-mail to Commerce Secretary Wilbur Ross, Jul. 14, 2017, *available at:* https://apps.npr.org/documents/document.html?id=4500011-1-18-Cv-02921-Administrative-Record#document/p775/a428456

[5] U.S. Commerce Secretary Wilbur Ross, E-mail to Commerce Department Office of Policy and Strategic Planning Director Earl Comstock, May 2, 2017, *available at*: https://apps.npr.org/documents/document.html?id=4616785-May-2-2017-Email-From-Earl-Comstock#document/p1/a441444

[6] Commerce Department Office of Policy and Strategic Planning Director Earl Comstock, E-mail to U.S. Commerce Secretary Wilbur Ross, September 8, 2017, *available at:* https://apps.npr.org/documents/document.html?id=4896064-Administrative-Record-For-Census-Citizenship#document/p2/a454666

[7] Chief Scientist and Associate Director for Research and Methodology John M. Abowd, *Technical Review of the Department of Justice Request to Add Citizenship Question to the 2020 Census*, Jan. 19, 2018, *available at:* https://apps.npr.org/documents/document.html?id=4500011-1-18-Cv-02921-Administrative-Record#document/p1289/a428453

[8] Vincent P. Barabba, et al, to Honorable Secretary Wilbur Ross, U.S. Department of Commerce, Jan. 26, 2018, 1, *available at*: https://www.washingtonpost.com/r/2010-2019/WashingtonPost/2018/03/27/Editorial-Opinion/Graphics/DOJ_census_ques_request_Former_Directors_ltr_to_Ross.pdf?tid=a_mcntx

[9] United States Government Accountability Office, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, Feb. 2017, *available at*: https://www.gao.gov/assets/690/682765.pdf

with address-canvassing. The GAO warned that, "If the Bureau's address list and maps are inaccurate, people can be missed, counted more than once, or included in the wrong location."[10] Further, as we noted back in March, the Bureau has canceled field tests in rural and tribal locations with hard-to-count populations and has delayed research and development activities for the Integrated Partnership and Communications program. These programs historically have been key to fostering public trust to ensure robust voluntary participation in the count, which will be particularly important in 2020 with the addition of the untested citizenship question.

This Committee has conducted far fewer oversight hearings for the 2020 Census to date than it conducted prior to the 2010 Census. At this point prior to the last decennial census, this Committee had already held four full or subcommittee oversight hearings – four which included testimony from a permanent Census Bureau Director, and two which included testimony from the Commerce Secretary. In contrast, this Committee has only held a single oversight hearing, at which only the Commerce Secretary and Comptroller General testified, despite this census being larger, more complicated, and more reliant on new technologies. While the April 10, 2018, members briefing that this Committee convened on the census questionnaire was welcome, it did not negate the need for top Commerce Department and Census Bureau officials to provide sworn testimony before this Committee.

In conclusion, this Committee has a clear oversight imperative to call Secretary Ross and top Census Bureau officials to testify at a public hearing about their planning and operations to ensure a cost-effective and accurate 2020 Census. The decennial census is a critical federal undertaking that affects the wellbeing of all Americans and must transcend any political agenda. This Committee must do all in its authority to promote 2020 Census accountability to ensure a successful outcome.

We appreciate your timely consideration of this request and look forward to your response.

Sincerely Yours,

Kamala D. Harris
United States Senator

Thomas R. Carper
United States Senator

Margaret Wood Hassan
United States Senator

Gary C. Peters
United States Senator

[10] United States Government Accountability Office, *2020 Census: Actions Needed to Improve In-Field Address Canvassing Operations*, Jun. 2018, *available at* https://www.gao.gov/assets/700/692493.pdf

RON JOHNSON, WISCONSIN, CHAIRMAN
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United States Senate
COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

September 21, 2018

The Honorable Kamala D. Harris
United States Senator

Dear Senator Harris:

Thank you for your letter regarding the 2020 Census. I share many of the concerns you raised, and have had those concerns for quite some time. Hearings can certainly be an effective and appropriate venue for highlighting issues, but they are not the only way our Committee conducts oversight. As you are aware, on April 10, 2018 we held a roundtable for Committee members with the Department of Commerce and the Census Bureau regarding the 2020 Census content, including the addition of a citizenship question to the 2020 questionnaire.

