

**STATEMENT
OF
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**BEFORE THE
UNITED STATES HOUSE COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON INDIAN AND INSULAR AFFAIRS**

**REGARDING “EXAMINING GAO’S FINDINGS TO ADDRESS DATA GAPS AND IMPROVE DATA
COLLECTION IN THE TERRITORIES”**

June 13, 2024

Chair Hageman, Ranking Member Leger Fernández, and members of the Subcommittee on Indian and Insular Affairs, thank you for the opportunity to testify on the need for a coordinated Federal approach to address data gaps for U.S. territories. I am the economist of the Office of Insular Affairs (OIA) at the U.S. Department of the Interior (Department). OIA carries out the Secretary of the Interior’s responsibilities for administering the Federal government’s relationship with the territories of American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, and the United States Virgin Islands (USVI) (collectively, the territories).

It is important to have adequate data for the territories because the existing data gaps that the U.S. territories experience create, and perpetuate, inequities in how these Americans are served by our policymakers and programs, and place undue burden on the U.S. territories to solve these information needs. Accounting for all American communities in the collection and publication of Federal statistics is the foundation for being able to meet the public’s needs and priorities, inform solutions, and measure performance of Federal programs and activities efficiently and effectively. Addressing Federal data gaps for U.S. territories is long overdue.

Nonetheless, historically there has been a lack of data for the territories due to variety of reasons. For example, the unique legal status of these territories, i.e., not being defined as states, has resulted in uneven treatment for how the U.S. makes policy and creates legal or administrative frameworks for Federal programs and activities, including the production of national statistics. Additionally, the territories’ remote geographies can impact scope as a result of travel costs, time zone differences, and the lack of awareness of the U.S. territories. The result has been a piecemeal approach at the Federal level, which has resulted in data gaps in Federal statistics.

These data gaps negatively impact the territories. Insufficient data affects the private sector’s ability to leverage outside investment and understand labor needs and the government’s ability to make informed policy decisions, like forecasting revenue for budget purposes. The daily lives of Americans in the territories are also negatively impacted—be it the ability to identify and

participate in mitigation of natural disaster risks or minimum wage determinates. It is important to the territories and those living there to address these issues, and OIA welcomes all efforts to close persistent data gaps in a meaningful way.

GAO's Report on the Current Statistical Landscape

In a world increasingly driven by data, the U.S. territories and the Americans that live there are at risk of being left behind. The U.S. Government Accountability Office (GAO) recently recognized the inequities in data and statistics that the U.S. territories face in a report titled, *U.S. Territories: Coordinated Federal Approach Needed to Better Address Data Gaps*.¹ In order to address a problem, it is often helpful to first identify its scope and causes.

The GAO report identifies the information gaps and structural characteristics that, to date, have served as barriers to the inclusion of the U.S. territories in Federal statistics. To address this issue, the GAO recommends a coordinated, government-wide approach to examine the costs, benefits, and feasibility of including territories in statistical products. OIA looks forward to working with our Federal partners to evaluate GAO's recommendation, which would assess the Federal government's historically fragmented approach to U.S. territorial statistics that has led to an overburden on the territorial resources, duplication of efforts, and critical statistical gaps.

As we evaluate GAO's recommendation and look to address this issue of gaps in territorial data with our Federal partners, consideration should be given to the fact that certain barriers—such as lack of local capacity—have persistently been used as the justification for these gaps and as justification for failing to address the root issues. Rather, instead of addressing the root issues, this misunderstanding of these island communities often leads federal agencies to try to force island territorial communities into continental State models—in other words, square pegs into round holes.

To identify long-term solutions to address these historic data inequities, OIA suggests that other factors for consideration include:

- 1. Unique Territorial Needs Compared to Existing State Models:** The GAO report cites several examples of challenges that statistical agencies face when trying to include the U.S. territories into existing products, however, these examples largely assume the state methodology to be the goal. The territories possess fundamentally unique attributes driven by culture, the ability of local capacity to create information, and the uniqueness of their economies. These factors require an open-minded approach that borrows from known methodologies but also meets the unique situations of the U.S. territories. Possible approaches include looking beyond existing U.S. methodologies to borrow from successful international models already in use across the Pacific and the Caribbean islands, exploring hybrid surveys,

¹ <https://www.gao.gov/assets/gao-24-106574.pdf>

and recognizing the role of collaboration with entities outside of the Federal statistical community.

