CENSUS DATA: SPECIAL ISSUES RELATED TO U.S. TERRITORIES

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON INFORMATION POLICY, CENSUS, AND NATIONAL ARCHIVES

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

AND THE

SUBCOMMITTEE ON INSULAR AFFAIRS

OF THE

COMMITTEE ON NATURAL RESOURCES
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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CENSUS DATA: SPECIAL ISSUES RELATED TO U.S. TERRITORIES

WEDNESDAY, MAY 21, 2008

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON INFORMATION POLICY, CENSUS, AND NATIONAL ARCHIVES, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM, JOINT WITH THE SUBCOMMITTEE ON INSULAR AFFAIRS, COMMITTEE ON NATURAL RESOURCES,

Washington, DC.

The subcommittees met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. Wm. Lacy Clay (chairman of the Subcommittee on Information Policy, Census, and National Archives) presiding.

Present from the Subcommittee on Information Policy, Census, and National Archives: Representatives Clay and Turner.

Present from the Subcommittee on Insular Affairs: Representatives Christensen, Serrano, Faleomavaega, Bordallo, and Fortuño.

Also present: Representative Burton.

Staff present from the Subcommittee on Information Policy, Census, and National Archives: Darryl Piggee, staff director/counsel; Jean Gosa, clerk; Alissa Bonner and Michelle Mitchell, professional staff members; Charisma Williams, staff assistant; Leneal Scott, information systems manager; John Cuaderes, minority senior investigator and policy advisor; and Benjamin Chance and Chris Espinoza, minority professional staff members.

Staff present from the Subcommittee on Insular Affairs: Tony Babauta, staff director; Brian Modeste, counsel; Allison Cowan, clerk; and Rich Stanton, minority staff director.

Mr. CLAY. The Information Policy, Census, and National Archives Subcommittee will now come to order.

Good morning. Today's joint hearing is on the "Census Data: Special Issues Related to the U.S. Territories."

I want to thank my colleagues on the Insular Affairs Subcommittee, particularly Chairwoman Donna Christensen and Ranking Member Luis Fortuño for agreeing to hold this joint hearing.

Without objection, the Chair and ranking minority member will have 5 minutes to make opening statements, followed by opening statements not to exceed 3 minutes by any other Member who seeks recognition.

Without objection, Members and witnesses may have 5 legislative days to submit a written statement or extraneous materials for the record.

It is an honor to team up with my good friend, Chairwoman Donna Christensen, on the Insular Affairs Subcommittee, for this

hearing. Today we will examine the significance of creating an annual survey in partnership with the U.S. Census Bureau and the governments of the Virgin Islands, Guam, American Samoa, and the Northern Marianas.

It is important for Congress to understand the obstacles presented in the insular area by the unavailability of current population, economy, or labor force data. Unlike the States, the District of Columbia, and Puerto Rico, these territories are forced to depend on 10-year decennial and 5-year economic census data to make critical policy decisions. Citizens within the insular areas contribute economically, socially, and militarily to our country. They rightfully deserve equal access to annual, federally sanctioned data that is accurate and meaningful.

Our expert witnesses are equipped with the knowledge and experience to provide us with valuable insight on how this oversight can be corrected. I thank all for appearing and look forward to your testimony.

[The prepared statement of Hon. Wm. Lacy Clay follows:]

Opening Statement

Wm. Lacy Clay, Chairman

Joint Hearing on ""Census Data: Special Issues Related to U.S. Territories"

Information Policy, Census, and National Archives Subcommittee
Subcommittee on Insular Affairs
Oversight and Government Reform Committee

Wednesday, May 21, 2008
2154 Rayburn HOB
10:00 a.m.

GOOD MORNING, AND WELCOME TO YOU ALL. IT IS AN HONOR TO TEAM UP WITH MY GOOD FRIEND, CHAIRWOMAN DONNA CHRISTENSEN OF THE INSULAR AFFAIRS SUBCOMMITTEE, FOR THIS HEARING.

TODAY WE WILL EXAMINE WHY WE NEED CURRENT, ACCURATE DATA IN THE U.S. TERRITORIES AND

POSSESSIONS. WE WILL ALSO EXPLORE HOW THESE AREAS, IN PARTNERSHIP WITH THE U. S. CENSUS BUREAU, CAN BEGIN TO SOLVE THIS PROBLEM.

IT IS IMPORTANT FOR CONGRESS TO UNDERSTAND THE OBSTACLES PRESENTED IN THE INSULAR AREAS BY THE UNAVAILABILITY OF CURRENT POPULATION, ECONOMY, OR LABOR FORCE DATA.

UNLIKE THE STATES, FOR THE MOST PART, THESE TERRITORIES ARE FORCED TO DEPEND ON 10 YEAR DECENNIAL AND 5 YEAR ECONOMIC

CENSUS DATA TO MAKE CRITICAL POLICY DECISIONS.

U.S. CITIZENS WITHIN THE INSULAR AREAS CONTRIBUTE ECONOMICALLY, SOCIALLY AND MILITARILY TO THE OUR COUNTRY. THEY RIGHTFULLY DESERVE EQUAL ACCESS TO ANNUAL FEDERALLY-SANCTIONED DATA THAT IS ACCURATE AND MEANINGFUL.

OUR EXPERT WITNESSES ARE EQUIPPED WITH THE KNOWLEDGE AND EXPERIENCE TO PROVIDE US WITH VALUABLE INSIGHT ON HOW THIS OVERSIGHT CAN BE CORRECTED.

I THANK YOU ALL FOR APPEARING AND LOOK FORWARD TO YOUR TESTIMONY.

Mr. CLAY. I now recognize the ranking member, Mr. Turner, of Ohio.

Mr. TURNER. Thank you, Chairman Clay, for holding this hearing on census data and its importance to the U.S. territories. I would also like to welcome my friend, Ranking Member Fortuño, to today's hearing. Today we will examine how important census data is to public and private policymakers when it comes to key decisions regarding the U.S. territories.

Mr. Chairman, there are many stakeholders interested in our hearing today. The Federal Government alone gives billions of dollars each year to State and local governments to spend on various projects that are deemed important by policymakers. However, States and local governments are not alone in receiving this aid. Much of what the Federal Government spends also goes to the nearly 4.5 million residents of the U.S. territories of American Samoa, Guam, the U.S. Virgin Islands, and Puerto Rico.

I want to thank Mr. Fortuño for his tenacity on this important issue. Since we spend most of our time worrying about how census counts and data affect the 50 States and various local governments, we often overlook how the U.S. territories are treated. He is a champion of the people of Puerto Rico with valid arguments regarding why the territories need accurate and up-to-date census data.

Besides Federal spending, private stakeholders use census data to make policy decisions on economic and social issues affecting the territories. I join with my colleagues in urging the Census Bureau to use reasonable means to ensure the residents of the U.S. territories are counted in a way that helps decisionmakers at all levels of Government and the private sector.

Mr. Chairman, I am anxious to hear what our witnesses have to say and I look forward to this productive hearing. I yield back the balance of my time.

Mr. CLAY. Thank you so much, Mr. Turner.

I now recognize Chairwoman Christensen.

Mrs. CHRISTENSEN. Thank you, Chairman Clay. Let me begin by extending my appreciation to you and the members of the Subcommittee on Information Policy, Census, and National Archives for agreeing to hold this hearing jointly with the Subcommittee on Insular Affairs. I would have much preferred that, as we had originally hoped, we would have had this hearing in Puerto Rico and the Virgin Islands, but, nevertheless, I am glad and I thank you again for helping us to come today to gather testimony and get into a discussion about the absence of data collection in the U.S. territories.

Mr. Chairman, given the distance and time zones that separate Washington, DC, from our U.S. territories, I also want to welcome those residents from the Virgin Islands, Puerto Rico, American Samoa, Guam, and the Northern Mariana Islands who have tuned in to listen to the broadcast of this hearing via the Internet.

Today we will hear from witnesses from two of the five U.S. territories. Each will offer their perspective on data collection or lack thereof in the Virgin Islands and Puerto Rico. It is my presumption that while there may be small differences, treatment of the Virgin Islands is very similar to her sister territories of Guam, American Samoa, and the Northern Marianas. Puerto Rico, however, due in

part to its size and also an Executive order issued by the first President George Bush, receives more State-like treatment.

At this time I will note that invited representatives from the Pacific territories were unable to travel here to attend this hearing, but have asked that their testimony be made a part of the joint hearing record. So if there is no objection, I would like to submit the testimony of Governor Togiola Tulafono of American Samoa.

Mr. CLAY. Without objection.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

[The prepared statement of Mr. Tulafono follows:]

FOR THE RECORD ONLY

TESTIMONY
OF
GOVERNOR TOGIOLA T.A. TULAFONO

AMERICAN SAMOA GOVERNMENT

JOINT HEARING

INFORMATION POLICY, CENSUS, AND NATIONAL ARCHIVES SUBCOMMITTEE
AND
INSULAR AFFAIRS SUBCOMMITTEE
NATURAL RESOURCES SUBCOMMITTEE

"CENSUS DATA: SPECIAL ISSUES RELATED TO U.S. TERRITORIES"

WEDNESDAY, MAY 21, 2008
2154 RAYBURN HOB
2:00 P.M.

OUTLINE

1. PURPOSE

2. BACKGROUND INFORMATION

3. ISSUES

   a. The law- discretionary authority of the Secretary of Commerce
   b. Information gap and the Unfunded Mandate
   c. Critical Surveys
   d. Bureau of Census – American Samoa relationship
   e. Support from other federal agencies
   f. OIA responsibilities
   g. Other concerns

4. SUMMARY

5. RECOMMENDATIONS

1. Purpose
This testimony is presented to the Oversight and Government Reform Subcommittee on the Census to encourage the Federal government to collect timely economic and demographic information for the United States Territory of American Samoa as it does for the fifty states, Puerto Rico and the US Virgin Islands.

2. Background Information
The history of census taking in American Samoa goes back to the eighteenth century when it was first conducted by explorers and then by missionaries who brought Christianity to the islands in 1830[1]. Charles Wilkes was one of the first Americans to call on the island of Tutuila in 1839, and because of its naturally protected deep harbor Pago Pago became a popular port of call for American ships. In 1872, Commander Richard Meade of the USS Narragansett made agreements with the High Chief of Pago Pago to establish a coaling station on the island. In 1900, President McKinley directed the navy to establish United States presence that eventually led to the signing of the deeds of cession. The Naval Administration conducted the census for the new territory in 1900 and 1912.

Conducted in 1920, the 14th census of the United States was the first census to include the Territory of American Samoa as part of the US Decennial Population and Housing Census Program. Since 1920 and up until 1999, the decennial population and housing census (held every ten years) included the Agricultural Census Questionnaire. American Samoa was first included in the regular Quinquennial Agricultural Census of the United States Department of Agriculture in 1999. The first Economic Census of American Samoa was completed in 2003 for the year 2002. All censuses were conducted through memorandum of agreements between the US Bureau of Census and the American Samoa Government. Federal funds were made available for census enumeration by the local government and all forms and questionnaires were forwarded to census processing sites in the mainland.

American Samoa continues to depend on the census long form for data gathering because there is no other means of capturing data. There is also no other source of data needs for American Samoa as mandated by law except the census. Census contents and tabulation needs of American Samoa follow stateside conventions except for some minor adjustments. Subjects ranging from age, birthplace, education, employment, disability, veteran status, migration, family size, housing characteristics, etc. have been asked on the census forms. However, mainland and American Samoa census forms are slightly different. These variations were necessary to customize appropriate subject matters befitting mainland and local standards. Response categories in these census forms have been modified to better describe unique socio-economic conditions of the island population.

The lack of information on American Samoa has been cited in many reports issued by federal agencies. Recently, the Department of Labor's report on the impact of the minimum wage and escalating clause stated, "the Department's research was limited due

to short time frame and the lack of timely labor market data for American Samoa."

The Employment Statistics program provides detailed monthly information by industry sector regarding the total level of payroll employment, payroll hours of production and non-supervisory workers, and hourly and weekly earnings of production and non-supervisory workers. These surveys provide national estimates as well as estimates for all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and over 400 metropolitan areas and divisions. The monthly survey of households (the Current Population Survey (CPS), a joint BLS and the Census Bureau program, provides detailed estimates of national labor force participation, employment and unemployment. The CPS also collects data on wage and salary workers' median usual weekly earnings and publishes quarterly earnings estimates. Both surveys have been important sources of data for research regarding the impact of minimum wage increases in the United States over the past fifty years. The lack of such data for American Samoa and CNMI significantly impairs efforts to measure or to project the impacts of scheduled minimum wage increases for these territories." *(Impact of Increased Minimum Wages on the Economies of American Samoa and the Commonwealth of the Northern Mariana Islands.* Prepared by the Office of the Assistant Secretary for Policy U.S. Department of Labor January 2008.)

Another important document sanctioned by the US Congress called "The Economic Commission Report" and issued in 2002 also noted, "American Samoa lacks the necessary economic and statistical data needed to measure economic activity or to do comparative studies." The Commission explained that since American Samoa is not able to calculate her GDP, she lacks the ability to understand the true state of her economy. The Commission recommended, " the United States Government and American Samoa Government allocate and maintain the necessary resources to develop a systematic method to record, track, and analyze data related to GDP and other economic indicators in order to properly measure and guide the Territory's economic growth." [2]

As part of the United States, we ask that we are accorded at least the same benefits and programs such as the BLS Current Employment Statistics and the Current Population Survey (CPS) that the United States has made available to other US Territories.

3. Information Requirement Issues

a. The Law.

Title 13 of the United States Code, Chapter 5, Subsection 191 states that (a) each of the censuses authorized by this chapter shall include each State, the District of Columbia, the Virgin Islands, Guam, the Commonwealth of the Northern Marians, and the Commonwealth of Puerto Rico, and as may be determined by the Secretary of Commerce, such other possessions and areas over which the United States exercises jurisdiction, control or sovereignty. Inclusion of other areas shall be subject to the concurrence of the Secretary of State. (b) For censuses taken in the Virgin Islands, Guam, the Commonwealth of the Northern Marian Islands, or any possession or area not specifically designated in subsection (a) of this section, the Secretary may use census information collected by the Governor or highest ranking Federal official, if such

information was obtained in accordance with plans prescribed or approved by the Secretary of Commerce.

Apart from the Freely Associated States, American Samoa is the only United States Territory not specifically designated and named in the census act. The inclusion/exclusion of American Samoa in the census is solely up to the discretion of the Secretary of Commerce and since the enactment of the census act our socio-economic situation has changed drastically yet the Secretary of Commerce has not determined that these changes justify the inclusion of American Samoa in the census act. We highly recommend that the Secretary of Commerce immediately exercise his authority under Title 13, Chapter 5 USC and include American Samoa as being subject to application of all censuses authorized therein. We also recommend that the authority in all other similar statutes be exercised to specifically include American Samoa in all additional survey programs now conducted for the fifty states and other territories.

b. Information Gap and the Unfunded Mandate.

The population, housing, agriculture and economic censuses are the only federal statistics programs that are being carried out by the Bureau of Census for American Samoa. The second part of a statistical program deals with periodic surveys and sampling projects. American Samoa is excluded from any federal or Census Bureau surveys. While American Samoa has conducted local demographic, socio-economic surveys the Census Bureau in accordance with the Title 13, Chapter 5, has not sanctioned any of these surveys. The absence of any annual, quarterly or monthly statistics program acts widens the already immense information and timeliness gaps for the territory. Consequently, statistical needs and data requirements of many federal programs for American Samoa are either not available, or are seriously outdated. The third area of statistical systems deals with administrative records and government by-products. This area is totally ignored by the Census Bureau and no support whether technical or financial is given to American Samoa to address this important gap. The American Samoa Government and the Department of Interior, Office of Insular Affairs bear the brunt of all costs of this unfunded statistical mandate.

The law calls for the collection of demographic, social and economic data for States and Territories, yet American Samoa is not getting fair treatment under the law. The next census is in 2010 and American Samoa after relying on data from the previous census will finally have current statistics for federal programs and for planning. After that, we will once again have to wait for the next census in 2020 for updates. So unless funding is made available to carry out necessary and periodic surveys or we are included in the census act American Samoa will have no choice but to use outdated data to plan for its needs.

c. Critical Surveys.

States get monthly surveys while American Samoa does not. As stated earlier, American Samoa is excluded from all inter-census surveys of the federal system such as the Current Population Survey (CPS), the Survey of Income and Program Participation (SIPP), the American Community Survey (ACS), the mid-decade survey and many other surveys

carried out by federal agencies.

The above-mentioned surveys are critically needed to fill in the territory's current data gap. If the Census Bureau determines that American Samoa's population is too small for consideration in national samples, then exemptions and specialized statistical programs should be put into place to accommodate our unique needs and characteristics. American Samoa is treated as a State in matters of census taking. Therefore, it should be included and covered in surveys just like any other State.

e. Bureau of Census – Territory of American Samoa Relationship.
Many lessons have been learned from the long-term relationship between American Samoa and the Census Bureau. The first one is the swift change in cooperation from Census Bureau before and after census taking. The Census Bureau trusts the local government to conduct the census and to uphold the law when collecting information. However, once the enumeration is complete and all forms have been sent to the Census Bureau, the local government is deliberately prevented from accessing census details to compile statistical reports or to conduct detail analysis and special tabulation. American Samoa is included in the domestic process during the preparation and carrying out of census enumeration, but unfortunately it is treated under the international program for processing and tabulation of reports.

Maps were updated in the census enumeration phase that included a complete canvassing and map spotting of all housing units in the territory. This geographic information remains unavailable to our local government, and consequently prevents us from establishing and maintaining a master address filing system, as well as a sampling frame for survey projects. American Samoa is clearly at a disadvantage because our local agencies do not have access to the processed geographic information. TIGER/Line files provided by the Census Bureau are so off datum that some housing units are mapped as being in ocean waters.

Micro datasets are allowed for entities with populations over 100,000. Exemptions should be given to entities that are treated as States and with lower population than the targeted cutoff. Perhaps a 10 percent sample would be sufficient for the sake of disclosure requirements.

American Samoa waited for almost 5 years to get the census cross-tabulations from the 1980 census. In 1990, it took less than 2 years. In 2000 it was back to 4 years. The 2000 census cross-tabs for American Samoa was a special report rather than a standard Census Bureau report. American Samoa critically needs the census cross tabulation for federal funding and program planning. Yet the Census Bureau ignored the local government's recommendation for census products from the 2000 census.

f. Support from other Federal Agencies.
Federal assistance for statistical and data needs of Territories should be considered a priority and must be revisited for thorough examination. The statistical programs carried out by the Bureau of Labor for wage and hour, OSHA, labor force and employment,

unemployment, consumer price index, cost of living and many other surveys should include American Samoa. While the local government currently carries out some of these programs, review of standards and procedures and sanctioning of local government information for federal use must be carried out by this and other federal agencies. The support of the Bureau of Economic Analysis is warranted for improving economic statistics and a better understanding of island economies. USDA must consider inclusion of non-commercial agricultural activities in its regular programs particularly for geographic entities with substantial subsistence activities.

g. Office of Insular Affairs (OIA) Responsibilities

American Samoa was very fortunate to receive from OIA technical and financial support for many of its statistical development and capability programs. This successful relationship led to the establishment of the Statistical Enhancement Program (SEP) in 1986. Since then the SEP has assisted us in many statistical programs that include work studies, training, enumeration, data processing, statistical yearbooks, population monographs, etc. The SEP program was staffed mainly with islanders working on island statistics. Unfortunately, OIA no longer saw the value of this program and decided to cease funding of the OIA-Census Bureau reimbursement agreement. With the absence of technical and funding support from the Census Bureau and the recent closure of the SEP, American Samoa is left with an incomplete Household Income and Expenditure Survey (HIES) report conducted in 2005. At the same time, the Census Bureau refuses to release the American Samoa 2005 HIES processed data so that American Samoa can seek other means of completing this important report.

h. Other concerns.

Like other US Insular Areas, American Samoa cannot participate as a full member in many United Nation programs where technical assistance and funding support is readily available simply because we are a Territory of the United States.

The Puerto Rico and Outlying Areas Branch of the Census Bureau should extend full coverage and support for not just Puerto Rico, but American Samoa and the rest of the US Territories as well. The branch should include support for census planning and all other statistical inquiries related to Island Areas. Centralizing Island Areas' unique statistical needs within one domestic branch program should streamline special needs and statistical system modifications that fit unique Island situations while maintaining and conforming to national norms.

4. Summary.

American Samoa requires the same US Census services available to the 50 states and other territories. American Samoa is especially interested in annual economic and demographic information. The absence of such information has prevented American Samoa from creating an annual time series to track economic and population on an annual basis. Consequently, when there is a need for information to track major economic conditions and trends, it must be done on an ad hoc basis by splicing together periodic benchmark information.

This annual information is especially important to our government at this time to adequately quantify the needs of our people before the US Department of the Interior and the Congress. It would have been very useful in attempts to gauge the impacts of recent federal increases in our minimum wage. In their study of this matter, the US Department of Labor cited the lack of such data in their inability to prepare such economic impact estimates. In this study, the US Department of Labor cited the lack of timely data on American Samoa as one of its major constraints.

As part of the United States, we ask that we be accorded at least the same benefits and programs such as the BLS Current Employment Statistics and the Current Population Survey (CPS) that the United States has made available to the fifty states and other US Territories. American Samoa remains patriotic to this great nation. Our sons and daughters have committed their lives to the protection of American values and a free world and our local populace remain committed to unconditional support of U.S. policies and troops deployed abroad. The United States Territory of American Samoa has the highest per capita fatality rate for the protection of freedom and world peace. It is only fitting that American Samoa be officially designated and named in the census act.
As loyal people, who have unselfishly served the United States well since 1900, we ask that we be treated just like any other state of the Union and accorded all benefits and privileges every state so enjoys.

5. Recommendations

American Samoa recommends that Title 13 be amended to specifically designate and name American Samoa as a US Territory. We recommend American Samoa be included in all federal periodic surveys conducted by the Bureau of Census and Bureau of Labor Statistics that includes monthly surveys of employers and households for economic information, as are conducted in the 50 states, Puerto Rico and the US Virgin Islands. The laws providing for these programs should be amended to explicitly include American Samoa.