I understand the citizenship question is a controversial issue, and reasonable people can come to different conclusions. At the roundtable, Acting Census Director Ron Jarmin stated that there was no definitive evidence that the addition of a citizenship question would significantly reduce response rates, and that other questions (such as household income) had proven to have a greater impact on response rates for the American Community Survey.

In September 2017, Ranking Member McCaskill and I met with Secretary Ross to discuss the updated lifecycle costs for the 2020 Census. I remain highly concerned about the rising cost per household of the Census in the digital age, and the inability of the Census Bureau to effectively use technology to reduce cost and increase accuracy.

However, in August 2018, the Government Accountability Office (GAO) issued a report that found that Secretary Ross' updated lifecycle costs made "significant progress" over the lifecycle costs issued under the previous administration.[1] Another August 2018 GAO report found that the Census Bureau has made significant progress in developing and testing information technology (IT) systems for the 2020 Census, though the GAO highlighted several points of remaining concern.[2] Both of these reports indicate that while current Census Bureau and Department of Commerce leadership are improving the 2020 Census preparations, they inherited a program from the previous administration that was wrought with challenges.

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[1] Gov't Accountability Office, GAO-18-635, 2020 Census: Census Bureau Improved the Quality of Its Cost Estimation but Additional Steps Are Needed to Ensure Reliability (2018), available at https://www.gao.gov/assets/700/693990.pdf.

[2] Gov't Accountability Office, GAO-18-655, 2020 Census: Continued Management Attention Needed to Address Challenges and Risks with Developing, Testing, and Securing IT Systems (2018), available at https://www.gao.gov/assets/700/694169.pdf.

During my chairmanship, the Committee has sent multiple oversight letters to Secretary Ross and Dr. Jarmin on the challenges they inherited. These issues include the awarding of critical communications contracts to partisan political organizations,[3] the fraud threat inherent in Internet response plans,[4] and the risk of inaccurate data when using administrative records to enumerate.[5] Additionally, Committee majority and minority staff has been engaged in on going briefings with the GAO, Census Bureau, other relevant federal agencies, and non-government stakeholders on the status of 2020 Census preparations. Specifically, since April 2018, GAO has briefed Committee staff four times and the Census Bureau has briefed staff five times.[6] On May 18 2018, bipartisan Committee staff travelled to Rhode Island to oversee Non-Response Follow Up operations for the 2018 End-to-End Test.

On October 3, 2018, the Committee will hold a hearing to consider the nomination of Steven Dillingham to serve as Census Bureau Director. Last year, I sent a letter with Senators McCaskill, Thune, and Nelson to President Trump asking that he nominate a Census Bureau Director.[7] Considering the nomination of the Census Bureau Director is presently the most important step this Committee can take to put the 2020 Census on the path for success and I hope you will join me in considering Dr. Dillingham's nomination at the hearing.

Following that hearing we can assess the best way the Committee can continue to conduct oversight over the 2020 Census.

Sincerely,

Ron Johnson
Chairman

[3] Letter from Ron Johnson, Chairman, S. Comm. on Homeland Sec. and Governmental Affairs, to Wilbur L. Ross, Sec'y, U.S. Dep't of Commerce (Jun. 5, 2017).
[4] Letter from Ron Johnson, Chairman, S. Comm. on Homeland Sec. and Governmental Affairs, and Trey Gowdy, Chairman, H. Comm. on Oversight and Gov't Reform, to Ron Jarmin, Acting Director, U.S. Census Bureau (Nov. 17, 2017).
[5] Letter from Ron Johnson, Chairman, S. Comm. on Homeland Sec. and Governmental Affairs, to Ron Jarmin, Acting Director, U.S. Census Bureau (Sep. 25, 2017).
[6] GAO briefings held on Apr. 9, May 23, Jun. 27, and Jul. 9; Census briefings held on Jun. 11, Aug. 2, Aug. 27, and Aug. 28 (2).
[7] Letter from Senators Ron Johnson, Claire McCaskill, John Thune, and Bill Nelson to President Donald J. Trump (Jun. 28, 2017).

