



AAAS R&D Funding Update July 8, 2004 -

House Slashes Commerce R&D by 16 Percent, Eliminates ATP

Highlights

- **The House would cut R&D in the Department of Commerce by \$185 million or 16.4 percent to \$946 million in FY 2005, allocating cuts to nearly every Commerce R&D program** (see Table).
- **The House has agreed to the Bush Administration's proposal to eliminate the Advanced Technology Program.** At the same time, the House would triple funding for the Manufacturing Extension Partnership to bring it back to last year's funding level.
- The House would cut funding for the National Oceanic and Atmospheric Administration's (NOAA) R&D programs by 11.7 percent to \$545 million.
- Only the National Institute of Standards and Technology's (NIST) intramural laboratory R&D programs would do well in the House plan, rising 15 percent to \$326 million.

On July 8, the full House was expected to debate and approve its FY 2005 Commerce/Justice appropriations bill (HR 4754). The bill, in addition to Department of Commerce programs, funds the Department of Justice, the Department of State, and miscellaneous international programs in a tight competition for shrinking resources. The House bill would provide **\$946 million for Commerce R&D programs in FY 2005, a steep \$185 million or 16.4 percent cut from this year's funding level** (see Table). Under the House plan, funding for nearly every R&D program in Commerce would fall substantially, and one (the Advanced Technology Program) would be eliminated. (For details of R&D in the FY 2005 request, see the March 16 AAAS R&D Funding Update on Commerce R&D.)

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 11.7 percent or \$72 million below FY 2004 while NIST R&D would lose nearly a quarter of its funding (see Table).

Once again, the House has voted to 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. In February, the Bush Administration proposed to eliminate ATP for the third time in the last four years; the House would go along with the latest proposal. 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.

Total NIST R&D would fall by 21.7 percent in the House bill to \$369 million because of the elimination of ATP, but other NIST programs would gain. The main NIST R&D activity—**Scientific and Technical Research and Services (STRS), which funds intramural research at the NIST laboratories—would gain \$43 million in R&D funding to \$326 million, a 15.2 percent increase. This total would be less than an even larger requested increase.** Last year, the Administration requested a similar large increase for the NIST laboratories and the elimination of ATP. Congress saved the ATP but found the money by cutting NIST's intramural R&D nearly 10 percent this year compared to last year. In FY 2004, these cuts have already led to announcements of forced early retirements and layoffs of NIST scientists, and delays or cancellations of planned projects such as developing standards for voting machines. The FY 2005 House

Table. Dept. of Commerce R&D in FY 2005 House Appropriations

**Table. Department of Commerce
House Action on R&D in the FY 2005 Budget
(budget authority in millions of dollars)**

	FY 2004 Estimate	FY 2005 Request	Action by House				
			FY 2005 House	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2004 Amount	Chg. from FY 2004 Percent
National Oceanic and Atmospheric Administration (NOAA):							
National Ocean Service	43	45	33	-12	-26.4%	-10	-22.5%
National Marine Fisheries Service	122	133	103	-30	-22.4%	-19	-15.4%
Oceanic and Atmospheric Research	326	293	278	-15	-5.0%	-48	-14.7%
National Weather Service	14	29	20	-9	-29.5%	6	42.9%
National Env. Satellite and Data Info.	24	26	24	-2	-6.9%	0	1.8%
All Other NOAA R&D	88	84	86	2	1.8%	-3	-2.8%
TOTAL NOAA R&D	617	610	545	-65	-10.7%	-72	-11.7%
National Institute of Standards and Technology (NIST):							
Scientific & Technical Research	283	367	326	-41	-11.2%	43	15.2%
Advanced Technology Program R&D	145	0	0	0	--	-145	-100.0%
Construction	43	59	43	-16	-27.4%	0	-0.8%
TOTAL NIST R&D	471	426	369	-57	-13.4%	-102	-21.7%
<i>STRS Non-R&D Activities</i>	62	56	50	-6	-11.2%	-12	-19.2%
<i>ATP Non-R&D Activities</i>	34	0	0	0	--	-34	-100.0%
<i>Non-R&D Construction</i>	21	0	0	0	--	-21	-100.0%
<i>Manufacturing Extension Partnership</i>	39	39	106	67	170.5%	67	173.7%
<i>Total NIST Budget</i>	627	521	525	3	0.6%	-103	-16.3%
Departmental Administration	1	1	1	0	0.0%	0	0.0%
Bureau of the Census	23	26	24	-2	-8.0%	1	4.0%
National Telecomm. and Info. Admin.	18	10	6	-4	-40.0%	-12	-66.7%
Economic Development Administration	1	1	1	0	0.0%	0	0.0%
Total Commerce R&D	1,131	1,075	946	-129	-12.0%	-185	-16.4%

AAAS estimates based on FY 2005 appropriations bills. Includes conduct of R&D and R&D facilities.
FY 2004 and FY 2005 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 8, 2004 - House-approved funding levels.
These figures reflect amendments approved on the House floor.