

# CRS Report for Congress

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## **Science, State, Justice, Commerce and Related Agencies (House)/ Commerce, Justice, Science and Related Agencies (Senate): FY2006 Appropriations**

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House Committee on Appropriations and Senate Subcommittee on Legislative Branch of the Senate Committee on Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

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# Science, State, Justice, Commerce and Related Agencies (House)/ Commerce, Justice, Science and Related Agencies (Senate): Appropriations for FY2006

## Summary

This report monitors actions taken by the 109<sup>th</sup> Congress for the House's Science, State, Justice, Commerce, and Related Agencies (SSJC) and the Senate's Commerce, Justice, Science, and Related Agencies (CJS) FY2006 appropriations legislation. Appropriations bills reflect the jurisdiction of the subcommittees of the House and Senate Appropriations Committees in which they are considered. Jurisdictions for the subcommittees of the House and Senate Appropriations Committees changed at the beginning of the 109<sup>th</sup> Congress. In the 108<sup>th</sup> Congress, both the House and Senate subcommittees had identical jurisdiction and produced the Commerce, Justice, State, the Judiciary and Related Agencies appropriations bills. In the 109<sup>th</sup> Congress, jurisdiction for the Judiciary appropriation was removed to the Treasury, Transportation, HUD Subcommittees in the House and the Senate. Science appropriations, namely the National Aeronautical and Space Administration (NASA) and the National Science Foundation (NSF) were transferred to the former CJS subcommittees in both chambers. In the Senate, Appropriations for the Department of State was transferred to the Foreign Operations subcommittee, however, it remains under the jurisdiction of SSJC in the House.

The Administration requested \$60.977 billion/\$51.173 billion for SSJC/CJS appropriations in its FY2006 budget request sent to Congress on February 7, 2005. The requests of the major departments and their related agencies are: Department of Justice — \$20.5 billion; Department of Commerce — \$9.0 billion; Department of State — \$9.8 billion; Science — \$22.1 billion; and Related Agencies — \$2.2 billion. The House Appropriations Committee's most recent FY2006 302(b) allocation for SSJC is \$57.814 billion. The Senate Appropriations Committee's most recent FY2006 302(b) budget allocation for CJS was set at \$48.875 billion. Due to jurisdictional differences, the latter figure does not include the State Department.

The House Appropriations Committee reported its SSJC bill (H.R. 2862, H.Rept. 109-118) on June 7, 2005 and the House enacted the bill on June 16 after three days of debate and 43 amendments. It provides \$61.5 billion to the SSJC agencies including \$21.8 billion for the Department of Justice; \$5.8 billion for the Department of Commerce; \$9.6 billion for the State Department; and 22.1 billion for NASA and the NSF. The Senate Appropriations Committee reported its bill (H.R. 2862, S.Rept. 109-88) on June 23, 2005. The Senate Appropriations Committee reported its State, Foreign Operations Appropriation bill (H.R. 3057/S.Rept. 109-96) June 30. It contains the Senate figures of \$9,709.2 for the Department of State, International Broadcasting, and related agencies. The full Senate passed the bill on July 20. The Senate passed the CJS bill on September 15, 2005 after consideration of 122 amendments by a vote of 91-4. It provides \$52.8 billion to the CJS agencies, including \$21.2 billion for the Department of Justice; \$7.4 billion for the Department of Commerce; and \$21.9 billion for NASA and the NSF. Since October 1, the SSJC/CJS agencies have been operating under continuing resolution (P.L.109-77), which will fund these agencies until November 18, 2005.

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# Science, State, Justice, Commerce and Related Agencies (House)/ Commerce, Justice, Science and Related Agencies (Senate): Appropriations for FY2006

## Most Recent Developments

The Administration submitted its FY2006 budget to Congress on February 7, 2005. The Administration requested \$60.977 billion for the agencies under the jurisdiction of the Science, State, Justice, Commerce Appropriations subcommittee of the House and \$51.173 billion for the Agencies under the Commerce, Justice, Science Appropriations subcommittee in the Senate. The requests of the major departments and their related agencies are: Department of Justice — \$20.5 billion; Department of Commerce — \$9.0 billion; Department of State — \$9.8 billion; Science — \$22.1 billion; and Related Agencies — \$2.2 billion. The House Appropriations Committee's most recent FY2006 302(b) allocation for SSJC is \$57.814 billion. The Senate Appropriations Committee's most recent FY2006 302(b) budget allocation for CJS was set at \$48.875 billion. Due to jurisdictional differences, the latter figure does not include the State Department.

The House Appropriations Committee reported its SSJC bill (H.R. 2862, H.Rept. 109-118) on June 7, 2005 and the House enacted the bill on June 16 after three days of debate and 43 amendments. It provides \$61.5 billion to the SSJC agencies including \$21.8 billion for the Department of Justice; \$5.8 billion for the Department of Commerce; \$9.6 billion for the State Department; and 22.1 billion for NASA and the NSF. The Senate Appropriations Committee reported its Commerce, Justice, Science (CJS) bill (H.R. 2862, S.Rept. 109-88) on June 23, 2005. It provides \$ 52.6 billion to the CJS agencies, including \$21.2 billion for the Department of Justice; \$7.2 billion for the Department of Commerce; and \$21.9 billion for NASA and the NSF. The Senate Appropriations Committee reported its State, Foreign Operations Appropriation bill (H.R. 3057, S.Rept. 109-96) June 30. It contains the Senate figures of \$9,709.2 for the Department of State, International Broadcasting, and related agencies which the full Senate passed on July 20<sup>th</sup>. The Senate passed the CJS bill on September 15, 2005 after consideration of 122 amendments by a vote of 91-4. It provides \$52.8 billion to the CJS agencies, including \$21.2 billion for the Department of Justice; \$7.4 billion for the Department of Commerce; and \$21.9 billion for NASA and the NSF. Since October 1, the SSJC/CJS agencies have been operating under continuing resolution (P.L.109-77), which will fund these agencies until November 18, 2005.

Appropriations bills reflect the jurisdiction of the subcommittees of the House and Senate Appropriations Committees in which they are considered. Jurisdictions



for the subcommittees of the House and Senate Appropriations Committees were changed at the beginning of the 109<sup>th</sup> Congress. In the 108<sup>th</sup> Congress, both the House and Senate subcommittees had identical jurisdiction and produced the Commerce, Justice, State, the Judiciary and Related Agencies appropriations bills. In the 109<sup>th</sup> Congress, jurisdiction for the the Judiciary appropriation was removed to the Treasury, Transportation, HUD Subcommittees in the House and the Senate. Science appropriations, namely the National Aeronautical and Space Administration and the National Science Foundation were transferred to the former CJS subcommittees in both chambers. In the Senate, appropriations for the Department of State were transferred to the Foreign Operations subcommittee, however, they remains under the jurisdiction of SSJC in the House. Additionally, the Senate Appropriations Committee has placed the National Institute of Science and Technology and the National Oceanic and Atmospheric Administration under its Title III Science Agencies. For the purposes of comparison, this report will retain reference these agencies in Title II Commerce agencies.

**Table 1. Legislative Status of SSJC/CJS Appropriations, FY2006**

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conf. Report Approval		Public Law
House	Senate						House	Senate	
5/24/05	6/21/05	6/7/05 H.R. 2862 H.Rept. 109-118	6/16/05	6/23/05 S.Rept. 109-88	9/15/05				

## Background Information

### Synopsis of FY2005 Appropriations

The Administration's request for the FY2005 Commerce, Justice, State, and the Judiciary and Related Agency totaled \$43.2 billion. The House CJS Subcommittee on Appropriations marked up its bill on June 15, 2004. The full House Appropriations Committee by voice vote approved the unnumbered bill on June 23, and reported it as H.R. 4754 (H.Rept. 108-576) on July 1. The House passed this bill on July 8, 2004. The House bill provided a total of \$43.5 billion. The Senate Appropriations Committee marked up its bill (S. 2809, S.Rept. 108-344) and passed it unanimously on September 15, 2004 providing a total of \$40.5 billion. The CJS appropriation was in Division B of the Consolidated Appropriations Act of FY2005 (P.L. 108-447). The Conference Report (H.R. 4818, H.Rept. 108-792) was approved in both the House and Senate on November 20, 2004. The act ( P.L.108-447) was signed by the President on December 8, 2004.