In the meantime, we recommend that the Secretary of Commerce immediately exercise his authority pursuant to Title 13 Chapter 5, and designate American Samoa for inclusion in all censuses authorized therein. Additionally, all similar authority in other statistical statutes should also be exercised to specifically include American Samoa in the same statistical and survey programs now conducted for the fifty states and other territories.

[1] Population of American Samoa, Country Monograph Series No. 7.1. Economic and Social Commission for Asia and the Pacific and South Pacific Commission, Chai Bin Park, 1979.
[2] American Samoa Economic Advisory Commission, Transforming the Economy of American Samoa Volume II, 2002.

Mrs. CHRISTENSEN. Mr. Chairman, as both a delegate from the U.S. Virgin Islands and chairman of the Subcommittee on Insular Affairs, I often hear, and actually join in the chorus myself, in the demand for equal treatment of fellow Americans not residing in one of the 50 States of the Union, but residing instead in a state of limbo. The examples run the gamut from grants to treaties to voting for the next President, or even voting on the floor of the House of Representatives.

In response to these demands for equal treatment, the work of our subcommittee, much like yours, has to investigate the problem and find the balance between what can be done versus what needs to be done. We find, more often than not, a willingness among honest brokers can find a path to its fairness.

I look forward to our first panel of witnesses in assisting our subcommittees to understand the problem of excluding our U.S. territories in whole or in part from activities conducted by the U.S. Census Bureau, looking at how this exclusion affects local decision-making, how it impacts decisions at the national level, how it affects funding of important programs and services, and does it actually move our fellow Americans living in the territories forward.

Our Federal witnesses have a more difficult task of explaining why these areas are excluded, but we feel that we can count on their open-mindedness and expertise to help us move in a fairer direction, and we already started those discussions.

Again, my deepest gratitude to you, Chairman Clay, for agreeing to this hearing.

[The prepared statement of Hon. Donna M. Christensen follows:]

INFORMATION POLICY, CENSUS, NATIONAL ARCHIVES SUBCOMMITTEE
OVERSIGHT AND GOVERNMENT REFORM COMMITTEE

JOINT HEARING WITH

SUBCOMMITTEE ON INSULAR AFFAIRS
NATURAL RESOURCES COMMITTEE

STATEMENT
OF
THE HONORABLE DONNA M. CHRISTENSEN
CHAIRWOMAN

"Census Data: Special Issues Related to U.S. Territories."

WEDNESDAY, MAY 21, 2008
2154 RAYBURN HOB
10:00 A.M.

Thank you Chairman Clay:

Let me begin by extending my appreciation to you and Members of the Subcommittee on Information Policy, Census, and National Archives for agreeing to hold this joint hearing with the Subcommittee on Insular Affairs to gather testimony and discuss the absence of data collection in U.S. territories.

Mr. Chairman, given the distance and time zones that separate Washington DC from our U.S. territories, I want to also welcome those residents from the Virgin Islands, Puerto Rico, American Samoa, Guam, and the Northern Mariana Islands who have tuned in to listen to the broadcast of this hearing via the internet.

Today, we will hear from witnesses from two of the five U.S. territories. Each will offer their perspective on data collection, or lack thereof, in the Virgin Islands and Puerto Rico. It is my presumption that while there may be small differences, treatment of Virgin Islands is very similar to her sister territories of Guam, American Samoa, and the Northern Marianas. Puerto Rico however, due in part to its size and also an executive order issued by President George Bush I, receives more state-like treatment.

At this time, I will note that invited representatives from the Pacific territories were unable to travel here to attend this hearing but have asked that their testimony be made part of this joint hearing record. If there are no objections, I would like to submit the testimonies of Governor Togiola Tulafono of American Samoa and Governor Felix Camacho of Guam.

Mr. Chairman, as both the Delegate from the U.S. Virgin Islands and Chairman of the Subcommittee on Insular Affairs, I often hear and join the chorus myself in the demand for equal treatment for fellow Americans not residing in one of our fifty states but residing instead in a state of limbo. The examples run the gamut; from grants to treaties; voting for the next president; or even voting on the floor of the House of Representatives.

In response to these demands for equal treatment, the work of our Subcommittee – much like yours - is tasked to investigate the problem and find the balance between what can be done versus what we feel needs to be done. We find more often than not, a willingness amongst honest brokers can find a path towards fairness.

I look forward to our first panel of witnesses in assisting our Subcommittees to understand the problem of excluding our U.S. territories in whole or in part from activities conducted by the U.S. Census Bureau. How does this exclusion affect local decision making? How does it impact decisions at the national level? How does it affect funding important programs and services. Does it move our fellow Americans forward?

Our federal witnesses have a more difficult task of explaining why these areas are excluded. However we feel we can count on your open-mindedness and your expertise to help move us in a fairer direction.

Again, my deepest gratitude to you Chairman Clay for agreeing to this hearing.

Mr. CLAY. Thank you very much, Mrs. Christensen.

I now recognize Mr. Fortuño from Puerto Rico.

Mr. FORTUÑO. Let me begin by thanking Chairman Clay, Chairwoman Christensen, and Ranking Member Turner for calling this oversight hearing.

The issue we examine at today's hearing may seem like a mere housekeeping problem. It is not. This disparate treatment afforded the U.S. territories in the collection and reporting of census data, and the consequent unavailability of current and reliable information on the territories is not an extract or technical issue. Rather, it is an issue with meaningful consequences for the residents of these areas.

We need to determine whether our census practices have—as I and many others suspect—made it more difficult for Americans living in the territories to participate fully in the equal opportunity society our Nation has always strived to achieve. The primary question that Congress needs to ask and obtain a clear answer to is whether social, political, and economic growth in the territories is impeded because the territories are treated differently in the collection and reporting of census data and, as a result, are treated differently by the various Government agencies that rely on this information to provide services intended to benefit all Americans.

I do not want to prejudge the testimony of the experts on the panel, but I am confident that today's hearing will confirm that the disparate treatment of the U.S. territories has an adverse impact on the ability of Federal and local government agencies to provide services in the territories, as well as on private sector-led development in the territories.

Common sense and experience suggests that this information deficit has had and will continue to have a negative effect on the provision of education and health care, capital investment from the States and overseas, the vitality of the local economy, employment, and income levels, and the overall standard of living and quality of life of territorial residents. If this is the case, Congress must be prepared to act in order to redress this disparity.

As Mr. Cimadevilla and the other panelists will explain, the situation facing Puerto Rico is not the same as the situation facing the other territories. For instance, Puerto Rico has been included in the American community survey since 2005, a clear, although belated step in that direction. Nonetheless, in various ways Puerto Rico remains at a distinct disadvantage, compared with the States, with respect to the collection and reporting of demographic, social, and economic data.

I would be remiss if the record did not reflect my belief that no matter what measures Congress adopts to address the particular problem discussed at this hearing, Puerto Rico will remain at a perpetual disadvantage unless and until it normalizes its political status. For the smaller territories, there may be narrowly tailored solutions to the problems we examine today. Not so with Puerto Rico. Puerto Rico's 4 million U.S. citizens live under the U.S. flag, under U.S. sovereignty, and under U.S. Federal law. The disparate treatment by the Census Bureau, and, therefore, by those in the public and private sector that utilize its data is an inevitable by-

product of a much larger problem: the longstanding denial of equal civil and political rights to the residents of Puerto Rico.

Puerto Rico's unresolved political status is primarily a result of Congress's failure to fulfill its responsibility to sponsor a fair and orderly self-determination process on the island, one in which the people of Puerto Rico are able to express their preference between permanent constitutionally valid options. The only genuine solution to both the discrete problem we examine today and the other problem of Puerto Rico's political status is for the people of Puerto Rico to choose, in a congressionally approved process, statehood or independence, but in neither case to continue their condition as second-class citizens of the greatest democracy on Earth.

It is my most fervent hope that the hard work of Chairwoman Christensen on her subcommittee will come to fruition with the passage of H.R. 900, the Puerto Rico Democracy Act of 2007, which has been reported to the House by the full Committee on Natural Resources.

I want to conclude my statement by noting that earlier this morning I sent a letter to Speaker Pelosi, asking that she use her leadership to bring H.R. 900 to a vote on the House floor. I would ask that this letter be made part of the record of today's proceedings.

Mr. CLAY. Without objection.

[The information referred to follows:]

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Congress of the United States
House of Representatives
Washington, DC

COMMITTEES:
FOREIGN AFFAIRS
EDUCATION AND LABOR
NATURAL RESOURCES

RANKING MEMBER OF
SUBCOMMITTEE ON INSULAR AFFAIRS

CHAIRMAN, CONGRESSIONAL
HISPANIC CONFERENCE

REPUBLICAN POLICY COMMITTEE

CO-CHAIRMAN, CONGRESSIONAL
FRIENDS OF SPAIN CAUCUS

May 21, 2008

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232
Washington, DC 20515

Dear Speaker Pelosi:

I write to respectfully request that H.R. 900, the Puerto Rico Democracy Act of 2007, reported by the Committee on Natural Resources on October 23, 2007, be scheduled for consideration by the full House as soon as possible. Passage of this bill during the current session will be recognized as an historic achievement for the 110th Congress, and will constitute an unprecedented step forward on an issue of profound national importance.

H.R. 900 is a tightly worded compromise bill with strong bipartisan support that would admirably fulfill Congress's constitutionally-conferred responsibility to sponsor a fair and orderly self-determination process in Puerto Rico. The legislative record on H.R. 900 includes House Report 110-597, dated April 22, 2008. The Report documents the extensive hearings held on the bill, during which all interested parties in Puerto Rico were afforded the chance to articulate their views on the underlying legislation. Indeed, the amendments made to the bill during markup accommodate the principal recommendations offered by leaders on the Island (and in Congress) who had expressed reservations about the legislation. The most notable of these amendments was the addition of language explicitly recognizing that, if a majority of voters cast ballots in favor of pursuing a permanent non-territorial status, both a second plebiscite *and* a constitutional convention will be among the procedural mechanisms available to the people of Puerto Rico to propose a permanent status option, which will then be presented to Congress. In light of the compromise nature of H.R. 900, it is fair to question whether those who continue to oppose this bill would be likely to support any effort by Congress to address the question of Puerto Rico's status.

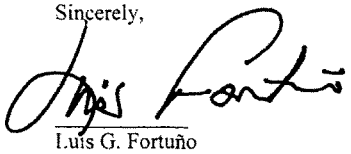
House consideration of H.R. 900 is not one of those matters that can prudently be deferred until the next Congress. Any reasonable observer—particularly those who believe the aphorism that justice deferred is justice denied—must concede that resolution

PRINTED ON RECYCLED PAPER

of the issue has already been postponed for too long. It has been nearly 110 years since the United States acquired sovereignty over Puerto Rico, and more than 90 years since Congress conferred U.S. citizenship on all persons born in Puerto Rico. And yet, Congress has never before sponsored a self-determination process that would provide the people of the territory with the opportunity to express their wishes regarding the most fundamental of issues—their political status and relationship vis-à-vis the United States. The need for immediate action is perhaps best demonstrated by the poignant fact that the first generation of Puerto Ricans born as U.S. citizens after 1917 are in or nearing the final stages of their lives. It would be tragic if the surviving members of that generation—many of whom have fought and bled for this country—were to pass from this earth without having had a chance to vote in a legitimate and informed democratic process to resolve the status of their beloved homeland. To defer action yet again would detract from the legacy of the 110th Congress, which has otherwise acquitted itself in admirable fashion under your leadership.

The time for ambivalence and ambiguity has passed and the time for resolute action has arrived. The British Special Air Services has a motto that is apropos to the present situation: "Who dares, wins." I urge you, on behalf of millions of U.S. citizens in Puerto Rico, not to leave the hard work that this body must dare to undertake for a later day or a subsequent Congress.

Sincerely,



Luis G. Fortuño
Member of Congress

cc: Steny H. Hoyer, Majority Leader, U.S. House of Representatives
John A. Boehner, Minority Leader, U.S. House of Representatives
Nick J. Rahall II, Chairman, Committee on Natural Resources
Don Young, Ranking Member, Committee on Natural Resources
José E. Serrano, Member of Congress

Mr. FORTUÑO. In the coming weeks, I will deliver to Speaker Pelosi thousands of petitions from the U.S. citizens of Puerto Rico seeking her help to ensure that Congress, after more than 100 years, finally afford the people of Puerto Rico the right to participate in a fully informed self-determination process. I will tell you what I told Speaker Pelosi. If we can summon the will and the courage to see it through, passage of H.R. 900 will be remembered as one of the greatest historical accomplishments of this 110th Congress.

I want to thank my colleague and friend, Jośe Serrano, for his leadership on that part. It will end decades of institutionalized disenfranchisement of 4 million Americans, so many of whom have fought and bled and died for this great country. We must not leave the hard work for another day or another Congress. The time to act is now.

Thank you very much.

[The prepared statement of Hon. Luis G. Fortuño follows:]

Statement of Congressman Luis G. Fortuño
Joint Subcommittee Oversight Hearing
Natural Resources Committee, Subcommittee on Insular Affairs
Oversight and Government Reform Committee, Subcommittee on Information Policy, Census, and National Archives
U.S. House of Representatives

Census Data: Special Issues Related to U.S. Territories
May 21, 2008

Let me begin by thanking Chairwoman Christensen and Chairman Clay for calling this oversight hearing. The issue to be examined at today's hearing may seem like a mere housekeeping problem. It is not. The disparate treatment afforded the U.S. territories in the collection and reporting of census data and the consequent unavailability of current and reliable information on the territories is not an abstract or technical issue. Rather, it is an issue with meaningful consequences for the residents of these areas. We need to determine whether our census practices have—as I and many others suspect—made it more difficult for Americans living in the territories to participate fully in the equal opportunity society our nation has always strived to achieve. The primary question that Congress needs to ask—and obtain a clear answer to—is whether social, political and economic growth in the territories is impeded because the territories are treated differently in the collection and reporting of census data and, as a result, are treated differently by the various government agencies that rely on this information to provide services intended to benefit all Americans.

I do not want to pre-judge the testimony of the experts on the panel. But I am confident that today's hearing will confirm that the disparate treatment of U.S. territories has an

adverse impact on the ability of federal and local government agencies to provide services in the territories, as well as on private sector-led development in the territories. Common sense and experience suggest that this information deficit has had—and will continue to have—a negative effect on the provision of education and health care, capital investment from the states and overseas, the vitality of the local economy, employment and income levels, and the overall standard of living and quality of life of territorial residents. If this is the case, Congress must be prepared to act in order to redress this disparity.

As Mr. Cimadevilla and the other panelists will explain, the situation facing Puerto Rico is not the same as the situation facing the other territories. For instance, Puerto Rico has been included in the American Community Survey since 2005—a clear, albeit belated, step in the right direction. Nonetheless, in various ways Puerto Rico remains at a distinct disadvantage compared with the states with respect to the collection and reporting of demographic, social and economic data.

I would be remiss if the record did not reflect my belief that, no matter what measures Congress adopts to address the particular problem discussed at this hearing, Puerto Rico will remain at a perpetual disadvantage unless and until it normalizes its political status. For the smaller territories, there may be narrowly-tailored solutions to the problem we examine today. Not so with Puerto Rico. Puerto Rico's four million U.S. citizens live under the U.S. flag, under U.S. sovereignty, and under U.S. federal law. The disparate treatment by the Census Bureau—and therefore by those in the public and private sector

that utilize its data—is an inevitable byproduct of a much larger problem: the longstanding denial of equal civil and political rights to the residents of Puerto Rico.

Puerto Rico's unresolved political status is primarily a result of Congress's failure to fulfill its responsibility to sponsor a fair and orderly self-determination process on the Island, one in which the people of Puerto Rico are able to express their preference between permanent, constitutionally-valid status options. The only genuine solution to both the discrete problem we examine today and to the broader problem of Puerto Rico's political status is for the people of Puerto Rico to choose, in a Congressionally-approved process, statehood or independence—but in neither case to continue their condition as second-class citizens of the greatest democracy on earth.

It is my most fervent hope that the hard work of Chairwoman Christensen and her Subcommittee will come to fruition with the passage of H.R. 900, the Puerto Rico Democracy Act of 2007, which has been reported to the House by the full Committee on Natural Resources.

I want to conclude my statement by noting that, earlier this morning, I sent a letter to Speaker Pelosi, asking that she use her leadership to bring H.R. 900 to a vote on the House floor. I would ask that this letter be made part of the record of today's proceedings. In the coming weeks I will deliver to Speaker Pelosi thousands of petitions from U.S. citizens in Puerto Rico seeking her help to ensure that Congress, after more than 100 years, finally afford the people of Puerto Rico the right to participate in a fully

informed self-determination process. I will tell you what I told Speaker Pelosi: if we can summon the will and the courage to see it through, passage of H.R. 900 will be remembered as one of the great historical accomplishments of the 110th Congress. It will end decades of institutionalized disenfranchisement of four million Americans, so many of whom have fought and bled and died for this great country. We must not leave the hard work for another day or to another Congress. The time to act is now.

Thank you very much.

Mr. CLAY. Thank you very much, Mr. Fortuño.

I would like to recognize my friend from American Samoa, Mr. Faleomavaega, and welcome him to the joint committee.

Mr. FALEOMAVAEGA. Mr. Chairman, I do deeply appreciate the initiative that you and our chairman of our Insular Affairs Subcommittee have taken this morning to conduct this oversight hearing, and I certainly want to thank also my good friend, Mr. Turner, whom I have had the privilege of meeting with our members of Parliament from Germany just last week and, in doing so, sharing some common issues with the European Union countries. I want to thank also our distinguished chairlady, Mrs. Christensen, and our ranking member, Mr. Fortuño, for bringing this to the forefront.

I want to associate myself with all the comments that have been made by Mr. Fortuño and our chairwoman, Mrs. Christensen, in bringing this concern to our colleagues and to the public. We have over 5 million fellow Americans who live out there in insular areas, and if you want to look at an equivalent, that is population of four to five States of our country, and I think we need to understand this.

I want to share with you, Mr. Chairman, the statement that always seems to ring in my mind every time we talk about the issues of the needs of our insular areas, and this was stated by a former Member of this institution and a retired brigadier general from the territory of Guam, my good friend former Congressman Ben Blaz. He said this: "We are equal in war, but not in peace."

So sons and daughters coming from these insular areas who bleed and die in the defense of our Nation, and somewhere along the line every time there are questions—and I realize that not all the provisions of the Constitution apply to fellow Americans living in these insular areas, kind of like a selective basis—sometimes Federal laws, when they come out, we are constantly trying to fill in the holes, the cracks, and saying that maybe insular areas ought to be considered on the same basis for the simple reason these are fellow Americans. We live and we bleed and we die just like our other fellow Americans living, just as my good friend Mr. Fortuño has stated in his eloquent statement.

So I cannot thank you enough. I think this hearing was long over due, and I look forward to hearing from our friends downtown concerning this issue and see what we need to do by way of legislation or changing policy so that Insular Affairs could be given better treatment by the Census Bureau and other agencies that deal with collecting data and information for the needs of these territories.

Thank you, Mr. Chairman.

[The prepared statement of Hon. Eni F.H. Faleomavaega follows:]

FOR THE RECORD ONLY

STATEMENT
OF
HONORABLE CONGRESSMAN FALEROMAVAEGA
SUBMITTED TO THE INFORMATION POLICY, CENSUS, AND NATIONAL ARCHIVES SUBCOMITTEE AND THE SUBCOMMITTEE ON INSUALR AFFAIRS JOINT OVERSIGHT HEARING ENTITLED "CENSUS DATA: SPECIAL ISSUES RELATED TO U.S. TERRITORIES"
May 21, 2008

Mr. Chairman Clay
Madam Chairwoman Christensen
Distinguished Members

In today's fast-paced and increasingly interdependent world, accessing accurate and reliable data is essential to research and assessment of important matters and critical issues. The importance of data validity and reliability is particularly pronounced when Congress deliberates and makes policies on issues that could have significant impact on society. Data and information is the lifeblood of decision-making. Providing policymakers with valid and reliable data warrants consideration and a matter of critical importance. I want to thank Chairman Clay and Chairwoman Christensen for this joint hearing on census data and special issues relating to U.S. territories. I am hopeful that the U.S. Census Bureau will take our concerns seriously and provide improved and meaningful data that will better serve the insular areas.

The political relationship between the United States and American Samoa is manifested in two separate Deeds of Cession—with Tutuila and Aunu'u in 1900, and with Manu'a in 1904. Congress ratified the two agreements in 1929 and subsequently

delegated administrative authority over the Islands to the President. In 1951, President Harry S. Truman, by executive order, placed administrative responsibility over the Islands under the authority of the Secretary of Interior. Primary responsibility for many federal programs came under the jurisdiction of the Secretary of Interior.

While the political relationship between the U.S. and American Samoa has existed for more than 100 years now, federal laws governing census data in the U.S. and other Insular areas have not been uniformly extended to American Samoa. Under Title 13, United States Code, Chapter 5, Section 191, the inclusion or exclusion of American Samoa in the Census Act is determined by the Secretary of Commerce. Despite rapidly changing economic and social situations in American Samoa, surveys, currently used in the fifty states and other U.S. insular areas to obtain time series data, are not extended to American Samoa.

The central issue for American Samoa is the lack of annually and monthly time series data to gauge economic and social trends in the local community. Specifically, American Samoa is not included in inter-census surveys of the federal system including Current Population Survey (CPS), the Survey of Income and Program Participation (SIPP), the American Community Survey (ACS), the mid-decade survey and other time-series surveys conducted by federal agencies.

Decennial census, currently in place, only establishes benchmarks that are far too apart for valid measurements and fail to accurately gauge economic and social trends and

provide viable statistics for reasonable decision-making. This has created uncertainty and delay in making effective decisions on important issues affecting society. For American Samoa, minimum wage is a case in point. The lack of accessible and reliable data has made it difficult for Congress to make informed decision about whether or not our economy could afford further increases in minimum wage.

To combat census data issues relating to U.S. insular areas requires Census Bureau commitment to existing mandate under Title 13. Based on past history, however, getting the Census Bureau to include American Samoa in all federal periodic surveys may require legislative action. I strongly urge the Secretary of Commerce and the Census Bureau to reconsider its existing protocol and extend all federal periodic surveys to include American Samoa and all insular areas. This is important for the sake of uniformity, streamlining, consistency and obtainment of critical data and information.

