

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-5401**

May 13, 2013

The Honorable Frank D. Lucas  
Chairman  
Committee on Agriculture  
1301 Longworth House Office Building  
Washington, DC 20515

The Honorable Steve King  
Chairman  
Subcommittee on Department Operations,  
Oversight, and Nutrition  
1301 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Lucas and Chairman King:

Last week, I wrote to you in advance of your release of the legislative text of the *Federal Agriculture Reform and Risk Management Act of 2013* to urge you not to include any provision that would impinge upon the current ability of the government of Puerto Rico to design, in consultation with the Food and Nutrition Service (FNS), a nutrition assistance program that best meets the needs of its low-income residents. I believe the arguments I laid out in that letter, as well as in prior conversations with you and your staff, militate strongly against such a provision. Accordingly, I deeply regret that you have included Section 4023 in the base text you released on May 10<sup>th</sup> and that you have scheduled for markup on May 15<sup>th</sup>. I respectfully request that you reconsider the inclusion of this provision in the bill. Given the fact that not a single hearing has been held on this matter and that the provision is being made over my strenuous and well-known objections, I ask at a minimum that you substitute the current text of Section 4023 with a study requirement directing FNS to identify and assess alternative methods for meeting the needs for program participants that the cash benefit option presently provides and that FNS exercise its existing discretion to help design additional controls to prevent error, fraud and abuse under the program.

Program design has been the prerogative of the government of Puerto Rico since Congress removed the territory in 1982 from the Food Stamp Program, which is now known as the Supplemental Nutrition Assistance Program (SNAP) and which applies in all 50 states. By removing Puerto Rico from the Food Stamp Program and providing the territory with a block grant instead, Congress severely limited the number of otherwise eligible households that could receive nutrition assistance. In exchange, the government of Puerto Rico received important flexibility to design and administer the block grant program under the close oversight and supervision of FNS. To address unique circumstances that apply only in Puerto Rico, the option of allowing program participants to redeem up to 25 percent of their monthly benefit for cash was devised.

This option, which has been in place since 2001, has ensured that thousands of program participants who reside in the most rural and remote locations in Puerto Rico are able to access nutritious foods from small, non-certified retailers known locally as *los colmados*. These

retailers are particularly important to program participants during holidays and off hours, when larger retailers are traditionally closed.

In fact, FNS reports there are more small business food retailers than there are larger chain grocery stores operating in Puerto Rico. Unlike under SNAP, retailers in Puerto Rico who wish to become certified to participate in the Puerto Rico program are denied Electronic Benefits Transfer (EBT) equipment paid for in full by the federal government. The costs of acquiring such equipment on their own are cost-prohibitive for some small business food retailers. Accordingly, if Congress eliminates the cash benefit option, access to nutrition for participants relying upon the local, non-certified *colmado* may be jeopardized.

To proceed with Section 4023 as currently drafted is to violate the implicit premise of the block grant arrangement. Absent reintegration of Puerto Rico into SNAP, the administrative discretion exercised by the government of Puerto Rico (in consultation with FNS) to design and operate the block grant program should not be disturbed. Congress has always honored this arrangement, reauthorizing the block grant program four times (in 1985, 1990, 1996, and 2002) and permanently reauthorizing the program in 2008. Puerto Rico is already badly disadvantaged under the block grant, insofar as its exclusion from SNAP results in 85,000 households not being eligible for assistance. For this Committee to exacerbate the situation, rather than alleviate it, is deeply wrong.

If there is a problem in the way in which benefits are being delivered or redeemed in Puerto Rico, FNS has the discretion under current law to take corrective action within its regular approval process for the annual plan of operations submitted by the government of Puerto Rico and through its other program oversight roles and responsibilities.

If you are intent on proceeding with Section 4023 despite the arguments I have made, I ask you, at a minimum, that you substitute the current language with a study requirement directing FNS to identify and assess alternative methods for meeting the needs for program participants that the cash benefit option presently provides and that FNS exercise its existing discretion to help design further controls to prevent error, fraud and abuse under the program.

Thank you for your attention to this request.

Sincerely,



Pedro R. Pierluisi  
Member of Congress

cc: The Honorable Collin C. Peterson, Ranking Democratic Member, Committee on Agriculture  
The Honorable Marcia L. Fudge, Ranking Democratic Member, Subcommittee on  
Department Operations, Oversight and Nutrition