Delivery Price Increase

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
USPS - Parcel Select	100.0%	105.7%	111.9%	117.2%	122.4%	132.8%	144.7%	153.2%	165.5%	170.6%	179.0%	187.8%
UPS - Ground	100.0%	104.9%	111.1%	116.5%	123.4%	130.7%	138.4%	145.2%	152.3%	159.8%	167.6%	175.8%
FedEx - Ground	100.0%	104.9%	111.1%	116.5%	123.4%	130.7%	138.4%	145.2%	152.3%	159.8%	167.6%	175.8%
USPS - Express	100.0%	103.1%	109.0%	113.9%	119.1%	123.1%	130.2%	134.1%	134.1%	155.0%	160.3%	166.5%
USPS - Priority	100.0%	104.0%	108.1%	111.6%	115.5%	119.1%	126.6%	126.6%	126.6%	139.0%	144.4%	150.1%
UPS - Air	100.0%	106.9%	114.3%	122.2%	130.6%	139.6%	148.7%	156.0%	163.6%	172.1%	180.5%	189.4%
FedEx - Air	100.0%	106.9%	114.3%	121.0%	128.2%	135.7%	143.7%	149.3%	156.6%	164.3%	170.7%	179.1%

Sources: Postal Regulotory Commission; Logistic

International First Class Mail Price Increase

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Croatia	100.0%	112.6%	50.6%	50.6%	51.6%	48.4%	48.4%	68.4%	68.4%	68.4%
Switzerland	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Latvia	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.1%	100.1%	100.1%	100.1%
Lithuania	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.2%	100.2%	100.2%	100.2%
Blugaria	100.0%	100.0%	111.1%	94.4%	94.4%	94.4%	94.4%	94.4%	94.4%	105.6%
USPS - Market Dominant Aggregate	100.0%	103.8%	103.8%	105.6%	108.1%	110.9%	112.8%	112.8%	115.1%	116.0%
USPS - First Class Single Piece	100.0%	104.8%	104.8%	104.8%	107.2%	109.6%	116.7%	116.7%	111.9%	116.7%
Cyprus	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	120.6%	120.6%	120.6%	120.6%
Austria	100.0%	100.0%	112.7%	112.7%	112.7%	112.7%	123.4%	123.4%	123.4%	123.4%
Greece	100.0%	101.8%	105.3%	105.3%	108.6%	126.1%	126.1%	126.1%	126.1%	126.1%
Slovakia	100.0%	108.7%	108.7%	108.7%	117.1%	117.1%	117.1%	117.1%	126.1%	126.1%
Germany	100.0%	100.0%	100.0%	100.0%	105.2%	108.8%	112.4%	126.9%	126.9%	126.9%
Malta	100.0%	100.0%	100.0%	105.3%	105.3%	136.9%	136.9%	136.9%	136.9%	136.9%
Portugal	100.0%	100.0%	100.0%	100.0%	100.0%	106.4%	117.0%	123.5%	123.5%	138.4%
Luxembourg	100.0%	100.0%	120.0%	120.0%	120.0%	120.0%	120.0%	140.0%	140.0%	140.0%
Romania	100.0%	160.0%	160.0%	160.0%	160.0%	160.0%	160.0%	160.0%	140.0%	140.0%
Belgium	100.0%	116.9%	120.3%	127.0%	130.3%	130.3%	116.1%	133.7%	118.4%	147.2%
Poland	100.0%	92.9%	92.9%	92.9%	108.7%	108.7%	108.7%	108.7%	148.0%	148.0%
Sweden	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	116.7%	108.4%	116.8%	150.2%
Hungary	100.0%	105.0%	115.0%	129.9%	139.1%	144.2%	144.2%	144.2%	154.1%	154.1%
France	100.0%	100.0%	103.6%	107.1%	112.3%	117.7%	135.5%	142.7%	151.6%	169.5%
Spain	100.0%	106.3%	109.4%	112.6%	115.6%	100.0%	131.2%	140.5%	156.1%	171.7%
UK	100.0%	105.1%	117.9%	153.8%	153.8%	158.8%	161.4%	164.0%	166.6%	171.8%
Slovenia	100.0%	113.0%	117.3%	117.3%	117.3%	126.0%	147.6%	156.4%	160.7%	173.7%
Norway	100.0%	106.3%	112.6%	118.9%	118.9%	125.2%	131.4%	137.7%	162.8%	175.3%
Estonia	100.0%	100.0%	99.6%	128.1%	128.1%	128.1%	156.5%	185.0%	185.0%	185.0%
Ireland	100.0%	100.0%	100.0%	100.0%	108.3%	108.3%	122.7%	129.9%	185.7%	185.7%
Finland	100.0%	100.0%	93.8%	93.8%	99.6%	124.5%	137.0%	149.4%	161.8%	186.8%
Netherlands	100.0%	100.0%	104.5%	113.6%	122.0%	144.6%	155.8%	164.9%	176.1%	187.4%
Czech Republic	100.0%	100.0%	100.0%	100.0%	100.0%	130.0%	130.0%	130.0%	160.0%	190.1%
Italy	100.0%	100.0%	100.0%	100.0%	114.3%	114.3%	130.6%	326.6%	326.6%	326.6%
Denmark	100.0%	100.0%	145.5%	145.5%	145.5%	163.7%	181.9%	345.5%	491.0%	491.0%
Iceland	100.0%	100.0%	107.1%	138.5%	165.1%	178.8%	199.3%	233.6%	268.0%	549.6%

