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Comptroller General
of the United States

Accessible Version

May 22, 2025

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, D.C. 20230

Priority Open Recommendations: Department of Commerce

Dear Secretary Lutnick:

Congratulations on your appointment. The purpose of this letter is to call your personal attention to three areas based on GAO's past work and eight open priority recommendations, which are enclosed.¹ Additionally, there are 117 other GAO open recommendations that we will continue to work with your staff to address.

We are highlighting the following areas that warrant your timely and focused attention. Specifically:

Improving planning for the Decennial Census. The Census Bureau needs to take additional steps to improve its planning for the next decennial census. The 2020 Census cost about \$13.5 billion, slowing the decennial rate of cost growth. In this regard, the count in 2020 cost roughly \$99 per household, compared to \$92 for 2010, \$80 for 2000, and \$45 for 1990 (in constant 2020 dollars). The Bureau implemented a series of innovations to rein in cost increases and enhance data quality of recent decennial censuses.

However, the Bureau has yet to fully leverage various special enumeration activities for hard-to-count populations, which would help to improve census cost and accuracy. The Bureau also has yet to fully develop a plan to improve the resiliency of its research and testing activities given budget uncertainty it identified. Taking these actions will better position the Bureau to effectively plan for the 2030 Census.

Protecting the nation's water quality. Commerce needs to take additional actions to further address threats to the nation's water quality and safety. The National Oceanic and Atmospheric Administration (NOAA) and the Environmental Protection Agency (EPA) co-chair a federal interagency working group to address the threats from harmful algal blooms and hypoxia. These threats can reduce water quality, presenting risks to critical infrastructure facilities such as water

¹GAO considers a recommendation to be a priority if when implemented, it 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.

treatment plants and raising treatment costs for drinking water. For example, in 2018, one U.S. city built a \$48 million drinking water treatment facility to respond to a toxic release from an algal bloom. They can also cause serious economic and societal effects, such as decreasing the catch from fisheries and reducing property values. Over recent decades, toxic blooms have caused widespread fisheries' damages and losses in the Northeast and Northwest. Further, red tides produced from algal blooms from 2002 through 2018 reduced coastal property values in Florida by 10 percent.

We recommended that NOAA and EPA, as co-chairs of the interagency working group, document and define what a national program to address these threats would entail and develop a national goal for prevention. Taking these actions would help protect the quality of our nation's water, and the resulting economic benefits that come from it.

Strengthening cybersecurity and mitigating privacy risks. The protection of personal privacy has become a more significant issue in recent years with the advent of new technologies and the proliferation of personal information. Federal agencies, including Commerce, collect and process large amounts of personally identifiable information (PII) for various government programs. Accordingly, they must ensure that any PII they collect, store, or process is protected from unauthorized access, tampering, or loss. However, Commerce has yet to incorporate privacy into its organization-wide risk management strategy, including determining its privacy risk tolerance. Doing so will enable Commerce to better mitigate privacy risks and help ensure PII is protected.

GAO has made 21 recommendations to Commerce since 2010 to strengthen efforts related to cybersecurity and privacy that remain unaddressed. For example, we recommended that Commerce fully implement key requirements for developing cyber incident response capabilities. We also recommended that Commerce take steps to bolster its cybersecurity workforce. Further, we recommended that Commerce's National Institute of Standards and Technology improve its management of the National Initiative for Cybersecurity Education. This initiative is intended to foster cybersecurity education and training through collaborative partnerships with private industry, academia, and government agencies. By taking these steps, Commerce will be better positioned to secure its systems and information and help address cybersecurity workforce issues.

In addition, Commerce has an important role in implementing export controls as well as overseeing grants and cooperative agreements and implementing programs to boost U.S. semiconductor production and research capabilities. Our prior work has identified areas for Commerce to improve, such as its monitoring efforts to ensure firearms exports are used as intended. We have ongoing work in several key areas related to Commerce's export controls such as its resources, licensing process, and implementation of export controls related to Russia's invasion of Ukraine. We also have ongoing work related to Commerce's Creating Helpful Incentives to Produce Semiconductors for America Fund activity, such as Commerce's use of evidence, coordination with others, and fraud risk management practices. We expect to issue reports in these areas in the summer and fall of 2025.

