



AAAS R&D Funding Update July 22, 2003 -

## House Slashes Commerce R&D by 22 Percent, Eliminates ATP

### Highlights

- **The House would cut R&D in the Department of Commerce by \$268 million or 21.5 percent to \$980 million in FY 2004, allocating cuts to nearly every Commerce R&D program (see Table).**
- **The House would eliminate the Advanced Technology Program, going even further than the Bush Administration which proposed to phase out the program.**
- The House would cut funding across the board for the National Oceanic and Atmospheric Administration's (NOAA) R&D programs in ocean research, fisheries research, atmospheric science, and climate change science. Total NOAA R&D would fall 14.9 percent to \$582 million in the House plan.

On July 16, the House Appropriations Committee approved its version of the FY 2004 Commerce/Justice appropriations bill (HR 2799), which provides funding for Department of Commerce programs. The bill, in addition to Commerce programs, funds the Department of Justice, the Department of State, and miscellaneous international programs. The House bill would provide **\$980 million for Commerce R&D programs in FY 2004, \$268 million or 21.5 percent less than FY 2003** (see Table). Under the House plan, nearly every R&D program in Commerce would fall substantially, and one (the Advanced Technology Program) would even be eliminated entirely. Commerce R&D would fall even below the steep 11.9 percent requested cut from the Bush Administration. (For details of R&D in the FY 2004 request, please see Chapter 9 of *AAAS Report XXVIII: R&D FY 2004*)

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 see their R&D budgets slashed by the House. NOAA R&D would fall by 14.9 percent or \$102 million below FY 2003 while NIST R&D would plummet by nearly a third down to \$368 million (see Table).

**The House would eliminate NIST's Advanced Technology Program (ATP).** Although the House has voted repeatedly to eliminate the program in previous Commerce/Justice bills, the program has been saved every year by the Senate and, in years past, the Clinton Administration. In February, the Bush Administration proposed to eliminate ATP in FY 2004, but requested a total of \$27 million to fund already-awarded grants and also to pay close-out costs for the program. The House would eliminate the program immediately and provide no funds. The Administration proposed to eliminate ATP based on its belief that other federally funded research programs are more effective, that ATP funds have gone to major corporations that do not need subsidies, and that ATP-funded projects are often similar to those initiated by firms not receiving ATP support. The same Administration proposal for FY 2003 was eventually reversed by Congress, but the prospects for the program now rest with the Senate, which championed the program the past two years under Democratic control but now has a Republican majority.

Total NIST R&D would fall by 30.2 percent in the House bill to \$368 million, primarily because of the elimination of ATP, but other NIST programs would also lose funding. The main NIST R&D activity—**Scientific and Technical Research and Services (STRS), which funds intramural research at the NIST laboratories—would lose \$3 million in funding compared to this year for an R&D total of \$305 million.** The Administration request would have shifted funds from ATP to STRS and would have allowed for a 7.3 percent increase in STRS R&D to \$330 million, but the House would direct ATP savings elsewhere. The other NIST R&D program, Construction of Research Facilities, would decline \$3 million

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over FY 2003 to \$63 million, but this would represent an increase in construction funds over FY 2003 because the FY 2003 appropriation contains \$28 million for congressionally designated research projects. The House would allow the entire appropriation to repair and maintain NIST facilities in Maryland and Colorado. 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 \$40 million, a nearly two-thirds reduction from this year's funding level, but a slight improvement over NIST plans to all but eliminate the federal contribution to this federal-state partnership program. The total NIST budget would fall 35.0 percent down to \$460 million.

**The House would also cut NOAA R&D by a steep \$102 million or 14.9 percent**, for a total of \$582 million. The budget request would have reduced NOAA R&D by a more modest 1.4 percent. Although the Administration requested an increase in the overall NOAA budget from \$3.2 billion to \$3.3 billion, the House would allocate only \$3.1 billion for a 5.6 percent cut. NOAA R&D would decline at a steeper rate because the House would favor NOAA's non-R&D operating programs such as weather forecasting, satellite operations, and data gathering activities. Though the FY 2004 request would have kept most NOAA R&D programs level-funded or declining slightly, in the House bill there would be cuts to most R&D programs, particularly in Oceanic and Atmospheric Research, whose R&D portfolio would fall 20.9 percent to \$269 million. NOAA's climate research program would decline from \$166 million to \$158 million; weather and air quality research would fall from \$57 million down to \$44 million; the National Undersea Research Program (NURP) would be eliminated entirely from a \$16 million funding level in FY 2003. The one exception in OAR is that the House would keep funding for the National Sea Grant College Program at the current-year funding level of \$62 million. 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.