Sources: Postol Regulotory Commission; Deutsche Post

Table 1: Postal Employees

Year	Total employees	Career employees	Non-career employees
Column	*a*	*b*	*c*
2007	785,929	684,762	101,167
2008	765,088	663,238	101,850
2009	712,082	623,128	88,954
2010	671,685	583,906	87,779
2011	645,950	557,251	88,699
2012	629,028	528,458	100,570
2013	617,714	491,017	126,697
2014	617,877	488,300	129,577
2015	621,837	491,863	129,974
2016	639,78[illegible]	508,90[illegible]	130,88[illegible]
Change 2007 to 2016	(146,140)	(175,854)	29,714
Percent change	-18.6%	-25.7%	29.4%
Ten year totals			

Table 2: Postal Workhours

Year	Total work hours (millions)	Post office workhours (millions)	Mail handler work hours (millions)	City carrier work hours (millions)	Rural carrier work hours (millions)	Other work hours (millions)
Column	*d*	*e*	*f*	*g*	*h*	*i*
2007	1,419.4	398.4	118.7	431.2	189.7	281.4
2008	1,361.9	366.1	110.2	417.8	188.7	279.1
2009	1,252.5	319.8	94.8	393.7	180.6	263.6
2010	1,176.9	282.7	88.3	378.5	176.5	250.9
2011	1,142.4	269.0	88.0	370.9	177.0	237.5
2012	1,116.4	261.8	86.5	361.8	177.0	229.4
2013	1,104.1	254.4	85.1	364.2	176.1	224.5
2014	1,101.1	249.1	85.4	367.4	178.8	220.3
2015	1,117.8	265.7	85.3	375.4	184.0	207.3
2016	1,191.[illegible]	289.[illegible]	90.1	401.[illegible]	197.[illegible]	212.7
Change 2007 to 2016	(228)	(109)	(29)	(30)	8	(69)
Percent change	-16.1%	-27.6%	-24.1%	-6.9%	4.3%	-24.4%
Ten year totals	11,98[illegible]	2,95[illegible]	932	3,862	1,82[illegible]	2,407

Table 3: Volume and Delivery Points

Year	Delivery points (millions)	Total mail volume (billions)	Total package volume (billions)	Package volume as percent of total volume
	j	k	l	m = (l ÷ k)
	148.0	212.2	na	na
	149.2	202.7	3.3	1.6%
	150.1	176.7	3.1	1.8%
	150.9	170.9	3.1	1.8%
	151.5	168.3	3.3	2.0%
	152.1	159.8	3.5	2.2%
	152.9	158.2	3.7	2.3%
	153.9	155.5	4	2.6%
	155.0	154.3	4.5	2.9%
	156.1	154.3	5.2	3.4%
	8.1	(57.9)	1.9	na
	5.5%	-27.3%	57.6%	na
	1,52[illegible]	1,713	34	na

Tables 1 & 2 sources and notes:
Columns a through c: Annual Report Comprehensive Statements: 2011, 2013, 2014, 2015, ar
Columns d through i: National Payroll Hour Summary Reports, Pay Period 20 Year to Date Period, Reference NBRs: 2940, 0530, 0660, 0760, and 1090, respectively.