Please see Enclosure 1 for additional details about the status and actions needed to fully implement all eight open priority recommendations. This enclosure includes priority recommendations on improving information related to international trade, reducing federal fiscal exposure through resilience, and assessing risk and building earthquake resilience.

We also provide in Enclosure 2 additional information on Commerce's recommendation implementation rate and implemented, closed, and new priority recommendations since our

June 2024 letter to Secretary Raimondo; Commerce-specific information relevant to our audit of the consolidated financial statements of the U.S. government; and relevant management challenges from our high-risk list that apply to Commerce. In response to legislation enacted in December 2022, this enclosure also includes information on any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.

Copies of this letter are being sent to the appropriate congressional committees. The letter will also be available on the GAO website at [Priority Recommendations | U.S. GAO](#). We also plan to send a separate letter specifically focused on open recommendations and key issues related to information technology. This letter will be sent to your Chief Information Officer.

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. Contact points for our offices of Congressional Relations and Public Affairs may be found on the last page of this letter. Our teams will continue to coordinate with your staff on addressing these priority recommendations and the remaining 117 open recommendations. I appreciate Commerce's continued commitment and thank you for your personal attention to these important issues.

Sincerely,

//SIGNED//

Gene L. Dodaro
Comptroller General
of the United States

Enclosures – 2

cc: Jeremy Pelter, Performing the non-exclusive functions and duties of the Acting Deputy Secretary, Department of Commerce
Ron S. Jarmin, Acting Director of the Census Bureau
Craig Burkhardt Acting Under Secretary for Standards and Technology and Acting Director of the National Institute of Standards and Technology
Laura Grimm, Chief of Staff, performing the duties of Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator
MaryAnn Mausser, GAO/OIG Audit Liaison

Enclosure 1

Priority Open Recommendations to the Department of Commerce Improving Planning for the Decennial Census

2010 Census: Key Efforts to Include Hard-to-Count Populations Went Generally as Planned; Improvements Could Make the Efforts More Effective for Next Census. [GAO-11-45](#). Washington, D.C.: December 14, 2010.

Year Recommendation Made: 2011

Recommendation: To help improve the effectiveness of the 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.

Actions Needed: Commerce 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. In March 2024, we discussed with Bureau officials how decennial management officials were exploring ways to link results of 2030 Census research to justifications of elements within their forthcoming 2030 Census operational plan. As of February 2025, Bureau officials said they are continuing to work on these plans.

To fully implement this recommendation, the Bureau needs to demonstrate for the 2030 Census how it has considered evidence on how various special enumeration activities may have contributed to the cost and accuracy of the 2020 Census. Demonstrating the rationale for decisions made about special enumeration activities for the 2030 Census will improve transparency and help position the Bureau to implement activities shown to help improve the counts of hard-to-enumerate populations.

Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov.

2020 Census: Lessons Learned from Planning and Implementing the 2020 Census Offer Insights to Support 2030 Preparations, [GAO-22-104357](#). Washington, D.C.: February 11, 2022.

Year Recommendation Made: 2022

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 September 2022, the Bureau provided documents describing and demonstrating actions the Bureau was taking to improve its budget development, execution, and oversight. As of March 2024, the Bureau has also identified two program risks to the 2030 Census related to budget uncertainty and reported that it was drafting contingency plans for those risks. As of February 2025, we are monitoring how

risks to implementation of the Bureau's testing plan are accounted for in forthcoming operational planning documents.

To fully address this recommendation, the Bureau will need to demonstrate how its 2030 Census tests and projects that are most important to conduct are protected from budget uncertainty. 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.

Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov.

Protecting the Nation's Water Quality

Water Quality: Agencies Should Take More Actions to Manage Risks from Harmful Algal Blooms and Hypoxia. [GAO-22-104449](#). Washington, D.C.: Jun 15, 2022.

Year Recommendations Made: 2022

Recommendations: The Administrator of the National Oceanic and Atmospheric Administration (NOAA) and the Administrator of the Environmental Protection Agency (EPA), in collaboration with the members of the working group, should take the following two actions:

- document and define what a national harmful algal bloom (HAB) and hypoxia program would entail, including identifying the program's resource needs.
- develop a national goal for the group focused on efforts to prevent HABs and hypoxia.

