



May 26, 1999

The Honorable F. James Sensenbrenner, Jr.
Chairman, Committee on Science
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter provides you with the Department of Commerce's views on H.R. 1552, the "Marine Research and Related Environmental Research and Development Programs Authorization Act of 1999", as ordered reported April 29, 1999 by the Committee on Science. The Department appreciates your efforts to move forward with an authorization bill for the marine research and related environmental research and development program activities of the National Oceanic and Atmospheric Administration (NOAA) for fiscal years 2000 and 2001.

However, the Department has several concerns about the bill, and cannot support it as written. In particular, the bill contains authorization levels for many programs that are significantly below the President's FY 2000 request. For example, the Office of Oceanic and Atmospheric Research's (OAR) total FY 2000 request for the Operations, Research, and Facilities account is \$282,570,000. H.R. 1552 only authorizes \$44,320,000 for OAR and does not reflect programs authorized elsewhere, including those that would be authorized under H.R. 1553, the "National Weather Service and Related Agencies Authorization Act of 1999." Even if both of these bills were to be enacted, other OAR programs would not be covered, with possible drastic program reductions.

The Department opposes the Committee's \$10 million cut for Central Administrative Support. This cut impedes the ability of the Department and NOAA to effectively implement a financial management system. This cut will increase the assessments charged to the individual NOAA Line Offices, thereby threatening cuts in essential programs at each of the Line Offices.

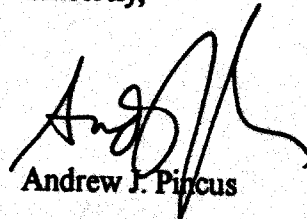
There are several other portions of the bill, such as those for the National Ocean Service (NOS), that also have in the bill authorized levels too far below the President's FY 2000 request levels which are inadequate to meet NOAA's important mission requirements. In addition, the Department strongly urges that all FY 2001 authorizations be changed to "such sums as may be necessary" to allow for inflationary increases and other program adjustments that may be necessary and requested by the Administration.

The proposal to transfer to the National Science Foundation (NSF) NOAA's current role in replacing its aging fleet which conducts marine, atmospheric and fisheries research is not acceptable to the Administration. Procurement of major equipment for other Federal agencies is inconsistent with NSF's mission. Transfer of these funds to NSF could prevent NOAA from obtaining a capable fishery research vessel, one of the ocean priorities that the President announced at the National Ocean Conference last summer. Additionally, the Department is concerned that the bill contains restrictions that would prevent NOAA from making cost-effective use of existing vessels and limit NOAA's ability to maintain pace with technological advances and improve productivity.

Finally, Section 10 of the bill appears to prohibit NOAA from making, with limited exception, any grants, for a five-year period, to any person who has received a sole source grant from "any Federal funding source" after FY 1999. As a practical matter, there is no way NOAA could determine if a potential grantee has received a sole source grant from any other agency, so this provision is unenforceable. Also, in instances where a service is only available from a limited number of sources, the restriction would unnecessarily limit NOAA's ability to acquire those services efficiently and expeditiously.

The Office of Management and Budget advises that there is no objection to the submission of these views for the consideration of the Committee from the standpoint of the Administration's program.

Sincerely,



Andrew J. Pincus

Enclosure

The Identical Letter was sent to:

**The Honorable George E. Brown, Jr.
House Science Committee**

**National Oceanic & Atmospheric Administration (NOAA)
Comments on March 24, 1999, Discussion Draft
"Marine Research and Related Programs Act of 1999"**

General Comment: NOAA requests that all FY 2001 authorizations in the draft bill be changed to "such sums as may be necessary" to allow for inflationary increases and other program adjustments that may be necessary and requested by the Administration.

Section 3(a): NOAA recommends striking subsection 3(a). The National Ocean Service's (NOS) total FY 2000 request for the Operations, Research and Facilities (ORF) account is \$328,543,000. The \$200,343,000 authorized in section 3(a) does not reflect all NOS programs, and could result in drastic cuts in programs authorized under other Acts of Congress.

