

WRITTEN STATEMENT ON THE COMMERCE DEPARTMENT'S
FY 2009 BUDGET BY COMMERCE SECRETARY CARLOS GUTIERREZ
SENATE APPROPRIATIONS SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE,
AND RELATED AGENCIES

Madam Chairman and Members of the Subcommittee, I am pleased to appear before you today to present the President's Budget request for the Department of Commerce. Our request of \$8.2 billion in discretionary funds reflects a balance between the Administration's commitment to the Department's mission to promote and sustain economic growth, and the need to restrain discretionary Federal spending. Enactment of this budget will enable the Department to continue to support the innovative and entrepreneurial spirit of America and increase our competitiveness in the international marketplace.

The President's FY 2009 Budget request of \$4.1 billion for the National Oceanic and Atmospheric Administration (NOAA) reflects the Administration's commitment to environmental stewardship. It represents an increase of \$214 million above the FY 2008 enacted level. NOAA encompasses the National Weather Service, which provides critical observations, forecasts and warnings; the National Environmental Satellite, Data and Information Service, which provides timely global environmental satellite data; the National Marine Fisheries Service, which provides stewardship of the Nation's living marine resources and their habitat; the National Ocean Service, which measures and predicts coastal and ocean phenomena; the Office of Oceanic and Atmospheric Research, which provides research for understanding weather, climate, and ocean and coastal resources; and the Office of Marine and Aviation Operations, which operates a variety of aircraft and ships providing specialized support for NOAA's environmental and scientific missions.

The request continues support for development and acquisition of the next-generation Geostationary Operational Environmental Satellite (GOES R), with an increase of \$242 million as we enter the main procurement phase for the spacecraft and the ground control system. There is also a \$32 million increase to continue improving fishery management under the Magnuson-Stevens Act that was reauthorized in 2006, and a \$40 million increase to continue construction of the Pacific Region Center in Honolulu, Hawaii. The Budget includes new requests of \$74 million to restore climate sensors that were demanifested during the Nunn-McCurdy review of the tri-agency National Polar-orbiting Operational Environmental Satellite System (NPOESS) Program, and \$12 million to replace the Satellite Command and Data Acquisition station in Fairbanks, Alaska.

The Economics and Statistics Administration (ESA) promotes the understanding of the U.S. economy and its competitive position. ESA's Census Bureau is the leading source of quality data regarding the Nation's population and economy, and the President's FY 2009 Budget requests \$2.6 billion in discretionary funds for the Census Bureau. This includes a program increase of \$8.1 million to provide policymakers, business leaders, and the American public with comprehensive and timely data on the service economy, which now accounts for 55 percent of economic activity.

The largest increase requested, for both the Census Bureau and the Department, is \$1.3 billion for the 2010 Decennial Census to fund critical operations and preparations for 2010, improve accuracy of map features, and continue the American Community Survey on an ongoing basis. As you are aware, the Census Bureau is currently experiencing significant challenges in the management of the Field Data Collection Automation (FDCA) project for the 2010 Census. I can assure you that not only the Census Bureau but the Office of the Secretary is devoting all of the resources at our disposal to resolve the IT management issues with FDCA and develop a successful way forward. We will keep you informed of our progress.

ESA's Bureau of Economic Analysis (BEA) promotes understanding of the Nation's economic condition by providing policy makers, business leaders, households, and individuals with essential economic data. This data includes the Gross Domestic Product (GDP) as well as other regional, national, international, and industry-specific information. The President's FY 2009 Budget requests \$91 million for ESA Headquarters and BEA. This request includes an increase of \$5.7 million to improve measurement of the health care sector and to incorporate the impact of research & development investments into the GDP.

The International Trade Administration (ITA) supports U.S. commercial interests at home and abroad by promoting trade and investment, ensuring fair trade and compliance with domestic and international trade laws and agreements and strengthening the competitiveness of American industries and workers. The President's FY 2009 Budget requests \$420 million for ITA. This request includes an increase of \$3.8 million for enforcement of the Countervailing Duty Law with China and other non-market economies, as well as a decrease of \$3.0 million to reflect streamlining of Trade Promotion and domestic U.S. & Foreign Commercial Service offices. In the future, as in the past, our long-term economic growth will also be enhanced by supporting international trade, by opening world markets to U.S. goods and services and by keeping our markets open. Congress can help create jobs and economic opportunity by passing the pending Free Trade Agreements with Colombia, Panama and South Korea.