2. **Statutory, Administrative, and Agency-level Barriers of Inclusion:** Currently, there is no comprehensive understanding for “why” the U.S. territories are excluded from most Federal statistics. Without the context of the “why”, the “how to solve” becomes very challenging.

Identifying if the territorial exclusion from each key statistical product is a result of statute, administrative (regulatory), or other (e.g., agency-level scope decisions, funding, etc.) will enable us to identify what must be done to remedy the inequity.

3. **Local Capacity to Overcome Data Collection Challenges:** Statistics are only as good as the information that goes into them. As such, the need for territorial statistics cannot be thought of as a single investment, but rather must be coupled with an evaluation of source data needs and investment in local capacity. Such examples include guidance and resources to support electronic infrastructure, survey frames, U.S. standards and classification schemes, and capacity and training. Local capacity should not be justification for U.S. territorial exclusion.
4. **Reliance on OIA Technical Assistance:** To date, territorial gaps in Federal statistics have been supplemented by technical assistance funding from OIA (e.g., territorial CPI, GDP, Household Income and Expenditure Survey, Visitor surveys, Prevailing Wage Survey). Using OIA technical assistance as the Federal strategy for supporting territorial statistics is not sustainable or sufficient. The reliance on OIA technical assistance to address the statistical needs of the territories places the burden on the territories to solve this data gap for themselves and diminishes the ability to focus on the intended purpose of addressing priority areas to foster development.
5. **Federal and Territorial Cooperation:** Including entities that can represent, advocate, and guide the unique territorial needs in the discussion regarding how to address this issue would be helpful. In doing so, expertise on statistics would be merged with authorities who can represent and meet the unique territorial needs where they currently are. The ideal execution of this partnership will require statistical and territorial support entities to be equal partners—allowing for open sharing of information and methods.

6. **Other Considerations:**

- a. **Best Practices for Navigating Existing Data Gaps Today:** The recommendations focus on a coordinated evaluation for addressing data gaps in the future. However, OIA believes it is necessary to identify near- and medium-term guidance and coordination around the realities of the available science. Coordinated guidance and best practices (e.g., treatment of null data, use of proxy indicators, etc.) ensures that

data producers and users today do not allow existing gaps to inadvertently perpetuate inequalities.

- b. Puerto Rico's Statistical Needs May Differ from the Other U.S. Territories:** Puerto Rico is included in more Federal statistics and has experienced more coordinated efforts to target the territories' data needs. Although there are several data gaps that still need to be addressed for Puerto Rico, the investment in the territory's statistical capacity and inclusion in Federal statistics to date is different than that of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands. As such, Puerto Rico's next steps may differ from that of the other U.S. territories.
- c. The Value of the U.S. Territories is Beyond Their Size:** The population and land area of the territories should not be used as a basis for determining Federal investment in statistics. The value of the U.S. territories should capture the comprehensive contributions that the U.S. territories provide to the United States (e.g., economic contributions from individuals, geographic location (defense), cultural diversity, etc.).

Conclusion

OIA, in its role to serve and meet the needs of the people living in the U.S. territories, has been, and continues to be, committed to addressing the priority data needs that can help inform the decisions of the territorial and Federal stakeholders. OIA uses its limited resources to do so, but the Department is not positioned to solve this problem by itself, nor can the territories continue to carry the burden of addressing the gaps.

As information and statistics play an ever more important role in identifying trends, measuring performance, and informing evidence-based decisions on policy and resources, we must continue to actively participate in addressing these U.S. territorial data gaps. If we do not, we perpetuate known territorial inequities, distorting policy decisions based on an overfocus on the slim data that does exist, and further marginalize communities already too often overlooked.

OIA appreciates the interest in this issue and looks forward to continuing to be an active part of the solution.

Chair Hageman, Ranking Member Leger Fernández, it is a pleasure to appear before your Subcommittee today. Thank you for your time.