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July 15, 2022

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, D.C. 20230

Priority Open Recommendations: Department of Commerce

Dear Secretary Raimondo:

The purpose of this letter is to update you on the overall status of the Department of Commerce’s implementation of our recommendations and to call your continued attention to areas where open recommendations should be given high priority.¹ In November 2021, we reported that, government-wide, 76 percent of our recommendations made 4 years ago were implemented.² Commerce’s recommendation implementation rate was 75 percent. As of May 2022, Commerce had 102 open recommendations. Fully implementing these open recommendations could significantly improve Commerce’s operations.

Since our June 15, 2021 letter, Commerce has implemented one of our 11 open priority recommendations that related to the decennial census. We found the Census Bureau (Bureau) took significant steps to ensure that corrective actions for cybersecurity weaknesses were implemented within prescribed time frames.³ This has increased the Bureau’s ability to address future cybersecurity weaknesses.

Additionally, Commerce had two priority recommendations that will remain open for the 2030 Census, but are not among the highest priorities right now. These recommendations are based on planning activities we expect to be completed later in the 10-year decennial cycle.⁴

Therefore, eight priority recommendations remain from those we identified in our 2021 letter. We ask for your attention to these remaining recommendations. We are also adding eight new

¹Priority recommendations are those that we believe warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.


⁴These two recommendations are to: 1) include estimates of the resources, such as labor, materials, and overhead costs, in the integrated schedule for each activity as the schedule is built, and prepare to carry out other steps as necessary to conduct systematic schedule risk analyses on the schedule; and 2) improve the credibility of schedules, including conducting a quantitative risk assessment.
recommendations. Six of those are related to management of the radio-frequency spectrum and two to the decennial census. This brings the total number of priority recommendations to 16. (See the enclosure for the list of recommendations and actions needed to implement them.)

The 16 priority recommendations fall into the following seven areas.

Conflict minerals rule.

Armed groups in the eastern Democratic Republic of the Congo continue to profit from the exploitation of minerals. Since 2013, Commerce has been required to report to Congress annually a list of worldwide conflict mineral processing facilities and an assessment of Independent Private Sector Audits (IPSA). IPSAs are filed in conjunction with required Securities and Exchange Commission disclosures. Implementing the one priority recommendation in this area—to improve the effectiveness of the disclosure rule by, among other things, submitting a plan with steps and timeframes for assessing the accuracy of the IPSAs to Congress—will provide decision makers in Congress required information on the accuracy of the IPSAs and other due diligence processes used by filing companies.

Decennial Census.

The Bureau has implemented a series of innovations to rein in cost increases for recent decennial censuses and enhance data quality. However, as we reported in June 2021, the decennial census continues to be a costly undertaking. The 2020 Census cost about $14.2 billion, roughly $96 per household. Implementing the five priority recommendations we identified in this area, such as tracking the Bureau’s future design innovations within its cost estimation and budget execution framework, will improve the Bureau’s planning and budgeting for the 2030 Census.

Ensuring the cybersecurity of the nation.

A key component of mitigating and responding to cyber threats is having a qualified, well-trained cybersecurity workforce. Accordingly, federal agencies are required to categorize all IT, cybersecurity, and cyber-related positions using Office of Personnel Management personnel codes for specific work roles, and identify critical staffing needs. Implementing the one priority recommendation in this area—by ensuring the appropriate National Initiative for Cybersecurity Education (NICE) framework work role codes are used—will improve Commerce’s cybersecurity workforce planning for IT management occupational series positions.

IT management and workforce planning.

In many instances, agencies, including Commerce, have inconsistently applied best practices that are critical to successfully acquiring IT investments. Implementing the one priority recommendation in this area—ensuring staff have the necessary knowledge and skills—will ensure Commerce can adequately assess and address gaps in knowledge and skills that are critical to the success of major acquisitions.

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International trade.

The interagency Trade Promotion Coordinating Committee (TPCC) neither reports nor compiles information on how federal export promotion resources align with government-wide priorities, as required by law. As a result, decision makers lack a clear understanding of the total resources dedicated across the country and around the world by TPCC member agencies to priority areas, such as increasing exports by small- and medium-sized businesses. Implementing the one priority recommendation in this area—reporting how resources are allocated by agency and aligned with priorities—will help decision makers in Congress and the administration determine whether the return on the federal investment in export promotion is adequate and make informed decisions about future resource allocations.