## Departmental Funding Trends

The table below shows funding trends for the major agencies in CJS appropriations over the five-year period FY2001-FY2005, including supplemental appropriations. Over the five-year period, funding decreased for the Department of Justice by \$437 million (-2.1%); and increased for the Department of Commerce by \$1.48 billion (29%); for the Title III Science Agencies by \$2.96 billion (14%); and for the Department of State by \$2.17 billion (33%).

The Justice Department's budget rose steadily until FY2003, when it was reduced by nearly \$4.7 billion below the FY2002 level due to the relocation of some activities to the Department of Homeland Security, however, by FY2005 it was nearly back to the FY2001 level. The Commerce Department budget has generally increased over the five-year span. The State Department's increases reflect post-September 11<sup>th</sup> security environment, technology improvements and a new hiring initiative. State has received the greatest increase of about \$2.17 billion from FY2001 to FY2005, reflecting supplemental funds appropriated in FY2002, FY2003, and FY2004.

**Table 2. Funding for Departments of Commerce, Justice, and State, and Science Agencies**

(in billions of current dollars)

Department or Agency	FY2001	FY2002	FY2003	FY2004	FY2005
Justice	21.049	23.707	19.648	19.850	20.612
Commerce	5.153	5.739	5.796	5.943	6.637
Science*	19.08	19.71	20.600	20.960	21.676
State	6.601	7.362	8.179	9.429	8.767

**Sources:** Funding totals provided by Budget Offices of CJS and Judiciary agencies, and U.S. House of Representatives, Committee on Appropriations.

\* Previous to FY2006, Title III Science Agencies were contained in the VA/HUD appropriations legislation.

## Survey of High-Profile Issues

### Department of Justice

- The elimination of funding for the Edward Byrne Memorial Justice Assistance Grants (JAG) program and the Edward Byrne Discretionary Grant program.
- The elimination of most funding for the Community Oriented Policing Services (COPS) programs administered by the COPS Office and the realignment of the Bulletproof Vest program, the DNA Backlog program, the Gun Violence Reduction program, and the Southwest Border Prosecution Assistance program into other Office of Justice Assistance programs.

- Certain appropriations limitations related to FBI background checks for firearm transfers and ATF firearm regulation responsibilities.
- The proposed rescission of the Victims of Crime Fund balance, while requesting an FY2006 funding cap of \$660 million for current services under the Victims of Crime program.
- The President's FY2006 request proposes to reduce overall federal funding for juvenile justice by 39% from FY2005 levels, and to eliminate funding for the Juvenile Accountability Block Grant in FY2006.

### **Department of Commerce and Related Agencies**

- Appropriations measures that limit the use by the U.S. Patent and Trademark Office of the full amount of fees collected in the current fiscal year.
- The extent to which federal funds should be used to support industrial technology development programs at the National Institute of Standards and Technology, particularly the Advanced Technology Program and the Manufacturing Extension Partnership.
- Importation of prescription drugs from foreign countries.
- The ability of U.S. trade agencies and PTO to fight intellectual property infringement abroad.
- The efficacy of U.S. trade agency enforcement of U.S. trade remedy laws against unfair foreign competition.
- The possible consolidation of all of NOAA's budget authority under a single Organic Act.
- Funding to upgrade the U.S. tsunami early warning system.

### **Science Agencies**

- President Bush's "Vision for Space Exploration" and its consequent reprioritization of NASA programs, and potential personnel cuts (especially in aeronautics research).
- Whether to use the space shuttle to service the Hubble Space Telescope.

## Department of State and International Broadcasting

- Construction of new embassy facilities in Baghdad with regional offices throughout Iraq.
- Increased emphasis on public diplomacy activities focusing on Muslim/Arab populations.
- Passport and visa policies related to homeland security issues.

## Department of Justice<sup>1</sup>

### Background

Title I of the CJS bill typically covers appropriations for the Department of Justice (DOJ). Established by an act of 1870 (28 U.S.C. 501) with the Attorney General at its head, DOJ provides counsel for citizens and protects them through law enforcement. It represents the federal government in all proceedings, civil and criminal, before the Supreme Court. In legal matters, generally, the Department provides legal advice and opinions, upon request, to the President and executive branch department heads. The major functions of DOJ agencies and offices are described below:

- *United States Attorneys* prosecute criminal offenses against the United States, represent the federal government in civil actions, and initiate proceedings for the collection of fines, penalties, and forfeitures owed to the United States.
- *United States Marshals Service* provides security for the federal judiciary, protects witnesses, executes warrants and court orders, manages seized assets, detains and transports unsentenced prisoners, and apprehends fugitives.
- *Federal Bureau of Investigation (FBI)* investigates violations of federal criminal law; helps protect the United States against terrorism and hostile intelligence efforts; provides assistance to other federal, state and local law enforcement agencies; and shares jurisdiction with Drug Enforcement Administration (DEA) over federal drug violations.
- *Drug Enforcement Administration (DEA)* investigates federal drug law violations; coordinates its efforts with state, local, and other federal law enforcement agencies; develops and maintains drug intelligence systems; regulates legitimate controlled substances activities; and conducts joint intelligence-gathering activities with foreign governments.
- *Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)* enforces federal law related to the manufacture, importation, and

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<sup>1</sup> This title is written by Celinda Franco, Specialist in Social Legislation, Domestic Social Policy Division.

distribution of alcohol, tobacco, firearms, and explosives. It was transferred from the Department of the Treasury to the Department of Justice by the Homeland Security Act of 2002 (P.L. 107-296).

- *Federal Prison System* provides for the custody and care of the federal prison population, the maintenance of prison-related facilities, and the boarding of sentenced federal prisoners incarcerated in state and local institutions.
- *Office of Justice Programs (OJP)* manages and coordinates the activities of the Bureau of Justice Assistance, Bureau of Justice Statistics, National Institute of Justice, Office of Juvenile Justice and Delinquency Prevention, Community Oriented Policing Services (COPS), and the Office of Victims of Crime.

Most crime control has traditionally been a state and local responsibility. With the passage of the Crime Control Act of 1968 (P.L. 90-351), however, the federal role in the administration of criminal justice has increased incrementally. Since 1984, Congress has enacted five major omnibus crime control bills, designating new federal crimes, penalties, and additional law enforcement assistance programs for state and local governments. Crime control is one of the few areas of the federal budget where discretionary spending has increased over the past two decades.

## **GPRA**

The Government Performance and Results Act (GPRA) required the Department of Justice, along with other federal agencies, to prepare a five-year strategic plan, including a mission statement, long-range goals, and program assessment measures. The Department's Strategic Plan for FY2003-2008 sets forth four goals:

- prevent terrorism and promote national security;
- enforce federal criminal laws and represent the rights and interests of the American people;
- prevent and reduce crime and violence by assisting state, local, and tribal efforts;
- ensure the fair and efficient operation of the Federal justice system.

## **FY2006 Budget Request**

The Department of Justice is requesting an FY2006 budget of \$20.7 billion in mandatory and discretionary spending, which represents an increase of \$70 million over what Congress enacted for FY2005. For FY2006, the Department's plan has four missions: (1) prevent terrorism and promote the nation's security; (2) enforce federal laws and represent the rights and interests of the American people; (3) assist state, local, and tribal efforts to prevent or reduce crime and violence; and (4) ensure the fair and efficient operation of the federal justice system.

