

House Slashes Commerce R&D, Eliminates ATP

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2001 congressional appropriations process. This analysis includes information on R&D in House appropriations for the Department of Commerce. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2001 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/R&D>) in the “FY 2001 R&D” or the “What’s New” sections.)

This week, the House Appropriations Committee approved its version of an FY 2001 Commerce-Justice appropriations bill that would make deep cuts to the Department of Commerce’s R&D programs. Because it also makes cuts in other Clinton Administration priority programs, President Clinton has threatened to veto the bill if the full House approves it. **The Commerce bill would cut Commerce R&D by 24.0 percent or \$257 million for a total of only \$816 million, well below the FY 2000 \$1.1 billion total** (see Table). The bill would cut R&D in both of Commerce’s major R&D agencies, the National Oceanic and Atmospheric Administration (NOAA) and the National Institute of Standards and Technology (NIST). In NIST, the **House would eliminate the controversial Advanced Technology Program (ATP)** and would provide no funds for a proposed new Institute for Information Infrastructure Protection (IIIP).

The House Commerce-Justice bill would provide \$35 billion in discretionary appropriations for programs in the Departments of Commerce, Justice, and State, nearly \$3 billion below the Clinton Administration request. Because the bill would provide increases for Justice programs, the remaining programs in Commerce and State would suffer cuts. Earlier this year, Congress laid out a plan to spend \$17 billion less than the President’s request of \$622 billion for all discretionary programs in FY 2001 while at the same time increasing defense spending (which makes up half of all discretionary spending) well above the President’s request. As a result, the House Appropriations Committee received far less money for the Commerce-Justice bill than the President requested, and as a result was forced to allocate cuts to many programs.

The House bill would concentrate its deepest cuts on several Commerce R&D programs. The **National Institute of Standards and Technology (NIST)** would receive only \$270 million for its R&D activities in FY 2001, a steep 41 percent cut from the FY 2000 level of \$458 million, and barely more than half the request for \$497 million. While the NIST intramural laboratory research programs would be protected and would in fact grow by 3.5 percent to \$244 million for R&D in the Measurement and Standards Laboratories, **the House would eliminate the Advanced Technology Program (ATP)**. ATP is NIST’s extramural research grants program to provide precompetitive cost-shared R&D support for promising market technologies. The House has repeatedly voted to terminate the program, including in last year’s Commerce-Justice bill, but the Senate and the Clinton Administration have managed to preserve it in past budget struggles. Many Republicans regard the ATP as “corporate welfare,” a subsidy to industrial firms that unnecessarily funds research private firms could and should support.

The House would also slash funding for NIST’s Construction of Research Facilities program from \$107 million down to \$26 million. Although NIST itself only requested \$36 million for FY 2001 because most of the FY 2000 funding was a one-time appropriation to fund the construction of a new Advanced Measurement Laboratory (AML) at NIST headquarters in Maryland, the House would cut even below the reduced request for FY 2001. The non-R&D **Manufacturing Extension Partnership (MEP)**, a program to operate a nationwide network of extension centers to disseminate better manufacturing technologies to small- and medium-sized manufacturers, would receive \$105 million, up slightly from FY 2000 but down from the request.

Because of the overall squeeze on funds, **the House would provide no funds for a proposed Institute for Information Infrastructure Protection (IIIP)**, in contrast to the request for \$50 million out of which \$44 million would fund R&D. IIIP would support research and technology development to protect critical information and telecommunications infrastructures from attack or other failures. IIIP plans to foster partnerships between industry, universities, and government through competitively awarded research grants, mostly to external performers, but these plans would be canceled under the House plan.

The total NIST budget in the House bill would be \$423 million, down a third from FY 2000, including both R&D and non-R&D programs, and is one of the reasons President Clinton may veto this bill.

The House would also cut the **National Oceanic and Atmospheric Administration (NOAA)**'s R&D programs with an R&D appropriation of \$522 million in FY 2001, a cut of 11.8 percent or \$69 million from FY 2000. NOAA's R&D programs on oceans, atmosphere, marine resources, and the environment would be cut deeper than NOAA's overall budget of \$2.2 billion (down 4.8 percent) because the House bill would assign a high priority and therefore lesser cuts to NOAA's non-R&D operations, especially weather forecasting. The House bill would cut NOAA's main R&D account, **Oceanic and Atmospheric Research (OAR)**, from \$301 million in FY 2000 down to \$265 million. Climate and air quality research would decline from \$130 million to \$117 million. OAR research on the atmosphere and oceans would also decline. In the past several years, the House has often proposed cuts to NOAA R&D programs, while the Senate has advocated large increases, with the final result often a compromise between the two.