I conclude with a quote from Ben Blaz that provides perfect analogy to the status of census data in American Samoa and other U.S Insular areas: "We are equal in peace, but not in war" (Ben Blaz, Member of Congress, October 8, 1991). Sadly, but this old saying remains true on the disparate treatment of census data in the insular areas. For more than 100 years, residents from American Samoa and other insular areas have made great contributions to the United States. Many have lost their lives serving the United States. I remain hopeful that as a result of this joint hearing, American Samoa and all U.S. insular areas are accorded at least the same benefits and programs that are made available to the fifty states and other U.S. territories.

Mr. CLAY. Thank you so much for your opening statement.

Let me also ask the committee, without objection, to include our good friend, Mr. Serrano, from New York, who has a very keen interest in the territories, and I recognize Mr. Serrano for 5 minutes for an opening statement.

Mr. SERRANO. Thank you, Mr. Chairman. First of all, I want to thank the leadership of both committees for allowing me to sit with you today. This is an issue, as you and I have discussed on many occasions, of great importance to me.

Since becoming chairman of the Appropriations Financial Services Subcommittee, I have joined my colleagues in trying to bring fairness to the territories. It is for that reason that the territories were included in the tax rebate program, because we felt that all the territories should be treated equally.

I was also, as chairman, able to get legislation for something that I think is very important. Some may laugh at it when they find out, but it is including the territories in the quarters programs. The program was going to end this year, having a quarter issued for every State. It is expanded for another year so that the territories can get a quarter, which is being designed right now as we speak.

Last, Mr. Chairman, during my time as ranking member on the Commerce Justice State Committee, I worked with the Census Bureau to try to increase the involvement of the Census Bureau in the territories, and I am proud to say that work led to the fact that, in the case of Puerto Rico and other territories, the Census Bureau is doing more than it had been doing in the past.

But there is still something that is gravely missing, and that is the following. Many scholars, when I speak to them, bring up the fact that the Constitution speaks that the people of the States should be counted. Well, when the Constitution was written, it did not anticipate territories with citizens, and it certainly did not anticipate territories for 110 years with citizens. Territories, as Mr. Fortuño has stated, were set up in those days to transition folks into statehood, not to keep them for that long a time.

So as far as I am concerned, fairness dictates that the territories be treated equally. I leave you with this thought—and I want to preface my comments by saying that I am one of the leaders on the House floor on behalf of the rights of undocumented aliens. But just think of this. An undocumented alien who lives in New York gets counted as part of the 300 million folks who live in this country, but the 4 million citizens who live in Puerto Rico don't get counted as far as the national population. So when we say, for instance, that we have 35 million, for argument's sake, Hispanics in the Nation, not true; we have about 39 to 40 million, except that the territories are not counted. When we say we have roughly 300 million Americans, not true; we have 304.5 million.

So part of what I would like to see is not only the surveys that move to bring fairness to the territories in terms of the proper information, but also that everybody under the American flag gets counted as part of the American family. And I thank you, Mr. Chairman.

Mr. CLAY. Thank you so much for your statement.

Last but not least, I would like to recognize my friend from Guam, Ms. Bordallo, if you have an opening statement.

Ms. BORDALLO. First, I want to thank you very much, Mr. Chairman, and you, Chairwoman Christensen, for convening this joint oversight hearing today to examine the issues affecting the fulfillment of the mission of the Bureau of Census with regard to the territories. I certainly agree with much that has been said by my colleague, Mr. Serrano, this morning.

This is a very important subject because the work and the products of the Census Bureau are routinely relied upon by decisionmakers in both the public and the private sectors to make informed decisions about finances, organization of resources, and employment, among other matters.

The Census Bureau performs a critical role in the functioning of our society today, and its work in partnering with the territories to collect and disseminate data deserves to be strengthened. We know the Census Bureau has a long history and that, since its inception, it has adapted to meet the needs and the challenges of a growing country and responded to emerging demands for information about demographic and socioeconomic trends in population.

The territories must not—and I repeat that—must not be left behind as the Census Bureau prepares the decennial census required by our Constitution and its development of other special surveys. The territories present unique challenges, including multicultural and multilingual populations, as well as geographic disbursement of our populations, in some cases among several islands. Furthermore, there is a serious void in historical data for the territories, as we looked at it today.

So this makes sound public policy decisionmaking very difficult and sometimes results in disparities in treatment of Americans residing in the territories, as compared with Americans residing in the 50 States under certain Federal programs. So I look forward today to the testimony, and I am most interested in learning how the Census Bureau plans to address the important issues that the Governors and the committees have raised.

Further, I hope that Chairwoman Christensen will keep the record open for written responses to some concerns and other Members may wish to make regarding the work of the Office of Insular Affairs to conduct the enumeration of citizens of the freely associated States who reside in Guam, the Commonwealth of the Northern Marianas Islands, the State of Hawaii, and American Samoa. I know that this enumeration is not the main focus of today's hearing, but it is nonetheless a relevant and timely issue, and I would appreciate the opportunity to receive responses for the record.

So, again, I thank you, Chairman Clay and Chairwoman Christensen, for holding this hearing and for your work on this issue of great national significance.

[The prepared statement of Hon. Madeleine A. Bordallo follows:]

OPENING STATEMENT
OF
HON. MADELEINE Z. BORDALLO
OF GUAM
JOINT HEARING

Information Policy, Census, and National Archives Subcommittee
Oversight and Government Reform Committee

Insular Affairs Subcommittee
National Resources Committee

"CENSUS DATA: SPECIAL ISSUES RELATED TO U.S. TERRITORIES"

Wednesday, May 21, 2008
2154 Rayburn HOB
10:00 a.m.

Good morning. First, I thank you, Chairman Clay, and you, Chairwoman Christensen, for convening this joint oversight hearing today to examine the issues affecting the fulfillment of the mission of the Bureau of the Census with regard to the territories. This is an important subject, because the work and products of the Census Bureau are routinely relied upon by decision-makers in both the public and private sectors to make informed decisions about finances, organization of resources, and employment, among other matters. The Census Bureau performs a critical role in the functioning of our society, and its work in partnering with the territories to collect and disseminate data deserves to be strengthened.

We know the Census Bureau has a long history, and that since its inception it has adapted to meet the needs and challenges of a growing country, and responded to emerging demands for information about demographic and socio-economic trends in population. The territories must not be left behind as the Census Bureau prepares the Decennial Census required by our Constitution, and its development of other special surveys.

The territories present unique challenges including multicultural and multilingual populations, as well as geographic disbursement of our populations, in some cases among several islands. Furthermore, there is a void in historical data for the territories. This makes sound public policy decision-making very difficult and sometimes results in disparities in treatment of Americans residing in the territories as compared with Americans residing in the 50 States under certain federal programs.

I look forward to the testimony today, and I am most interested in learning how the Census Bureau plans to address the important issues that the Governors and the Committees have raised. Further, I hope that Chairwoman Christensen, will keep the record open for written responses to some concerns and other Members may wish to

make regarding the work of the Office of Insular Affairs to conduct the enumeration of citizens of the Freely Associated States residing in Guam, the Commonwealth of the Northern Mariana Islands, the State of Hawaii, and American Samoa. I know that this enumeration is not the main focus of today's hearing, but it is nonetheless a relevant and timely issue, and I would appreciate the opportunity to receive responses for the record. Again, thank you Chairman Clay and Chairwoman Christensen, for holding this hearing and for your work on this issue of great national significance.

Mr. CLAY. Thank you very much for the opening statement.

If there are no more opening statements, we will now proceed with testimony from the witnesses. I want to start by introducing our first panel.

We will hear first from Dr. Frank Mills, director of the Eastern Caribbean Center at the University of the Virgin Islands. Dr. Mills serves as the Virgin Islands contact for the Federal-State Cooperative Program for Population Estimates, an information cooperation between the Federal Government and the States in the area of local population estimates. Dr. Mills also serves as director of the Virgin Islands Census Data Center. As director of the Data Center, Dr. Mills works closely with the U.S. Census Bureau in preparation of the content of census questionnaires. Dr. Mills has also served as Operations Supervisor and Manager for Census. Thank you for appearing before the subcommittee today.

Our final witness on the first panel is Mr. Francisco Cimadevilla, vice president and editor in chief of Casiana Communications, Inc. Prior to becoming VP and editor in 2004, Mr. Cimadevilla served as editor of Caribbean Business, the leading business newspaper in Puerto Rico and the Caribbean, published by Casiana Communications, Inc. Mr. Cimadevilla has held several key roles that have given him insight on economics, including Assistant Secretary of State for Caribbean Basin Affairs at the Department of State in San Juan, Puerto Rico; as Chief Officer for Economic Development Policy at the Department of Economic Development and Commerce; and as Deputy Secretary of that Department.

It is the policy of the Oversight and Government Reform Committee to swear in all witnesses before they testify. I would like to ask all witnesses to please stand and raise your right hands.

[Witnesses sworn.]

Mr. CLAY. Thank you. You may be seated.

Let the record reflect that the witnesses answered in the affirmative.

I ask that each witness now give a brief summary of their testimony and to keep their summary under 5 minutes in duration. Your complete written statement will be included in the hearing record.

Dr. Frank Mills, we will begin with you. Welcome to the committee.

STATEMENTS OF FRANK L. MILLS, PH.D., DIRECTOR, EASTERN CARIBBEAN CENTER, UNIVERSITY OF THE VIRGIN ISLANDS; AND FRANCISCO CIMADEVILLA, VICE PRESIDENT AND EDITOR IN CHIEF, CASIANA COMMUNICATIONS, INC.

STATEMENT OF FRANK L. MILLS

Mr. MILLS. Good morning, Mr. Chairman and Madam Chairwoman and members of the subcommittees. My name is Frank Mills and I am professor of social sciences at the University of the Virgin Islands and director of the Eastern Caribbean Center, a social research unit of the University responsible for conducting the decennial census for the U.S. Virgin Islands. I appreciate the opportunity to appear before you today.

I have spent the last 29 years of my professional career working on census related activities. I therefore ask permission to include the full written statement into the hearing record.

The principal method the U.S. Government uses to distribute a wide variety of assistance to States and local governments depends in very large measure on data derived from the decennial census. This system makes sense for all of the obvious reasons. Doing it any other way would likely be disproportionate, unfair, and inadvertently discriminatory. This very workable reliance on accurately gathered data is applied to every one of the 50 States and to Puerto Rico. It is not applied to the island areas.

As a citizen, resident, and principal demographic researcher in the U.S. Virgin Islands, I can testify that, by applying a whole different approach to us alone, we are deprived access to all kinds of Federal assistance. This includes full use of Medicaid, programs to assist children and families such as child poverty, and support programs for the No Child Left Behind Act. With annual data, we would be able to assess local needs such as where new roads, schools, and senior citizen centers should be located.

National organizations and foundations also use the ACS to determine funding. For example, a recent health initiative by a major national foundation overlooked the USVI because our numbers were not in the American community survey on which they based their grant decisions. We are not only among the poorest communities in the Nation, with approximately 30 percent of the population living below the poverty level, but are also denied the tools on which to accurately assess our need and justify the assistance our people greatly need. Many of these issues could be resolved if the Virgin Islands were included in the American community survey.

I was delighted to note, when reading the Acting Deputy Director Mesenbourg's prepared statement, that he agrees these problems could be largely resolved by including the Virgin Islands in the ACS. He does note, however, that the Census Bureau appears to lack the funds to implement the extension of the ACS to the Virgin Islands. But we would have heard this many times before. It is difficult to know for certain how to break this barrier, but agencies are well known for finding the money for projects they want to accomplish and having a difficult time finding the money for projects to which they give a low priority.

Or is the way to deal with this for Congress to direct the agency to do what Mr. Mesenbourg says would be good policy? If necessary, perhaps Congress should undertake to determine whether the Census Bureau needs additional funding to do this. Out of simple fairness to the people of the Virgin Islands, enabling them to access funding that all other Americans can access would seem to be the only honest and fair thing to do.

I also note that the Acting Deputy Director has outlined in his written testimony the general procedure for the conduct of the decennial census in the Virgin Islands. However, there are some specific suggestions that I wish to submit that I strongly believe can improve or minimize the disparities in the 2010 census process between the States and the USVI. We suggest that: one, advertising plans allow more local input to maximize our knowledge of the ter-

ritory; two, that the current technology combined with recent digital aerial photography be utilized to remedy the difficulties associated with map-spotting households; three, that data coding be carried out by locals; and, four, that 2010 census products include a publication of cross-tabulation of the more relevant demographics, social, and economic housing data.

Finally, I want to address a common misconception. Contrary to the perception that a mass address list does not exist for the Virgin Islands, we would point to the fact that during the decennial census an a 100 percent address list developed. Simply put, the Virgin Islands will compile an address list.

In summary, the USVI seeks statutory language requiring the Census Bureau to include the USVI in the American community survey in 2011.

Mr. Chairman, Madam Chairman, thank you for conducting this important hearing. We are encouraged, indeed, by this initiative. I am prepared to answer any questions that you may have.

[The prepared statement of Mr. Mills follows:]

Joint Hearing
Information Policy, Census and National Archives Subcommittee
Oversight and Government Reform Committee
Committee on Natural Resources Subcommittee on Insular Affairs
Written Testimony
Frank L. Mills, PhD
Professor of Social Sciences
University of the Virgin Islands

Wednesday, May 21, 2008

2154 Rayburn HOB

10:00 a.m.

This written testimony is prepared by Frank L. Mills on behalf of the University of the Virgin Islands. Dr. Mills is also the Director of the Eastern Caribbean Center (ECC), the social research unit of the University responsible for conducting the decennial census for the United States Virgin Islands. The ECC also conducts the Virgin Islands Community Survey (VICS).

Summary

For over 25 years, the USVI has worked to develop much needed statistical data on its population. The U.S. utilizes one approach to collecting data from the 50 states and Puerto Rico and another approach for the Insular Areas, creating significant disparities in the data. USVI has been alternately encouraged and discouraged by the interest of the Census Bureau in providing this data. The USVI has been disadvantaged by the lack of federally sanctioned, reliable, uniform, current statistical data on its population. The USVI seeks statutory language requiring the Census Bureau to include the USVI in the American Community Survey.

Background: The Virgin Islands and the Decennial Census

The federal decennial census of population and housing in the United States Virgin Islands (USVI) is managed through a partnership between the Bureau of the Census and the government of the USVI. This partnership is formalized by a mutually signed agreement between the Director of the Census Bureau and the Governor of the USVI. In 1979, the Governor designated the University of the Virgin Islands (UVI) as the local agency responsible for the management of the Population and Housing Census in 1980, and this responsibility has been reaffirmed in succeeding decennial censuses by USVI governors. In February, 1978 UVI was also commissioned to serve as the "Census State Data Center".

In the 50 states and Puerto Rico, the decennial census is managed by the Field Division of the Bureau of the Census. The fact that there are two different approaches to conducting the Census, one type for the 50 states and Puerto Rico and another for the USVI and Island Areas is a dichotomy that results in significant disparities in methods, processing of the data and in census data products.

In the 1980 and subsequent decennial censuses, the list-enumerate method was used in the USVI and 100 percent of all households and group quarters were included in the population count. In this method, the location of every housing unit was map-spotted by an enumerator, the address of the household was listed, and the enumerator recorded the information for all persons living in the household who met enumeration requirements. In the states, however, only a one-in-six sample of households was required to complete what was known as "the long form". The USVI has been informed by the Bureau of the Census that the relatively small size of the population compared to that of the 50 states makes it statistically necessary to enumerate the entire population. Requiring 100% participation is burdensome to the USVI just as it would be if full participation was required in all 50 states.

Despite several non-applicable questions, such as questions concerning heating, the Virgin Islands was persuaded to use the same questionnaire that was used stateside on the grounds that this obviates the need for a separate processing system, and that this would ensure a more speedy release of census data. Unfortunately, Title XIII, United States Code mandates a tabulation of the total population by states for the apportionment of Representatives in Congress within nine months after the census date of April 1, and since the tabulation of USVI census data did not fall under this decree, census data products were not returned within five years.

In the 1990 Census the non-applicable questions were removed and a question on marital status was added. This caused the USVI to be informed that because its questionnaire was not identical to that of the states, its processing would take longer. And longer it did. A *Detailed Cross-tabulations for the U.S. Virgin Islands* was added to the census products list, but even though it was an enormously useful publication, its five-year untimely arrival reduced its value to our census data users. However, the introduction of block numbering areas in census publication geography and the cessation of the enumeration district geography have removed comparability of the data with previous censuses, for example we cannot compare growth or changes in a given area from one time period to the next.

Positive Changes in the 2000 Census

The Census Bureau introduced seven positive changes in the 2000 Census of Population and Housing. The changes are as follows:

1. Advertising the census appeared to be more effective as there was a higher level of local input than in previous censuses.

2. Census questionnaires were distributed to all mail boxes throughout the Territory, but unlike the mail out/mail back practice in the states, households were instructed to retain the questionnaires until an enumerator came to collect them.

3. Current technology was utilized for many activities in the local Census Office.

4. The questionnaires were coded in the Territory, thus ensuring a higher rate of accuracy as local employees were more familiar with the use of non-standard terms.

5. Census data were published by tracts and block groups for each island.

6. The data were processed in a more timely manner than in previous censuses, despite the fact that it was not identical to the U.S long-form questionnaire.

7. Most of the data were in electronic format and therefore more easily manipulated. (However, a severe shortcoming was the absence of a Census publication of cross-tabulated data similar to the one produced in 1990. Despite a strong plea for this product, the USVI was denied it.)

Lingering Challenge

A persistently challenging area that the Census Bureau has not yet mastered is that of the geography of census data collection. In previous censuses, each enumerator was supplied with a map on which to map-spot households. But the maps that have been supplied have been notoriously inadequate due in many instances to the paucity of any recognizable physical feature on the map. The result is that coverage is not as certain as it could be, and this always carries with it the potential to undermine the thoroughness of the census count. The situation is exacerbated primarily by the lack of street names and visibly posted house addresses and numbers. Enumerators tend to find most of the maps in non-urban areas to be difficult for map-spotting, but there does not appear to have been any efforts made to resolve this challenge in the field. The University has conducted a number of local scientific surveys in which GIS—Geographic Information System—and GPS—Global Positioning System—technology has been applied in

the production of maps and the use of hand-held units to precisely locate housing units.

The 2010 Census

Planning for the 2010 Census of Population and Housing is already well under way and the start-up process is likely to begin in a timely manner. There is no indication at this point in time of the way in which the processing of the 2010 data is going to take place. However, through a series of meetings in the USVI between Census Bureau staff and the local Census Interagency Committee within the past two years, a number of small but useful enhancements are expected to be made.

In light of the information presented above, the following four recommendations are offered to reduce the disparities in the census process between the states and the USVI for the 2010 decennial:

1. Advertising should be crafted in such a way that they allow more local input to maximize the USVI knowledge of the Territory;
2. An enlightened approach should be made to resolve the inefficiency of the map-spotting procedure in census geography data collection. We strongly suggest the use of current technology, combined with recent digital aerial photography of the islands;
3. Local residents should be utilized for more effective, efficient and reliable data entry. In 2000 data coding was found to be more effectively carried out in the Territory by local residents.
4. Census products should include a publication of cross-tabulation of the more relevant demographic, social and economic and housing data.

History of Unavailability of Current Reliable Data

Up until the 1990 Census of Population and Housing, there was very little demographic data in the USVI besides the decennial census. The Office of Insular Affairs (OIA) in the Department of the Interior began a series of training workshops for the Island Areas under the Statistical Enhancement Program, and it soon became apparent that data needs were at a critical stage. The data that were needed to inform decisions on policies, programs, services simply were not readily available, and there was no established mechanism to generate them regularly.

The realization of the dire need for intercensal data followed the 1980 census after the Territory had passed through its greatest population explosion of the 1960s and 1970s due largely to undocumented immigration. Thus began a 15-year effort that targeted the Current Population Survey (CPS) of the states as the vehicle that

could fill the dearth of demographic data on age, sex, race, marital status and educational attainment; educational data on employment, unemployment, disabilities, earnings, hours of work, school enrollment, occupation, industry, class of worker and income; and housing data on occupancy, home values, tenure, water supply and utilities.

For the USVI, the Bureau of the Census became the obvious point of interest for data from the CPS since this is the federal agency that collected the field data. The simple response to our request was that the survey was sponsored by the Bureau of Labor Statistics (BLS) and that this is where the request should be lodged. After three attempts over the years to seek the patronage of BLS to be included in this survey, BLS politely indicated that it had no mandate to include the USVI in the survey, and that funding was the primary deterrent.

The Advent of the Virgin Islands Community Survey (VICS)

The first intercensal population and housing survey was conducted in 1995 by the University of the Virgin Islands with partial funding from Office of Insular Affairs (OIA). The continual requests for "the latest" demographic and housing data—instead of the dated 1990 census data—by local government agencies, academics, students and non-government offices made it obvious that a genuine need existed for current meaningful and reliable data. The Census Bureau continued to publish annual population estimates for each of the three islands, totally bereft of any detailed data. The estimates literally only included one estimated population number for St. Croix, one for St. John and one for St. Thomas. The Estimates Branch of the Bureau of the Census that previously published these annual estimates simply ceased doing so in 1998 and literally declared that the USVI was on its own as far as intercensal data were concerned.

In 1997 OIA provided partial assistance to conduct the first local Household Income and Expenditure Survey in the Territory. The data from this survey formed the basis for the establishment of a basket of goods and services upon which a set of items was selected to determine a consumer price index. It is this kind of data collection experience that led the University, with the Office of the Governor, in 2001 to take the initiative to conduct the first Virgin Islands Community Survey (VICS). This survey is not in any way related to the American Community Survey. A local Advisory Committee on Surveys was constituted primarily with members of the Census Interagency Committee representatives, who were largely middle management government supervisors who would be more directly knowledgeable about the details of data that their offices need for their regular work. The driving purpose behind the introduction of this survey was to provide the USVI with annual population and housing estimates, as well as to

measure the demographic, housing, social and economic characteristics of the Territory.