The President's FY2006 budget provides for increased funding for counterterrorism and homeland defense efforts. The FY2006 budget request provides funding increases for the FBI, the lead agency in combating terrorism, proposing

funding of \$5.7 billion in 2006, an increase of \$555 million over FY2005 appropriations. The FY2006 request would support the FBI in intelligence reform, in counterterrorism and counterintelligence initiatives, and bolster the intelligence program.

The total amount of funding requested for DEA in FY2006 is almost \$1.7 billion. As a part of a comprehensive drug enforcement strategy, the DOJ has deployed numerous federal law enforcement agencies to identify and target the most significant drug supply organizations. The FY2006 President's Budget includes funding for the DEA of \$72.9 million to carry out a new drug enforcement strategy to identify and target the most significant drug supply organizations and related components.

To help state and local law enforcement agencies target gun crime, under the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) the President's budget would provide additional funding for gun crime initiatives, such as Violent Crime Impact Teams (VCIT), which target gun crime "hot spots," identifying the worst criminals, arresting criminal suspects, and arresting suspects while disrupting and dismantling the violent criminal street gangs in that area.

The FY2006 President's request would eliminate "non-performing" and programs it considers to be lower priority, including state and local law enforcement programs, such as the Community Oriented Policing Services (COPS) hiring grants and the Byrne Justice Assistance Grants; State Criminal Alien Assistance Program (SCAAP) grants; Juvenile Accountability Block Grants (JABG); and programs like the Byrne Discretionary Grants and the COPS Law Enforcement Technology Grants, which are entirely earmarked by Congress.

**General Administration.** The General Administration account for the Department of Justice includes salaries and expenses, as well as other programs designed to ensure that the collaborative functions of the DOJ agencies are coordinated to help fight crime as efficiently as possible. Examples include the Joint Automated Booking System and the Automated Biometric Identification System. For FY2006, the President's budget included \$1.977 billion for General Administration, \$553 million more than enacted for FY2005. The General Administration account funds the Attorney General's office, senior departmental management, the Inspector General's office, efforts to integrate identification systems (e.g., IAFIS and IDENT), and narrowband communications, among other things. For FY2006, the budget request included new funding of \$181.490 million for the Justice Information Sharing Technology initiative. The House-passed bill (H.R. 2862 recommended a total of \$1.834 billion for General Administration. The Senate-passed bill includes \$1.850 billion.

For salaries and expenses, the President's FY2006 budget requests \$161.4 million for supporting the Attorney General and DOJ senior policy level officials in managing Department resources and developing policies for legal, law enforcement, and criminal justice activities. The House-passed bill includes \$126.9 million and the Senate-passed bill includes \$116.9 million.

For the *Federal Office of Detention Trustee (OFDT)*, the FY2006 request included \$1.222 billion in funding, a \$347.4 million increase over the amount appropriated by Congress for FY2005. The OFDT provides overall management and oversight for federal detention services relating to the detention of federal prisoners in non-federal institutions or otherwise in the custody of the U.S. Marshal's Service. The House-passed and Senate-passed bills include \$1.222 billion.

The *Office of the Inspector General (OIG)* is responsible for detecting and deterring waste, fraud, abuse, involving DOJ programs and personnel and promoting economy and efficiency in DOJ operations. The OIG also investigates allegations of departmental misconduct. The Administration's FY2006 request included \$67.4 million for the OIG, which represents a \$4.5 million increase as compared to the FY2005 appropriation. The House-passed bill includes \$66.8 million for funding the OIG. The Senate-passed bill includes \$70.4 million.

**U.S. Parole Commission.** The U.S. Parole Commission adjudicates parole requests for prisoners who are serving felony sentences under federal and District of Columbia Code violations. The authorization for the parole commission was due to expire in November 2002, but the 21st Century Department of Justice Appropriations Authorization Act (P.L. 107-273) provided for a temporary extension of the parole commission for three years until November 1, 2005. For FY2006, the Administration's request included \$11.3 million for the parole commission, an increase of \$800,000 over the Commission's FY2005 appropriation (after rescissions). The House-passed bill recommends \$11.2 million and the Senate-passed bill includes \$11.0 million.

**Legal Activities.** The Legal Activities account includes several subaccounts: (1) general legal activities, (2) U.S. Attorneys, (3) U.S. Marshals Service, (4) prisoner detention, and (5) other legal activities. For FY2006, the Administration's request included \$3.368 billion for legal activities, an increase of \$150.4 million over the FY2005 enacted budget. The House-passed bill includes \$3.327 billion for total legal expenses. The Senate-passed bill includes \$3.239 billion.

The *General Legal Activities* account funds the Solicitor General's supervision of the department's conduct in proceedings before the Supreme Court. It also funds several departmental divisions (tax, criminal, civil, environment and natural resources, legal counsel, civil rights, and antitrust). For these purposes, the Administration's FY2006 request included \$679.7 million, an increase of almost \$45.0 million over the FY2005 enacted appropriation. The House-passed bill includes \$665.8 million and the Senate-passed bill includes \$648.2 million.

The *U.S. Attorneys* and the *U.S. Marshals Service* are present in all of the 94 federal judicial districts. The U.S. Attorneys prosecute criminal cases and represent the federal government in civil actions. For the U.S. Attorneys Office, the Administration's FY2006 request included \$1.626 billion, an increase of nearly \$99.3 million over the enacted FY2005 budget for this office. The House-passed bill recommends the same amount as the Administration requested, \$1.626 billion, for the U.S. Attorneys Office. The Senate-passed bill includes \$1.573 billion.

The U.S. Marshals are responsible for the protection of the Federal Judiciary, protection of witnesses, execution of warrants and court orders, custody and transportation of unsentenced federal prisoners, and fugitive apprehension. The FY2006 request included \$790.3 million for the Marshals Service, an increase of \$42.7 million over the Service's FY2005 enacted budget. The House-passed bill includes almost \$800.3 million for the USMS. The Senate passed-bill includes \$764.2 million.

For *other legal activities*, e.g., the Community Relations Service, the Independent Counsel, the U.S. Trustee Fund (which is responsible for maintaining the integrity of the U.S. bankruptcy system by, among other things, prosecuting criminal bankruptcy violations), and the Asset Forfeiture program, the FY2006 request included \$235.3 million. The Administration also requested \$42.8 million in discretionary funding for the Radiation Exposure Compensation Trust Fund (RECA), \$22.2 million less than was appropriated in FY2005. The House-passed and Senate-passed bills include a total of \$199.1 million for other legal activities and do not include any funding for RECA Trust Fund.

**Interagency Law Enforcement.** The Interagency Law Enforcement account reimburses departmental agencies for their participation in the *Organized Crime Drug Enforcement Task Force (OCDETF)* program. Organized into nine regional task forces, this program combines the expertise of federal agencies with the efforts of state and local law enforcement to disrupt and dismantle major narcotics trafficking and money laundering organizations. From the Department of Justice, the federal agencies that participate in OCDETF are the Drug Enforcement Administration; Federal Bureau of Investigation; Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Marshals Service; the Justice, Tax and Criminal Divisions; and the U.S. Attorneys. From the Department of Homeland Security, the U.S. Bureau of Immigration and Customs Enforcement and the U.S. Coast Guard participate in OCDETF. Additionally, the Internal Revenue Service and Treasury Office of Enforcement also participate from the Department of the Treasury. State and Local Law Enforcement Agencies participate in approximately 87% of all OCDETF investigations. The FY2006 DOJ budget request includes \$661.9 million for OCDETF. For FY2005, \$553.5 million was provided for OCDETF, \$108 million less than the FY2006 amount requested by the Administration. The House-passed bill includes \$506.9 million and the Senate-passed bill includes \$440.2 million for FY2006 funding.

