

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



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Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

February 14, 2018

The Honorable Ricardo A. Rosselló Nevares
Governor of Puerto Rico
La Fortaleza
P.O. Box 9020082
San Juan, PR 00902-0082

Dear Governor Rosselló Nevares:

The Oversight Board shares your concern regarding the quality and credibility of Puerto Rico's economic statistics, and the fragmentation of statistical functions across various government agencies. Although the Oversight Board recognizes the significant amount of efficiencies and potential savings included in your Administration's Reorganization Plan No. 1, the Oversight Board urges the Government of Puerto Rico to retain and strengthen the Puerto Rico Institute of Statistics ("PRIS") as a standalone and independent agency of the Commonwealth of Puerto Rico.

First, the PRIS is in a unique position to ensure transparency and accountability and guarantee that Puerto Rico's statistics are immune from political influence. The PRIS was established as an independent and fiscally autonomous entity governed by a Board of Directors. Given the current fiscal situation, it is all the more important that Puerto Rico ensure that its statistics are transparent and credible to all stakeholders, including citizens, the federal government, creditors, and investors.

Second, the PRIS has an established infrastructure that is aligned with industry standards, which enables it to gather and analyze information and provide fast and universal access to such data. The development and publication of statistics produced by different agencies and public corporations of the Commonwealth is fragmented, costly, and inefficient. The PRIS is already well-positioned to collect and publish information that is currently fragmented across different agencies and serve as the central depository for statistical information on Puerto Rico.

Third, the Congressional Task Force on Economic Growth in Puerto Rico ("Task Force") explicitly recognized the role of the PRIS and recommends furthering appropriations to it:

... the government of Puerto Rico [should] consider appropriating a level of funding to the Puerto Rico Institute of Statistics that is commensurate with its important responsibilities. The Task Force also recommends that the Institute of Statistics continue to protect its independence and take all feasible steps to publish its products in English in addition to Spanish so these products can have the widest possible audience.

Fourth, the report from the U.S. House Committee on Appropriations for Commerce, Justice, and Science dated July 17, 2017 directs the U.S. Department of Commerce and its Bureau of Economic Analysis (“BEA”) to calculate GDP for Puerto Rico and to continue its collaboration with the Government of Puerto Rico to modernize Puerto Rico’s economic statistics. Given the PRIS’s previous work with the U.S. Census Bureau and its BEA, the PRIS is also uniquely positioned to continue serving as the federal government’s counterpart in Puerto Rico.

Maintaining the PRIS as a standalone, independent agency of the Government of Puerto Rico is essential to ensuring the transparency and credibility of the Government’s statistics. This is particularly important with respect to measuring and reporting the economic performance of Puerto Rico. Accordingly, the Oversight Board asks that you consider the following to strengthen the quality of statistics in Puerto Rico:

- (1) Modernizing and upgrading Puerto Rico’s statistical functions and consolidating them into the PRSI;
- (2) Supporting the PRIS as it works with the federal government to implement the Task Force’s recommendation for the U.S. Census Bureau and the BEA to include Puerto Rico in its data-collection and survey programs, as well as managing the calculation of Puerto Rico’s GDP;
- (3) Expanding the PRIS’s role to include analytics, insights, and foresight support to the Government’s strategic policy development initiatives; and
- (4) Protecting the PRIS’s independence from political intervention.

An independent and better funded PRIS will greatly assist Puerto Rico’s goal of producing consistent, credible, and current statistical data.

Sincerely,



Natalie A. Jaresko
Executive Director

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