

Senate Preserves ATP and MEP, Keeps Sea Grant in Commerce

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2003 congressional appropriations process. This analysis includes information on R&D in Senate 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 2003 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the “FY 2003 R&D” or the “What’s New” sections.)

As part of a rush to draft all 13 FY 2003 appropriations bills before a month-long August recess, the Senate Appropriations Committee on July 18 approved its version of an FY 2003 Commerce-Justice appropriations bill (S. 2778) that would boost funding for the Department of Commerce’s R&D programs. **The bill would provide \$1.2 billion for Commerce R&D, an increase of 6.9 percent or \$78 million over FY 2002** (see Table). This would be a contrast to the President’s request, which would have reduced Commerce R&D below \$1.1 billion. Both of Commerce’s two major R&D agencies—the National Oceanic and Atmospheric Administration (NOAA) and the National Institute of Standards and Technology (NIST)—would receive increases from the Senate. NOAA R&D would rise by 11.6 percent or \$71 million above FY 2002 and the National Sea Grant program would remain within NOAA, while NIST R&D would edge up 2.2 percent to \$498 million. The Senate would go against the Bush Administration’s proposals to halve NIST’s Advanced Technology Program and eliminate federal support for the Manufacturing Extension Partnership (MEP).

The Senate Commerce-Justice bill is able to be generous to R&D programs because of its large total allocation. The \$43.5 billion of discretionary spending in the bill would be nearly \$3 billion more than the FY 2002 funding level, and would be nearly the same amount above the President’s request. (For details of Commerce R&D in the President’s request, please see Chapter 12 of *AAAS Report XXVII: R&D FY 2003*). The bill, in addition to Commerce programs, funds the Department of Justice, the Department of State, and miscellaneous international programs. The House has not yet drafted its version of the bill.

NOAA R&D programs are a high priority for the Senate, as they have been in past years. NOAA plays a key role in research on the topics of climate change, weather, and fisheries. **The Senate bill would provide substantial increases for many NOAA R&D accounts**, especially in the National Ocean Service (NOS) and Oceanic and Atmospheric Research (OAR) for a total NOAA R&D portfolio of \$682 million, an 11.6 percent increase over FY 2002 in sharp contrast to a requested cut. The total NOAA budget would be \$3.3 billion (up 2.7 percent).

The primary reason for the requested cut was the Administration’s proposal to transfer the **National Sea Grant College Program** to the National Science Foundation (NSF), resulting in a \$62.4 million loss. Begun in 1966, Sea Grant involves more than 200 universities in its goal of gaining a better understanding of marine life and marine resources through education, outreach, and technology transfer. Sea Grant provides grants to these universities. The budget proposed that NSF should acquire this program because of its proven track record in managing competitive grants, but **the Senate would reject the transfer and keep Sea Grant in NOAA** at \$63 million in FY 2003. The Senate bill criticizes the Administration proposal for eliminating the program’s state matching requirement and for potentially altering its applied research agenda oriented to NOAA needs toward a more basic research orientation. In addition to keeping Sea Grant within OAR, the Senate would boost other OAR research for a total OAR R&D budget of \$350 million, an increase of 20.8 percent spread across OAR’s research agenda, except that the Senate would not fund the Administration’s \$18 million request to start up its Climate Change Research Initiative (CCRI). The CCRI calls for NOAA to initiate programs in climate modeling, climate and ocean observation systems, carbon monitoring, and aerosol-climate interactions to address gaps in current climate change knowledge. The Senate criticizes the proposed program as “an ill-defined program.” Instead, the Senate would boost funding

for existing NOAA climate change research programs under the long-standing U.S. Global Change Research Program framework to \$159 million.

The Senate would maintain stable funding for NIST's **Advanced Technology Program (ATP) with a slight boost of 0.5 percent in its R&D to \$159 million.** The Bush Administration would have cut ATP R&D in half to \$81 million. Started by the first Bush Administration but promoted as a key technology initiative by the Clinton Administration, the ATP is an 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, and the current Bush Administration has not been a strong supporter, but the Senate has 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 request would not have allowed for any new awards in FY 2003, only continuations of existing grants, but the Senate appropriation calls for \$61 million in new grants.