**Federal Bureau of Investigation.** The Federal Bureau of Investigation (FBI), as the lead federal investigative agency, continues to reorganize to focus more sharply on preventing terrorism and other criminal activities. The Administration's request included \$5.691 billion for FY2006, \$548.6 million more than what was enacted in FY2005. Of that amount, the request provides \$10.1 million for construction. The House-passed bill recommends \$5.761, of which \$20.1 million would be for construction. The Senate-passed bill includes \$5.296 billion, of which \$25.2 million for construction. The Senate measure also recommends a rescission of \$120 million from unobligated balances in this account.

**Drug Enforcement Agency.** The Drug Enforcement Administration (DEA) is the lead federal agency tasked with reducing the illicit supply and abuse of



dangerous narcotics and drugs. The Administration's FY2006 request includes \$1.694 billion for the DEA, almost \$63 million more than the amount appropriated by Congress in FY2005. The FY2006 budget request includes \$172.5 million for the Organized Crime Drug Enforcement Task Force (OCDETF), which brings together major DOJ agencies such as DEA and FBI, the Criminal Division's Narcotic and Dangerous Drug Section, and the U.S. Attorneys, along with their state and local law enforcement counterparts, to disrupt and dismantle major drug supply organizations. For FY2006, 76% of DEA's budgetary resources (including reimbursable funds) would be used for domestic enforcement, 14% for international enforcement, 2% for state and local assistance, and 8% for the Diversion Control Fee Account (criminal and complaint investigations targeting pharmaceutical controlled substances traffickers and online pharmacy investigations). The House-passed bill recommends \$1.716 billion. The Senate-passed bill recommends \$1.649 billion. In addition, the Senate-passed bill would require the Attorney General to establish a Methamphetamine Task Force within DEA that would be responsible for improving and targeting federal policies with respect to the production and trafficking of methamphetamine.

**Bureau of Alcohol, Tobacco, Firearms, and Explosives.** The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) enforces federal law related to the manufacture, importation, and distribution of alcohol, tobacco, firearms, and explosives. The FY2006 request includes \$923.6 million for ATF, an increase of \$41.1 million over the Bureau's FY2005 enacted budget of \$878.5 million. The Project Safe Neighborhoods (PSN) initiative brings together federal, state, and local law enforcement agencies to identify the most pressing gun crime problems in their communities and develop strategies to attack those problems through prevention, deterrence, and aggressive prosecution. DOJ also launched a companion initiative, the Violent Crime Impact Teams (VCIT), which combine the efforts of federal, state, and local law enforcement to target gun crime "hot spots." VCIT is currently active in 10 cities and the FY2006 budget request would expand the initiative to 25 cities. The FY2006 request includes \$31.3 million in these and other gun crime enforcement initiatives. The House-passed bill recommends \$923.6 million and the Senate-passed bill recommends \$923.7 million.

**Federal Prison System.** The Federal Prison System is administered by the Bureau of Prisons (BOP), maintains penal institutions nationwide, and contracts with state, local, and private concerns for additional detention space. The Administration estimates that, as of January 2005, there were nearly 181,000 federal inmates in 112 institutions and over 153,000 were in facilities operated by the BOP. The Administration requests \$4.755 billion for the Federal Prison System for FY2006, \$20.4 million less than Congress appropriated for FY2005. The House-passed measure recommends \$4.969 billion. The Senate-passed bill recommends \$4.889 billion.

**Office of Justice Programs.** The Office of Justice Programs (OJP) manages and coordinates the National Institute of Justice, Bureau of Justice Statistics, Office of Juvenile Justice and Delinquency Prevention, Office of Victims of Crimes, Bureau of Justice Assistance, and related grant programs. For the Office of Justice Programs and related offices, bureaus and programs, the Administration's requested \$1.569 billion for FY2006, a reduction of more than \$1.4 billion below the

amount appropriated by Congress for FY2005. The House-passed bill recommends \$2.319 billion and the Senate-passed bill recommends \$1.946 billion for FY2006 funding.

Several factors account for the difference in funding for FY2006, compared to FY2005. For example, the Consolidated Omnibus Appropriations Act, 2005 (P.L. 108-447) consolidated the Local Law Enforcement and Edward Byrne Memorial Block grants, replacing them with a Edward Byrne Memorial Justice Assistance Grant (JAG) program, and reducing funding by \$91 million, compared to amounts appropriated for these two separate programs in FY2004. In FY2005, JAG was funded at \$625.5 million. For FY2006, the Administration proposed that the JAG program be eliminated completely. The Edward Byrne Discretionary Grant program received appropriations of \$170 million for FY2005; the Administration's FY2006 request would have eliminated funding for the program. The elimination of these two programs represents a reduction in funding of over \$822 million. The House-passed bill recommends \$366.4 million for the JAG program and \$110 million for Byrne Discretionary. The Senate-passed bill recommends \$530 million for the JAG program and \$177 million for the Byrne Discretionary grant program.

In addition, funding for state and local law enforcement would have been eliminated under the Administration's FY2006 request, although some COPS programs would have been moved into other program areas within OJP and funded, particularly programs originally under the Community Oriented Policing Services (COPS) program. In FY2005, all state and local law enforcement received total appropriations of over \$1.278 billion. The House-passed bill recommends \$1.001 billion for total state and local law enforcement and the Senate-passed bill recommends \$1.353 billion for FY2006.

**Justice Assistance.** The Justice Assistance account funds the operations of OJP bureaus and offices. Besides funding OJP management and administration, this account also funds the National Institute of Justice, the Bureau of Justice Statistics, cooperative efforts that address missing children, and regional criminal intelligence. For FY2006, the Administration's requested \$1.203 billion for this account along with a proposed \$115.5 million rescission.<sup>2</sup>

Under the FY2006 budget request, COPS would have been maintained as an account separate from Justice Assistance accounts, but only four out of 18 COPS programs would have continued to be funded from the COPS account. Specifically, the Administration requested \$117.781 million in funding for FY2006, funding for Community Policing Development (\$7 million); Tribal Law Enforcement (\$51.6 million); Police Integrity (\$10 million); Meth Hot Spots (\$20 million); and Management and administration (\$29.2 million). The FY2006 request also included a rescission of \$115.5 million for these COPS programs, resulting in a net funding request after rescissions of \$2.781 million.

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<sup>2</sup> Rescissions under the President's budget request for DOJ typically are monies that have not been spent in the previous year or are recovered from grantees for whom funds were obligated but not spent or were mis-spent in previous years.

The House and Senate appropriators did not adopt the Administration's proposal on the reorganization of the COPS program. The House-passed bill recommends total COPS funding of \$520 million and a rescission of \$86.5 million for FY2006, providing funding of \$94 million for Meth Hot Spots; \$120 million for Technology and Interoperable Communications; \$38 million for Tribal Law Enforcement; \$10 million for Offender Reentry; and \$60 million for an Anti-Gang initiative.

The Senate-passed bill recommends total COPS funding of \$535 million, providing funding of \$80 million for Meth Hot Spots; \$137 million for Law Enforcement Technology grants; \$3 million for Offender Reentry; \$37.5 million for Technology Interoperability; \$27 million for Bulletproof Vests; \$89.5 for DNA Initiative; \$2 million for Hiring; \$14 million for Training and Technical Assistance; \$20 million for Tribal Law Enforcement; \$10 million for Police Corps; \$20 million for Criminal Records Upgrade; \$22 million for Coverdell Forensics Science Improvement; \$30 million for Crime Identification Technology; \$5 million for Safe Schools Initiative; and \$7.5 million for Police Integrity Grants.

**Improving the Criminal Justice System.** For Improving the Criminal Justice System, the Administration's request included \$446.1 million. This amount included, among other programs, \$59.6 million for the Weed and Seed program; \$48.4 million for the Southwest Border Prosecutor Initiative; \$73.8 million for State and Local Gun Violence Assistance program; \$45.0 million for the Regional Information Sharing System; \$10.2 for Prison Rape Prevention & Prosecution; \$29.9 million for the Bulletproof Vest Partnership (formerly funded under COPS), and \$179.2 million for other crime control programs. The Administration's FY2006 request would have eliminated funding for the State Criminal Alien Assistance program (SCAAP).