The Office of Insular Affairs in the Department of the Interior partially supported the Virgin Islands Community Survey by funding through the International Programs Center of the Bureau of the Census for the electronic processing and tabulation of the VICS data. OIA determined that its focus in the Statistical Enhancement Program was no longer in demographic data collection, but rather in economic data for economic performance indicators. To this end, OIA signed an agreement with the University to conduct the 2005 Household Income and Expenditure Survey so that the data could be used to update the basket of goods and services for the local consumer price index. However, in the middle of the field work, OIA, without warning or explanation, insisted on a cessation of data collection. This is a survey statistician's worst nightmare. Added to this withdrawal of support for the field work, OIA seems to have terminated its reimbursable agreement with the IPC in the Census Bureau under which VICS data were electronically edited and tabulated for the USVI.

The VICS program has reached a crossroads. There seem to be few options available. The abandonment of annual data collection is not an option. The reasons below are considered compelling in order to maintain the survivability of the VICS program, at least until the USVI can be assured it will be included in the American Community Survey.

- VICS is the only local source for annual demographic, social, economic and housing information for the USVI.
- For each successive year after the 2000 decennial census, the data become more dated and of less value for planning, decision making and policy development.
- VICS data provide invaluable information on income and poverty levels at the insular level, as well as housing rental costs and homeownership rates; it is also the only source of (non-administrative) levels of unemployment and the ethnic mix of the population that is largely influenced by immigration.
- Every local government agency has at one time or other since the 2000 census turned to VICS data for required programmatic reporting to the federal government.
- Government agencies regularly request VICS data for supporting information in their application for federal grants.
- The Bureau of Economic Research in the Office of the Governor needs annual population estimates for several of reporting statistics.

- Many non-government agencies, including off-island businesses, turn to VICS data for regular decision making.
- VICS is the primary source of information for tracking the well-being of families and the elderly.
- The local *Kids Count Data Book* depends considerably on VICS data to enable it to produce indices of well-being of Virgin Islands children.
- VICS data are requested regularly by the general public and by academics and university students for class assignments and for research papers.

The Office of the Governor has funded VICS from 2001-2008. Unfortunately, VICS data, due to a lack of full funding, is not available electronically, and is not part of the federal data base. Most significantly, VICS is not approved by the Census Bureau. It does not have the imprimatur of the federal government so it cannot accurately be used in determining federal support.

While there may continue to be a need for VICS data for local needs, clearly the use of the American Community Survey for the USVI is long overdue.

American Community Survey

The USVI is very much aware of the progression of the American Community Survey (ACS) from its inception demonstration program in 1996, through full implementation in January 2005, to its current plan to begin publishing three-year estimates on an annual basis for areas in the states with a population over 20,000. Statistical representatives of the Island Areas were very much encouraged when Puerto Rico was also included under the ACS program.

Current Census Bureau literature describes the ACS as a "survey designed to provide communities a fresh look at how they are changing" for "it will replace the decennial long form in future censuses and is a critical element in the Census Bureau's reengineered 2010 census". The following statements are even more poignant in the case for the USVI that is made below, for what holds true for the states holds even more so given that the USVI has no fully supported surveys:

> **"Since [the census] is done only once every 10 years, long-form information becomes out of date. Planners and other data users are reluctant to rely on it for decisions that are expensive and affect the quality of life of thousands of people. The American Community Survey is a way to provide the data communities need every year instead of once in ten years."**

The rest of the information goes on to say the ACS "will provide estimates of demographic, housing, social, and economic characteristics every year for all states, as well as for all cities, counties, metropolitan areas, and population groups of 65,000 people or more."

The same Title XIII United States Code that authorizes the Census Bureau to conduct the decennial censuses in the states also enjoins it to conduct the census in the USVI. What is more directly relevant to the USVI in its quest for current and reliable data is the following language in Title XIII U.S.C. Section 181. In speaking to "intervals between each census", the Code specifies that the Census Bureau "shall annually produce and publish for each state, country, and local unit of general purpose government which has a population of fifty thousand or more, current data on total population and population characteristics..." At least both Guam and the USVI had reached this 50,000 population threshold several decades earlier.

Armed with this compelling legal federal requirement, it was with great hope that the Census Data Center directors of the Island Areas met in January 2004 with the former director of the Census Bureau, and made an impassioned plea to have the Island Areas included as part of the ACS as specified by Title XIII U.S.C. Previously the Island Areas had always been told that a lack of funding precluded intercensal surveys in the IA. Almost a year later, the response from the Census Bureau to the USVI was that the Territory did not have an address system, and that a comprehensive address list is the basis on which household selection is to be made.

Such a claim by the Census Bureau appears to be a perpetuation of the idea that these comparatively small jurisdictions of the United States are relatively irrelevant. The assertion appears even more perplexing given that the Census Bureau utilized the list-enumerate procedure during the 2000 Census in the USVI, and therefore has in its possession a comprehensive address list of every dwelling unit in the USVI in that year. Remotely rural areas of Alaska are sampled in the ACS, and in Puerto Rico as well. We believe that the Census Bureau, with some of the most renowned sampling statisticians in the world, can develop a methodology that can overcome the limitation of an incomplete address system that would allow the collection of reliable sample data. Sample data collection technology has developed to the point where the traditional method need not be a limiting condition.

Negative Impacts on our Communities

Had we been included in the Current Population Survey (CPS) or in the more recent American Community Survey (ACS) our communities would have been

more appropriately recognized and served. Every year more than $300 billion in federal funds are allocated to localities based on census numbers. An annual, uniform, verifiable survey would ensure that our communities get their fair share of government and business funding.

For example, Medicaid is the largest formula grant program. We can only imagine how many of our residents are in fact eligible for these services, yet can't receive them because the federal government has placed little importance on serving the needs of our comparatively small jurisdictions. Further, with annual data we would be able to assess local needs, such as where to build new roads, schools or senior centers.

In addition, the exclusion of the U. S. Virgin Islands from the American Community Survey has resulted in the USVI's exclusion from the National Kids Count book produced by the Annie E. Casey Foundation. While the Community Foundation of the Virgin Islands has published a USVI Kids Count book locally since 2000, this local publication does not get comparable distribution, visibility, recognition and use by national policy makers committed to enhancing outcomes for children and families. By being left out of the ACS, the Virgin Islands cannot be compared to other states, comparisons which are critical to understanding the extent of child poverty in the Virgin Islands, and the challenges facing our communities.

The exclusion of the Virgin Islands from national data sources also leads to the disparate consideration of the USVI from legislation critical to the well-being of our children and families, such as the "No Child Left Behind" Act. National organizations and foundations also use the ACS to determine need for funding. A health initiative by major national foundation overlooked the inclusion of the USVI because our numbers were not in the ACS which was their basis for grant-making consideration. Finally, because there is no public access to the Virgin Islands Community Survey, national policy makers and grant-makers cannot easily obtain information about the Virgin Islands on any number of indicators.

Conclusion and Recommendations

The residents of the USVI are disadvantaged in a myriad of ways by not being in the American Community Survey. Federal funds are allocated based on Census data; foundations use the ACS in making their grants; and policy discussions are based on ACS data.

There is every statistical reason to believe that the Census Bureau could utilize the list-enumerate procedure in the field to capture the address of every housing unit in the USVI as the basis for the USVI's inclusion in the ACS. Therefore, the

argument that the USVI does not have an address list is no longer valid. Title XIII negates the Census Bureau argument that it does not have the mandate to conduct the ACS in the USVI. Finally, the argument that there is a lack of funding can be overcome through congressional directive.

The USVI wishes to submit the following recommendations:

- Congress should adopt legislation that would direct the Census Bureau to include the USVI in the American Community Survey.
- USVI inclusion in the American Community Survey should begin in the year immediately following the 2010 Census.
- The legislation should specifically identify the necessary assistance and support to enable such inclusion in the American Community Survey.

The demographics of our population are changing dramatically year to year. In order to maximize our resources, ensure our economic growth, and the overall health of our communities, the USVI must be in a position where it can access current and reliable data for its development, just as any other local government area in the states.

Mr. CLAY. Thank you so much, Dr. Mills.

Mr. Cimadevilla, you have 5 minutes.

STATEMENT OF FRANCISCO CIMADEVILLA

Mr. CIMADEVILLA. Good morning, Mr. Chairman Clay, Madam Chairwoman Christensen, distinguished members of both subcommittees. Thank you very much for the opportunity to appear before you during this joint hearing to examine the disparate treatment of the U.S. territories by the Census Bureau and the unavailability of current or reliable data of these areas.

My name is Francisco Cimadevilla. I am vice president and editor-in-chief of Casiana Communications, the largest Hispanic owned publisher of magazines and periodicals in the United States, headquartered in San Juan, Puerto Rico, and editor-in-chief of its flagship weekly newspaper, Caribbean Business, the largest circulation business publication in Puerto Rico and the Caribbean.

My comments this morning will focus on the subject matter as it pertains to Puerto Rico only, and will not address or refer to other U.S. territories or outlying areas.

The first census conducted in the United States in 1790, just a year after the inauguration of our first president and shortly before the end of the second session of the 1st Congress convened of the republic. Those historical facts evidence the importance our founding fathers attributed to the census process as an indispensable tool to make sound decisions regarding the future of the Nation.

Under the general direction of Thomas Jefferson, then Secretary of State, marshals the census not only in the original 13 States, but also in the districts of Kentucky, Maine, and Vermont, and the southwest territory of today's Tennessee.

When results came in, both Washington and Jefferson expressed skepticism over the final count, expecting a number that far exceeded the 3.9 million inhabitants returned by the census.

Curiously, 210 years later, the most recent census conducted in the land counted 3.9 million inhabitants in the territory of Puerto Rico alone, the same number reported by the first census for the entire U.S. population.

The concerns that probably motivated Washington and Jefferson's skepticism—that is, quality, reliability, and, most importantly, completeness of the data collected by the census in order to make decisions about the future of the Nation—are the same concerns that I respectfully bring to your attention today in relation to the specific case of Puerto Rico.

So I thank you, Mr. Chairman and Madam Chairwoman for your leadership in addressing this important issue in this hearing.

Collection of reliable data, its thorough analysis, and the appropriate and timely dissemination of accurate reports based on those data are essential to responsible decisionmaking not only by elected and appointed government officials, but by the private sector as well.

As you well know, census data are critical to fair representation of the population in this House of Representatives, but it is also important for the fair distribution of Federal funds among all entitled U.S. citizens, the adequate planning of capital improvement projects, and many other Federal Governmental functions. But, fur-

ther, accurate census data are equally essential to economic development efforts of State governments, including those of the territories, as well as sound business decisions by the private sector throughout the country, including Puerto Rico.

Puerto Rico is not new to the census. The U.S. War Department conducted a census in the territory in 1899, just a few months after Spain ceded the island to the United States as a result of the Spanish-American War.

Starting in 1910, the U.S. Census Bureau has been conducting decennial census of population and housing in Puerto Rico. From 1960 to 1990, Puerto Rico used the decennial census questionnaire that was different from the one used in the States, presumably to address Puerto Rico's unique needs.

But as Puerto Rico became more integrated to the national economy over time, the local government realized that equality, standardization, and integration with national census data were more important for all the U.S. citizens residing in Puerto Rico than unique needs.

In 1997, thus, the government of Puerto Rico requested the Census Bureau that the same decennial questionnaire content used stateside be used in Puerto Rico.

Thus, census 2000 was the first time the Census Bureau and Puerto Rico really experienced the benefits of standardization.

There is no question that standardization has been beneficial to both the U.S. census and Puerto Rico. For the 2000 decennial census, for example, the Census Bureau released the census data products of Puerto Rico at the same time as in the States, avoiding lateness by making the census statistics available at an early stage for the community of data users when comparable with previous decennial censuses where the census standard products of Puerto Rico were released much later than in the 50 States.

Still, there are areas with respect to the decennial census in which Puerto Rico is at a disadvantage compared with the 50 States in relation to demographic, social, and economic data.

Perhaps the most vexing problem regarding the accurate reporting of census data pertaining to Puerto Rico is the utter lack of consistency in their inclusion in national totals.

In its Decision Memorandum No. 64 of 1999, the Census Bureau stated that Puerto Rico would be shown in all census 2000 national summary tables of population and housing characteristics, but not included in the national totals "for reasons of statistical consistency with other government agencies such as the Bureau of Labor Statistics." Frankly, that rationalization sort of begs the question before this committee.

Furthermore, with the data collected through the decennial census and other surveys, the Bureau prepares multiple reports through the Special Tabulation Program. Many times these reports are financed by other Federal agencies and many times they just decide not to include Puerto Rico.

As we understand it, the format and whether or not data totals include the territories or not seems to depend on the whim of the question sponsor or data requester.

One of Puerto Rico's big frustrations is that many end products do not include the island with the States, even when the data have

been collected and there appears to be no rational analytical basis for the discrepancy. Excluding Puerto Rico, or any jurisdiction for that matter, makes for both bad policy and bad business decisions, since such exclusion undermines the ability to ascertain risks and benefits, and thus make rational judgments.

At a minimum, it would be desirable if, for every Census Bureau table covering the States, Congress required that the end product included a grand total for all States, the District of Columbia, and the insular areas, and perhaps also subtotals for, one, all the States; two, the District of Columbia; and, three, all insular or outlying areas, with a breakdown by area. This would allow both Congress and the Executive to enact policy on the basis of the grand total, while keeping a tally of the numbers for the States alone for any legitimate reason for which such subtotals should be used.

Mr. Chairman, Madam Chairwoman, in the interest of time, I will bring my testimony this morning to a quick conclusion and call your attention to the full length written testimony I have submitted to the committee staff, which I ask respectfully be made part of the record of this hearing. In it, I address issues and concerns regarding the disparate treatment of Puerto Rico by the Census Bureau in its other data collection and reporting activities beyond the decennial census, such as the current population survey, from which Puerto Rico is excluded, the American community survey, Current Employment Statistics, and the all-important economic census.

Finally, let me just say that our concerns are not limited to the Census Bureau data collection and reporting only, but extend to other areas of Federal data collection and reporting. For example, reports published by the Centers for Medicare and Medicaid routinely exclude Puerto Rico. Excluding Puerto Rico from these reports is like excluding Maine, New Hampshire, and Vermont, since Puerto Rico has more Medicare recipients than those three States combined.

Being excluded from the U.S. census reports and any other disparate treatment of Puerto Rico as compared with the States means that the U.S. citizens of Puerto Rico are often not considered when proposals are presented, policies analyzed, and legislation approved. Therefore, I respectfully urge you to take appropriate legislative action so that the Census Bureau and other Federal agencies take the appropriate measures to include the same data and analysis for Puerto Rico as they do for the 50 States so that when Congress makes a decision regarding the future of the Nation, Puerto Rico is taken into consideration on an equal basis.

U.S. citizens living in the U.S. territory of Puerto Rico, whether island-born or born stateside, deserve nothing less than equal treatment. Washington and Jefferson, Mr. Chairman, would have expected nothing less from any of us. Thank you very much.

[The prepared statement of Mr. Cimadevilla follows:]

Testimony of

FRANCISCO JAVIER CIMADEVILLA
Vice President and Editor in Chief
Casiano Communications Inc.

before the Joint Hearing of the

Information Policy, Census and National Archives Subcommittee,
Oversight and Government Reform Committee, and the
Insular Affairs Subcommittee,
Natural Resources Committee

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2154 Rayburn House Office Building
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Good morning. Mr. Chairman Clay, Mme. Chairwoman Christensen, distinguished Members of the Information Policy, Census, and National Archives Subcommittee, Oversight and Government Reform Committee and the Insular Affairs Subcommittee, Committee on Natural Resources, thank you very much for the opportunity to appear before you during this Joint Hearing of your respective subcommittees to examine the disparate treatment of the U.S. territories by the Census Bureau and the unavailability of current and reliable data of these areas.

My name is Francisco Javier Cimadevilla. I'm Vice President and Editor in Chief of Casiano Communications—the largest Hispanic-owned publisher of magazines and periodicals in the United States, headquartered in San Juan, Puerto Rico—and Editor in Chief of its flagship weekly newspaper CARIBBEAN BUSINESS, the largest circulation business publication in Puerto Rico and the Caribbean.

My comments this morning will focus on the subject matter of this hearing as it pertains to Puerto Rico only and do not pretend to address or refer to other U.S. territories or outlying areas.

Importance of the Census

The first census conducted in the United States began in 1790 just a year after the inauguration of our first President, George Washington, and shortly before the end of second session of the first Congress convened in the Republic. Those historical facts evidence the importance our Founding Fathers attributed to the census process as an indispensable tool to make sound decisions regarding the future of the Nation.

Under the general direction of Thomas Jefferson, then Secretary of State, marshals took the census not only in the original 13 states, but also in the districts of Kentucky, Maine, and Vermont, and the Southwest Territory, today Tennessee.

When results came in, both Washington and Jefferson expressed skepticism over the final count,

expecting a number that far exceeded the 3.9 million inhabitants returned by the census.

Curiously, two hundred and ten years later, the most recent census conducted in the land, the 2000 Population and Housing Decennial Census, counted 3.9 million inhabitants in the territory of Puerto Rico alone, the same number reported by the first census for the entire U.S. population.

The concerns that probably motivated Washington and Jefferson's skepticism—i.e., concerns about the quality, reliability and, most importantly, completeness of the data collected by the census in order to make decisions about the future of the Nation—are the same concerns that I respectfully bring to your attention today in relation to the specific case of Puerto Rico.

So, I thank you Mr. Chairman and Mme. Chairwoman, for your leadership in addressing this important issue in this hearing.

Collection of reliable data, its thorough analysis and the appropriate and timely dissemination of accurate reports based on those data are essential to responsible decision making by both elected and appointed officials.

As you all well know, census data are critical to fair representation of the population in this House of Representatives, but also for the fair distribution of federal funds among all entitled U.S. citizens, the adequate planning of capital improvement projects, and many other federal governmental functions. But accurate census data are equally essential to economic development efforts of state governments—including those of the territories—as well as sound business decisions making by the private sector throughout the country, including Puerto Rico.

Decennial Census

Puerto Rico is not new to the census process. Even before the Census Office moved from the Department of the Interior to the new Department of Commerce and Labor in 1903 and became the Census Bureau, the U.S. War Department conducted a census in the territory of Puerto Rico in 1899 just a few months after Spain ceded Puerto Rico to the U.S. in 1898, following the Spanish American War.

Starting in 1910, the U.S. Census Bureau has been conducting Decennial Census of Population and Housing in Puerto Rico.

By agreement between the Census Bureau and the Commonwealth of Puerto Rico, beginning in 1960 the Census of Population and Housing was conducted as a joint project of the U.S. Census Bureau and the Puerto Rico Planning Board, with the latter becoming the local liaison agency for census activities on the island. The Census Bureau was responsible for the data collection and the Planning Board provided input on content and data needs.

"The basic purposes of the agreement (1958) were to assure the efficient operation of the census program, to provide Puerto Rico with a large share of the responsibility for planning the census, and to assure full consideration of its unique statistical needs." Census 2000 Topic Report No.14, issued on February 2004.

Thus, from 1960 to 1990 Puerto Rico used a census questionnaire that was different from the one used in the states for the Decennial Census of Population and Housing, presumably to address

"Puerto Rico's unique needs." For example, in 1990 the Puerto Rico questionnaire had unique topics such as parents' place of birth, vocational training, and condition of housing unit; but did not include stateside topics such as race, Hispanic origin, and home heating fuel.

But as Puerto Rico became more integrated to the national economy over time, the local government realized that equality, standardization and integration with national census data were more important for all the U.S. citizens residing in Puerto Rico than "unique needs."

In 1997, during the questionnaire content development phase of Census 2000, the Government of Puerto Rico, through the Puerto Rico Planning Board, requested then Census Bureau Director Dr. Martha Farnsworth Riche that the same decennial questionnaire content used stateside be used in Puerto Rico. The reasons given for the same content request included quicker processing and release of Puerto Rico census data and the inclusion of Puerto Rico in stateside summary statistics as well as comparability with stateside data.

The Government Puerto Rico also requested quicker processing and release of the census data, and that Puerto Rico be provided with the same Census Standard Products available for the states.

According to the Census Bureau, the standardization vs. customization conflict had affected decennial census operations for decades in Puerto Rico. Standardization offered cost savings, ease of processing, quicker release of data products, and comparability with stateside data, whereas customization requirements competed for limited decennial resources, including staff, time and money.

"Census 2000 was the first time that the Census Bureau and Puerto Rico really experienced the benefits of standardization. Benefits included timely release of data products within the existing stateside schedule, the inclusion of Puerto Rico in U.S. summary statistics, and American Fact Finder availability. While some evaluations suggest the use of the stateside questionnaire in Puerto Rico had its drawbacks, the use of the same questionnaire content simplified the processing and tabulation of data.
These benefits were available to the Census Bureau and Puerto Rico because the Government of Puerto Rico requested the same questionnaire content." Census 2000 Topic Report No.14

Still, to retain the possibility of collecting Puerto Rico-specific data, a Memorandum of Agreement between the Census Bureau and the Planning Board for Census 2000 established that any expansion program such as Supplementary Questionnaire(s) and/or Special Tabulation(s) requested by the government of Puerto Rico should be evaluated by the U.S. Census Bureau and its cost should be borne by the Commonwealth of Puerto Rico.

There is no question that standardization has been beneficial to both the U.S. Census and Puerto Rico. For the 2000 Decennial Census, for example, the Census Bureau released the census data products of Puerto Rico at the same time as in the states, avoiding lateness and the availability of the census statistics at an early stage for the community of data users, when comparable with previous decennial censuses where the census standard products of Puerto Rico were released much later than for the 50 states.

Still, there are areas with respect to the Decennial Census in which Puerto Rico is at a disadvantage compared with the 50 states in relation to demographic, social and economic data.

Inclusion of Puerto Rico in National Totals and Special Tabulations
Perhaps the most vexing problem regarding the accurate reporting of census data pertaining Puerto Rico is the utter lack of consistency in their inclusion in national totals.

In its Decision Memorandum No. 64 of 1999, the Census Bureau stated that Puerto Rico would be shown in all Census 2000 national summary tables of population and housing characteristics but not be included in the national totals "for reasons of statistical consistency with other government agencies such as the Bureau of Labor Statistics." Frankly, that rationalization sort of begs the question. Accordingly, a congressionally legislated solution ought to look at making changes to the Census's definitions consistent with other agencies to ensure comparability of statistical samples.

Furthermore, with the data collected through the Decennial Census and other surveys the Bureau prepares multiple reports through the Special Tabulation Program. Many times these reports are financed by other federal agencies and many times they just decide not to include Puerto Rico.