Section 3(b): The Hydrographic Services Improvement Act of 1998 (Title III of Pub. L. 105-384) has authorized NOS' navigation services for FY 2000-2001. NOAA therefore recommends that this section either be deleted, or be made consistent with the enacted authorization levels.

Section 3(c): The Harmful Algal Bloom and Hypoxia Research and Control Act of 1998 (Title VI of Pub. L. 105-383) has authorized NOAA's harmful algal bloom and hypoxia related activities for FY 2000-2001.

Section 4: NOAA recommends striking subsection 4(a). The Office of Oceanic and Atmospheric Research's (OAR) total FY 2000 request for the ORF account is \$282,570,000. The \$44,320,000 authorized in subsection 4(a) does not reflect programs authorized elsewhere, including those that would be authorized under the draft "National Weather Service and Related Agencies Authorization Act of 1999". There can be no certainty that both authorization bills will be enacted, and even if that were to occur other OAR programs would not be covered, with the possible consequence being drastic program reductions.

Section 5: Authorization levels in section 5 should be revised to reflect the President's FY 2000 request. The \$10 million cut in the Central Administrative Support account targets the Adjustment-to-Base made in the account in order to implement the CAMS program. CAMS is the financial management system utilized by NOAA to most effectively conduct mandated financial audits. This cut will increase the assessments charged to the individual NOAA Line Offices, thereby threatening cuts in essential programs at each of the Line Offices.

Section 6: Authorization levels in section 6 should be revised to reflect the President's FY 2000 request.

Section 7: The hand-written comments on the draft regarding the National Science Foundation (NSF) are not acceptable. Procurement of major equipment for other Federal agencies is inconsistent with NSF's mission. Transfer of these funds to NSF could prevent NOAA getting a capable fishery research vessel.

Sections 8 and 9: Section 8 establishes new requirements that largely duplicate existing authorities related to acquiring vessel services, except for changes that would unduly restrict the agency's operational flexibility in acquiring those services. Section 9 repeals the NOAA Fleet Modernization Act (FMA).

The FMA already provides for multi-year contracts, and essentially provides for the phase-out of NOAA vessels by strictly limiting NOAA's ability to replace, upgrade, or extend the service life of existing vessels. For the reasons discussed below, NOAA recommends striking both sections, and retaining the authorities provided under the FMA.

Section 8's provisions for contracting essentially replace FMA contracting authority with the following differences:

- ▶ Subsection 8(a) makes contracting mandatory, rather than permissive. There is no clear reason to thus restrict NOAA's operational flexibility, particularly since the agency has made major strides recently, under existing authority, in contracting for vessel services. The restriction also could limit NOAA's ability to pursue least-cost options for obtaining vessel services, thus increasing overall costs.
- ▶ Subsection 8(b) prohibits NOAA from entering into contracts for construction, lease-purchase, upgrade, or service life extension of any existing vessel. This restriction would prevent NOAA from making cost-effective use of existing vessels, and limit NOAA's ability to maintain pace with technological advances and improve productivity, by precluding the modernization of sensors or other technologies used to support effective performance of a vessel's mission.
- ▶ Subsection 8(c) essentially duplicates existing authority, and is unnecessary.
- ▶ Subsection 8(d) requires NOAA to use excess capacity of University National Oceanographic Laboratory System vessels and authorizes NOAA to enter into memoranda of agreement for use of such vessels to "carry out this requirement." This requirement also essentially duplicates existing authority, under which NOAA now uses UNOLS vessels when they are available and appropriate to meet the agency's mission requirements.

Section 10: This section appears to prohibit NOAA from making, with limited exception, any grants, for a five-year period, to any person who has received a sole source grant from "any Federal funding source" after FY 1999. As a practical matter, there is no way NOAA could determine if a potential grantee has received a sole source grant from any other agency, so this provision is unenforceable. Also, in instances where a service is only available from a limited number of sources, the restriction would unnecessarily limit NOAA's ability to acquire those services efficiently and expeditiously.