Table 3 sources and notes:
Column a through c: Postal Facts, U.S. Postal Service, pag
Column d: Total package volume, column c divided by Total mail volume, column a.
Column e though h: 2013 and 2016, Report on Form 10-K United States Postal Service, pages 75 and 39, respectively.
Column i: Equals column h divided by column a times 1000.
Column j: Equals Column h less Column f.
Note: Package volume change and percent change base year = 2008.
Yes: Total mail volume, rounded, is the same in 2015 as in 2016.

24) Christensen Associates, PRC Filing, Total Factor Productivity as a Measure of Operational Efficiency (summited to PRC Docket RM2017-3) (https://www.prc.gov/docs/99/99556/App%20D%20Christensen%20TFP%20study.pdf).

THE POSTAL SERVICE HAS INCREASED TFP AS VOLUMES HAVE DECLINED

Critics of the Postal Service might argue that the Postal Service's financial losses over the past ten years were due to relatively poor performance, but this is simply not true. The Postal Service has been able to grow TFP in a sustained fashion since 2000, due to reductions in resource usage. The Postal Service continued this productivity growth over the past ten years, even as workload has declined. In most industries, it is easier to increase TFP when the workload for that industry increases, the reason being that the amount of resources being used can increase as long as the increase is less than the increase in workload. Conversely, it is difficult to increase TFP when workload is stagnant or decreasing because the firm must actually cut the resources being used proportionately more. The converse happens to be the case for the Postal Service. The top panel of Table 1 shows Postal Service TFP growth over three periods: 1971-2000, 2000-2007, and 2007-2015.

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October 2, 2018

The Honorable Ron Johnson, Chairman
The Honorable Claire McCaskill, Ranking Member
U.S. Senate Committee on Homeland Security & Government Affairs
340 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Johnson and Ranking Member McCaskill:

We write to you regarding the nomination hearing of Steven D. Dillingham to be Director of the Census"[1] EPIC is a public interest research center established in 1994 to focus public attention on emerging privacy and civil liberties issues. EPIC takes no position for or against the nominee. However, the Census implicates numerous privacy issues.[2] EPIC specifically asks the Census Bureau to suspend the citizenship question from the 2020 census form until a thorough and updated Privacy Impact Assessment is conducted. The Bureau has failed to demonstrate the data gathered from that particular question will not undermine the privacy rights of those who respond to the census.

EPIC supports the work of the Census Bureau and the use of statistical analysis in policymaking and other government initiatives.[3] The Census is an essential part of understanding the changing demographics in America. The census helps ensure evidence-based policy decisions and census data is the source of much political and economic planning in the United States. However, it is of the utmost importance the individual privacy is respected. Every effort must be taken to ensure that the personal information of individuals and that census data is not used improperly.

Through a Freedom of Information Act request EPIC has obtained documents regarding Secretary Ross's decision to add the citizenship question to the 2020 Census.[4] The documents obtained by EPIC reflect the varying opinions from lawmakers, scientists, and immigration groups

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[1] *Nomination of Steven D. Dillingham to be Director of the Census*, 115th Cong. (2018), S. Comm. on Homeland Security & Governmental Affairs, https://www.hsgac.senate.gov/hearings/09/25/2018/nominations (October 3, 2018).

[2] *The Census and Privacy*, EPIC, https://epic.org/privacy/census/.

[3] EPIC testified before the Commission on Evidence-Based Policymaking and called for the Commission to adopt innovative privacy safeguards to protect personal data and make informed public policy decisions. Marc Rotenberg, Commission on Evidence-Based Policymaking: Privacy Perspectives, before the National Academies of Science, Sep. 9, 2016, https://epic.org/privacy/wiretap/RotenbergCEBP-9-16.pdf.