The House-passed bill recommends FY2006 funding of \$30 million for the Southwest Border Prosecutor Initiative; \$50 million for Weed and Seed program; \$30 million for the Bulletproof Vest program; and \$405 million for SCAAP. The Senate-passed bill recommends \$27 million for Bulletproof Vest program; \$50.28 million for the Weed and Seed program; \$170 million for SCAAP; and \$30 million for the Southwest Border Prosecutor Initiative.

**Research, Development, Evaluation, and Statistics.** For Research, Development, Evaluation and Statistics, the Administration's FY2006 requested \$139.5 million: \$62.8 million for criminal justice statistics and \$76.7 million for research, evaluation, and demonstration projects. The House-passed bill recommends \$56 million for the National Institute of Justice (NIJ) for research and development in the field of criminal justice, and \$35 million for the Bureau of Justice Statistics (BJS) in FY2006. The Senate-passed bill recommends \$54 million for NIJ and \$34.1 million for BJS.

**Technology for Crime Identification.** For Technology for Crime Identification, the Administration's request included \$238.2 million: \$177 million for the DNA initiative and \$58 million for the National Criminal History Improvement Program (formerly funded under COPS); and nearly \$2.9 million for the stalker database under the Violence Against Women Act (VAWA). The House-passed bill recommends FY2006 funding of \$177 million for the DNA Initiative, \$25

million for the Criminal History Improvement Program, \$387.5 million for VAWA and \$2.9 for the stalker database. The Senate-passed bill recommends \$89.5 million for the DNA initiative, and \$2.962 million for the stalker database.

**Juvenile Justice.** For Strengthening the Juvenile Justice System, the Administration's FY2006 request included \$186.7 million, \$172.6 million less than what was appropriated for juvenile justice programs in FY2005. The Administration's request proposed funding of \$93.9 million for the Juvenile Justice Formula Grants, \$11 million more than the Congress appropriated in FY2005 for the program. The budget request included funding of \$43 million for the Juvenile Delinquency Block Grants, a program the Congress did not fund in FY2005. For the Developing New Initiatives program, the President's budget requested \$6.6 million, while in FY2005 the Congress appropriated \$100.8 million. Congress appropriated \$54.3 million for the Juvenile Accountability Incentive Block Grant in FY2005, a program for which the Administration requested no funding for FY2006.

The House-passed bill recommends \$333.7 million for Juvenile Justice programs: \$712,000 for Part A, administering and implementing juvenile justice programs; \$83 million for Part B, State Formula Grants; \$70 million for Part E, Demonstration projects; \$80 million for Title V, Incentive Grants, which provides \$10 million for Tribal Youth, \$25 million for Gang Prevention, and \$25 million for Alcohol Prevention; \$5 million for Part G, Juvenile Mentoring; \$15 million for the Secure Our Schools Act; \$15 million for Victims of Child Abuse Programs; \$60 million for the Juvenile Accountability Block Grant; and \$5 million for Project Childsafe.

The Senate-passed bill recommends \$352 million for Juvenile Justice programs: \$1 million for Part A; \$82 million for Part B, State Formula Grants; \$5 million for Part C, Discretionary Grants; \$8 million for Part D, Research, Evaluation, and Training; \$75 million for Part E, Developing New Initiatives; \$15 million for Part G, Juvenile Mentoring Program (JUMP); \$20 million for Title V, At Risk Children Programs; \$10 million for the Tribal Youth program; \$25 million for Enforcing Underage Drinking Laws programs; \$25 million for Gang Prevention programs; \$15 million for the Secure Our Schools Act; \$5 million for Project Childsafe; \$15 million for Victims of Child Abuse Act; and \$49 million for the Juvenile Accountability Block Grants.

**Substance Abuse.** For Substance Abuse: Demand Reduction, the Administration's FY2006 request includes \$133.3 million, significantly more than the \$69 million enacted by the Congress for FY2005. The President's request includes \$70 million for drug courts and \$44.1 million for Residential Substance Abuse Treatment (RSAT), drug treatment for state prisoners, for which the Congress appropriated \$24.6 million in FY2005. The Cannabis Eradication Grant program, which the budget request would transfer to OJP from DEA, would be funded at \$19.1 million in FY2006, \$8 million more than the Congress appropriated for the program in FY2005. However, the FY2006 budget request does not include funding for Indian Country Alcohol and Crime Demonstration grants, for which Congress appropriated \$4.9 million in FY2005.

The House-passed bill recommends \$40 million for Drug Courts; \$25 million for RSAT; and \$11.6 million for Cannabis eradication, and no funding for Indian Country grants. The Senate-passed bill recommends \$25 million for Drug Courts; \$15 million for RSAT; and \$15 million for Indian Country grants. The Senate bill does not include funding for Cannabis eradication.

**Victims of Crime.** For Services for Victims of Crime (VOC) within the Justice Assistance account, the Administration's FY2006 request includes \$84.2 million. Among other things, this amount includes funding authorized under the Violence Against Women Act (VAWA) and Victims of Child Abuse Act. It also includes funding provided under the Public Safety Officers Benefit (PSOB) program, which provides death benefits to survivors of public safety officers who die in the line of duty, and disability benefits to those officers injured and disabled in the line of duty. Benefits provided by this program were increased by the USA PATRIOT Act of 2001 (P.L. 107-56). The Administration's FY2006 request includes \$49.7 million in funding for death benefits under the PSOB program and \$6.4 million for disability and educational assistance. For FY2005, \$69.4 million was provided for PSOB death, disability, and education benefits.

The House-passed bill recommends \$72.9 million for PSOB. The Senate-passed bill includes \$221 million for VOC and the same funding level as the House for PSOB.

**Office on Violence Against Women.** The Office on Violence Against Women (OVW), was created in 1995 as a component of the Department of Justice. OVW implements VAWA and subsequent legislation. The FY2005 request establishes the Office of Violence Against Women as an office administratively separate from the Office of Justice Programs. The Administration's FY2006 request for this office is \$363 million. Funding for VAWA programs in FY2005 was \$382.1 million. The House-passed bill recommends \$387.5 million for the Office of Violence Against Women. The Senate-passed bill recommends \$371.9 million for VAWA.

## **Related Legislation**

### **H.R. 3402 (Sensenbrenner)**

Would amend present law to reauthorize the Department of Justice appropriations for FY2006 through 2009. Would reauthorize and amend the Violence Against Women Act and includes other provisions related to domestic violence, sexual assault, stalking, and protections for immigrant victims of violence. Introduced on July 22, 2005, referred to House Committee on the Judiciary. Passed in the House on September 28, 2005.