R&D in NOAA's other divisions would also decline, such as the National Ocean Service (NOS), whose portfolio of oceanographic research would fall 27.1 percent to \$51 million. The Coastal Ocean Science program in NOS, for example, would fall from \$20 million to \$17 million. There would be across-the-board cuts in the fisheries and resources management research programs of the National Marine Fisheries Service (NMFS), resulting in a 13.9 percent in NMFS R&D activities.

### Next Steps

The Commerce-Justice bill now heads to the House floor, where it may run into difficulties because of a controversial provision that would block the FCC from allowing greater ownership of local media outlets by media conglomerates. The Bush Administration has threatened to veto the House bill because of this provision. The Senate has not drafted its version of the Commerce-Justice bill and may not do so until September; there is growing sentiment in the Senate to attach a similar FCC provision to its bill. It is unclear whether there is enough support in the Senate for the ATP and other Commerce R&D programs to reverse the proposed House and Administration cuts.

(This analysis is one of a series of AAAS R&D Funding Updates on the FY 2004 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 2004 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2004 R&D" or the "What's New" sections.)

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**Table. Department of Commerce  
House Appropriations Committee Action on R&D in the FY 2004 Budget  
(budget authority in millions of dollars)**

	FY 2003 Estimate	FY 2004 Request	FY 2004 House	Action by House			
				Chg. from Request Amount	Percent	Chg. from FY 2003 Amount	Percent
National Oceanic and Atmospheric Administration (NOAA):							
<b>TOTAL NOAA R&amp;D</b>	684	675	<b>582</b>	-92	-13.7%	-102	-14.9%
<i>National Ocean Service</i>	70	55	<b>51</b>	-4	-7.1%	-19	-27.1%
<i>National Marine Fisheries Service</i>	164	161	<b>141</b>	-20	-12.2%	-23	-13.9%
<i>Oceanic and Atmospheric Research</i>	340	332	<b>269</b>	-63	-19.0%	-71	-20.9%
<i>National Weather Service</i>	28	20	<b>20</b>	0	-1.0%	-8	-27.3%
<i>National Env. Satellite and Data Info.</i>	12	24	<b>24</b>	-1	-2.6%	12	104.2%
<i>All Other NOAA R&amp;D</i>	70	82	<b>77</b>	-5	-5.8%	7	9.6%
<i>Total ORF (incl. non-R&amp;D)</i>	2,298	2,389	<b>2,180</b>	-209	-8.7%	-118	-5.1%
<i>Total NOAA (incl. non-R&amp;D)</i>	3,236	3,319	<b>3,055</b>	-264	-8.0%	-181	-5.6%
National Institute of Standards and Technology (NIST):							
Scientific & Technical Research	308	330	<b>305</b>	-25	-7.7%	-3	-1.0%
Advanced Technology Program R&D	153	10	<b>0</b>	-10	-100.0%	-153	-100.0%
Construction	66	70	<b>63</b>	-7	-10.1%	-3	-4.7%
<b>TOTAL NIST R&amp;D</b>	527	410	<b>368</b>	-43	-10.4%	-159	-30.2%
<i>STRS Non-R&amp;D Activities</i>	49	57	<b>53</b>	-4	-7.7%	4	7.8%
<i>ATP Non-R&amp;D Activities</i>	26	17	<b>0</b>	-17	-100.0%	-26	-100.0%
<i>Manufacturing Extension Partnership</i>	106	13	<b>40</b>	27	214.3%	-66	-62.6%
<i>Total NIST Budget</i>	708	497	<b>460</b>	-37	-7.4%	-247	-35.0%
Bureau of the Census	13	5	<b>5</b>	0	0.0%	-8	-61.5%
National Telecomm. and Info. Admin.	22	8	<b>23</b>	15	192.5%	1	4.5%
Economic Development Administration	1	1	<b>1</b>	0	0.0%	0	0.0%
Dept. Administration	1	1	<b>1</b>	0	0.0%	0	0.0%
<b>Total Commerce R&amp;D</b>	1,248	1,100	<b>980</b>	-120	-10.9%	-268	-21.5%

AAAS estimates based on FY 2004 appropriations bills. Includes conduct of R&D and R&D facilities.  
FY 2003 and FY 2004 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.

**July 22, 2003 - House Appropriations Committee-approved funding levels.  
These figures may be amended or rejected by the full House.**