[4] FOIA Production 1, https://epic.org/foia/censusbureau/EPIC-18-03-22-Census-Bureau-FOIA-20180611-Production-1.pdf; FOIA Production 2, https://epic.org/foia/censusbureau/EPIC-18-03-22-Census-Bureau-FOIA-20180611-Production-2.pdf; FOIA Production 3, https://epic.org/foia/censusbureau/EPIC-18-03-22-Census-Bureau-FOIA-20180611-Production-3.pdf; FOIA Production 4, https://epic.org/foia/censusbureau/EPIC-18-03-22-Census-Bureau-FOIA-20180611-Production-4.pdf.

about the proposal. The documents also reveal that Kris Kobach, former Vice Chair of the now-defunct Presidential Advisory Commission on Election Integrity, urged Secretary Ross "on the direction of Steve Bannon" to add the citizenship question. According to an analysis conducted by the Census Bureau, the impact of asking about citizenship would be "very costly, harms the quality of the census count, and would use substantially less accurate citizenship data than are available" from other government resources.

I. Past Misuses of Census Data

There is substantial concern about the confidentiality of census data as a result of Secretary Ross's decision to add a citizenship question to the 2020 census. Despite strong census privacy laws, the U.S. has a sordid history of misusing census data to target minority groups. The most egregious misuse of census data was the role it played in the internment of Japanese-Americans during World War II.[5] In 1943 the Census Bureau complied with a request by the Treasury Secretary for the names and locations of all people of Japanese ancestry in the Washington, D.C., area.[6] The Bureau should remember this human rights abuse every time another agency requests census data.

EPIC has a strong interest in the government's use of Census data. After 9-11, EPIC pursued a Freedom of Information Act request about the transfer of Census data to the Department of Homeland Security. Documents obtained by EPIC revealed that the Census Bureau had provided the Department of Homeland Security ("DHS") with census data on individuals of Arab ancestry.[7] In 2004 EPIC obtained documents revealing that the Census Bureau provided the DHS statistical data on people who identified themselves on the 2000 census as being of Arab ancestry. The special tabulations were prepared specifically for the law enforcement agency. There is no indication that the Department of Homeland Security requested similar information about any other ethnic groups.

One document,[8] obtained by EPIC, shows cities with populations of 10,000 or more and with 1,000 or more people who indicated they are of Arab ancestry. For each city, the tabulation provides total population, population of Arab ancestry, and percent of the total population which is of Arab ancestry. The tabulations were produced using data from the 2000 census long-form questionnaire, which goes to only a sample of the population. A second document[9] shows the number of census responses indicating Arab ancestry in certain zip codes throughout the country. The responses

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[5] JR Minkel, *Confirmed: The U.S. Census Bureau Gave Up Names of Japanese-Americans in WW II,* Scientific American (March 30, 2007), https://www.scientificamerican.com/article/confirmed-the-us-census-b/.

[6] W. Seltzer and M. Anderson, "Census Confidentiality under the Second War Powers Act (1942-1947)." Paper prepared for presentation at the annual meeting of the Population Association of America, New York, March 29-31, 2007, *available at* http://studylib.net/doc/7742798/census-confidentiality-under-the-second-war-powers.

[7] *Department of Homeland Security Obtained Data on Arab Americans From Census Bureau*, EPIC, https://epic.org/privacy/census/foia/; Lynette Clemetson, *Homeland Security Given Data on Arab-Americans*, New York Times, Jul. 30, 2004, http://www.nytimes.com/2004/07/30/us/homeland-security-given-data-on-arab-americans.html.

[8] EPIC FOIA, Tabulation 1: "Places with 10,000 or More Population and with 1,000 or More Persons of Arab Ancestry: 2000" https://epic.org/privacy/census/foia/tab_1.pdf.

[9] EPIC FOIA, Tabulation 2: "People of Arab Ancestry by ZIP Code Tabulation Area: 2000" https://epic.org/privacy/census/foia/tab_2.pdf.

indicating Arab ancestry are subdivided into Egyptian, Iraqi, Jordanian, Lebanese, Moroccan, Palestinian, Syrian, Arab/Arabic, and Other Arab. Although this data was not personally identifiable, its disclosure to a law enforcement agency was unethical.

The reason DHS gave for requesting these tabulations was to determine which languages signs should be in at international airports.[10] Heavily redacted emails[11] between a Census Bureau analyst and a DHS official show that the Bureau gave the documents before the intended purpose for the data was known and that this explanation was given after the tabulations had already been disclosed. The ex-post-facto reason given by DHS seems pretextual.