**Table 3. Department of Justice Funding Accounts**  
(\$ millions in budget authority) <sup>a</sup>

Accounts	FY2004 enacted	FY2005 enacted <sup>b</sup>	FY2006 request	FY2006 House	FY2006 Senate
General Administration	\$1,316.6	\$1,608.3	\$1,977.3	\$1,834.8	\$1,850.0
U.S. Parole Commission	10.5	10.6	11.3	11.2	11.0
Legal Activities	3,078.5	3,152.8	3,368.5	3,327.4	3,239.0
<i>General legal activities</i>	629.0	634.2	679.7	665.8	648.2
<i>United States Attorneys</i>	1,510.2	1,547.5	1,626.1	1,626.1	1,573.0
<i>United States Marshals Service</i>	726.1	757.7	790.3	800.3	764.2
<i>Other</i>	213.2	213.4	272.4	235.2	253.6
Federal Bureau of Investigation	4,590.7	5,219.6	5,701.2	5,761.2	5,296.0
<i>Salaries and expenses</i>	4,033.8	4,132.1	4,091.1	3,452.2	3,670.8
<i>Counterintelligence and national security</i>	484.9	1,003.4	1,600.0	2,288.9	1,600.0
<i>Construction</i>	11.1	10.1	10.1	20.1	25.2
<i>Foreign terrorist tracking</i>	60.9	—	—	—	—
Drug Enforcement Administration	1,584.5	1,638.8	1,694.2	1,716.2	1,649.1
Interagency Law Enforcement	550.6	553.5	661.9	506.9	440.2
Bureau of Alcohol, Tobacco, Firearms and Explosives	827.3	882.5	923.6	923.6	923.7
Federal Prison System	4,811.2	4,779.8	4,755.1	4,969.1	4,889.6
Office of Justice Programs	3,164.9	2,611.0	1,206.3	2,319.9	2,584.5
<i>Justice assistance</i>	188.1	224.9	1,203.5	227.5	221.0
<i>State and local law enforcement assistance</i>	1,386.0	1,278.2	—	1,069.2	1,353.4
<i>Weed and seed program fund</i>	57.9	61.2	—	50.0	50.3
<i>Community oriented policing services</i>	748.3	598.3	2.8	566.6	534.9
<i>Juvenile justice programs</i>	349.0	379.0	—	333.7	352.0
<i>Office on Violence Against Women</i>	383.6	382.1	363.0	389.5	371.9
<i>Public safety officers benefits program</i>	52.0	69.3	—	72.9	72.9
Additional Funding	15.4	396.9	887.6	389.6	319.4
Rescission	(100.0)		(586.5)		
<b>Total: Department of Justice</b>	<b>19,850.3</b>	<b>20,853.8</b>	<b>20,600.5</b>	<b>21,759.9</b>	<b>21,202.5</b>

**Source:** U.S. House of Representatives, U.S. Senate, Committees on Appropriations.

a. Amounts may not total due to rounding.

b. FY2005 figures do not reflect two rescissions (0.80% and 0.54%) in the Consolidated Appropriations Act, 2005, P. L. 108-447.

## **Related CRS Products**

CRS Report RL32095, *FBI: Past, Present and Future*, by Todd Masse and William J. Krouse.

CRS Report RL32827, *Selected Federal Crime Control Assistance to State and Local Governments*, by Cindy Hill.

CRS Report RL32842, *Gun Legislation in the 109<sup>th</sup> Congress*, by William J. Krouse.

CRS Report RL30871, *Violence Against Women Act: History and Federal Funding*, by Garrine Laney and Alison Siskin.

CRS Report RL32336, *FBI Intelligence Reform Since September 11, 2001: Issues and Options for Congress*, by Alfred Cummings and Todd Masse.

CRS Report RL32249, *Gun Control Proposals to Regulate Gun Shows*, by William Krouse.

CRS Report RS21259, *Violence Against Women Office: Background and Current Issues*, by Garrine P. Laney.

CRS Report RL32366, *Terrorist Identification, Screening, and Tracking Under Homeland Security Presidential Directive 6*, by William J. Krouse.

CRS Report RL32579, *Victims of Crime Compensation and Assistance: Background and Funding*, by M. Ann Wolfe.

CRS Report RS22151, *Long-Range Fifty Caliber Rifles: Should They Be More Strictly Regulated?*, by William J. Krouse.

## **Commerce and Related Agencies<sup>3</sup>**

Title II includes the appropriations for the Department of Commerce and related agencies. The origins of the department date to 1903 with the establishment of the Department of Commerce and Labor (32 Stat. 825). The separate Department of Commerce was established on March 4, 1913 (37 Stat. 7365; 15 U.S.C. 1501).

The department's responsibilities are numerous and quite varied, but its activities center on five basic missions: (1) promoting the development of American business and increasing foreign trade; (2) improving the nation's technological competitiveness; (3) encouraging economic development; (4) fostering environmental stewardship and assessment; and (5) compiling, analyzing and disseminating statistical information on the U.S. economy and population.

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<sup>3</sup> This title is coordinated by Kevin Kosar, Analyst in American National Government, Government and Finance Division.

The following agencies within the Commerce Department carry out these missions:

- *Economic Development Administration (EDA)* provides grants for economic development projects in economically distressed communities and regions.
- *Minority Business Development Agency (MBDA)* seeks to promote private and public sector investment in minority businesses.
- *Bureau of the Census* collects, compiles, and publishes a broad range of economic, demographic, and social data.
- *Economic and Statistical Analysis Programs* provide (1) timely information on the state of the economy through preparation, development, and interpretation of economic data; and (2) analytical support to department officials in meeting their policy responsibilities. Much of the analysis is conducted by the Bureau of Economic Analysis (BEA).
- *International Trade Administration (ITA)* seeks to develop the export potential of U.S. firms and to improve the trade performance of U.S. industry.
- *Bureau of Industry and Security* enforces U.S. export laws consistent with national security, foreign policy, and short-supply objectives (formerly the Bureau of Export Administration).
- *National Oceanic and Atmospheric Administration (NOAA)* provides scientific, technical, and management expertise to (1) promote safe and efficient marine and air navigation; (2) assess the health of coastal and marine resources; (3) monitor and predict the coastal, ocean, and global environments (including weather forecasting); and (4) protect and manage the nation's coastal resources.
- *Patent and Trademark Office (PTO)* examines and approves applications for patents for claimed inventions and registration of trademarks.
- *Technology Administration*, through the Office of Technology Policy, advocates integrated policies that seek to maximize the impact of technology on economic growth, conducts technology development and deployment programs, and disseminates technological information.
- *National Institute of Standards and Technology (NIST)* assists industry in developing technology to improve product quality, modernize manufacturing processes, ensure product reliability, and facilitate rapid commercialization of products based on new scientific discoveries.
- *National Telecommunications and Information Administration (NTIA)* advises the President on domestic and international communications policy, manages the federal government's use of the radio frequency spectrum, and performs research in telecommunications sciences.

The President's FY2006 budget request calls for \$9.6 billion for the Department of Commerce and related agencies. This represents a 44 percent increase over the FY2005 appropriation of \$6.7 billion (P.L. 108-447) for Title II and related agencies.



This proposed increase primarily would be the result of the creation of a \$3.7 billion Strengthening America's Communities Grant Program. The President's budget proposes major reductions in the Advanced Technology Program, the Emergency Steel Guarantee Loan Program, and the Public Telecommunications Facilities, Planning and Construction Program.

The House bill (H.R. 2862) passed on June 16, 2005 and proposes \$5.8 billion in appropriations (which includes a \$35 million rescission), a 13.4 percent decrease from FY2005. H.R. 2862 would reduce significantly the appropriations for the Economic Development Administration, the National Telecommunications and Information Administration, and the National Institute of Standards and Technology. H.R. 2862 would not include funding for the Administration's Strengthening America's Communities Grant Program.

The Senate bill (H.R. 2862) was passed on September 15, 2005 and proposes \$7.7 billion in appropriations (with no rescissions), a 14.3 percent increase from FY2005. It would cease funding for the Technology Administration (funded in FY2005 at \$6.5 million) and would not fund the Administration's Strengthening America's Communities Grant Program.

## **Departmental Management**

The President's FY2006 budget requests \$106.3 million for Departmental Management; of this amount, \$53.53 million would be for salaries and expenses, \$22.76 would be for the Office of Inspector General (IG), and \$30 million would be for the renovation of the headquarters of the Department of Commerce.