The Commerce-Justice bill now heads to the House floor, where its approval by the full House is by no means guaranteed. In addition to the cuts to Commerce, the bill would slash funding for the Legal Services Corporation, which provides legal aid to the poor, by more than half, and would make cuts to the President's request for international peacekeeping operations. In addition, the bill contains a provision that would effectively prohibit the Department of Justice from pursuing a lawsuit against tobacco companies to recover some health care costs associated with smoking. Any or all of these reasons could cause several House Republicans to vote against the bill, which could endanger House passage since nearly all Democrats are expected to vote against it. Even if it passes the House, President Clinton would almost certainly veto the bill in its current form, leaving it to the Senate to try to draft a bill more palatable to the President when it drafts its version of the bill later this month. It is widely expected that later on in the budget process this fall, Congress will decide to allocate more funds to this bill to bring its totals closer to the President's request, and it is likely that the House cuts to ATP and other Commerce R&D programs will be reversed at that time.

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**Table. Department of Commerce
House Appropriations Committee Action on R&D in the FY 2001 Budget
(budget authority in millions of dollars)**

	FY 2000 Estimate	FY 2001 Request	Action by House				
			FY 2001 House	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2000 Amount	Chg. from FY 2000 Percent
National Oceanic and Atmospheric Administration:							
TOTAL NOAA R&D	591	594	522	-72	-12.2%	-69	-11.8%
<i>Total ORF (incl. non-R&D)</i>	<i>1,688</i>	<i>1,848</i>	<i>1,607</i>	<i>-241</i>	<i>-13.1%</i>	<i>-81</i>	<i>-4.8%</i>
<i>Total NOAA (incl. non-R&D)</i>	<i>2,344</i>	<i>2,761</i>	<i>2,231</i>	<i>-530</i>	<i>-19.2%</i>	<i>-113</i>	<i>-4.8%</i>
National Institute of Standards and Technology:							
Scientific & Technical Research	236	269	244	-25	-9.2%	8	3.5%
Advanced Technology Program R&D	115	148	0	-148	-100.0%	-115	-100.0%
IIIP ¹	0	44	0	-44	-100.0%	0	--
Construction	107	36	26	-10	-27.5%	-81	-75.7%
TOTAL NIST R&D	458	497	270	-227	-45.6%	-188	-41.0%
<i>STRS Non-R&D Activities</i>	<i>46</i>	<i>62</i>	<i>48</i>	<i>-15</i>	<i>-23.3%</i>	<i>2</i>	<i>3.5%</i>
<i>ATP, IIIP Non-R&D Activities</i>	<i>28</i>	<i>32</i>	<i>0</i>	<i>-32</i>	<i>-100.0%</i>	<i>-28</i>	<i>-100.0%</i>
<i>Manufacturing Extension Partnership</i>	<i>104</i>	<i>114</i>	<i>105</i>	<i>-9</i>	<i>-8.1%</i>	<i>1</i>	<i>0.6%</i>
<i>Total NIST Budget</i>	<i>636</i>	<i>705</i>	<i>423</i>	<i>-282</i>	<i>-40.0%</i>	<i>-213</i>	<i>-33.5%</i>
Bureau of the Census	2	2	2	0	0.0%	0	0.0%
National Telecomm. and Info. Admin.	20	53	20	-33	-62.3%	0	0.0%
Economic Development Administration	1	1	1	0	0.0%	0	0.0%
Technology Administration	1	1	1	0	0.0%	0	0.0%
Total Commerce R&D	1,073	1,148	816	-332	-29.0%	-257	-24.0%

AAAS estimates based on FY 2001 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2000 and FY 2001 request figures based on OMB R&D data and supplemental agency budget data.

Figures are rounded to the nearest million. Changes calculated from unrounded figures.

¹ Institute for Information Infrastructure Protection.

June 16, 2000 - House Appropriations Committee-approved funding levels.

These appropriations may be amended or rejected on the House floor.