Managing climate change risks.

The federal government needs a comprehensive approach to improve the climate resilience of facilities it owns and operates and land it manages. This involves incorporating climate change resilience standards into agencies’ infrastructure and facility planning processes. It also involves working with relevant professional associations to incorporate climate change information into structural design standards. Implementing the one priority recommendation in this area—convening agencies for an on-going government wide effort—will enable Commerce to provide the best available forward-looking climate information to standards-developing organizations.

Managing the radio-frequency spectrum.

Radio-frequency spectrum demand among government and private sector users has increased. This in turn, has increased the potential for interference problems. The National Telecommunications and Information Administration (NTIA) within Commerce regulates and manages spectrum use for federal users. Implementing the six priority recommendations in this area, for example, establishing clearly defined processes for making decisions on spectrum-management activities that involve other agencies, and establishing procedures to help guide the design of spectrum-sharing and potential-interference studies, will help to improve NTIA’s spectrum management and reduce the risk of interference.

In March 2021, we issued our biennial update to our High-Risk List. Our High-Risk List identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.\(^6\) One of our high-risk areas, decennial census, centers directly on Commerce. Two high-risk areas—limiting the federal government’s fiscal exposure by better managing climate change risks and ensuring the effective protection of technologies critical to U.S. national security interests—relate to multiple agencies, including Commerce. Several other government-wide high-risk areas also have direct implications for Commerce and its operations. These include: (1) improving the management of IT acquisitions and operations, (2) improving strategic human capital management, (3)

managing federal real property, (4) ensuring the cybersecurity of the nation,⁷ and (5) government-wide personnel security clearance process.

We urge your attention to the decennial census, the fiscal risks of climate change, and the protection of critical technologies high-risk areas as well as the government-wide high-risk areas as they relate to Commerce. Progress on high-risk areas has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including within Commerce. In March 2022, we issued a report on key practices to successfully address high-risk areas. It can be a helpful resource as your agency continues to address high-risk areas.⁸

Copies of this report are being sent to the Director of OMB and appropriate congressional committees: the Committees on Appropriations, Budget, Homeland Security and Governmental Affairs, and Commerce, Science and Transportation, United States Senate; and the Committees on Appropriations, Budget, Oversight and Reform, and Energy and Commerce, House of Representatives. In addition, the report will be available on the GAO website at http://www.gao.gov.

I appreciate Commerce’s continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Michelle Sager, Managing Director, Strategic Issues at sagerm@gao.gov or 202-512-6806. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 102 open recommendations, as well as those additional recommendations in the high-risk areas for which Commerce has a leading role. Thank you for your attention to these matters.

Sincerely yours,

Gene L. Dodaro
Comptroller General of the United States

Enclosure – 1

cc: The Honorable Shalanda Young, Director, Office of Management and Budget
   Don Graves, Deputy Secretary, Department of Commerce
   Robert Santos, Director of the Census Bureau
   Alan Davidson, Assistant Secretary of Commerce for Communications and Information and NTIA Administrator
   MaryAnn Mausser, GAO Liaison Officer

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⁷With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: GAO, Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks, GAO-21-171 (Washington, D.C.: Dec.15, 2020).

Enclosure - Department of Commerce Priority Recommendations

Conflict Minerals Rule


Recommendation: To improve the effectiveness of the Securities and Exchange Commission's (SEC) conflict minerals disclosure rule, the Secretary of Commerce should submit to the appropriate congressional committees a plan outlining steps that Commerce will take, with associated timeframes, to (1) assess the accuracy of the independent private sector audits (IPSA) and other due diligence processes described under section 13(p) of the Securities Exchange Act of 1934; (2) develop recommendations for the process used to carry out such audits, including ways to improve the accuracy of the audits and establish standards of best practices for such audits; and (3) acquire the necessary knowledge, skills, and abilities to carry out these responsibilities.

Action Needed: Commerce agreed with this recommendation. However, as of March 2022, it has not taken action to implement this recommendation because Commerce officials are waiting for SEC to act on the relevant implementing regulations in light of a court ruling that part of those regulations violate the constitution. To fully implement this recommendation, Commerce needs to submit a plan to the appropriate congressional committees with associated timeframes that includes how Commerce assesses the accuracy of IPSAs; develops recommendations for the process used to carry out IPSAs; and acquires the necessary knowledge, skills, and abilities to carry out these responsibilities. Implementing this recommendation will provide decision makers in Congress required information on the accuracy of the IPSAs and other due diligence processes used by filing companies.

