

Statement for the Record

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

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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 to 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.