H.R. 2862 would appropriate \$70.2 million, with \$47.5 for Departmental Management and \$22.7 for the IG. The Senate bill would appropriate \$77.4 million, with \$49.6 million for Departmental Management and \$22.8 million for the IG, and \$5 million for the U.S Travel and Tourism Promotion Program.<sup>4</sup>

## **International Trade Administration<sup>5</sup>**

The President's FY2006 request for the International Trade Administration (ITA) is \$395.9 million, a \$7.6 million (1.9%) increase over the FY2005 appropriation. The 2005 Consolidated Appropriations Act (H.R. 4818, H.Rept. 108-792) enacted \$393.5 million in direct appropriations with \$8 million to be derived from fees, thus raising the level of budget authority to \$401.5 million. In contrast, the President's FY2006 request anticipates the collection of \$13 million in fees raising available funds to \$408.9 million. The House enacted \$393.9 million in direct appropriations with an additional \$13 million to be collected from fees. The Senate enacted the Senate Appropriations Committee recommendation of \$401.6 million,

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<sup>4</sup> On the federal government and tourism promotion, see CRS Report RL32647, *Government Advertisement of Tourism: Recent Action and Long-Standing Controversies*, by Kevin R. Kosar.

<sup>5</sup> The sections on ITA, USTR, NIPLECC, ITC, and BIS were written by Ian F. Fergusson, Analyst in International Trade and Finance, Foreign Affairs, Defense, and Trade Division.

with \$8 million derived from fees. The Senate enacted a total of \$396.6 million, also with \$8 million derived from fees. The Senate transferred \$5 million from ITA to the provision of U.S. Travel and Tourism Promotion program. The Senate report (S.Rept. 109-88) contends that implementing the additional fees contained in the President's request and approved by the House "would significantly impair ITA's ability to provide trade assistance to small business." The Senate version went a step further containing language exempting the agency from the full-cost recovery provisions of OMB Circular A25.

ITA provides export promotion services, works to assure compliance with trade agreements, administers trade remedies such as antidumping and countervailing duties, and provides analytical support for ongoing trade negotiations. The agency is divided into four policy units and an Executive and Administrative Directorate, with a total full time staff of 2,553 in FY2005. The House and Senate have approved \$25.8 million for executive administration and direction functions. ITA's export promotion activities were last authorized by the Jobs Through Trade Expansion Act (P.L. 103-392), which expired at the end of FY1996.

**Manufacturing and Services Unit (MSU).** The MSU carries out certain industry analysis functions of the former Trade Development Unit (TD), but it is also tasked with promoting the competitiveness and expansion of the U.S. manufacturing sector under the President's Manufacturing Initiative of March 2003. Congress transferred the trade promotion activities of TD — the Advocacy Center, the Trade Information Center, and Office of Export Assistance — to the new Trade Promotion Unit. The FY2005 appropriation provided \$48.5 million for the MSU. The President requested \$47.4 million in direct obligations for FY2006 and the House enacted this amount. The Senate provided \$43.1 million, shaving \$5 million from the Senate Appropriations Committee figure to allocate to the U.S. Travel and Tourism Promotion Program (see below). The Senate Committee provided earmarks for the following items traditionally within the funding provided for the MSU, \$13 million for the National Textile Center, \$3.5 million for the Textile/Clothing Technology Corporation, 1.5 million for the Textile Marking System, \$1.5 for Auburn University for advanced research and development of novel polymetrics.

**Office of Travel and Tourism Industries (OTTI).**<sup>6</sup> The Consolidated Appropriations Resolution of 2003 (P.L. 108-7, Sec. 210) authorized the Secretary of Commerce to award \$50 million in grants to promote tourism to America in Europe. The Office of Travel and Tourism Industries (OTTI) in the Department of Commerce was to run this campaign. Before the campaign began, however, Congress rescinded \$44 million of the appropriation.<sup>7</sup> OTTI has scaled back its

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<sup>6</sup> This section was written by Kevin Kosar, Analyst in American National Government, Government and Finance Division.

<sup>7</sup> P.L. 108-199, Title VII, enacted Jan. 23, 2004, included a \$40 million rescission of funds for the advertising program in Title VII. Section 215 of the law further rescinds \$100 million in unobligated Department of Commerce funding, some \$4 million of which, according to OTTI, was taken from the promotional campaign, leaving \$6 million for the Visit America campaign. A review of the hearing and the reports on the appropriation bills (continued...)

proposed activities and refocused the \$6 million campaign on the U.K. alone.<sup>8</sup> The Visit America campaign began in late spring of 2004.<sup>9</sup> In FY2005, Congress provided another \$10 million for the program (P.L. 108-447, Title II). For FY2006, the Senate bill would appropriate \$5 million for the U.S Travel and Tourism Promotion Program. The House bill would not provide the program with additional funding. In addition, the Senate Appropriations Committee earmarked \$1.0 for the Travel and Tourism Promotion Advisory Board.

**Market Access and Compliance Unit (MAC).** The MAC monitors foreign country compliance with trade agreements, identifies compliance problems and market access obstacles, and informs U.S. firms of foreign business practices and opportunities. Congress enacted \$40.1 million for MAC in FY2005, and the President requested \$39.8 million in FY2006. Both the House and the Senate have adopted this figure.

**Import Administration Unit (IA).** IA administers the trade remedy laws of the United States, including antidumping, countervailing duty, and safeguard actions. The FY2005 funding level is \$64.5 million, of which no less than \$3 million is for the Office of China Compliance. The Administration has requested \$62.1 million for IA in FY2006, a figure enacted by the House. The Senate adopted \$64.1 million, the Administration's request plus \$2 million for additional placement and maintenance of overseas enforcement officers. The House designates \$3.0 million of its appropriations for the Office of China Compliance. The House report expresses concern that the amount of antidumping and countervailing duty cases undertaken by IA has fallen "significantly" while the funding levels for IA have increased. It directs the unit to self-initiate investigations, and to engage in market trends analysis in order to anticipate unfair trade practices.

**Trade Promotion/U.S. Foreign Commercial Service (TP/FCS).** For FY2006, the Administration requested \$222.4 million for this Unit, with \$1.5 million

<sup>7</sup> (...continued)

preceding the law that rescinded these funds did not reveal any disapproval of the advertising campaign; indeed, a number of Members and travel and tourism industry representatives voiced their enthusiasm for it. Exactly why these funds were rescinded is unclear; according to some reports, the funds were rescinded in the course of an effort to locate budget offsets. U.S. Congress, House Committee on Energy and Commerce, Subcommittee on Commerce, Trade, and Consumer Protection, Travel and Tourism in America Today, hearing, 108<sup>th</sup> Cong., 1<sup>st</sup> sess., April 30, 2003 (Washington, GPO, 2003); U.S. Congress, House Committee on Appropriations, *Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, Fiscal Year 2004*, report to accompany H.R. 2799, 108<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 108-221 (Washington, GPO, 2003); and U.S. Congress, Senate Committee on Appropriations, *Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, Fiscal Year 2004*, report to accompany S. 1585, 108<sup>th</sup> Cong., 1<sup>st</sup> sess., S. Report 108-44 (Washington, GPO, 2003).

<sup>8</sup> Ibid.

<sup>9</sup> Office of Travel and Tourism Industries press release, "U.S. Department of Commerce Names Marketing Contractor for International Tourism Promotion Campaign," March 19, 2004, [<http://tinnet.ita.doc.gov/tinews/archive/20040319.html>], visited May 4, 2004.

dedicated for the Advocacy Center, \$2.5 million for the Trade Information Center, and \$2.1 million for the China and Middle East Business Center. For FY2005, the TP/FCS received an appropriation of \$220.7 million. Both the House and the Senate have adopted an appropriation of \$231.7 million. The House report provides \$1.0 for the Rural Export Initiative. The Senate version contains language exempting the agency from OMB Circular A25, the effect of which would relax the requirement for full cost recovery (through user fees) for the provision of trade promotion services.

## **Office of the U.S. Trade Representative (USTR)**

USTR, located in the Executive Office of the President (EOP), is responsible for developing and coordinating U.S. international trade and direct investment policies. The President's FY2006 request is \$38.8 million, \$2.2 million less than the amount appropriated by Congress in FY2005 (\$41.0 million). The House enacted an appropriation of \$44.8 million for USTR: 15.4% over the request and 9% over the current year appropriation. The House report (H.Rept. 109-118) maintains that funding levels proposed by the Administration remain inadequate for the operational requirements of USTR. The Senate adopted the amount of the current appropriation for FY2005, \$41 million.

