

Testimony of
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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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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 and 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 than 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.