Director: Kimberly M. Gianopoulos, International Affairs and Trade

Contact information: gianopoulosk@gao.gov or (202) 512-8612

Decennial Census


Recommendation: To help improve the effectiveness of the U.S. Census Bureau's outreach and enumeration efforts, especially for hard-to-count (HTC) populations, should they be used again in the 2020 Census, and to improve some of the Bureau's key efforts to enumerate HTC populations, the Secretary of Commerce should require the Under Secretary for Economic Affairs as well as the Director of the Census Bureau to evaluate the extent to which each special enumeration activity improved the count of traditionally hard-to-enumerate groups and use the results to help inform decision-making on spending for these programs in 2020.

Action Needed: Commerce generally agreed with this recommendation. In March 2022, Bureau officials described various strategies they were considering for including this information in operational plans for the 2030 Census later in the decade. To fully implement this recommendation, the Bureau needs to demonstrate, in support of its forthcoming design for the 2030 Census, the evidence it has considered on how various special enumeration activities may have contributed to census cost and accuracy in the 2020 Census. Until the Bureau implements
this recommendation, it will be difficult for it to demonstrate the evidentiary basis for decisions it makes about its special enumeration activities for the 2030 Census.

High Risk Area: Decennial Census
Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov or (202) 512-6806


Recommendation: The Secretary of Commerce and the Director of the U.S. Census Bureau should update and implement assessments, evaluations, and coverage measurement efforts to address the effects of the Bureau’s response to COVID-19 that we identified, including data quality concerns and potential operational benefits from innovations.

Action Needed: Commerce agreed with this recommendation. In March 2022, officials said that they were outlining the report, incorporating their internal look at final updates to the 2020 Census operational plan and other documentation of operational changes. To fully implement this recommendation, the Bureau's assessments, evaluations, and coverage measurement efforts will need to address the effects of the changes to operations-effects such as those we identified and inclusive of those on data quality and possible operational benefits that may have been unexpected. Addressing this recommendation as part of the overall 2020 assessment will help the Bureau ensure public confidence in the 2020 Census and inform future census planning efforts.

High Risk Area: Decennial Census
Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov or (202) 512-6806


Recommendation: The Secretary of Commerce and the Director of the U.S. Census Bureau should, to inform 2030 planning, evaluate how major operational changes in response to data collection challenges affected the quality and completeness of nonresponse follow-up and group quarters enumerations. At a minimum, this evaluation should address: (1) late design changes, (2) procedures for accessing multiunit buildings, (3) the process for reassigning cases, (4) supervisory alerts used to manage enumerators, (5) quality control over training assessments, and (6) the eResponse option for group quarters data collection.

Action Needed: Commerce agreed with this recommendation. In March 2022, the Bureau provided us with relevant documents for evaluating data collection challenges identified in our report that were encountered during nonresponse follow-up. To fully implement this recommendation, the Bureau needs to complete its group quarters enumerations study, due in December 2022, that will consider the quality and completeness of the eResponse option for collecting group quarters data. Implementing this recommendation will help the Bureau to assess the quality and completeness of its group quarters enumeration and improve planning for the 2030 Census.

High Risk Area: Decennial Census
Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov or (202) 512-6806

Recommendation: The Secretary of Commerce and the Director of the U.S. Census Bureau should track the Bureau's future design innovations within the Bureau's cost estimation and budget execution framework.

Action Needed: Commerce agreed with this recommendation. In March 2022, Bureau officials said they plan to have program managers approximate cost allocations for 2030 Census enhancement areas. To fully implement this recommendation, the Bureau will need to demonstrate evidence of its new process and reporting being piloted through summer 2022. It will also need to determine how it can be used to identify the effects of future design innovations on the 2030 Census' actual and estimated cost. Better integrating these activities will position the Bureau to demonstrate the value of future design innovations.