One example regarding Special Tabulations is the Equal Employment Opportunity File (EEOF) which addresses gender inequality in 250 occupational categories. In the 2000 Decennial Census, Puerto Rico was not included. Therefore while in the 50 states there is data available for 250 occupational categories Puerto Rico has just up to 125. The Special Tabulation of the EEOF for Census 2000 was requested by a consortium of four federal agencies and excluded the geographic area of Puerto Rico. According to the Puerto Rico Planning Board, Puerto Rico was included in only one of over a dozen 2000 Census Special Tabulations, the 2003 Special Rent Tabulation.

As we understand it from government of Puerto Rico officials, the format and whether or not data total include the territories or not seems to depend on the whim of the question sponsor and/or data requestor, being the case that each question in any Census Bureau product either has a basis in a data request by another federal agency or is specified by law by Congress.

One of Puerto Rico's big frustrations is that many end products do not include the island with the states even when the data have been collected and there appears to be no rational analytical basis to the discrepancy. Excluding Puerto Rico or any jurisdiction for that matter makes for both bad policy and bad business decisions since such exclusion undermines the ability to ascertain risks and benefits and thus make rational judgments. In policy terms this forces reliance upon set-asides which are not based on economic or demographic data. In business, it would likely represent hidden bias in your cost benefit analysis and/or market analysis.

At a minimum, it would be desirable if for every Census Bureau table covering the states Congress required that the end product included a Grand Total for all states, the District of Columbia <u>and</u> the insular areas and perhaps also sub totals for 1) all states, 2) D.C. and 3) all insular or outlying areas, with the breakdown by area. This would allow both Congress and the

Executive to enact policy on the basis of the Grand Total while keeping a tally of the numbers for the "states alone" for any legitimate purposes for which such sub total should be used.

Current Population Survey
The annual Current Population Survey (CPS), sponsored by the U.S. Bureau of Labor Statistics of the U.S. Department of Labor, is a fundamental tool used by Congress to make informed decisions based on latest available reliable data. Yet Puerto Rico is excluded from the Current Population Survey.

The CPS is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. The survey has been conducted for more than 50 years.

The CPS is the primary source of information on the labor force characteristics of the U.S. population. The sample is scientifically selected to represent the civilian non-institutional population. The sample provides estimates for the nation as a whole and serves as part of model-based estimates for individual states and other geographic areas.

Estimates obtained from the CPS include employment, unemployment, earnings, hours of work, and other indicators. They are available by a variety of demographic characteristics including age, sex, race, marital status, and educational attainment. They are also available by occupation, industry, and class of worker. Supplemental questions to produce estimates on a variety of topics including school enrollment, income, previous work experience, health, employee benefits, and work schedules are also often added to the regular CPS questionnaire.

CPS data are used by government policymakers and legislators as important indicators of our nations' economic situation and for planning and evaluating many government programs. They are also used by the press, students, academics, and the general public.

The Current Population Survey questionnaire is the same for 50 states and it should be no different if it is extended to Puerto Rico, as it should be.

Unless Puerto Rico is included in the Current Population Survey the island's needs cannot be adequately and fairly addressed by Congress as it enacts legislation based on those data.

As an example to highlight its importance, consider that the Current Population Survey has been tracking the number of persons without health insurance since 1980 stateside, but excluding U.S. citizens residing in Puerto Rico.

Puerto Rico government officials report that there are currently at least 15 bills in Congress which use the Current Population Survey to allocate funding, which means it would be impossible to include Puerto Rico in the allocation formula and Congress would need to resort to set-asides which are not based on either economic or demographic data or healthcare policy.

Puerto Rico Community Survey
Although it took the Census Bureau almost 10 years to include Puerto Rico, starting in 2005 the Census Bureau has included Puerto Rico in the American Community Survey (ACS) through the Puerto Rico Community Survey (PRCS). The PRCS is the ACS version for the island territory of

Puerto Rico.

The ACS produces population, demographic and housing unit estimates between the Decennial Census.

Although including Puerto Rico in the ACS was certainly an important step in the right direction it is crucial that the Census Bureau maintain the quality of the sample and survey instruments in Puerto Rico.

For example, PRCS sample frame differs from ACS. The ACS sample frame is updated twice a year in the 50 states through a contract between the Census Bureau and the U.S. Postal Service, but Puerto Rico was not included in the contract so the PRCS uses a 2004 sample frame. The sample frame is expected to be updated after the enumeration of Census 2010.

If the Census Bureau does not keep the Puerto Rico Community Survey up to date and up to the same quality standards as it does for the states, the quality of the data will decline and it will be difficult to compare the Puerto Rico data with stateside data. While the Census Bureau has revised the sampling in the states for the ACS it has not done so in Puerto Rico.

To illustrate the impact of the situation consider this example. The 2006 PRCS shows that there were 19,121 additional housing units in Puerto Rico compared with those reported in the 2000 Decennial Census. Yet the Puerto Rico Planning Board reports 116,150 permits for new housing units were issued between 2000 and 2005, a difference of 97,029 new housing units. Such a difference can have a significant impact in the composition and characteristics of the population and existing housing in Puerto Rico.

Although the Puerto Rico Community Survey is available on the Census Bureau website it does not include all the statistical tables that are published for the 50 states, according to the Puerto Rico Planning Board.

Current Employment Statistics

The Current Employment Statistics (CES) Survey is a monthly survey of business establishments which provides estimates of employment, hours, and earnings data by industry for the nation as a whole, all states, and most major metropolitan areas since 1939. The CES survey is a federal-state cooperative endeavor in which state employment security agencies prepare the data using concepts, definitions, and technical procedures prescribed by the Bureau of Labor Statistics (BLS).

National CES employment estimates exclude workers in Puerto Rico. BLS cooperates with the Puerto Rico Department of Labor to collect data and publish employment estimates independent of national estimates.

CES estimates are among the earliest economic information available to analyze current economic conditions. Because of this, CES estimates are heavily used by both the private and public sectors. For example in the private sector they are used to guide decisions on plant location, sales, and purchases; to compare individuals businesses and the industry or economy as a whole; to negotiate labor contracts based upon industry or area hourly earnings and weekly

hours series; to determine the employment base of states and other jurisdictions for bond ratings; among others.

Economic Census
The Census Bureau conducts a nationwide Economic Census every five years that includes Puerto Rico. The results of this report are not only important for the Puerto Rico business community but also to stateside and foreign investors with operations on the island or considering an investment there.

The major concerns with the Puerto Rico Economic Census are timeliness, accuracy and the resources which the Census Bureau puts into this effort.

The lateness of data released and its accuracy, when compared to the 50 states, is troublesome.

For example, in the 1997 the Puerto Rico Manufacturing Report was released by the Census Bureau 27 months later and the 2002 version took 34 months, almost three years, and it required major revisions. The 1997 Wholesale and Retail report was released after 36 months and the 2002 report took 44 months. The 1997 Construction Report was released after 29 months and the 2002 report also took 44 months. That's almost four years later.

While reports for the states also come out with considerable lateness, those for Puerto Rico consistently come out much later. For example, reports on the 2002 Economic Census for Puerto Rico came out, on average, a year after the same reports came out for the states. Data that is almost four years old is virtually worthless for a business person trying to do short to medium term business planning and decision making.

However, the most troublesome aspect of the 2002 Economic Series was the quality of the work. The Census Bureau initially released the Manufacturing report in October 2005 and in that report it indicated that there were 162,745 manufacturing jobs in Puerto Rico. This was only 1,000 jobs fewer than 1997 and it would have been very good news if had been true. The Census Bureau eventually withdrew the report; made revisions and released a report which showed 126,707 manufacture jobs or a loss of 37,000 jobs.

These events were taking place at the same time which Congress had requested the General Accounting Office to do a study on the impact of the loss of manufacturing tax incentives on the Puerto Rico economy. The study was delayed months because the Census had not completed its work; and when it was released it could not cite Census Bureau data regarding the reduction in manufacturing jobs.

Beyond the Census Bureau
Our concerns are not limited to the Census Bureau data collection and reporting but extend to other areas of federal data collection and reporting. For example, reports published by the Centers for Medicare and Medicaid routinely exclude Puerto Rico.

Although Puerto Rico is not treated on an equal footing with the states when it comes to reimbursements, many other aspects of the Medicare program, such as eligibility, services,

premiums, apply to Puerto Rico the same way as they do in the states. The impact of excluding Puerto Rico means that when think tanks, advocates, trade associations and Congress propose changes to Medicare, Puerto Rico is not included.

Excluding Puerto Rico from these reports is like excluding Maine, New Hampshire and Vermont, since Puerto Rico has more Medicare recipients then those three states combined.

Conclusion

Being excluded from U.S. Census Bureau reports and any other disparate treatment of Puerto Rico as compared with the states means that the U.S. citizens of Puerto Rico are often not considered when proposals are presented, policies analyzed and legislation approved.

Legislation approved by Congress has transcendental impact on the lives U.S. citizens residing in the territory of Puerto Rico.

Therefore, I respectfully urge you to take appropriate legislative action so that the Census Bureau and other federal agencies take the appropriate measures to include the same data and analysis for Puerto Rico as they do for the 50 states so that when Congress make decisions regarding the future of the Nation, Puerto Rico is taken into consideration equally.

U.S. citizens living in the U.S. territory of Puerto Rico—whether island-born or born stateside—deserve nothing less than equal treatment. Washington and Jefferson would have not expected anything less from any of us.

Thank you.

Mr. CLAY. Thank you so much, Mr. Cimadevilla, for your testimony, and Dr. Mills, for such informative testimony.

We will now move to the question period from Members and proceed under the 5-minute rule.

We will start with Dr. Mills. You have traveled quite a distance to be here today and I want you to know that the subcommittee appreciates your being here to discuss this important issue. We know that data collected and published by the U.S. Census Bureau is used by many decisionmakers. Could you tell the subcommittee about the specific data requests that you are not able to fill because you do not have current data from the Census Bureau?

Mr. MILLS. If I may couch the response in terms of the many programs which do not benefit from Federal funding because the data that are available in the Virgin Islands are too little data or they just don't exist. My testimony included some specifics, as in the case of a large initiative from which we were recently excluded, because we were not included as part of the ACS.

In general, the worst aspect of all of this is as time proceeds from the decennial itself, the funding allocation to the Islands remain fixed at the 2000 census, so that 5, 10, 9 years later, the Virgin Islands is still receiving funding based on population figures that may be up to 10 years old.

Mr. CLAY. That is the greatest challenge, really, that you don't have up to date and current figures.

Mr. MILLS. That is correct.

Mr. CLAY. In your testimony you speak of the impact of resource allocation to the Virgin Islands. In your professional opinion, how much money in Federal funding do you believe the Virgin Islands have forfeited due to a lack of an annual verifiable survey conducted by the Bureau?

Mr. MILLS. Mr. Chairman, it is rather difficult to suggest a figure, but I would suggest there are two ways of looking at this. First of all, as I have indicated, there are those programs which do not get funding based on current data. But also there are many areas in which, for example, the Islands do not derive benefit simply because there are that many programs which don't even know that the Virgin Islands is part of the Federal system and, as a result, we never know what that figure is. So it is rather difficult to suggest an overall figure, but we know it is enormous.

Mr. CLAY. How much does it cost for the University to conduct a Virgin Islands community survey?

Mr. MILLS. Right now, the local government contributes about $100,000 annually. The University itself does not include the cost of the time of its workers, which could easily be another $50,000. So just in terms of personnel cost alone, we are talking just about $150,000 to do that on an annual basis.

Mr. CLAY. Thank you so much for that answer.

Mr. Cimadevilla, thank you for being with us today, as well, and for your testimony. The examples you provided help to illuminate many of the points that have been made here today. Can you tell the subcommittee a little more about how your industry uses census data and about the impact of late or inaccurate data on decisionmaking?

Mr. CIMADEVILLA. Thank you, Mr. Chairman, for that question. In the specific case of Caribbean Business, being a business publication, I should say that a vast constituency in Puerto Rico relies on the ability of business press to put forth the kinds of economic data and information they need in order to make their decisions. They, unlike academics or researchers, business people do not necessarily have access or don't look for access of data of this sort, so they rely on what, for example, publications like Caribbean Business publish in terms of what are the latest in the economy and so on.

Let me just add that there is another constituency that is being underserved by having less than equal data collection and reporting by the census, and that is the U.S. business community as a whole. I can tell you, from our point of view, we report on this all the time. When people—businesses, business leaders, boards of directors—are looking for a new location, for example, for their business, they have to conduct market research. If the data are not available with respect to a particular area to be able to be compared to other areas they may be considering, that area is at a disadvantage in terms of its potential for economic development. So, therefore, in the case of Puerto Rico, not having up-to-date information at par with that is available for the other States puts Puerto Rico at a disadvantage in its effort to promote economic development.

Mr. CLAY. Thank you so much for your answer.

I recognize my friend from Puerto Rico, Mr. Fortuño, for 5 minutes.

Mr. FORTUÑO. Thank you, Mr. Chairman.

I want to thank the panelists for making the trip over here. I find both presentations intriguing and, actually, they add to the record as to the point we want to make.

Mr. Cimadevilla, in your testimony you talked about the current population survey [CPS]. What kind of information does the CPS collect exactly and why is it important to include the territories for the decisionmaking process that you were talking about?

Mr. CIMADEVILLA. The current population survey is a monthly survey of 50,000 households that is conducted by the Bureau of the Census for the Bureau of Labor Statistics. The survey has been conducted for more than 50 years. Its primary source of information are the labor force characteristics of the U.S. population. Estimates obtained from the current population survey include employment, unemployment, earnings, hours of work, other indicators. They are available in a variety of demographic characteristics, including age, sex, race, marital status, so on, so forth.

So the CPA's data are used by government policymakers and legislatures as important indicators of the Nation's economic situation and for planning and evaluation of many government programs. And, of course, they are used by the press, students, business leaders, etc.

Mr. FORTUÑO. You also mentioned current employment statistics and the fact that the territories are excluded. What kind of employment statistics, then, would Puerto Rico have? And, if I may, I would like to ask Mr. Mills the same question to understand what is the disparity here.

Mr. CIMADEVILLA. Well, current employment statistics are collected in Puerto Rico, but the national CES employment estimates exclude the workers from Puerto Rico. So BLS cooperates with the Puerto Rico Department of Labor to collect the data and publish employment estimates independent of national estimates.

Mr. FORTUÑO. Mr. Mills, the USVI?

Mr. MILLS. This is an issue that goes back as far as 1980 that I can recall having a discussion with the Director of Labor Statistics in the Virgin Islands, and that was the need to have more precise data than were actually collected at the time and still are collected. The data on employment derived largely from administrative records. But like the CPS, our Virgin Islands community survey is able to reach a group that administrative records is not able to reach, and I refer specifically to the disgruntled workers who never go to government agencies or undocumented workers who don't ever go to any kind of government agency. Hence, the unemployment data that are collected by the Bureau of Labor Statistics reflect accurately on what the unemployment situation is and there is only a sense of that deriving, then, from the Virgin Islands community survey, which is not supported by the Federal Government in any way at all.

Mr. FORTUÑO. Thank you, Mr. Mills.

Just to make sure, Mr. Cimadevilla—and that is my last question—you have a specific suggestion that there be a grand total for all States in terms of the Census Bureau tables and that we break it down by territories and the District of Columbia. Do you see, from your perspective—and I will ask the question to the next panelists—the reason why that cannot be done today?

Mr. CIMADEVILLA. I wouldn't be able to answer that. I don't know.

Mr. FORTUÑO. Thank you.

Thank you and I yield back.

Mrs. CHRISTENSEN [presiding]. Thank you, Mr. Fortuño.

And thank you, panelists, Dr. Mills and Mr. Cimadevilla. Thank you for your thoughtful and very comprehensive testimony—I did have a chance to read it—and for your specific recommendations.

Mr. Mills, I just have to make this comment, because you said in your testimony that OIA's stopping the collection of data in the middle of your collection was a statistician's worst nightmare, but it really sounds like the whole history of the territories dealing with data is a nightmare. In our cases, first BLS rejects the request for inclusion in current population survey, then census stops publishing intercensal data; OIA changes the kind of data we should collect and later stops funding this. And then, to add to that, we are told we can't have ACS because we have no address system, which is not a fact.

When you do the VI community survey, are you saying that even though it is done, there is no way to get it included into the national census data?

Mr. MILLS. That is correct. The Census Bureau does not officially recognize locally collected data such as VICS. Unless they collect it themselves, by which they are able to verify all the methodologies that are associated with ACAS and CPS and all those, they are not accorded any sort of validity.

Mrs. CHRISTENSEN. OK, so, some discussions are beginning, and it will probably come up in the next panel, that maybe census would pay for it, and I guess that might have it included, or your recommendation is that we be included in the American community survey.

Mr. MILLS. Yes.

Mrs. CHRISTENSEN. Mr. Cimadevilla, if you want to respond to this as well.

We would lose some of our flexibility in designing our form, but we would be included, as I understand it, then, in this data set that everyone looks at. Do you have any concerns about losing that flexibility if we went to the ACS, as you recommend?

Mr. MILLS. Madam Chair, the Virgin Islands used the same census long form that stateside used up until 1980. In 1990 and 2000, two or three questions relating specifically to the Virgin Islands were included. If the choice is between being included in ACS and retaining our unique questions, obviously, the Virgin Islands would want to opt for the inclusion of ACS because the advantages clearly outweigh the disadvantage of having two questions unique to the Virgin Islands.

Mrs. CHRISTENSEN. So, Mr. Cimadevilla, in 1997 you went to ACS.

Mr. CIMADEVILLA. Yes.

Mrs. CHRISTENSEN. Did you lose anything in the process?

Mr. CIMADEVILLA. I don't believe so. As a matter of fact, for the census 2000, in order to retain the possibility of Puerto Rico-specific data, the government of Puerto Rico entered into a Memorandum of Agreement with the Census Bureau establishing for any expansion programs, such as supplementary questionnaires and/or special tabulations, requested by the government of Puerto Rico would be evaluated and paid for by the government of Puerto Rico. So we have retained the possibility of collecting Puerto Rico-specific data so long as we are willing to pay for it, of course.

Mrs. CHRISTENSEN. Dr. Mills, I have two Virgin Islands questions. One, you might recall that after the 2000 census the Concerned Virgin Islander group had some concerns about being able to identify themselves as Concerned Virgin Islanders. I know you reached out to them. You probably haven't heard much back from them. But can that be addressed in the current census coming up?

Mr. MILLS. Madam Chair, I don't think that it might be possible at this point in time, since the content questionnaire has already been fully established and I think has already been submitted. So it would be too late for inclusion in the 2010 census questionnaire.

Mrs. CHRISTENSEN. But my understanding is that you did inquire prior to the form being finalized?

Mr. MILLS. Yes. My office did attempt to find that out, yes, Madam Chair.

Mrs. CHRISTENSEN. And just one last one, and another local question from our Hispanic community. There were some concerns also that the Hispanic community may have been under-counted in the Virgin Islands. On their behalf, I would like to know what is being done to reduce the under-count, if you agree that one occurred, and ensure that this population is accurately counted. Are you planning to include Latinos among the persons hired for the

2010 census staff, as well as persons who are fluent in Spanish? And do you plan on having the questionnaires in both languages?

Mr. MILLS. Thank you for the question, Madam Chair. I would like to do full justice to that question, but I will try to summarize it, and I will introduce it by saying if in fact we did have an ACS in the Virgin Islands, we would have a good sense of how the ethnic makeup of the Islands is changing. Having the decennial census once in 10 years does not allow the Census Bureau to determine ahead of time what that makeup is, and that is largely perhaps what may have contributed to less than full appreciation of the existence of Hispanics in the Virgin Islands population.

At the risk of appearing defensive, we did not have any evidence that there was an under-count of the Hispanic population in 2000. However, in preparation for 2010, the Census Bureau has already determined that it will issue questionnaires in Spanish. We have, additionally, invited a Hispanic to be on the Census Interagency Committee, which now exists, and, in fact, we will make every effort to also include representatives from St. Croix to be on that panel. The difficulty there, of course, is that there is no common funding source to bring Hispanics from St. Croix to St. Thomas when the Interagency Committee meets. But there is every indication that we will make additional efforts to include not only Hispanics in a more expansive way in the 2010 census, by having Spanish-speaking interviewers—and we did in 2000—but we will certainly put more concentrated effort there to ensure not only the inclusion of Hispanics in a solid way, but any other language besides English.

Mrs. CHRISTENSEN. Thank you, Mr. Mills.

The Chair now recognizes Mr. Faleomavaega for his questions.

Mr. FALEOMAVAEGA. Thank you, Madam Chair. Just a couple of questions.

My understanding, in layman's terms, is I think the Census Bureau currently conducts about three or four major surveys that kind of make up the whole system. Here we have the current population survey—is it an acronym, is that how you say it? I am still learning how to speak English here, CPS, and then there is a survey of income and program participation [SIPP], and there is the American community survey [ACS], and then the mid-decade survey. Am I right? How many other surveys besides these three or four fundamental surveys are you aware of?

Mr. MILLS. The Agriculture census, which was mentioned.

Mr. FALEOMAVAEGA. Oh, Agriculture. OK.

Mr. MILLS. And the business economic census.

Mr. FALEOMAVAEGA. OK, my next question is I am just going to do my own survey with both Puerto Rico and the Virgin Islands. Do you have CPS?

Mr. MILLS. No, sir.

Mr. CIMADEVILLA. No.

Mr. FALEOMAVAEGA. Good. I have a negative here. Do you have SIPP?

Mr. CIMADEVILLA. We do.

Mr. MILLS. Once in 10 years.

Mr. FALEOMAVAEGA. Once in 10 years? OK. Do you have ACS?

Mr. CIMADEVILLA. No.

Mr. MILLS. No.

Mr. FALEOMAVAEGA. OK, good. Do you have mid-decade survey?

Mr. MILLS. No, sir.

Mr. FALEOMAVAEGA. OK, good. Puerto Rico does?

Mr. CIMADEVILLA. Mid-decade survey? Are you referring to the economic census?

Mr. FALEOMAVAEGA. According to my survey, American Samoa has none of these. So I think I made 100 percent check on this thing.

