



**PREPARED STATEMENT OF
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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**

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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.