As a result of these revelations, resulting from EPIC's FOIA litigation, the Census Bureau revised its policy on sharing statistical information about "sensitive populations" with law enforcement or intelligence agencies. Customs and Border Protection also changed its policy on requesting "information of a sensitive nature from the Census Bureau."[12]

II. Census Data Should Never Be Used for Enforcement Purposes

Using census data to help enforce laws is a corruption of the decennial census's constitutional purpose. The Department of Justice ("DOJ") requested the citizenship question on the census would allow the agency to better enforce Section 2 of the Voting Rights Act, which bars the dilution of voting power of a minority group through redistricting. DOJ wants census-block-level data for locations where they suspect Section 2 violations have occurred.

The decennial census's statistical purpose is frustrated when other agencies ask it to collect data for other purposes. The DOJ's responsibility to enforce the Voting Rights Act is vital to ensuring fair elections. In its request to the Bureau, the DOJ called the decennial census the "most appropriate vehicle" for collecting data on the citizen voting-age population.[13] EPIC disagrees with this assertion. The decennial census was never intended to be a catch-all data collection to assist other federal agencies. In fact, the statutes concerning the privacy of census data are meant to expressly prohibit this.

If the Census Bureau gets into the business of collecting data because it will assist other federal agencies enforce laws, it will be difficult to stay true to its constitutional purpose of conducting impartial statistical analysis. And it will undermine the integrity, accuracy, and reliability of the census. As a former director of the Bureau succinctly put it thirteen years ago: "The Census Bureau cannot become a quasi-investigatory agency and still perform its basic responsibilities as a statistical agency."[14] The Bureau does not serve an investigatory function and the DOJ (or any other agency) should not expect it to.

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[10] EPIC FOIA, https://epic.org/privacy/census/foia/census_emails.pdf.
[11] *Id.*
[12] U.S. Customs and Border Protection, *Policy for Requesting Information of a Sensitive Nature from the Census Bureau*, Memorandum (Aug. 9, 2004), https://epic.org/privacy/census/foia/policy.pdf.
[13] *Re: Request to Reinstate Citizenship Question on 2020 Census Questionnaire* (Dec. 12, 2017), https://www.documentcloud.org/documents/4340651-Text-of-Dec-2017-DOJ-letter-to-Census.html.
[14] *Counting the Vote: Should Only U.S. Citizens be Included in Apportioning Our Elected Representatives?*, Hearing Before Subcomm. on Federalism and the Census of the H. Comm. on Gov't Reform, 109th Cong. 77 (2005) (statement of former director of U.S. Census Bureau Kenneth Prewitt).

IV. Insufficiency of Privacy Impact Assessment

The Privacy Impact Assessment ("PIA") for the 2020 decennial census[15] indicates that the Census Bureau has not undertaken an appropriate analysis of the privacy risks of the citizenship question. "Citizenship" is listed as "other general personal data" that will be collected by the census.[16] But, where the Bureau is required to indicate the status of the information system, it selects: "This is an existing information system without changes that create new privacy risks."[17] There is no analysis of the new question.

The PIA does not satisfy the Department of Commerce's own standards.[18] A PIA must be updated "where a system change creates new privacy risks." The Department of Commerce lists nine examples of new privacy risks, and the addition of the citizenship question and the stated purposes for doing so would create at least four of those risks.

The new question would alter the character of the data: "when new information in identifiable form added to a collection raises the risks to personal privacy (for example, the addition of health or financial information)."[19] Citizenship data is new information and it is identifiable because it is collected alongside the other information of the person filling out the census form. Immigration status added to the collection of the other demographic data collected by the census undeniably raises the risk to personal privacy. If that privacy were to be violated, that information could be used against the respondent for deportation or other purposes. The PIA does not acknowledge the privacy risks raised by the new question and the Bureau should conduct a new PIA dealing specifically with the issues raised by the citizenship question.

EPIC looks forward to working with the Committee to ensure that the census data provides the maximum benefit to the American public while minimizing the privacy risks. We ask that this letter from EPIC be entered in the hearing record.