A lot of times I think I noticed, too, that maybe the substance of the Federal law, where the Secretary of Commerce is given discretionary authority, and that discretionary authority many times just simply wipes us out, simply because we can't justify it because this threshold sometimes I hear so much about, if you don't have a population level of 100,000 or something like that, forget it, they are not going to do anything with you. Do you think that is fair?

Mr. CIMADEVILLA. Obviously not. I don't think that is fair.

Congressman, if I could enlarge a little bit on your line of questions. Let me suggest for the committee to examine beyond just whether a particular survey is being conducted in a particular territory. I think you ought to also focus on the accuracy and the timeliness of the reporting. For example, in Puerto Rico, the Census Bureau does conduct economic census, but regularly reports on those series come out at least a year after they come out with respect to the 50 States, which is difficult to understand since it is a much smaller population. Not only that, there are issues about the accuracy, for example. When I say a year after, bear in mind the 2002 economic series, the manufacturing report with respect to Puerto Rico came out 34 months after the data were collected.

Mr. FALEOMAVAEGA. Well, I don't mean to interrupt you, but the bottom line is that you are just not getting the services. I mean, that is in layman's terms. I am just being very basic about this. Four point 4 million U.S. citizens living in Puerto Rico, and in many instances in my home of Butre, they are like a foreign country. And by being in that, as far as any sense of priority or any sense of importance to these 4.4 million Americans—and we have to look at Puerto Rico in a different category because the rest of us in the insular areas are much smaller in terms of population. So totally understandable. Puerto Rico, if it would become a State tomorrow, it would have seven Members of Congress and two Senators. That is equivalent to four or five populations of States. So I just want to get this on the record. The bottom line is that we are constantly being put between the cracks, and either anybody pays any attention, the bottom line is I don't think—and our good friend from the Census Bureau is going to testify later. I am sure it is not out of their hearts that they hate us, but it is just simply the Federal law being inconsistent, so it comes right back to the Congress, really, in my humble opinion.

Mr. CIMADEVILLA. Let me add that it is not just the citizens resident in Puerto Rico that are disadvantaged. The American business community is at disadvantage when reliable and timely economic data out of the territories are not available to them to make decisions.

Mr. FALEOMAVAEGA. Let me just make this observation, Madam Chair. I think my time is just about over. My little territory is about 70,000 people, and 16 of my soldiers died in that terrible war that we caused in Iraq. Now, I don't know about my other fellow sister territories in terms of the casualties per capita, but I think we contribute pretty high amount of the blood that is spilled on behalf of our Nation; and let alone about 30 or 40 are wounded. I just had to go to Walter Reed Hospital about 2 weeks ago; one of my soldiers seriously wounded from IED.

These are the types of things that sometimes it saddens me that on one instance—and I go back to my good friend General Blaz's statement. "We are equal in war, but not in peace." And I think we need to remedy this, Madam Chair.

Thank you so much, and I thank both gentlemen for their testimony.

Mrs. CHRISTENSEN. Thank you, Mr. Faleomavaega.

The Chair now recognizes Chairman Serrano for his questions.

Mr. SERRANO. Thank you so much. I couldn't help but think, as I heard my friend from American Samoa speak, how some of the inconsistency of the whole relationship—which is not what we are discussing today, but, nevertheless, inconsistent. Just think, if you were born in Mayaguez and stay in Mayaguez, you have certain rights. If you move to the Bronx, you can run and be a Member of Congress. So it just doesn't make sense at times.

You know, both of you spoke about the lack of data playing a role in being able, obviously, to deliver services. Is that for all services or do services that come directly from the Federal Government get better treatment? I will explain. Both parties—and I say this with respect—in Congress, both parties go out of their way to say that we support the troops more than the other party. Yet, I wonder if the Veterans Administration has the same information on the territories than it has in the 50 States, and how that would affect the services that are provided. Do you have any thoughts on that?

Mr. MILLS. If I may, sir. I can remember specifically 2 years ago there was an effort to establish a monument to soldiers who had died in St. Croix, and my office was tasked with getting that information, and we sought the assistance of all the Federal agencies, including the armed forces, that we knew were supposed to have that information, and we came up with so little that the effort could not go forward. That is a bit disgraceful.

Mr. SERRANO. It is.

Mr. Cimadevilla.

Mr. CIMADEVILLA. In my testimony I made reference to the case of Medicare and Medicaid. Those reports that are published by the Centers of Medicare and Medicaid routinely exclude Puerto Rico. I don't know if it is a crick in the neck situation, but does the present unequal treatment to Puerto Rico with respect to Medicare reimbursements, for example, is it a reflection that Congress is less aware about the needs of a Medicare population there that, as I mentioned in the testimony, adds up to more than those of Maine, New Hampshire, and Vermont combined? Notwithstanding the leadership or Congressman Fortuño on this effort, and I know you are familiar with it too, the push from Puerto Rico to get equal treatment in Medicare I think is a reflection of that problem.

Mr. SERRANO. Let me ask you a question, and the way I want to ask you the question is do you agree with me or not. And feel free to disagree with me; it is not a problem. I get angry, I cry, but it is not a major problem. [Laughter.]

When the Constitution was written, it said to count the people amongst the States. As I said before, it never envisioned territories being held a long time, but it certainly never envisioned citizenship or American nationals, as in Samoa, living in these territories. So my question is if you were asked to interpret that Constitution now—since the Constitution is a living and evolving document—wouldn't you agree with me that Constitution does not stop the territories from having their population included in the general population of the 50 States? Of the Nation, if you will.

Mr. MILLS. I would go back, and have gone back, to Title 13, as Title 13 spells that it is possible for the Department of Commerce to get involved and to conduct censuses and surveys in small local areas, government areas. It does not exclude any of the small island governments. And yet the Secretary of Commerce does not see fit to extend any of these services to the Islands except the decennial census.

Mr. CIMADEVILLA. Ultimately, Congressman, it may be a semantic problem between counting and counting in. Is the constitutional mandate to count the people in the States or count them in? It appears that in many respects the citizens of the territories are being counted but not necessarily counted in.

Mr. SERRANO. I would agree. Just in conclusion, my argument has always been—and I will reiterate it for the third time today—that if you decided years ago to give out American citizenship in territories, then you can't have a subtotal, and that is what we have now. Our great victory in the last few years—and I thank the Census Bureau. I have a great relationship with the Census Bureau. In fact, my dear friend, Tom Mesenbourg, is here today and we will hear from him later, and I appreciate his presence here. But this whole idea, you talk about differing kinds of citizenship. We have always complained about second class, third class, whatever. Well, think of the fact that you have a total of people who live in the United States, again, as I said, including people who are not citizens and people who are not here documented. Then you have another number sort of as a second total, but never really part of the family. That makes no sense mathematically and, as you have stated, creates other issues. My belief is that if you are living under the American flag, if you are covered by the American Constitution, if you are a citizen or a national, you should be counted in the total number. I thank you.

Thank you, Chairwoman.

Mrs. CHRISTENSEN. Thank you.

I know that Dr. Mills has to leave. I just had one last question before I dismiss the panel.

You mentioned the kids count survey, which has been very important in the territory in recent years. Could you just give us a short minute on the importance of the survey and how the current situation of only the 10 year population on household survey impacts that?

Mr. MILLS. Kids count survey or databook, as we call it, is designed to be part of the national Kids Count idea, supported largely by the Annie E. Casey Foundation. But the Foundation does not provide enough funding to collect the kinds of data that are necessary to produce these indices. So Kids Count, therefore, uses all VICS data to base some of these indices. But as I said previously, unless these kinds of data have the imprimatur of the Census Bureau, they are not treated with the degree of validity that Kids Count would say that they require to have it as part of the national design. So, in that sense, the Virgin Islands data are not a part of that wider system and, as a result, we don't get the understanding of the well-being of our children in the same way that those from Kentucky or any other States, for that matter, would have.

Mrs. CHRISTENSEN. The ACS would fix that?

Mr. MILLS. Absolutely would.

Mrs. CHRISTENSEN. OK, thank you.

If there are no further questions, I would like to thank the panel for their testimony. It has been very helpful. The committee may have further questions, which we would submit to you in writing and ask that you respond in turn.

Mr. MILLS. I would be glad to respond.

Mr. CIMADEVILLA. Thank you very much.

Mrs. CHRISTENSEN. Thank you very much.

We will now hear from the witnesses on our second panel. Our first witness will be Mr. Thomas Mesenbourg, Acting Director of the U.S. Bureau of the Census. The Deputy Director is the Census Bureau's Chief Operating Officer overseeing the day-to-day operations of the Government's preeminent statistical agency. Mr. Mesenbourg has served as Associate Director for Economic Programs, a post he has held since August 2005. In that position, he was responsible for the economic census, the census of governments, and more than 100 monthly, quarterly, and annual surveys. Mr. Mesenbourg has worked at the Census Bureau since 1972.

Our second witness will be Mr. Nikalao Pula, Director of the Office of Insular Affairs of the Department of the Interior. Mr. Pula is the first Pacific islander of Samoan ancestry ever to serve as the Director. As the OIA Director and Acting Deputy Assistant Secretary, Mr. Pula advises the Secretary on operational and administrative matters involving Federal policy in the insular areas. The office of Insular Affairs is the executive branch's liaison organization with four of the five principal U.S. insular areas—American Samoa, Guam, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands—and the three freely associated States. Mr. Pula joined the Department of the Interior in 1993.

It is the policy of the Oversight and Government Reform Committee to swear in all witnesses before they testify. I realize that you stood the first time, but we are just going to go through it again, in keeping with the wishes of the chair. So would you please rise?

[Witnesses sworn.]

Mrs. CHRISTENSEN. Let the record reflect that the witnesses have answered in the affirmative.

You may be seated. I ask that each witness now give a brief summary of their testimony and keep the summary within 5 minutes,

please. Your complete written statement has been submitted and will be included in the hearing record.

Mr. Mesenbourg.

STATEMENTS OF THOMAS MESENBOURG, ACTING DEPUTY DIRECTOR, U.S. BUREAU OF THE CENSUS; AND NIKALAO PULA, DIRECTOR, OFFICE OF INSULAR AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR

STATEMENT OF THOMAS MESENBOURG

Mr. MESENBOURG. Thank you. Madam Chairwoman, distinguished subcommittee members, thank you for the opportunity to discuss the Census Bureau's programs in the U.S. territories.

There are two major programs that the Census Bureau conducts on a regular basis in the territories: the economic census and the decennial census. The economic census is conducted every 5 years, collecting data for years ending in 2 and 7, and covers the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, Guam, and American Samoa, and Puerto Rico. The economic census in these areas are very similar to the stateside economic census.

The decennial census is conducted every 10 years. Much of the content for each island is very similar. However, there are accommodations made depending on the needs of each government. For the Pacific areas—that is, American Samoa, Guam, and CNMI—the content is negotiated so that one set of questions will be asked in all three areas. The content for the U.S. Virgin Islands is developed specifically to meet that government's needs.

For the 2010 census in the island areas, each housing unit will be personally visited by an enumerator. In addition, the housing unit's address will be listed and its location will be identified on a census map, allowing the Census Bureau to establish an address register for each island.

Well, when considering whether or not to conduct new surveys, it is important first to determine what type of data are needed, how those data are going to be used, and for what purposes. We also would consider frequency, data availability and reliability, and the capability of being able to publish data that meets our confidentiality standards. These are just a few of the considerations we take into account when determining the design and content of new collections.

For data collections between censuses, we use statistical samples to reduce both the reporting burden and to lower cost. Most of our business surveys are mailed out-mailed back. Many household surveys, however, are conducted by telephone or by enumerator. That, of course, is considerably more expensive than a mail out-mail back survey.

Well, what could we do more frequently? We may be able to expand at a relatively modest cost the county business patterns report to include the island areas. This expansion would provide annual data on payroll, number of employees, and the number of establishments or business locations by economic sector in each of the islands. A more expensive option would be to conduct an annual economic survey of each of the island areas. These would be a uni-

fied survey similar to the economic census, but with scaled back content to control costs and improve timeliness.

On the household side, beginning after the 2010 census, a variation of the American community survey might be considered. The methodology employed would be to repeat the 2010 census methods, but only for a sample of the population, not a full enumeration. One challenge with this approach is developing and maintaining the address frame needed to select a sample in each of the islands. Another challenge, of course, would be building a field infrastructure, including finding office space, hiring employees, and so forth.

These are some initial thoughts about what we would need to do to provide more current information on the island areas. We would be happy to work with the Congress, other Federal agencies, and the island area governments to better understand their data needs and to explore ways that we could provide assistance. More detailed discussions are required before we can really develop actual detailed plans and cost estimates.

This concludes my remarks, and I would be happy to take any questions. Thank you.

[The prepared statement of Mr. Mesenbourg follows:]

PREPARED STATEMENT OF
THOMAS L. MESENBOURG
ACTING DEPUTY DIRECTOR
U.S. CENSUS BUREAU

Treatment of the U.S. Territories by the Census Bureau

Before the Information Policy, Census, and National Archives Subcommittee
Committee on Oversight and Government Reform and the
Committee on Natural Resources Subcommittee on Insular Affairs

21 May 2008

Mr. Chairman, Madam Chairwoman and distinguished subcommittee members, thank you for the opportunity to discuss the Census Bureau's programs in the U.S. Territories. First I will describe Census Bureau programs that collect data in the U.S. territories, both from businesses and households. Then I will provide some initial thoughts about what would need to be done to provide more current information.

The Economic Census

The Economic Census is conducted every five years, for the years ending in 2 and 7. As part of this program, the Census Bureau collects data in the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, and American Samoa (collectively referred to as the Island Areas), and Puerto Rico. The economic censuses in these areas are very similar to the stateside Economic Census. The economic sectors covered are identical and the questions asked are very similar. In Puerto Rico and the U.S. Virgin Islands we collect additional data from hotels and other lodging places pertaining to sources of receipts and number of accommodations.

In Puerto Rico and the Island Areas, the economic census is conducted using a mail-out/mail-back methodology. Addresses for these businesses are obtained from our Business Register, which serves as the address list for the economic surveys and censuses we conduct. The original source for most of these addresses is the Employer Quarterly Tax Return filed with the Internal Revenue Service. The Census Bureau has a Memorandum of Agreement (MOA) with each of the governments that outlines the conditions under which the census is conducted. The governments provide input to the census content and help with publicity. In Puerto Rico we use both Spanish and English

report forms. Spanish versions of the form are sent to small businesses. Larger firms, usually those with multiple locations, receive the English version.

The data products for each area are released on American FactFinder, the Census Bureau's online data query system. This is the same as for the mainland 2007 Economic Census. Data from the 2007 Economic Census are scheduled for release in March 2009 for the CNMI, May 2009 for Guam and American Samoa, July 2009 for the U.S. Virgin Islands, and beginning in February 2010 for Puerto Rico.

The 2010 Census

For the 2010 Census, the censuses for the Island Areas (the U.S. Virgin Islands, CNMI, Guam, and American Samoa) will be conducted via a MOA between the Census Bureau and each government. The MOA will describe the areas of mutual responsibility for conducting the decennial census. This is the same process we have used for the last several censuses.

While much of the content for each Island Area is similar, there are accommodations made depending on the needs of each government. For the Pacific areas (American Samoa, Guam, and the CNMI), the content is negotiated so that one set of questions will be asked in all three areas. The content for the U.S. Virgin Islands is developed specifically to meet their needs. Determining the content of the census questionnaires is an iterative, consultative process between the Census Bureau and each local government. The Census Bureau designs and prints the questionnaires, related respondent materials, and all office and field-use materials needed to conduct the census. As you can see, both the economic and decennial censuses of the Island Areas are a collaborative effort between the Census Bureau and the local governments.

In the Island Areas, the employees conducting the decennial census will be hired by the government in each area. They will be considered local government employees, not Census Bureau employees. The Census Bureau will assign a Census Advisor to each Island Area. The Census Advisors are permanent Census Bureau headquarters employees who will be on site from the opening of the Local Census Offices until materials are shipped back to the Data Capture Center stateside. These Advisors will work with the area government on budget, operations, and communications issues, and will monitor compliance with the Census Bureau's confidentiality and security safeguards. The Census Advisor will also ensure that procedures designed by the Census Bureau are followed.

The Island Areas will be enumerated using a method we refer to as List/Enumerate. The United States Postal Service (USPS) will deliver an unaddressed Advance Census Report to all postal patrons. Respondents will be asked to complete the form and wait for an enumerator's visit. In two of the Pacific areas, American Samoa and the CNMI, mail

goes to post office boxes, since there is no residential mail delivery in either area. In Guam and the U.S. Virgin Islands, the Census Bureau does not have a master address file that can be used to pre-address questionnaires for residential delivery. The enumerator will either pick up the completed form or ask the questions directly when visiting the housing unit.

In short, to conduct the 2010 Census in the Island Areas, each housing unit will be personally visited by an enumerator. In addition, the housing unit's address will be listed and its location will be identified on a census map. This allows the Census Bureau to establish a one-time only address register for each Island. Once all field enumeration activities are completed, all questionnaires, address registers and updated maps will be returned to a Census Bureau office for processing. The products will then be prepared and disseminated via the American FactFinder as they were for the 2000 Census. There also will be a printed report for each area.

Designing More Frequent Surveys

Recently there have been informal discussions about the complexities of conducting more frequent household and business surveys in the Island Areas. When considering whether or not to conduct a new survey in any area, it is important to first determine what type of data are needed and how they will be used. Also, we must consider frequency, data reliability, and the ability to publish data that meets our confidentiality standards. These are just a few of the considerations we must take into account when determining the design and content of a new survey or census.

Many of the more frequent household surveys the Census Bureau conducts are for other agencies. These agencies pay the Census Bureau to conduct their surveys because of our sample frame, organizational infrastructure, and expertise in collecting data.

For data collections between censuses (either economic or decennial) we generally use statistical samples to reduce reporting burden and lower costs. Most of our business surveys are mail-out/mail-back. However, household surveys are usually conducted by telephone or in person, which are considerably more expensive. In the Island Areas, for household surveys, we would need to develop a master address file or list of housing units from which to draw valid samples. Conducting household surveys in the Island Areas also would require the establishment of a field infrastructure in these areas to support more frequent data collection.

What Could We Do More Frequently?

On the business side, we may be able to expand, at a relatively modest cost, the annual County Business Pattern (CBP) program to include the Island areas. CBP currently includes Puerto Rico. This expansion would provide data on payroll, number of

employees, and number of establishments or businesses at the 2-digit North American Industry Classification System (NAICS) industry sector level for each of the Islands.

A more expensive option would be to conduct annual economic surveys of the Island Areas. These would be unified surveys similar to the Economic Census, but with scaled-back content to control costs and improve the timeliness of results.

On the household side, beginning after the 2010 Census, a variation of the American Community Survey might be considered. The methodology employed would be to repeat the 2010 Census methods, but only for a sample of the population, not a full enumeration. The challenge with this approach is developing the address frame for drawing the sample. If resources, time, and funding were made available, the Census Bureau could plan to use the 2010 Census's newly created "list of addresses" from the Island Areas to select an area sample from which to draw valid statistical inferences about the population. This will involve selecting a sample of blocks and conducting a "listing operation" in the selected blocks only. The results from the listing operation will provide the basis for selecting a sample of housing units. This approach has the advantage of providing content specifically tailored to meet the needs of each Island.

Next, we would have to build a field infrastructure to conduct these more frequent surveys. This would include the logistics of finding office space, hiring employees, transmitting the data back to the Census Bureau for processing, and so forth. Finally, we would have to determine the costs associated with these endeavors.

These are some initial thoughts about what would need to be done to provide more current information for the Island Areas. We would be happy to work with the Congress, other Federal agencies, and the Island Area governments to better understand the data needs and to explore ways that we could provide assistance. More detailed discussions with the Island Area governments would be necessary to produce an actual plan.

This concludes my remarks. I will be happy to take your questions.

Mr. CLAY [presiding]. Thank you so much, Mr. Mesenbourg.

Mr. Pula, you may proceed.

STATEMENT OF NIKALAO PULA

Mr. PULA. Mr. Chairman, Madam Chair, and members of the subcommittee, thank you for the opportunity to testify on the important issue of lack of current and complete information on population, labor force, and economic and social characteristics in the U.S. territories of American Samoa, Guam, U.S. Virgin Islands, and the CNMI.

The Office of Insular Affairs is often asked for statistics on the U.S. territories, but often the information is either dated or does not exist.

Knowing the value of current information, the Federal Government continuously generates a wide array of information. Best known of the Federal Government agencies that generate information: the Bureau of Labor Statistics in the Department of Labor and the Bureau of Census in the Department of Commerce, and also the Bureau of Economic Analysis, also in the Department of Commerce.

Unfortunately, the four U.S. territories OIA works with are not included in some of the most useful work these agencies do. This was recently highlighted in the U.S. Department of Labor Report on the impact of minimum wage increases in American Samoa and CNMI. Labor noted many holes in current data that prevented the Department from making a full determination of the impact of an increased minimum wage. Specifically, the Department of Labor noted "The Bureau of Labor Statistics does not collect monthly or other period data describing labor market conditions in either American Samoa or the CNMI."

Another important source of current data according to the report is the monthly survey of households conducted jointly by the BLS and Bureau of Census in their current population survey [CPS]. The report notes "Both surveys have been important sources of data for research regarding the impact of minimum wage increases in the United States over the past 50 years. The lack of such data for American Samoa and CNMI significantly impairs efforts to measure or to project the impacts of scheduled minimum wage increases for these territories."

Apart from conducting decennial census, the Bureau of the Census conducts other surveys. One of the best known and most useful is the American community survey, which is designed to see how those communities are changing. The ACS will replace the decennial long form in the future censuses and is a critical element in the Census Bureau's re-engineered 2010 census. The four territories we work with are not included in the ACS.

The four territories are also not included in the BEA system of national income and product accounts, which generates complete information on total national output. According to information on the BEA Web site, territories are not treated as domestic output but, rather, as belonging to the rest of the world. As a result of this dearth of information, policy decisions often lack the level of data and analysis that underpin decisions in many other areas of the United States.

An additional problem with the lack of territorial involvement in these data gathering activities is the resulting inability of local statistics offices and staffs to draw on the knowledge and skill pools found in statistics national community. Working with highly trained professionals could prove advantageous to the territories and territorial statistic staffs.

Over the last decade, OIA has given over $5 million to the Bureau of the census and the territories in technical assistance grants to fill some of the information gaps. This technical assistance, however, has been insufficient to bring the territories to national standards.