High Risk Area: Decennial Census

Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov or (202) 512-6806


Recommendation: The Secretary of Commerce and the Director of the U.S. Census Bureau should develop a plan to improve resiliency of its 2030 Census research and testing activity in response to Bureau-identified budget uncertainty, including but not limited to specifying the tests and projects that are most important to conduct.

Action Needed: Commerce agreed with this recommendation. In March 2022, Bureau officials told us they would provide an action plan in August 2022 describing the steps the agency plans to take in response to this recommendation. Implementing this recommendation will improve the resiliency of the Bureau’s most important tests and projects helping to reduce the overall risk to the 2030 Census.

High Risk Area: Decennial Census

Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov or (202) 512-6806

Ensuring the Cybersecurity of the Nation


Recommendation: The Secretary of Commerce should take steps to review the assignment of the “000” code to any positions in the department in the 2210 IT management occupational series and assign the appropriate National Initiative for Cybersecurity Education (NICE) framework work role codes.

Action Needed: Commerce agreed with the recommendation, but as of March 2022, has yet to provide sufficient evidence that it has implemented it. To fully implement this recommendation, Commerce needs to review the assignment of the “000” code to any positions in the department in the 2210 IT management occupational series and assign the appropriate NICE role codes.
Implementing this recommendation will improve Commerce’s ability to effectively identify critical IT staffing needs.

**High Risk Area: Ensuring the Cybersecurity of the Nation**

**Director:** Dave Hinchman, Information Technology and Cybersecurity  
**Contact information:** hinchmand@gao.gov or (214) 777-5719

**IT Management and Workforce Planning**

**IT Workforce: Key Practices Help Ensure Strong Integrated Program Teams; Selected Departments Need to Assess Skill Gaps.**  

**Recommendation:** To facilitate the analysis of gaps between current skills and future needs, the development of strategies for filling the gaps, and succession planning, the Secretary of Commerce should require the Chief Information Officer, Chief Human Capital Officer, and other senior managers as appropriate to address the shortfalls in IT workforce planning noted in this report. This includes the following actions: (1) establish and maintain a workforce planning process; (2) develop competency and staffing requirements; (3) assess competency and staffing needs regularly; (4) assess gaps in competencies for all components of the workforce; (5) develop strategies and plans to address gaps in competencies and staffing; (6) implement activities that address gaps, including an IT acquisition cadre, cross-functional training of acquisition and program personnel, a career path for program managers, and special hiring authorities, if justified and cost effective; (7) monitor the department's progress in addressing IT competency and staffing gaps; and (8) report to department leadership on progress in addressing competency and staffing gaps.

**Action Needed:** Commerce agreed with this recommendation and, as of March 2022, has fully implemented seven workforce planning activities and taken steps to implement the remaining activity. While the agency provided evidence of implementing strategies and plans, it did not clearly show what steps the agency had taken to address activity six: to implement activities that address gaps. To fully implement this recommendation, Commerce needs to continue its ongoing efforts to implement that remaining activity. Until Commerce implements the remaining activity, it risks inadequately assessing and addressing gaps in knowledge and skills that are critical to the success of major acquisitions.

**High Risk Area: Improving the Management of IT Acquisitions and Operations**

**Director:** Dave Hinchman, Information Technology and Cybersecurity  
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**International Trade**

**Export Promotion: Better Information Needed about Federal Resources.**  

**Recommendation:** To improve the consistency, comprehensiveness, and transparency of information provided to Congress and policymakers on the federal investment in export promotion programs, the Secretary of Commerce, as chair of the Trade Promotion Coordinating Committee (TPCC), should report in its National Export Strategies (NES) how resources are allocated by agency and aligned with priorities.

**Action Needed:** Commerce agreed with this recommendation in 2013 but officials noted their limited authority over other agencies’ budget reporting and resource allocations. While TPCC
did issue NES reports in 2014 and 2016, those reports did not contain budgetary information from TPCC agencies to show how resources were allocated across the country and around the world among its member agencies or across federal export promotion priorities. As of March 2022, TPCC plans to release a new NES in 2022 but TPCC officials were unsure of whether it would include the recommended budgetary information due to concerns about criticism and retaliation from U.S. trading partners. To fully implement this recommendation, Commerce needs to report the budgetary information in its NES to the designated congressional committees annually. Without better information on agencies' export promotion resources, decision makers cannot determine whether the federal investment in export promotion is being used effectively or make informed decisions about future resource decisions.

