



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 5, 2009
(Senate)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2847 — Commerce, Justice, Science, and Related Agencies Appropriations Act, 2010 (Sen. Inouye, D-Hawaii)

The Administration strongly supports Senate passage of H.R. 2847, with the Senate Committee-reported text, making appropriations for the Departments of Commerce and Justice, and Science, and Related Agencies for the fiscal year ending September 30, 2010.

As we face difficult economic and fiscal decisions, it is important to make efficient and effective investments. The bill as considered by the Committee makes important investments in innovation and job creation, community safety, and cutting-edge technologies. This legislation will help lay a new foundation for long-term economic growth.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Administration Priorities

Science and Innovation. The Administration is concerned that the Committee's bill includes more than \$200 million in reductions to requested levels for the National Science Foundation and the National Institute of Standards and Technology. These two agencies are key components of the President's Plan for Science and Innovation and the Committee's reductions would affect important research activities and agency operations in the near term and make it increasingly difficult to achieve the doubling goal for basic research in future years. The bill includes \$58 million in non-priority project funds for the National Institute of Standards and Technology that could be channeled to reduce this shortfall.

Efficiencies and Cost-Saving Proposals. The Administration urges the Congress to support the President's initiatives to terminate or reduce programs that have outlived their usefulness, fund narrowly focused activities, or duplicate existing programs. The Administration encourages the Congress to reconsider other proposals made by the Administration that would better target scarce resources and redirect funds to programs with greater potential for results.

Department of Commerce

The Administration appreciates the support shown for Department of Commerce programs, particularly for the 2010 Census, environmental stewardship, the Manufacturing Extension Partnership Program, and Technology Innovation Program.

Economic Development Administration. The Administration is concerned that the bill underfunds the Economic Development Administration request by nearly \$50 million, particularly in light of

current economic conditions. The Administration urges the Congress to provide the \$284 million requested, including \$125 million for Economic Adjustment Assistance (EAA). The \$90 million the bill provides for EAA is not enough to fully implement the Administration's proposals to promote regional innovation clusters and create a Business Incubator Network. The Administration has requested \$50 million for each of these initiatives because they will help the Nation to develop dynamic businesses and respond effectively to challenging economic conditions.

National Oceanic and Atmospheric Administration. The Administration appreciates the Committee's strong support of the important activities of the National Oceanic and Atmospheric Administration. However, within this funding level, the Administration urges the Congress to provide the additional \$13 million requested to support accelerated improvement of hurricane track and intensity forecasts, which will help to prevent unnecessary and costly evacuations. Additionally, the Administration urges the Congress to allocate resources based on a competitive and transparent process.

International Trade Administration. The Administration is concerned with the language directing that negotiations be held within the World Trade Organization to allow its members to distribute antidumping and countervailing duties. These duties are currently received by the Federal Government as general revenues; distributing them to domestic firms who already benefit from these tariffs would provide a "double benefit."

United States Patent and Trademark Office (USPTO). The Administration appreciates the Committee's support for allowing USPTO full access to its fee collections. The Administration agrees with the Committee that USPTO should evaluate long-standing examination goals for patent employees to account for advances in technology and other changes in the patent examination process. USPTO is currently re-evaluating these goals and is working to obtain an independent review of them. The Congress is urged to allow this process to proceed and remove the language in the bill that would block \$25 million from obligation until new goals are adopted, to avoid unnecessary strain on USPTO's financial resources and operational flexibility.

Department of Justice

The Administration appreciates the Committee's support of the funding requests for Department of Justice programs including those of the FBI and other law enforcement components. However, the Administration is concerned about the adequacy of funds provided for key initiatives such as the COPS Hiring Grants Program and the Prisoner Reentry Initiative and additional funds are needed to maintain critical technology initiatives. Unfortunately, the Committee has only provided one third of the funding requested for the COPS Hiring Grant Program. By providing the Administration's full request for this program, more than 1,500 police could be hired – or kept in their jobs – in cities and towns across the country. The Administration is also disappointed that the Committee has provided no funding for Community-Based Violence Prevention Initiatives. In addition, the changes made to section 505, in Division B of the FY 2009 Omnibus Appropriations Act regarding reprogramming notifications, present significant management challenges for the Department in the execution of its law enforcement and other responsibilities and the Congress is urged to restore the language that was in effect prior to the Act.

National Aeronautics and Space Administration (NASA)

The Administration appreciates the Committee’s support for the President’s FY 2010 request for NASA, including full funding for Science, Aeronautics, Space Shuttle, International Space Station, and Exploration Systems, and in the existing budget structure as proposed. However, the Administration is concerned with the reduction of \$18.7 million from the request for NASA innovation, which would reduce or eliminate several programs that use public-private partnerships to advance important technologies and enable access to new sources of innovation through incentive prizes and partnerships.

National Science Foundation

The Administration believes the directed transfer of icebreaker operations and maintenance funding from the National Science Foundation to the Coast Guard is premature pending the outcome of several active policy reviews being conducted over the next two years that will better inform mission requirements for the U.S. polar icebreaker fleet going forward.

Legal Services Corporation (LSC)

The Administration appreciates the Committees modification of the restriction on the use of non-LSC funds by LSC grant recipients but also urges the Congress to allow LSC attorneys to collect fees and to participate in class action lawsuits. These riders limit access to legal representation and constrain legal aid lawyers’ ability to secure settlements and to pursue injunctive relief to stop illegal activity. In addition, the Administration urges the Congress to fully fund the President’s request.

Constitutional Concerns

Consistent with longstanding Executive Branch concerns about similar provisions, sections 107 and 528 and language under the headings “Operations and Administration, International Trade Administration” and “Salaries and Expenses, Office of the United States Trade Representative” would interfere with the President’s constitutional authority in the area of foreign affairs by effectively directing the Executive how to proceed or not to proceed in international negotiations. The Administration looks forward to working with the Congress to address these concerns.

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