Current and complete information is essential for good decision-making, whether in business, government, or households. For this reason, we believe that there is a significant need to flexibly work with the territories to integrate them into the national data gathering framework. We stand ready to work with the territories and agencies responsible for data collection to find alternative ways to gather necessary information.

Thank you.

[The prepared statement of Mr. Pula follows:]

STATEMENT
OF
NIKOLAO I. PULA
DIRECTOR, OFFICE OF INSULAR AFFAIRS

BEFORE THE

SUB-COMMITTEE ON INSULAR AFFAIRS
HOUSE COMMITTEE ON NATURAL RESOURCES
AND
SUBCOMMITTEE ON INFORMATION POLICY, CENSUS, AND NATIONAL ARCHIVES
HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

REGARDING

UNAVAILABILITY OF CURRENT AND RELIABLE DATA ON THE U.S. TERRITORIES

MAY 21, 2008

Madam Chair and Mr. Chairman and members of the Subcommittees, thank you for the opportunity to testify on the important issue of lack of current and complete information on population, labor force and economic and social characteristics in the four United States territories where the Department of the Interior has general responsibilities: American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), Guam and the United States Virgin Islands (USVI).

The Office of Insular Affairs (OIA) is often asked for statistics on the United States territories. Unfortunately, instead of providing it or pointing to a source that would have the requested information, OIA often has to explain that the information does not exist.

The four United States territories are included in the decennial United States census. They are also included in the Economic Census which the Bureau of the Census conducts every five years where the year ends in 2 and 7. American Samoa was included in the Economic Census for the first time in 2002. The territories are also included in the Census of Agriculture, which the United States Department of Agriculture conducts every five years. The decennial census generates the most complete demographic information on the 50 states, the District of Columbia as well as all U.S. territories. The Economic Census generates useful information on business activity, business establishment characteristics, employment and other aspects of business. The Agriculture Census produces useful data on agriculture and land use. All three censuses produce valuable data once they are concluded.

Knowing the value of current information, the Federal Government continuously generates a wide array of information. Best known of the Federal Government agencies that generate critical information on labor force, population, and the economy are, respectively, the Bureau of Labor Statistics (BLS) in the Department of Labor, the Bureau of the Census in the Department of Commerce, and the Bureau of Economic Analysis (BEA) also in the Department of Commerce. These bureaus generate information monthly, quarterly and annually that take into consideration a wide variety of variables in their subject areas. This information is available on the Internet.

Unfortunately, the four United States territories OIA works with are not included in some of the most useful work these agencies do. This was recently highlighted in the United States Department of Labor report on the impact of minimum wage increases in American Samoa and the CNMI. The law that raised the Federal minimum wage rate last spring also raised minimum wage rates in American Samoa and the CNMI. Since American Samoa and the CNMI were associated with the national minimum wage for the first time, the Congress asked the Department of Labor to produce a study, within eight months of enactment of the law, on the impact of enacted and future increases in the minimum wage rates on living standards and employment. The Department of Labor duly complied and produced a report.

In its report, Labor noted many holes in current data on the territories that prevented the Department from making a full determination on the impact of an increased minimum wage. Specifically, the Department of Labor noted, "The Bureau of Labor Statistics (BLS) does not collect monthly (or other period) data describing labor market conditions in either American Samoa or the CNMI."[1] Employers in the 50 states, Washington, D.C., Puerto Rico, and the U.S. Virgin Islands are surveyed monthly in the BLS Current Employment Statistics (CES) program; the CES provides detailed monthly information on payroll employment, hours worked, and the hourly and weekly earnings of production and non-supervisory workers. Another important source of current data, according to the report, is the monthly survey of households conducted jointly by the BLS and Bureau of the Census in their Current Population Survey (CPS). The survey provides detailed national estimates of labor force participation, employment and unemployment. The CPS also collects data on wage and salary workers' weekly earnings and publishes quarterly earnings estimates. The report notes that "Both surveys have been important sources of data for research regarding the impact of minimum wage increases in the United States over the past fifty years. The lack of such data for American Samoa and the CNMI significantly impairs efforts to measure or to project the impacts of scheduled minimum wage increases for these territories."[2] It should be noted that the lack of data cited in the report cannot be remedied simply, quickly or cheaply.

Apart from conducting the decennial census, the Bureau of the Census conducts other surveys; one of the best known and most useful is the American Community Survey

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[1] U.S. Department of Labor (Office of the Assistant Secretary for Policy), *Impact of Increased Minimum Wages on the Economies of American Samoa and the Commonwealth of the Northern Mariana Islands*, January 2008, p. 3.
[2] Ibid.

(ACS). The ACS is a nationwide survey designed to provide communities a way to see how those communities are changing. The ACS will replace the decennial long form in future censuses and is a critical element in the Census Bureau's reengineered 2010 census.[3]

The ACS asks essentially the same questions as the decennial census's long form, but the data are collected each year, which provides information continuously. It generates estimates each year for states, populous counties, and other governmental units or population groups with a population of 65,000 or more within 6-8 months of the end of data collection for the previous year. For smaller governmental units or population groups (those with a population of less than 65,000), it will take 3-5 years to produce estimates, which will be refreshed each year thereafter. The four territories we work with are not included in the ACS. However, they have received the long form questions during past decennial censuses. The ACS replaces the long form.

The four territories are also not included in the BEA system of national income and product accounts (NIPA), which generates complete information on total national output. The accounts are based on a multi-agency system of collecting economic data centered largely on the economic surveys conducted by the Census and BLS, but also includes administrative or survey information gathered by many other government agencies. According to information on the BEA website, the economic output of the United States territories is not treated as domestic output, but rather as belonging to the rest of the world.[4]

Since the four territories are not included in practically any of the current Federal information gathering exercises between the major censuses, there is very little in the way of consolidated, current information on social, economic and demographic characteristics in the territories. As a result of this dearth of information, policy decisions often lack the level of data and analysis that underpin decisions in many other areas of the U.S.

An additional problem with the lack of territorial involvement in these data gathering activities is the resulting inability of local statistics offices and staffs to draw on the knowledge and skill pools found in the statistics community. The Bureau of the Census, BLS, and BEA employ highly trained experts. Working with these highly trained professionals could prove advantageous to the territories and territorial statistic staffs.

As a stop-gap measure, OIA has provided technical assistance funding for the territories over the last several years to secure both expertise and data, especially from the Bureau of the Census. Over the last decade, OIA has given over $5 million to the Bureau of the Census and the territories in technical assistance grants to fill some of the information gaps, especially in population updates and GDP accounting. We have funded sample surveys of population, household income and expenditures, and training of local staff in GDP accounting. To date, this technical assistance has been insufficient to bring the territories up to national standards.

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[3] http://www.census.gov/acs/www/SBasics/What/What1.htm
[4] http://www.bea.gov/national/ppt/territorial_adjustments.ppt

Current and complete information is essential for good decision-making, whether in business, government, or households. For this reason, we believe that there is a significant need to flexibly work with the territories to integrate them into the national data gathering framework. We stand ready to work with the territories and agencies responsible for data collection to find alternative ways to gather necessary information.

Mr. CLAY. Thank you both so much for your testimony. We will begin the 5-minute questioning.

Let me start with Mr. Mesenbourg. I want to congratulate you, first, on your recent promotion to Acting Deputy Director of the Bureau, and I look forward to working with you to ensure a complete and accurate decennial census, and on other censuses, including surveys that address the specific data needs of the insular areas.

You stated in your testimony the work on the economic and decennial censuses of the island areas are collaborative efforts between the Census Bureau and the local governments. What should be the first step toward the development of annual surveys that are tailored to the needs of each island area?

Mr. MESENBOURG. Thank you, Mr. Chairman. I think the first order of business is to ensure that the Census Bureau is clear on what the data needs are for the island area. We need to be clear in terms of what data they want to collect, how those data are going to be used, and for what purposes they are going to serve. Then more detailed discussions would be involved at what level of detail do you want to be able to publish the information. If it is a household survey, do we need below island level detail, do we need it for towns or election districts, or whatever the appropriate unit is. For business surveys it would be a similar process. In my written testimony I had suggested that I thought the most cost-effective way to provide annual economic data was to take an approach similar to the economic census, and that way I think we would be much more assured that it was meeting the needs of the local area.

So I think really a meeting and a clear understanding of what the requirements are is the first step.

Mr. CLAY. Wonderful. And who would be the best person for the governments of the island area to contact and how soon can conversations begin?

Mr. MESENBOURG. OK, in terms of household surveys, we are working with all of the island areas on implementing the 2010 decennial census, and what we are suggesting is to leverage the work that we are going to do in 2010 specifically in developing a master address file in each of the islands and then, after we have done that, work with the areas to developing a process for maintaining and updating that address file so we can then do annual surveys. So the basic approach is do 2010 and then think of an annual household survey after that.

Mr. CLAY. Any idea of how much money Congress needs to appropriate to create annual surveys with content specifically tailored to meet the data needs of each island area?

Mr. MESENBOURG. I don't have a cost estimate right now. Some will depend on the level of detail. I can tell you that for the economic census—and this also includes Puerto Rico—over a 5-year period we are spending about $9 million on that data collection. Now, what is not included in that number are things such as postage and data capture, because we cover those costs as part of the entire stateside economic census too. We would want to work with the island governments to make sure that we have their data needs, and then we would develop a cost estimate. I believe we would have a bit of time to do that if we are talking, on the house-

hold side, post-2011 in terms of implementing. But we could certainly get you a cost estimate well before then.

Mr. CLAY. Thank you for your response.

Mr. MESENBOURG. On the business it would just depend exactly what they would like. Our plan is not to collect the same level of detail as we collect in the economic census, because if we do we are going to face some of the same timeliness problems that you heard about earlier.

Mr. CLAY. Thank you so much for that response.

Mr. Pula, with the Office of Insular Affairs, being the authority on policy affecting the insular areas, it is reasonable to assume that you get a lot of requests for data regarding the insular areas. Can you tell us approximately how many requests you get and the type of data that is most commonly requested, and how many of the requests are from government agencies?

Mr. PULA. Thank you, Mr. Chairman. We usually get requests from all seven jurisdictions, the four U.S. territories who we deal with and also the three freely associated States and all governments. We do not have earmarked money for all these requested censuses, but every year, because we want to help out with the different surveys, in the last several years we have worked closely with the Office of International Program Center at the Census Bureau and we provide some money to them when the requests from the islands come to us to do some of these surveys. We have been averaging, I would say, the last 5 years between $500,000 and $700,000, close to $900,000 money from our limited technical assistance pot to help the islands do some of these surveys with the help of the Census Bureau.

Mr. CLAY. Thank you for that response.

Right now I will go to Mr. Fortuño for 5 minutes.

Mr. FORTUÑO. Thank you, Mr. Chairman. I want to thank the panelists again for their insightful testimony this morning.

First, if I may, I would like to begin by commending Director Mesenbourg for your 36 years of service at the Bureau. All of us realize that the hard work you do at the Bureau is very important; otherwise, we would not be here today seeking to understand and to improve, certainly, how the Bureau collects and reports data on the U.S. territories. I have several questions that I would like to pose to you regarding Puerto Rico in particular, and the other expert on the panel should feel free to add anything, Mr. Pula.

First, I would like to hear, Director Mesenbourg, your take on Mr. Cimadevilla's argument, which I find, I will say, quite compelling, that for every Census Bureau table covering the States, Congress should require that the final product include a grand total for all States, the District of Columbia, and the territories, and perhaps also subtotals for all States, D.C., and the territories, with a breakdown by area. As Mr. Cimadevilla testified, this would enable the Federal Government to make policy on the basis of the grand total, while also keeping a tally of the numbers for States alone for use for any purposes.

Actually, if I may, Mr. Chairman, I would like to include in the record a letter that I received today from AARP supporting, actually, an idea somewhat similar to this, if I may.

Mr. CLAY. Without objection, it will be part of the record.

Mr. FORTUÑO. Thank you.

[The information referred to follows:]

AARP

05/21/08
Jim - please
log
Guy Sutton

May 21, 2008

The Honorable Luis Fortuno
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Fortuno:

We understand officials from the U.S. Census Bureau are testifying before the House Subcommittee on Information Policy, Census, and National Archives concerning the 2010 Decennial Census, and are writing to state our views about issues to be considered relating to the U.S. Territories.

AARP and its 40 million members across our nation, including over 130,000 in Puerto Rico, the U.S. Virgin Islands and Guam, support the inclusion of the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and the other U.S. Territories in all the census surveys and related summary products such as national totals. We believe this will provide much needed data and information to properly and accurately assess the characteristics of the population living in the Outlying areas (the term used by the U.S. Census to refer to Puerto Rico American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).

The data and reports resulting from the inclusion of these geographic areas in all surveys performed by the U.S. Census will assist the U.S. government and organizations like ours in establishing more accurate public policy when dealing with specific matters addressing these territories. Currently, there is a substantial lack of information, particularly pertaining to Puerto Rico and the U.S. Virgin Islands, in areas such as poverty, income levels, business profiles, financial data, home ownership, government assistance programs, age, education levels, etc. We believe it is incumbent on the Bureau to correct this longstanding gap in information and to create more complete data gathering and reporting for the socioeconomic benefit of us all.

In conclusion, AARP reiterates the need for – and our support of – the full inclusion of the U.S. Territories in the collecting and reporting of 2010 Decennial Census information.

Sincerely,

David P. Sloane
Senior Vice President
Government Relations & Advocacy

Mr. FORTUÑO. Do you see any good reason why Congress cannot or should not require this approach be adopted? And is there anything preventing OMB or the Census Bureau from adopting this policy in the absence of legislation expressly requiring it to do so?

Mr. MESENBOURG. Thank you. I will answer that. First, let me answer from the perspective of economic statistics. As you all are probably aware, we collect detailed statistics on all primary economic sectors, so we have monthly and annual surveys of retail trade, wholesale trade, manufacturing, services. Something that people may not understand, our current surveys are designed to provide national level estimates for the United States, so they exclude Puerto Rico and they exclude the U.S. territories. But that is done because it significantly—let me just clarify what that means, actually. So when we select the sample and we go to a firm that has locations scattered across the United States, say a large discount department store you might think of, we do not collect data for each location in our current surveys. Rather, they report a national level estimate of retail sales that includes all of their operations in the States.

So we do not publish any detailed State level, county level, or whatever in our current economic statistics programs, with the exception of the County Business Patterns Program. That program is a bi-product of our business Register. So we do have businesses that operate in Puerto Rico, and the island areas are included in our business Register, and we tabulate that information and publish that annually. And Puerto Rico is covered annually in the County Business Patterns Program. It is not included in the U.S. total, but the data are separately available.

So this would be a huge undertaking and I think an extremely expensive undertaking to redesign all of our current surveys, and that is really the impetus that I suggested a unified survey like the economic census be targeted to each of the island areas. That way I think it would better meet their needs and we would be able to implement such a program.

So just to be clear on the question, we do not have State level data for almost all of our current economic surveys, so this would be a huge undertaking, that suggestion.

Mr. FORTUÑO. By the same token, a lot of data that is collected at the national level excludes the island territories, including Puerto Rico, even when we are talking about population, and, actually, Mr. Faleomavaega was talking about military service. Puerto Rico has the second highest rate of military service in the country, and we do that with pride and courage and valor. Certainly, no one is thinking about whether it will take a lot of effort for us to actually serve at such a high level for freedom and democracy as we do throughout the world.

So do you have any specific thoughts as to how we can, in the most efficient way, include fully those territories? Certainly, I am interested in Puerto Rico, which is the largest, but certainly all the territories in this process.

Mr. MESENBOURG. Well, I don't have specific proposals related to including it in the U.S. total. I do have ideas how we could provide current information on the island areas, and that would be to implement annual economic surveys in each of those island areas and

publish that data annually. Post-2010, to implement an ACS-like survey in each of the islands. I am certainly not a constitutional scholar, so I am not going to offer any opinions related to including the territories in the total at this point.

Mr. FORTUÑO. Thank you.

Mr. CLAY. Thank you so much, Mr. Fortuño.

Now Chairwoman Christensen, you are recognized for 5 minutes.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

Thank you, Mr. Mesenbourg and Mr. Pula.

Mr. Pula, representing the Department that has oversight for the territories, is it the position of the Department of the Interior that the United States has a responsibility to further the social, economic, and political development of the territories that Labor and Census and all of those departments that conduct surveys ought to include the territories?

Mr. PULA. Well, since the Department of the Interior is part of the administration, as well as our folks from Labor and Census, we speak with the same language. Your question is whether the territories should be included in the information of statistic data——

Mrs. CHRISTENSEN. The ACS, the CES, the CPS, all of that information that is so important to the rest of the United States, should it not also be compiled for the territories?

Mr. PULA. OK, let me answer it this way. Because of the requests that come from these jurisdiction areas on an annual basis, from the Governors writing and asking us for information, it is pretty apparent to us, our office at OAA and the Department of the Interior, that they have a need. One of the things that we have done is to try to create the capacity—and like I mentioned earlier, we worked with the Census Bureau to have a program where the folks from the island, the Statistics Office can come on an annual basis and some of the Census Bureau national information. So just to answer your question simply, yes, to the extent that this information is needed in the areas.

Mrs. CHRISTENSEN. It is needed. I think we could probably establish that it is needed.

Mr. Mesenbourg, I have heard that some of the surveys may be a variation on what is done in the States or cut back or ACS-like survey. If it is not exactly what is done in the United States, is it going to be included when all that data is published? And I am also seeming to hear that the national data is just the 50 States and the territories should be separate. I don't understand that.

Mr. MESENBOURG. Let me talk first of the ACS. What we were proposing and I used the term ACS-like to provide flexibility to the territories related to the content. It probably would be quite similar to the stateside ACS survey, but there may be special needs that need to be addressed, and that is the reason I used ACS-like in that.

Mrs. CHRISTENSEN. I am concerned that the delays that Dr. Mills talks about, when it is not the exact same thing. If we are willing to give up a little flexibility to get our data published in a timely manner and be there with everybody else, when everyone is looking at this data for programs, for funding, for whatever, can we——

Mr. MESENBOURG. OK, I will answer that. If the Census Bureau conducts this ACS survey in the island areas, it will be official Cen-

sus Bureau statistics and we will stand 100 percent behind the statistics. I think it is a different issue whether the island totals should be included in the U.S. total or should be provided separately and people have the capability of adding it into the total. And that is not an issue I have a view on at this point.

Mrs. CHRISTENSEN. OK. You did say you are recommending discussions go forward and those kinds of issues can be decided in those issues.

Mr. Pula, could you explain why OIA canceled the collection of the data back a few years ago?

Mr. PULA. Basically, we did not——

Mrs. CHRISTENSEN. In the middle of the collection of the data.

Mr. PULA. Of the data for the survey in the Virgin Islands you mean?

Mrs. CHRISTENSEN. Yes.

Mr. PULA. It was a matter of priority in terms of the money that we were spending for the surveys in each of the areas. I do not think we canceled it. We have negotiated with the Census Bureau, the Office of International Program Center, through an MOU or reimbursable agreement, and some of these surveys they were doing we had to kind of wait and see where they are in the other areas because they only have limited people that go to the areas. So we did not cancel it, we just had to postpone it.

Mrs. CHRISTENSEN. My last question, Mr. Mesenbourg, in the States you do sampling. In the Virgin Islands, and I assume the other territories, you have to do 100 percent. Is there any possibility that we could also do sampling instead of doing 100 percent?

Mr. MESENBOURG. Ms. Chairwoman, I certainly do believe there are possibilities. The reason we cannot use sampling in the 2010 census, for example, is because we haven't updated and maintained the address file in between the two censuses. As part of doing the 2010, we will establish an address file for each of the island areas, and that is what we are suggesting. Working with the islands, we would look to see if we could use probably area sampling, rather than a complete enumeration, which will cut costs and also improve the timeliness.

Mrs. CHRISTENSEN. Thank you.

Thank you, Mr. Chairman.

Mr. CLAY. Thank you so much, Chairwoman.

Mr. Burton, do you have any questions?

Mr. BURTON. First of all, I want to apologize for my tardiness, so if I ask some questions that sound redundant, forgive me.

Mr. CLAY. We will let you catch up to speed.

Mr. BURTON. You will let me catch up? OK.

Mr. CLAY. Yes, I will let you catch up.

Mr. BURTON. First of all, I was not aware that the collecting of census data was that much different than it is in the 50 States, but evidently there is some disparity there. So, real briefly, could you tell me why that disparity exists and what impact it has on the people who are living there as far as the delivery of goods and services from the U.S. Government?

Mr. MESENBOURG. Well, I will answer the first part in terms of what data we do collect and what data we don't collect for the island areas.

Mr. BURTON. Well, let me put it this way. Is the data consistent with the data that you collect from the 50 several States?

Mr. MESENBOURG. The data are consistent that we collect in the decennial census and the economic census. What we collect in the island areas is consistent and quite very similar to what we collect for mainland United States.

Mr. BURTON. Well, why is it that Mr. Fortuño and others from the islands—Guam, American Samoa, Puerto Rico—why is it they have concerns about the problems or the disparities that exist between how people in the 50 States are treated and how they are in the islands?

Mr. MESENBOURG. Well, the biggest issue is one of frequency. So under existing programs there are household data available for the island areas once every 10 years as part of the decennial census, and that is what we were suggesting——

Mr. BURTON. How does that differ from the 50 States?

Mr. MESENBOURG. The 50 States, it is really an issue of the coverage of the American community survey.

Mr. BURTON. I mean, there is different data collected at different times in the 50 States as compared to the islands. Why is that?

Mr. MESENBOURG. Well, when we first started the ACS program, we had no master address files for the island areas, so that was the original decision point not to cover them.

Mr. BURTON. Is that still the case today?

Mr. MESENBOURG. That is still the case today.

Mr. BURTON. So what you are saying is you don't have the information that is necessary for you to give the same kind of treatment as far as this data is concerned as you do in the States.

Mr. MESENBOURG. We don't have the infrastructure in place to provide the same——

Mr. BURTON. Well, how do you solve that problem, if you can?

Mr. MESENBOURG. What we were suggesting was to build and update and maintain an address file for each of the island areas after the 2010 census, and then implement an ACS survey in each of the island areas on an annual basis after that.

Mr. BURTON. How long has this been a problem, how many years?