**Director:** Kimberly M. Gianopoulos, International Affairs Trade

**Contact information:** gianopoulouks@gao.gov or (202) 512-8612

### Managing Climate Change Risks


**Recommendation:** To help reduce federal fiscal exposure by enhancing the resilience of infrastructure to extreme weather, the Secretary of Commerce, through the Director of the National Institute of Standards and Technology (NIST), in consultation with the Mitigation Framework Leadership Group and U.S. Global Change Research Program, should convene federal agencies for an ongoing government wide effort to provide the best available forward-looking climate information to standards-developing organizations for their consideration in the development of design standards, building codes, and voluntary certifications.

**Action Needed:** Commerce neither agreed nor disagreed with our recommendation. NIST took a first step toward implementing the recommendation when, in 2021, it held a workshop aimed at connecting the U.S. building codes and standards development communities with agencies and organizations collecting and disseminating climate change information. Further, the joint explanatory statement accompanying the Consolidated Appropriations Act, 2022, directed NIST to continue coordinating with other federal agencies and nonfederal entities to identify a consistent and authoritative set of climate information that emphasizes forward-looking climate data and projections that should be utilized in the standard-setting process. As of February 2022, NIST has not convened the government-wide effort necessary to implement this recommendation.

To fully implement this recommendation, NIST needs to coordinate with other federal agencies to identify forward-looking climate information for standards-developing organizations. Implementing this recommendation will ensure standards developing-organizations have the best available forward-looking climate information.

**High Risk Area:** Limiting the Federal Government’s Fiscal Exposure by Better Managing Climate Change Risks

**Director:** J. Alfredo Gómez, Natural Resources and Environment

**Contact information:** gomezj@gao.gov or (202) 512-3841
Managing the radio-frequency spectrum


Recommendations:

- The National Telecommunications and Information Administration (NTIA) Administrator should establish clearly defined and agreed-upon processes for making decisions on spectrum-management activities that involve other agencies, particularly when consensus cannot be reached, in consultation with the Federal Communications Commission (FCC) and; as appropriate; the Department of State.

- The NTIA Administrator should clarify and further identify shared goals or outcomes for spectrum-management activities that involve collaboration and ways to monitor and track progress, in consultation with FCC and; as appropriate; State.

- The NTIA Administrator should update the FCC-NTIA memorandum of understanding to address identified gaps (such as the lack of clearly defined goals and agreed-upon processes for making decisions) and develop a means to continually monitor and update this agreement, in consultation with FCC.

- The NTIA Administrator should request that State initiate a review of the General Guidance Document; in consultation with NTIA, FCC, and other relevant participants; and update and develop a means to continually monitor and update this document.

- The NTIA Administrator should establish procedures to help guide the design (including selection of acceptable assumptions and methodologies) of spectrum-sharing and potential-interference studies intended as U.S. contributions to World Radiocommunication Conference technical meetings, in consultation with FCC, State, and other federal participants of the U.S. technical preparatory process.

Action Needed: NTIA agreed with all five of these recommendations. It has taken some steps to plan and coordinate implementation. However, as of February 2022, NTIA still needs to complete the recommended actions including:

- Complete its development of processes to supplement laws and regulations that govern spectrum management activities that involve other agencies;
- Complete its development of shared goals and outcomes for spectrum management activities that involve collaboration with other agencies, and ways to monitor and track progress;
- Update the FCC-NTIA memorandum of understanding;
- Work with State to update and continually monitor the General Guidance Document; and
- Complete development of procedures to guide spectrum-sharing and potential interference studies.

Implementing these recommendations, will improve NTIA’s ability to manage spectrum and reach agreement on related matters with other federal agencies.

Recommendation: The NTIA Administrator should document and disseminate to federal agencies policies and procedures describing how it collects and considers agencies’ views on spectrum-related matters to present the views of the executive branch to FCC.

Action Needed: Commerce agreed with this recommendation. NTIA officials reported they plan to review the guidance about how NTIA collects and considers agencies’ views on spectrum-related matters. However, NTIA has yet to take action to fully implement it. Implementing this recommendation will enable NTIA to mitigate confusion on its role and expectations of federal agencies involved and improve transparency of how and why NTIA provides the final information to FCC that it does.

Director: Andrew Von Ah, Physical Infrastructure

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