Sincerely,

/s/ *Marc Rotenberg*
Marc Rotenberg
EPIC President

/s/ *Caitriona Fitzgerald*
Caitriona Fitzgerald
EPIC Policy Director

/s/ *Christine Bannan*
Christine Bannan
EPIC Consumer Protection Counsel

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[15] U.S. Department of Commerce, U.S. Census Bureau, *Privacy Impact Assessment for the CEN08 Decennial Information Technology Division* (July 28, 2018) http://www.osec.doc.gov/opog/privacy/Census%20PIAs/CEN08_PIA_SAOP_Approved.pdf.

[16] *Id.* at 3.

[17] *Id.* at 2.

[18] U.S. Department of Commerce, Office of Privacy and Open Government, *Privacy Compliance* http://www.osec.doc.gov/opog/privacy/compliance.html.

[19] *Id.* "Alteration in Character of Data" is the ninth example in the list of privacy risks.

The Census Project

September 28, 2018

The Honorable Ron Johnson
The Honorable Claire McCaskill
United States Senate
Senate Homeland Security and Governmental Affairs Committee
Washington, DC 20510

Dear Chairman Johnson and Ranking Member McCaskill:

Thank you for holding a hearing on October 3 to consider the nomination of Dr. Steven Dillingham to be the next director of the U.S. Census Bureau. As co-directors of The Census Project,[1] a broad-based, nonpartisan group of stakeholders who rely on accurate, timely, and comprehensive data produced by the U.S. Census Bureau and support data-driven decision making, we urge you to carefully consider the nominee, the requirements for the position, and the essential nature of his proposed role on the verge of the 2020 Census.

The need for strong, decisive leadership at the Census Bureau, particularly at this juncture, cannot be overstated.

With the start of the decennial headcount less than two years away, the Bureau must have a highly qualified and respected director in place as soon as possible. If confirmed in a timely fashion, a new director will have to quickly learn from the results of the 2018 End-to-End Readiness Test (which, as a result of recent funding shortfalls was reduced to a small test in Providence, RI this spring) and oversee final design decisions and preparations for the 2020 Census. The Census Director also must strengthen and streamline the American Community Survey (ACS), formerly known as the "Long Form," which updates census (socioeconomic, demographic, and housing) data throughout the decade.

Dr. Dillingham has most recently served as director of the Office of Strategic Information, Research, and Planning for the U.S. Peace Corps. Previously, he led the Bureau of Justice Statistics and the Bureau of Transportation Statistics in prior GOP administrations. He has graduate degrees in law and public administration from the University of South Carolina and an undergraduate degree in political science from Winthrop University.

The Committee has specific statutory guidance on what to seek in a Census Bureau Director. **The Presidential Appointment Efficiency and Streamlining Act of 2011** (P.L. 112-166) requires that the Census Bureau Director have "demonstrated ability in managing large organizations and experience in the collection, analysis, and use of statistical data." As census stakeholders, members of tbe Census Project know that the next director should also be someone with: (1) respect in the statistical community; (2) the ability to interact effectively with Congress, the Administration, and census stakeholders in the public and private sectors; and (3) understand the National Academies' Principles and Practices for a Federal Statistical Agency.[2]

[1] http://www.thecensusproject.org
[2] https://www.nap.edu/catalog/24810/principles-and-practices-for-a-federal-statistical-agency-sixth-edition

We also look forward to hearing Dr. Dillingham's views about a variety of 2020 Census issues, including: the addition of an untested citizenship question, which threatens to diminish response rates and increase the costs of conducting the 2020 Census; a potentially higher undercount in rural areas and small towns given the cancellation of the 2017 field tests in remote areas and native reservations and the 2018 End-to-End Readiness Test site in West Virginia; cybersecurity and IT challenges the nation's first digital decennial census poses; and a myriad of budget and operational dilemmas still plaguing the 2020 Census.

Decennial census data are central to American democracy, affecting not only apportionment and redistricting, but also the distribution of approximately $600 billion in annual federal funding and key investment decisions by the private sector. Given the significance of the Bureau's mission and the data it produces, the next Director should continue the agency's tradition of political independence and maintain public confidence in the decennial census and the other critical surveys and programs that the Census Bureau administers

Thank you again for holding this important hearing and considering our views.

Sincerely,

Phil Sparks
Co-Director

Mary Jo Hoeksema
Co-Director

Howard Fienberg
Co-Director