The Economic Development Administration (EDA) assists states, regions, and communities in promoting a favorable business environment through capacity building, planning, infrastructure investments, research grants, and strategic initiatives. The President's FY 2009 Budget requests \$133 million for EDA. The request reduces funding for the Economic Development Assistance Programs (EDAP) by \$149 million in order to support other Administration priorities.

The Bureau of Industry and Security (BIS) regulates the export of sensitive goods and technologies to protect the security of the United States. The President's FY 2009 Budget requests \$84 million to enable BIS to effectively carry out this mission. The request includes \$2.4 million in program increases to upgrade export enforcement and to ensure compliance through validating end-users in foreign countries.

The Minority Business Development Agency (MBDA) focuses on accelerating the competitiveness and growth of minority-owned businesses by assisting with economic opportunities and capital access. The President's FY 2009 Budget requests \$29 million to enable MBDA to continue its activities to increase access to the marketplace and financing for Minority Business Enterprises.

The President's FY 2009 Budget request of \$638 million for the National Institute of Standards and Technology (NIST) will advance measurement science, standards, and technology. The request includes increases of \$71 million for research initiatives at NIST Laboratories and National Research Facilities, and \$62 million for Construction and Major Renovations as part of the President's 10-year American Competitiveness Initiative (ACI). This will put us back on track to double the funding for NIST basic research in the core physical sciences and engineering by 2016, to ensure continued U.S. leadership in this area, a major goal of ACI.

The request includes \$4 million to transition Hollings Manufacturing Extension Partnership centers to a self-supporting basis, and does not include new funding for the Technology Innovation Program (successor to the Advanced Technology Program).

The National Technical Information Service (NTIS) collects and preserves scientific, technical, engineering and other business-related information from Federal and international sources and disseminates it to the American business and industrial research community. NTIS operates a revolving fund for the payment of all expenses incurred and does not receive appropriated funds.

The National Telecommunications and Information Administration (NTIA) develops telecommunications and information policy, manages the Federal radio spectrum, and performs telecommunications research, engineering, and planning. A key responsibility for NTIA is administration of the Digital Television Transition and Public Safety Fund (DTTPSF). During FY 2009, NTIA estimates obligating \$592 million from the DTTPSF to support several one-time programs created by the Deficit Reduction Act of 2005, most notably \$472 million for the Digital-to-Analog Television Converter Box Program. The other \$120 million in DTTPSF obligations includes \$50 million to implement a national tsunami warning system and \$60 million to assist low power television stations in upgrading their signals from analog to digital formats. In addition, NTIA will continue working with the Department of Homeland Security to implement the Public Safety Interoperable Communications grant program. The President's FY 2009 Budget request of \$19 million in discretionary budget authority for NTIA includes a reduction of \$18 million to terminate further grants for Public Telecommunications Facilities, Planning, and Construction.

Furthering the mission to promote the research, development, and application of new technologies by protecting inventors' rights to their intellectual property through the issuance of patents and trademarks, the President's FY 2009 Budget requests \$2.1 billion in spending authority for the U.S. Patent and Trademark Office (USPTO). The USPTO will use these funds to reduce application processing time and increase the quality of its products and services. Consistent with prior years, the Administration proposes to fund the USPTO budget exclusively through offsetting fee collections. Fee collections for FY 2009 are projected to cover the proposed increases.

Departmental Management (DM) funds the Offices of the Secretary, Deputy Secretary, and their support staff. Staffs in these offices develop and implement policy, administer internal operations, and serve as primary liaison to other executive branch agencies, Congress, and private sector entities. The President's FY 2009 Budget requests \$20.8 million in discretionary appropriations for DM, which includes a \$48.6 million rescission from the Emergency Steel Guaranteed Loan Program. Proposed increases include \$7.1 million to upgrade IT security and ensure mission essential communications, and \$3.6 million for blast mitigation windows and other renovations to the 76-year-old Herbert C. Hoover Building.

The Office of the Inspector General (OIG) strives to promote economy and efficiency, and detect and prevent fraud, waste, and abuse in Departmental programs and operations. The President's FY 2009 Budget requests \$24.8 million to enable the OIG to continue to effectively meet these mandates. Also, the Budget requests \$1 million to improve the OIG's ability to evaluate and improve the security for the Department's information technology assets.

The Department of Commerce is a diverse group of agencies, with varied expertise and differing needs, all engaged in a common commitment to keep the United States at the global forefront of competitiveness and innovation. The President's FY 2009 Budget effectively meets those needs, while exercising the fiscal restraint necessary to sustain our economic prosperity. I look forward to working with the Committee to keep our Nation's economy growing and strong, and to promote technological advancement and environmental stewardship.