

**WRITTEN STATEMENT ON THE COMMERCE DEPARTMENT'S
FY 2010 BUDGET BY COMMERCE SECRETARY GARY LOCKE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON COMMERCE, JUSTICE,
SCIENCE, AND RELATED AGENCIES
April 28, 2009**

Chairman Mollohan, Ranking Member Wolf, and distinguished Members of the Subcommittee, I am pleased to join you today to talk about the Department of Commerce. It is a privilege to serve the American people and I am grateful for the confidence President Obama has in my ability to lead this great agency. While this is my first opportunity to work with you as Secretary, I realize that the Subcommittee has a critical role in achieving the Department's mission.

The Commerce Department has a broad mandate to strengthen the Nation's economy, and promote innovation and environmental stewardship. The means by which we achieve these goals are vast and varied, and the 37,000 public servants under my watch work daily to achieve them. As announced in February, the FY 2010 President's Budget includes \$13.8 billion in discretionary funds for the Department, a major increase over FY 2009 due primarily to the Decennial Census. We look forward to announcing the full details of the President's Budget in the near future.

This budget contains the resources necessary to complete the 2010 Census effectively and on time, with an increase of more than \$4 billion. Combined with the \$1 billion Congress provided in the American Recovery and Reinvestment Act (ARRA), these resources will enable us to conduct the Nation's largest peacetime mobilization by hiring nearly one and a half million temporary workers. The Census Bureau will also focus extensive advertising and partnership activities on hard-to-reach populations, to encourage a high response rate. All of this will be done with the goal of the most complete and accurate count of the Nation's population to date.

The request provides more than \$1.3 billion for satellites that are essential to the National Oceanic and Atmospheric Administration's (NOAA) ability to capture weather forecasting and climate data. Resources are also provided to advance climate and ocean research, and support implementation of the Magnuson-Stevens Act and its requirement to end overfishing by 2011. These resources build upon the \$830 million provided in the ARRA and will enable NOAA to meet critical mission needs.

This budget supports the National Institute of Standards and Technology's (NIST) advanced measurement and standards activities that are critical to the Nation's technology infrastructure. The President's plan for investments in science includes doubling research funding within NIST over 10 years. The request includes \$125 million for the Hollings Manufacturing Extension Partnership program to enhance the competitiveness of manufacturers by facilitating the adoption of efficient manufacturing processes. The Technology Innovation Program will receive \$70 million to invest in high-impact research that will tackle critical national needs and advance innovation. These two programs had been proposed for termination in the FY 2009 President's

Budget. In addition, the ARRA includes \$220 million for NIST's scientific research activities and lab equipment and \$180 million for construction of NIST facilities.

The Economic Development Administration (EDA) will support economically distressed communities in their efforts to develop strategies for long-term growth with higher-skilled and higher-wage jobs. EDA will provide \$50 million in regional planning and matching grants to support the creation of regional innovation clusters. EDA will also use \$50 million to create a nationwide network of public-private business incubators to promote entrepreneurial activities in distressed areas. Oversight of the \$150 million provided to EDA in the ARRA for economic adjustment assistance and infrastructure funding, with priority for areas experiencing severe job losses, will remain active during FY 2010.

In FY 2010, the National Telecommunications and Information Administration (NTIA) will continue its important work of managing the Federal use of spectrum and performing cutting-edge telecommunications research and engineering, including resolving technical telecommunications issues for the Federal government and private sector. In addition, NTIA will be administering the \$4.7 billion provided in the ARRA to expand broadband deployment and adoption, and will soon have completed the coupon program for the transition to digital television funded in the ARRA and the Digital Television Transition and Public Safety Act.

The President's Budget will also fully support the International Trade Administration's efforts to promote exports from small businesses and eliminate barriers to sales of U.S. products, and give the U.S. Patent and Trademark Office full access to its fee collections, which will provide resources to strengthen the Office's ability to encourage innovation and safeguard the value of intellectual property through more efficient and higher quality patent and trademark examinations.

While most of the details of the FY 2010 request are still under development, I would also like to discuss and listen to your perspectives on the key management challenges facing the Department. Our Inspector General has identified several issues for my immediate attention, including overcoming the setbacks experienced in reengineering the 2010 Census, better positioning the Department to address information security risks, effectively managing the development and acquisition of NOAA's environmental satellites, establishing a safety culture at NIST, and ensuring NTIA effectively carries out its responsibilities for the digital transition. I'm pleased to report some progress in those areas, as the Census has entered its address canvassing phase using handheld computers, and NTIA has eliminated its coupon backlog since receiving ARRA funds, for example.

Some challenges are unique to Commerce, and some are common in the federal government and the nation as a whole. The Department has to upgrade its aging infrastructure, and effective management is critical to these efforts. We are very pleased that the Administration plans to use ARRA funds appropriated to the General Services Administration for the next stages in the multi-year renovation of our headquarters, the Herbert C. Hoover Building.

In closing, since its creation the Department of Commerce has played a pivotal role in a wide range of efforts important to the Nation. While we are currently facing challenging economic times domestically and internationally, to quote President Obama “the time has come to usher in a new era of responsibility that lays a new foundation of growth on which we can renew the promise of America.” I am excited about leading the Department into that era.

Thank you for the opportunity to come before you today, and for your continuing support of the Department of Commerce and its programs. I look forward to your questions.