Action Needed: Commerce agreed with these recommendations. For the first recommendation, NOAA stated that it was working with EPA and other members of the interagency HAB and hypoxia working group to develop a national program, including drafting associated goals, and identifying resource needs. NOAA and EPA officials said they will include information about the national program's structure and resource needs in the forthcoming national assessment of HABs and hypoxia, which was expected to be completed in December 2024. However, publication has been delayed until at least summer 2025, according to the officials. By defining and documenting what a national HAB and hypoxia program would entail, NOAA and EPA, as co-chairs of the working group, would be better positioned to implement the program and enhance federal efforts to manage the risks of HABs and hypoxia.

For the second recommendation, NOAA also stated that it was taking actions, in collaboration with EPA and other members of the working group, to develop a national goal for the group focused on efforts to prevent HABs and hypoxia. In December 2024, NOAA and EPA officials stated that this goal will be incorporated into the forthcoming national assessment of HABs and hypoxia that has been delayed until at least summer 2025. By developing and incorporating this goal into the national assessment of HAB and hypoxia data gaps and better manage, the working group could help to increase federal attention on prevention actions to reduce the risks that HABs and hypoxia pose to state, local, and tribal communities.

Director: J. Alfredo Gómez, Natural Resources and Environment

Contact Information: gomezj@gao.gov.

Strengthening Cybersecurity and Mitigating Privacy Risks

Privacy: Dedicated Leadership Can Improve Programs and Address Challenges, [GAO-22-105065](#). Washington, D.C.: Sep 22, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of Commerce should ensure that its organization-wide risk management strategy includes key elements, including a determination of privacy risk tolerance.

Action Needed: Commerce agreed with our recommendation and reported plans to develop a formal action plan. As of February 2025, Commerce stated that its privacy risk management strategy is not complete and that it could not provide an estimated completion date due to uncertainty regarding staffing and budget. To fully address this recommendation, Commerce needs to ensure that its risk management strategy incorporates privacy, including a determination of risk tolerance. Implementing this recommendation will enable Commerce to better mitigate privacy risks.

High Risk Area: [Ensuring the Cybersecurity of the Nation](#)

Directors: Jennifer Franks, Information Technology and Cybersecurity and Marisol Cruz Cain, Information Technology and Cybersecurity

Contact Information: franksj@gao.gov and cruzcaim@gao.gov.

Improving Information Related to International Trade

Export Promotion: Better Information Needed about Federal Resources. [GAO-13-644](#). Washington, D.C.: July 17, 2013.

Year Recommendation Made: 2013

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) on how resources are allocated by agency and aligned with priorities.

Action Needed: Commerce agreed with this recommendation. In 2013, Commerce noted the TPCC's limited authority over other agencies' budget reporting and resource allocations. The TPCC issued NES reports in 2014, 2016, and 2023. However, 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 they had in the past. As of February 2025, Commerce officials reported that the TPCC Secretariat has not been able to collect complete trade promotion budget data from TPCC agencies and that a unified trade promotion budget was not included in the most recently published NES, released in June 2023. They said that because of the challenges collecting agency data, there are currently no plans to report a unified trade promotion budget to Congress.

To fully implement this recommendation, Commerce needs to report the complete and comparable 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 aligns with governmentwide priorities or make informed decisions about future resource decisions.

Director: Nagla'a D. El-Hodiri, International Affairs and Trade

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Reducing Federal Fiscal Exposure through Resilience

Improved Federal Coordination Could Facilitate Use of Forward-Looking Climate Information in Design Standards, Building Codes, and Certifications. [GAO-17-3](#). Washington, D.C.: November 30, 2016.

Year Recommendation Made: 2017

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, 2023, directed NOAA to provide a written assessment of priority federal agency needs for forward-looking climate data and projections to be utilized in the standard-setting process. In addition, the Senate committee report accompanying NIST's appropriations act for fiscal year 2025 directed the agency to continue to work with NOAA and others to identify a consistent and authoritative set of climate information that emphasizes forward-looking climate data and projections to be utilized in standard-setting process.

As of January 2025, the assessment that NIST officials previously told us was undergoing interagency review was not publicly available. NIST officials stated that this assessment identified priority federal agency needs for climate data and projections, as directed by the joint explanatory statement.