Total NIST R&D would increase by 2.2 percent in the Senate bill to \$498 million rather than the requested cut to \$467 million. The main NIST R&D activity—**Scientific and Technical Research and Services (STRS), which funds intramural research at the NIST laboratories—would rise slightly by 3.2 percent** (or \$8 million) to \$276 million. The Administration request would have shifted funds from ATP to STRS and would have allowed for a substantial 24 percent increase in STRS R&D to \$332 million. The other NIST R&D program, Construction of Research Facilities, would increase \$1 million over FY 2002 to \$64 million but \$28 million of the Senate appropriation would go to five earmarked research projects instead of NIST facilities construction. The FY 2002 appropriation of \$62 million includes \$42 million in such earmarks. 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 \$107 million, the same amount as FY 2002, in a rebuff to the Administration's request to terminate federal funding for these centers in FY 2003.

The Commerce-Justice bill now heads to the Senate floor, where it is expected to win approval before the August recess. The House will not draft its version of the bill until September; its funding levels for Commerce R&D are expected to be substantially lower than the Senate bill, partially because it will be working with a total allocation level more than \$3 billion lower than the Senate and partially because the Republican-controlled House's priorities are more in line with the Bush Administration than the Democratic-controlled Senate.

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**Table. Department of Commerce
Senate Appropriations Committee Action on R&D in the FY 2003 Budget
(budget authority in millions of dollars)**

| | FY 2002 Estimate | FY 2003 Request | FY 2003 Senate | Action by Senate | | | |
|--|---------------------|--------------------|-------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| | | | | Chg. from Request Amount | Chg. from Request Percent | Chg. from FY 2002 Amount | Chg. from FY 2002 Percent |
| National Oceanic and Atmospheric Administration: | | | | | | | |
| TOTAL NOAA R&D | 611 | 605 | 682 | 77 | 12.7% | 71 | 11.6% |
| <i>National Ocean Service</i> | 61 | 55 | 71 | 16 | 28.2% | 10 | 16.2% |
| <i>National Marine Fisheries Service</i> | 122 | 122 | 123 | 1 | 0.8% | 1 | 0.8% |
| <i>Oceanic and Atmospheric Research</i> | 290 | 284 | 350 | 66 | 23.3% | 60 | 20.8% |
| <i>National Weather Service</i> | 28 | 28 | 27 | -1 | -2.3% | -1 | -2.3% |
| <i>National Env. Satellite and Data Info.</i> | 11 | 11 | 10 | -1 | -9.8% | -1 | -8.1% |
| <i>All Other NOAA R&D</i> | 100 | 105 | 101 | -4 | -3.7% | 1 | 1.0% |
| <i>Ops, Res & Facils (incl. non-R&D)</i> | 2,256 | 2,214 | 2,332 | 118 | 5.3% | 76 | 3.4% |
| <i>Total NOAA (incl. non-R&D)</i> | 3,259 | 3,131 | 3,346 | 215 | 6.9% | 87 | 2.7% |
| National Institute of Standards and Technology: | | | | | | | |
| Scientific & Technical Research | 267 | 332 | 276 | -56 | -16.9% | 8 | 3.2% |
| Advanced Technology Program R&D | 158 | 81 | 159 | 78 | 96.0% | 1 | 0.5% |
| Construction | 62 | 54 | 64 | 9 | 17.0% | 1 | 2.2% |
| TOTAL NIST R&D | 488 | 467 | 498 | 31 | 6.6% | 11 | 2.2% |
| <i>STRS Non-R&D Activities</i> | 59 | 53 | 60 | 8 | 14.7% | 2 | 3.2% |
| <i>ATP Non-R&D Activities</i> | 27 | 27 | 27 | 0 | -0.8% | 0 | 0.5% |
| <i>Manufacturing Extension Partnership</i> | 107 | 13 | 107 | 94 | 725.1% | 0 | 0.1% |
| <i>Total NIST Budget</i> | 680 | 560 | 692 | 132 | 23.6% | 13 | 1.9% |
| Bureau of the Census | 2 | 3 | 3 | 0 | 0.0% | 1 | 50.0% |
| National Telecomm. and Info. Admin. | 21 | 7 | 16 | 9 | 133.4% | -5 | -22.2% |
| Economic Development Administration | 1 | 1 | 1 | 0 | 0.0% | 0 | 0.0% |
| Dept. Administration | 1 | 1 | 1 | 0 | 0.0% | 0 | 0.0% |
| Total Commerce R&D | 1,124 | 1,084 | 1,201 | 117 | 10.8% | 78 | 6.9% |

AAAS estimates based on FY 2003 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2002 and FY 2003 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.

All figures adjusted to exclude President's proposal to fully fund federal retiree costs, and are also adjusted to reflect revised NIST R&D estimates; and therefore differ from figures presented in *AAAS Report XXVII*.

July 26, 2002 - Senate Appropriations Committee-approved funding levels.

These funding levels may be amended or rejected on the Senate floor.