Mr. MESENBOURG. Well, we have never——

Mr. BURTON. Ad infinitum?

Mr. MESENBOURG. Yes.

Mr. BURTON. Well, if that is the case, why haven't we tried before now to try to correct that? I mean, it seems to me we have had a census—I was chairman of this committee for 6 years when we had the last decennial census. It seems like every 10 years we have this. Why haven't we tried to solve this problem with the islands before? And the reason I ask is because there is a disparity in goods and services and the way they are treated, and it doesn't seem like it should be that way. Let me give you an example.

I went to Guam with the representative from Guam, and they have an epidemic of diabetes over there, and they didn't have enough dialysis machines to take care of the population. They were running those things 24 hours a day, 7 days a week, and they still couldn't take care of the population. We tried to get $8 million to buy additional dialysis machines, which took us about 3 or 4 years

to get done. We finally did, but it seems to me that ought to be something that would be in the normal course of events, that we would take care of the people who are American citizens, and not having them being second class citizens, as they were in Guam. So why does it take so long to get the information that is necessary to treat them equally?

Mr. MESENBOURG. One would be a function of resources. And if there is a clear need for this data and the resources are provided, I think we have suggested a plan that would start addressing this data gap both on the household side and the economic census side.

Mr. BURTON. Well, see, that is troubling to me because we are not talking about people who are not citizens. These are citizens of the United States of America, and for us to say we don't have the resources to get this data really kind of troubles me. I know they are not States and I know they don't have some of the benefits that they would have if they were States, but, nevertheless, they are American citizens, and for us not to give them the same basic things that we are giving to American citizens in the 50 States doesn't make sense to me. And when you say you don't have the resources, it seems to me that is something that we should address immediately, or should have addressed before now. The next 10 years after this decennial census, are we going to be in the same boat, where we say, hey, we don't have the resources to take care of the things necessary to give them the same treatment that we are the people of the 50 States? These are American citizens, and we ought to make sure they get the same benefits and equality that we do up here.

Thank you, Mr. Chairman.

Mr. CLAY. Thank you so much, Mr. Burton.

I recognize Mr. Faleomavaega for 5 minutes.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

I want to thank both gentlemen for their testimony this morning.

Mr. Mesenbourg, I know this is not a personal reflection on anything in terms of one of our most standing leaders in the Census Bureau, but I want to share with you a couple of statements made as part of the statement submitted by our Governor for the record. This is in reference in dealing with the Census Bureau: "The Census Bureau trusts the local government to conduct the census and to uphold the law when collecting information. However, once enumeration is completed and all forms have been sent to the Census Bureau, the local government is deliberately, deliberately prevented from accessing census details to compile statistical reports or to conduct detailed analysis and special tabulation." And then under other conditions, American Samoa is included in the domestic process during the preparation and carrying out of the census enumeration, but, unfortunately, it is treated under the international program. Can you help me reconcile this action or conduct on the part of the Census Bureau?

Mr. MESENBOURG. Certainly. Let me address the first point. It really has to do with the confidentiality that is afforded census data once we collect it, and what we promise the respondent, whether household or business, is that we will publish only aggregate data, and we will not identify the individual location of any business or any household. So once we have collected the individual

data, whether on a household survey or an economic census survey, that is considered Title 13 data and the only people that actually can access that data are Census Bureau employees. So I believe that is the answer to the questions. Once we have collected all the data and we have these microdata files, then they are Title 13 data and we go to great lengths to protect the confidentiality of it.

Mr. FALEOMAVAEGA. All right, but isn't the whole purpose of collecting data and information to help these various territories and States? Let's talk about economics I am having a terrible time just dealing with the issue, as Mr. Pula indicated earlier, about the minimum wage issue that is now going to cause economic chaos, as far as I am concerned, with CNMI and my own territory, and the problem was we couldn't get proper data and information from the Bureau of Labor Statistics, Department of Labor, let alone we don't even have enough information coming from the Census Bureau. So we are right back at square one.

And I cannot thank my good friend from Indiana for raising the point. There definitely is a disparity here. If we are willing to do a complete survey of all these three or four major surveys with the States—and this is not a negative reflection in any way to a State like Wyoming, with 522,000 people, how is that different if we are going to deal with Puerto Rico, with 4.4 million? Why do we have to have an MOU to deal with the territories? Would you support, maybe just do a little amendment to include the insular areas with these three or four major surveys that the Census Bureau conducts?

Mr. MESENBOURG. Well, the Census Bureau serves as the collection agent for the CPS. The Bureau of Labor Statistics actually is the sponsor of the program. So in terms of covering——

Mr. FALEOMAVAEGA. Do you realize—I don't mean to interrupt you—we cannot even, the Federal Government and even the U.S. Congress cannot make a determination what our economic situation is right now not only in American Samoa, but also for CNMI because of these disparities in statistics both from the Labor Department, as well as from the Census Bureau. What would be your recommendation to the Congress, given the fact that we are in this dire straits right now, trying to determine what our economy is?

Mr. MESENBOURG. All right, I don't think I am in a position to speak for what the Bureau of Labor Statistics can do one way or another. We certainly will work with them——

Mr. FALEOMAVAEGA. All right, let's deal with census.

Mr. MESENBOURG. With the census, I think the most effective thing we could do on the economic side is to move forward with an annual economic survey of each of the island areas. As I said, our monthly, quarterly, and annual surveys do not provide any coverage by State, so that would be a huge undertaking to try to redesign those to cover each——

Mr. FALEOMAVAEGA. What would be the approximate cost to suggest if the insular areas are included in these three or four major surveys?

Mr. MESENBOURG. The three or four being CPS——

Mr. FALEOMAVAEGA. CIP, ABC, CIPP, whatever names that we put on this.

Mr. MESENBOURG. We haven't developed a cost estimate for what it would take to do an annual economic survey, but it would be less than what it is to conduct the economic census. And the economic census in the four island areas plus Puerto Rico is, as I said, about $8 million to $9 million over a 5-year cycle. So it would probably be $2 million or so, maybe less than that, if we were just doing the island areas.

Mr. FALEOMAVAEGA. I realize that, but once you put the thing in place, then I am sure it would be a much lesser cost than the initial way of installing or organizing.

I am sorry, Mr. Chairman, my time is up.

Mr. CLAY. The gentleman's time has expired, but thanks for the line of questions.

Mr. Serrano is recognized for 5 minutes.

Mr. SERRANO. Thank you, Mr. Chairman.

Mr. Mesenbourg, is it still the position, as I brought up before, of the census folks that the lack of inclusion at every level of the territories is a constitutional question? Has that been cleared at all yet, in your opinion?

Mr. MESENBOURG. Well, in my 2 weeks in this job—[laughter]—I must admit I am uninformed about that, but we can go back and check. It is my understanding that the apportionment number is the States. As I mentioned earlier, I am certainly not a constitutional scholar or lawyer.

Mr. SERRANO. No, and I didn't mean to rely on your 2 weeks, but, rather, your 30—what is it?

Mr. MESENBOURG. Thirty-six, yes.

Mr. SERRANO. We have both been the same amount of time in this business. And that is what I meant, what you had heard throughout the years traditionally has been that it is a constitutional question. Is that still what you keep hearing from other folks at the Census Bureau?

Mr. MESENBOURG. Well, I believe on the decennial census and on the household side that may be the question. If we go to the economic side, we have designed all of our current surveys basically, one of the primary objectives is to provide source data to the Bureau of economic Analysis for calculation of the GDP, and GDP right now does not include Puerto Rico or the territories. Consequently, since one of the primary purposes is to provide source data for the U.S. GDP, we have designed our surveys and samples in such a way that they do not provide any sub-national detail, because it is not needed.

So what that does is permit us, for the service sector, for example, and the economic census stateside, we will mail forms to 2 million business locations. In our annual survey we will collect national level data from 50,000 firms, and on our quarterly survey we will collect it from 6,000 firms. So, if suddenly, we were required to provide data by States and territories, those samples would have to be hugely increased to be able to provide that.

So on the economic side one of the main drivers has been what kind of data are needed for calculation of quarterly GDP in the United States.

Mr. SERRANO. Let me just finalize by asking you a semi-related question. Is the next census form going to ask the same questions

on race that it did before, in the same way? And I refer you to the fact—and I have said this at other hearings—my experience in New York has been that the toughest questions for Puerto Ricans to fill is what race are you. In fact, I probably admit in public that I probably fill out my census form incorrectly. I checked off Hispanic, and under Hispanic I checked off Puerto Rican. Then it said what race are you—Black, White, other. I checked off other. And when it said which other, I wrote Puerto Rican again. That is how a lot of folks see us and we see ourselves. So is that staying the same? Will I be asked to declare one of these days?

Mr. MESENBOURG. I am not clear if we changed the question, but I know the content has been forwarded to the Congress in early April, so the content has been set. So whatever the questions are on those forms are the way that we plan to ask it.

Mr. SERRANO. Thank you. Because Puerto Ricans, as you know, fall under the all of the above category in one person. [Laughter.]

Thank you so much. And once again, Tom, personally—I am sorry for the Tom—but we thank you for your service and we note not the 2-weeks, but the many, many years.

Mr. CLAY. Thank you, Mr. Serrano, for simplifying the census form for us.

Let me thank both of our witnesses for the testimony today.

I will allow closing statements for any Member who desires, starting with Mrs. Christensen.

Mrs. CHRISTENSEN. Thank you. I want to again recognize and thank you, Chairman Clay, for your leadership, your interest, and your willingness to work with our subcommittee and the territories on this, as you concede, very important and highly charged issue.

I want to thank both Mr. Pula and Mr. Mesenbourg not only for your testimony today, but for your service in your respective agencies and to our Government and our country.

I was very pleased with the level of expertise and engagement from all of our witnesses. It is clear that a problem exists in the way our fellow Americans living in the U.S. territories are counted. But it also seems to me that our Federal representatives have a willingness to further discuss these issues not just for the sake of talking about them, but for the purpose of resolving them.

I am sure that Chairman Clay would agree that progress can and should be made, and that both of us would intend to continue our oversight responsibilities to ensure that we are all moving in the right direction.

With that, Mr. Chairman, I want to point out that all of the Governors from each of the U.S. territories will likely be on the east coast in the coming months for the National Governors Association summer session. I believe that both the Census Bureau and the Department of the Interior should take advantage of this opportunity to begin those discussions and to start coming to an agreement on how data can begin to be compiled on our islands, and our subcommittees could help facilitate in this regard if needed.

I want to recognize my ranking member, Mr. Fortuño, for his leadership on this issue for the people of Puerto Rico and for really actually initiating this discussion about census, and for the participation from all of our colleagues, both those representing Guam and American Samoa, Chairman Serrano, who has really been

very, very helpful to the territories, and Mr. Burton, thank you for yours as well.

But, Mr. Chairman, we couldn't have done it without you. Thank you very much.

Mr. CLAY. Thank you so much, Mrs. Christensen.

Mr. Fortuño, you are recognized.

Mr. FORTUÑO. Chairman Clay and Chairwoman Christensen, I want not thank you both for your leadership in this and for holding this hearing. I want to thank the panelists as well for their insight, and all of my colleagues for our interest.

Certainly, it is obvious, and I echo the words stated earlier today by my dear friend from New York, Congressman Serrano. The founding fathers never intended for territories to last 100, 110 years in limbo, so this has repercussions on everything. This is just one of many other repercussions that we, as a Nation, are confronting, and one way or another we will have to face them. I hope we do it sooner, rather than later.

But, in the meantime, we have to address the needs of the inhabitants of those territories, and certainly in the case of Puerto Rico and the U.S. Virgin Islands and some of the others, we are talking about U.S. citizens that proudly serve in our military and are part and parcel of the greatest Nation on Earth. So we welcome your insights and your input in trying to make sure that we address this unintended consequence of us having these territories that we were not supposed to have for so long. Thank you again.

Mr. CLAY. Thank you so much.

Mr. Faleomavaega, you are recognized for closing.

Mr. FALEOMAVAEGA. Mr. Chairman, not wanting to be repetitious, but I do want to thank again the distinguished chairwoman of our Insular Affairs Subcommittee, Mrs. Christensen, and our ranking member from Puerto Rico, Mr. Fortuño. If this is really not truly a spirit of bipartisanship, where we always try to work together, and to thank you, Mr. Chairman, for your initiative and your leadership in joining together with our subcommittee to conduct this hearing that is so important for the insular areas.

I also want to commend my good friend from Indiana, Mr. Burton, for his leadership and the great help that he has given in allowing the insular areas to also be recipients of some of the programs dealing with Medicare and Medicaid. We have not forgotten that, Mr. Burton, and we truly want to thank you for thinking about us. Hopefully, the disparities that we now have come to discover about how the insular areas are being treated both by the Census Bureau, as well as the Department of Labor, that we should do something to remedy this situation.

Again, Mr. Chairman, I thank you. And I do want to thank our excellent witnesses. I look forward to working with them in the coming months on this issue. Thank you again.

Mr. CLAY. Thank you very much.

Mr. Burton.

Mr. BURTON. I will be very brief. I know that you are one of the leadership, you are the leaders in the census area. I wish you would carry the message back from all of us, those who are in the islands, but in the 50 several States as well, that we really think all American citizens, regardless of where they are, ought to be

treated the same; and wherever there is a disparity, it ought to be corrected as quickly as possible. Thank you.

Mr. Clay. Thank you, Mr. Burton.

Mr. Serrano, any closing remarks?

Mr. SERRANO. Very briefly. Just to thank the leadership of the committee for allowing me to sit here today. I really appreciate it. And to let the folks in front of us know that it is not the Census Bureau, it is American society in general. For instance, and this will really go down in history as a profound statement, are you aware that major league baseball lists people born in the Bronx with Puerto Rican parents as native-born Americans, and their cousin, who was signed in Puerto Rico, as foreign baseball players? A couple of years ago there was a study done of foreign-born Members of Congress and I was listed. So there goes a bigger issue.

Mr. FALEOMAVAEGA. Would the gentleman yield?

Mr. SERRANO. I yield.

Mr. FALEOMAVAEGA. Is he aware that American Samoa produces more NFL players than any other State or territory in the United States? [Laughter.]

Mr. SERRANO. I am aware of that, but you guys can't hit a curve ball. [Laughter.]

Thank you, Mr. Chairman.

Mr. CLAY. On behalf of myself and my colleagues, I would like to thank all of our witnesses for their testimony today and thank some of the colleagues here for enlightening us on major league baseball and football. I appreciate that.

On a serious note, it is my hope that the parties here can immediately begin to interact and begin discussions toward solving these problems. If this subcommittee can help facilitate action in any manner, please get in touch with me or my staff. And, again, thank all of the Members for participating today.

That concludes this hearing.

[Whereupon, at 12:15 p.m., the subcommittees were adjourned.]

[Additional information submitted for the hearing record follows:]

Statement for the Record

Flavio Cumpiano, Esq.
Executive Director
Puerto Rico Federal Affairs Administration

Census Data: Special Issues Related to the U.S. Territories
Subcommittee on Information Policy, Census, and National Archives

Wednesday, May 21, 2008, 10:00 AM
2154 Rayburn House Office Building

Mr. Chairman, the Commonwealth of Puerto Rico appreciates the opportunity to submit these comments for the record to the Subcommittee on of the House Oversight and Government Reform Committee.

The Commonwealth of Puerto Rico sees the US Bureau of Census as a strong and active partner in providing critical data regarding the demographics and economic performance of the island. We have a long and strong history of collaborating and working together to provide timely information for investors, educators, and government decision makers. The Commonwealth recognizes and appreciates the professionalism of the Bureau career staff that is dedicated to work tirelessly in order to provide critical economic and demographic information.

There are four issues which we believe if addressed could make the Commonwealth partnership with the United States stronger, the data more reliable, and decisions made by both the US Congress and the President regarding Puerto Rico based on timely and accurate information. We also believe that a more robust data partnership with the US will provide the foundation for more effective economic planning and growth in Puerto Rico.

Among the issues that the Commonwealth would urge the Congress to consider:

1. **Current Population Survey.** The Current Population Survey (CPS) is one of the critical statistical data collection tools used by the United States Government. In addition to information related to education, weekly earnings and hours worked, since 1980 the CPS has reported on the number of persons without health insurance. If the CPS is going to continue as one of the premier data collection sources for the United States the Commonwealth would urge Congress to consider including Puerto Rico in this instrument.

By not including Puerto Rico in the CPS, Congress is limited in the scope of its options and its ability to make sound policy decisions. For example, in 1997, the CPS was used to allocate funds for the newly authorized State Children's Health Insurance Fund. Since Puerto Rico was not included in the CPS, Congress

never had the option to decide whether or not to include Puerto Rico in the allocation formula for the program. Congress could only provide funds through a set-aside which had no foundation in either economic or healthcare policy. Certainly Congress would not use arbitrary set-asides when making health insurance funding decisions regarding Maine, New Hampshire and Vermont, but since Puerto Rico was not in the CPS, Congress had no choice. Our point is that Congress and the Executive should have better information when they make decisions about a jurisdiction that has a greater population than 25 states. Including Puerto Rico in the CPS gives Congress and the Executive branch that flexibility and that opportunity.

2. **Economic Census Series.** The Economic Census data provides critical information about the Puerto Rico economy. The 2002 manufacturing report was particularly critical because it covered the period when the Federal Section 936 tax benefits were being phased out. There was significant debate both in Washington and Puerto Rico about the impact of this phase out on the manufacturing jobs base on the island. In 1997 the Puerto Rico Manufacturing Census was released by the Census Bureau 27 months after the census gathered the needed data but the 2002 version took 34 months to publish and it required a major revision, after publication. Similarly, in 1997, the Wholesale Retail report was released after 36 months but the 2002 report took 44 months publish. Likewise with regard to the Construction Report, while the 1997 version was released after 29 months, the 2002 report took 44 months to complete and publish.

However, the most troublesome aspect of the 2002 Economic Series was the need for major revisions. The Census Bureau initially released the Manufacturing report in October 2005 and in that report it indicated that there were 162,745 manufacturing jobs in Puerto Rico. This was only 1000 jobs fewer than 1997 and it would have been very good news, had it been true. In Puerto Rico public officials were immediately criticized for issuing data over a period of years which suggested large losses of manufacturing jobs. The Census Bureau quickly withdrew the manufacturing report; made revisions and released a report which showed 126,707 manufacture jobs or a loss of 37,000 jobs.

These events were taking place at the same time which Congress had requested the GAO do a study on the impact of the loss of tax incentives on the Puerto Rico economy. The GAO study was delayed for months because Census had not completed its work; and when the GAO report was released in May 2005 it could not cite the data from the Census Bureau showing that the Commonwealth had lost 37,000 manufacturing jobs which turns out to be the largest decline in manufacturing jobs as a percentage of its economy of any of the states except for Alaska. We think the reason why Congress asked GAO to do that study was so they would have a better understanding of what occurred in Puerto Rico as the Section 936 benefits were being "phased out."

Our concern with the Economic Census is that there needs to be sufficient resources dedicated to this effort so that it can be timely and accurate and so that Congress can rely on it as basis for making decisions.

3. **American Community Survey.** Including Puerto Rico in the American Community Survey was a significant step forward for the Commonwealth. Congress and this Committee, and the Census Bureau are to be commended. We do believe the Puerto Rico Community Survey will provide Congress, the Federal executive as well as Commonwealth leaders, investors and planners important data as we move forward.

In moving forward on the ACS it is critical that the Puerto Rico ACS sample and survey instrument stay as current and relevant as possible. Like the ACS for states, Puerto Rico's sample frame should be updated regularly. It is our understanding that Census has entered into contracts to make revisions to the sampling in the states for the ACS in order to reflect change and growth in those jurisdictions; it does not appear that a similar investment is being made in the Puerto Rico Community Survey. It is our understanding that the Puerto Rico sample has not been adjusted on the island since the inception of the Puerto Rico Community Survey, although there are an additional 97,000 new homes. We understand there are tight resources and limited funding; however, we would urge Congress to work to make sure that the Puerto Rico sample and survey stay current so that it can continue to be as vibrant and relevant as the American Community Survey is for the states.

4. **Center for Medicare and Medicaid Services**. In closing, there is one other data related issue which I would like to bring to the Subcommittee's attention, regarding the Center for Medicare and Medicaid Services (CMS). I understand the Committee does not have jurisdiction in the data collection and publications by CMS; however, the data they collect has significant budget and policy implications for the United States. Puerto Rico has more than 527,000 Medicare beneficiaries; however, on more than one occasion in CMS publications the Puerto Rico data is referenced in a footnote as opposed to having relevant data included in the data tables. It is my understanding that one can order data files with Puerto Rico or without Puerto Rico. Given the level of participation of Puerto Rico's seniors in the Medicare system, leaving Puerto Rico out of the underlying data prevents Congress from seeing the full impact of its policies and proposals. Leaving Puerto Rico out of data analysis, publications and data provided to researchers or the public, has a greater statistical and financial impact than would leaving out Maine, New Hampshire and Vermont from those same data runs. The challenges of the Medicare system are too great, to take short cuts in the preparation and release of publicly available data.

In the Medicaid program there are additional reporting hurdles for

the Commonwealth as Puerto Rico did not have the same opportunity as the states to develop Medicaid technology management and reporting systems, which the Federal government has funded in 90 percent of their development and 75 percent of their operations. In the 2007 SCHIP reauthorization Congress authorized Puerto Rico to receive the 90 / 75 percent reimbursements for data systems provided that it implements the CMS approved systems; essentially, this is a funding for reporting model. While the President's vetoes prevented that progress, it is our goal to have Congress include the same technology provisions in another legislative vehicle that could reach final enactment this year.

Mr. Chairman, the Census Bureau has done great work for and in conjunction with Puerto Rico. We believe there are opportunities to build and improve on the success that we have experienced. As Congress moves forward to address the great challenges which the United States is confronting it is essential that Congress has the entire economic and demographic picture in every jurisdiction. We would therefore urge the Committee to insist that the data collection agencies systematically include Puerto Rico and keep existing systems and instruments up to date. We think that is an important policy not just for collection, but also in the dissemination and publication of data. We think taking this approach at the end of day makes decisions like the SCHIP set-asides unnecessary and prevents lost opportunities like the GAO report. In essence, timely and accurate data provides Congress with a more accurate and sound policy foundation to make decisions in the future.

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