To fully implement this recommendation, NIST needs to coordinate with other federal agencies to identify forward-looking climate information for standards-developing organizations, which would include publicly releasing such information. Implementing this recommendation will help 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.

Assessing Risk and Building Earthquake Resilience

Earthquakes: Opportunities Exist to Further Assess Risk, Build Resilience, and Communicate Research. [GAO-22-105016](#). Washington, D.C.: May 4, 2022.

Year Recommendation Made: 2022

Recommendation: The Director of the National Institute of Standards and Technology (NIST) should, in collaboration with the Federal Emergency Management Agency (FEMA), National Science Foundation (NSF), and U.S. Geological Survey (USGS) and in coordination with federal, state, local, territorial, and tribal governments and stakeholders, conduct a national risk assessment to identify the progress made by communities to strengthen earthquake resilience since 2015, and the gaps in resilience that remain.

Action Needed: Commerce agreed with this recommendation. As of February 2025, NIST officials stated that in collaboration with FEMA, NSF, and USGS, NIST contracted a team of subject matter experts and submitted a draft Project Work Plan for developing a conceptual framework and cost estimate for conducting a national earthquake risk assessment. Results from this partnership are expected in fiscal year 2026. To fully address this recommendation, Commerce will need to develop, conduct, and provide the results of a national risk assessment. By conducting a national risk assessment, the program would be better positioned in planning long-term goals and identifying resources needed to address seismic vulnerability of buildings and critical infrastructure across the nation.

Director: Christopher P. Currie, Homeland Security and Justice

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Enclosure 2

Key Information About the Status of GAO Recommendations and Improving Agency Operations Commerce's Recommendation Implementation Rate

In November 2024, we reported that, on a government-wide basis, 70 percent of our recommendations made 4 years ago were implemented.² As of April 2025, Commerce's recommendation implementation rate was 67 percent, and Commerce had 125 open recommendations.³

Implemented, Closed, and New Priority Recommendations

Our June 2024 letter to Secretary Raimondo identified eight priority recommendations.⁴ Since then, no recommendations were implemented or closed as no longer valid, and we added one new priority recommendation in the assessing risk and building earthquake resilience area.⁵ (See Enclosure 1.)

Financial Statement Audit

As the auditor of the consolidated financial statements of the U.S. government, I have noticed that the Department of Commerce had two material weaknesses in its internal control over financial reporting for fiscal year 2024 related to insufficient controls at the National Oceanic and Atmospheric Administration Service Center. These weaknesses, as well as related auditor recommendations, are important issues. I encourage you to address them.

²GAO, [Performance and Accountability Report: Fiscal Year 2024](#), (Washington, D.C.: Nov. 15, 2024).

³This rate and the following count no longer include the recommendations addressed to the National Telecommunications Information Administration (NTIA), *which has resulted in a 1 percent decrease in Commerce's reported overall implementation rate as of April 2025. The 32 open recommendations to NTIA, including priority ones, will be covered in a separate letter addressed directly to the Administrator of NTIA.* (This letter is expected to be issued later this year (see [Priority Recommendations | U.S. GAO.](#)))

⁴GAO, *Priority Open Recommendations: Department of Commerce*, [GAO-24-107326](#) (Washington, D.C.: June 5, 2024).

⁵We also determined that one recommendation no longer warranted priority attention. We made a recommendation in [GAO-16-805](#) to Commerce at a time when it seemed as though companies that use conflict minerals might file many independent private sector audits. However, due to several factors outside of Commerce's control, only a handful are filed each year.

High-Risk List

In February 2025, we issued our biennial update to our High-Risk List.⁶ This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges.

Several other government-wide, high-risk areas also have direct implications for Commerce and its operations. These include [improving management of IT acquisitions and operations](#), [improving strategic human capital management](#) and [personnel security clearance process](#), [managing federal real property](#), and [ensuring the cybersecurity of the nation](#).

We urge your continued attention to the other government-wide, high-risk issues as they relate to Commerce. Progress on high-risk issues 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, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁷

Congress's Role on GAO Recommendations

We also recognize the key role Congress plays in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.⁸

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on Commerce's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress can follow up during the appropriations process and request periodic updates.

Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress can pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

⁶GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, [GAO-25-107743](#) (Washington, D.C.: Feb. 25, 2025).

⁷GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

⁸James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).