The USTR is responsible for advancing U.S. interests at the WTO and negotiating bilateral and regional free trade agreements (FTA). In the last year, the Administration has concluded FTAs with the 5 nations of the Central American Common Market, the Dominican Republic, and Bahrain, subject to Congressional approval, and Congress has approved FTAs with Australia and Morocco. The Administration is also conducting negotiations with the Southern African Customs Union, Panama, Colombia, Peru, Ecuador, Thailand, Kuwait, and Oman. The Office had 225 FTEs in FY2005. USTR was last authorized by the Trade Act of 2002 (P.L. 107-210) for FY2003 and FY2004.

The House Report expressed its concern over USTR's commitment to intellectual property rights (IPR) enforcement. It notes that USTR has not taken an IPR enforcement case to the WTO. The Committee expressed "dismay" that the position of Chief Negotiator for Intellectual Property Enforcement, created by FY2005 appropriations language, remains vacant. Senate report language (S Rept. 109-88) directed USTR to report on the impact of this position by November 1, 2005. The House report also directs USTR to place at least 4 additional personnel in USTR's IPR office.

Sec. 634 of the House version and Sec 532 of the Senate version of H.R. 2862 seeks to prevent USTR from including certain IPR-related parallel importation provisions in future trade agreements. Parallel importation occurs when products marketed by a patent holder in one country are imported into another country without the patent holder's permission. Recent U.S. free trade agreements with Morocco, Singapore and Australia protect the rights of a patent holder to prohibit the importation of parallel products from other countries. Parallel imports often occur because the price in one jurisdiction is often different than that in another due to regulatory or competitive reasons. Critics claim these provisions in trade agreements would hamper the ability of U.S. consumers to import cheaper pharmaceutical from

other countries and would impair poor nations from obtaining inexpensive pharmaceuticals for national epidemics.

U.S. trade remedy laws were the subject of two amendments in Senate floor debate. One amendment introduced by Senator Dorgan (Amendment 1665) would have prohibited USTR from using appropriated funds to negotiate trade agreements that modify or amend trade remedy laws such as antidumping, countervailing duties, or safeguard actions. This measure was aimed at restricting the activities of the rules negotiations of the ongoing Doha Development Round. This provision was criticized by some business groups and drew a veto threat from the administration. The amendment was rejected by a vote of 39-60. A substitute amendment introduced by Senator Grassley (Amendment 1713) to provide that funds appropriated be used in a manner consistent with trade promotion authority was passed unanimously. Trade promotion authority requires the President to negotiate agreements that protect U.S. trade remedy laws.

## **NIPLECC**

The Consolidated Appropriations Act of 2005 (P.L. 108-447) provided a direct appropriation of \$2 million for the National Intellectual Property Law Enforcement Coordinating Council (NIPLECC). The President's FY2006 submission did not request an appropriation for NIPLECC. The Senate provides \$500,000 for NIPLECC under the Patent and Trademark Office. This interagency council, which was created by the Treasury Appropriations Act of 2000 (P.L. 106-58) and funded by the participating agencies, previously had not received a direct appropriation. Its function is to coordinate the activities of government agencies with domestic and international intellectual property law enforcement functions. It is comprised of the of Director of the Patent and Trademark Office, the Assistant Attorney General, Criminal Division, the Under Secretary of State for Economic and Business Affairs, the Assistant U.S. Trade Representative, the Commissioner of Customs, and the Undersecretary of Commerce for International Trade.

## **U.S. International Trade Commission (ITC)**

ITC is an independent, quasi-judicial agency that advises the President and Congress on the impact of U.S. foreign economic policies on U.S. industries and, along with the Import Administration Unit of ITA, is charged with administering various U.S. trade remedy laws. Its six commissioners are appointed by the President for nine-year terms. As a matter of policy, its budget request is submitted to Congress by the President without revision.

For FY2006, ITC requests \$65.3 million, a \$4.5 million increase from the amount requested and appropriated by Congress in FY2005 (\$60.8 million). The House and Senate enacted an appropriation of \$62.8 million. This figure reflects a revised budget request provided to both committees of \$62.5 million. In FY2005, ITC had 380 employees. ITC was last authorized by the Trade Act of 2002 (P.L. 107-210) for FY2003 and FY2004.

## Bureau of Industry and Security

The President's FY2006 request for the Bureau of Industry and Security (BIS) is \$77.0 million, a 14.1% increase from the \$67.5 million appropriated by Congress for FY2005. This figure was enacted by both the House and the Senate. BIS administers export controls on dual-use goods and technology through its licensing and enforcement functions. It cooperates with other nations on export control policy, and provides assistance to the U.S. business community to comply with U.S. and multilateral export controls. It also administers U.S. anti-boycott statutes, and it is charged with monitoring the U.S. defense industrial base. The agency had 418 full-time employees in FY2005. Authorization for the activities of BIS, the Export Administration Act (50 U.S.C. 2401, *et seq*), expired in August 2001. On August 17, 2001, President Bush invoked the authorities granted by the International Economic Emergency Powers Act (50 U.S.C. 1703(b)) to continue in effect the system of controls contained in the act and by the Export Administration Regulations (15 C.F.R., Parts 730-799). This authority was most recently extended on August 6, 2004 (69 *Fed. Reg.* 48763).

BIS divides its FY2006 funding request between licensing activity (\$37.8 million), enforcement activities (\$32.5 million), and management and policy coordination (\$6.7 million). This allocation was adopted by the Senate in Appropriations committee report language, but the House allocated \$36.8 million, \$33.5 million, and \$6.65 million for these activities, respectively. The House and Senate Committee also differ on the amount to be expended on national security related inspections. The Senate provides \$7.2 million for such activities; the House provides \$14.8 million. The President's request highlights 3 new programmatic initiatives which would add 13 full-time employees (FTEs) and cost \$6.9 million. Senate report language earmarks funding for these initiatives.

BIS seeks \$1.05 million for an Enhanced Deemed Export Control Initiative. Exports of technology, know-how, and non-encryption source code is "deemed" to have been exported when it is released to a foreign national within the United States. BIS licenses certain types of these exports and seeks additional resources to manage the increasing volume of license applications and to expand the scope of deemed export information outreach.

BIS also seeks to create an Office of Technology Evaluation to enable the Bureau to identify new technologies for inclusion on the Commerce Control List (CCL), to review the inclusion of current items on the CCL, and to review multilateral export control regimes and national control regimes of other nations. BIS requests \$2.58 million for this program. This Office was originally proposed in FY2004 to respond to a GAO report that cited BIS for failing to conduct regular foreign availability assessments and neglecting to analyze the cumulative effects of certain technology transfers. (See GAO Report 02-620, *Export Controls: Rapid Advances in China's Semiconductor Industry Underscore Need for Fundamental U.S. Policy Review*, May 8, 2002). Congress did not appropriate funds for this proposal in 2004 or 2005.

A third priority for BIS in terms of additional funding is the provision of additional resources for export enforcement to prevent the diversion of sensitive

dual-use items to countries of concern and terrorist entities. BIS seeks an additional appropriation of \$1.7 million for additional enforcement personnel.

## **Economic Development Administration<sup>10</sup>**

The President's FY2006 Budget proposes dramatic changes for the Commerce Department's Economic Development Administration (EDA), both in terms of its annual appropriation and, perhaps more importantly, in its role as the federal government's lead player in the realm of economic development. Although EDA has long been touted as the principal federal agency concerned with economic development, reality has been quite different. EDA has functioned as but one of a host of agencies and programs providing various types of economic development assistance to a broad range of organizations and political entities, as well as to the Nation as a whole.

For FY2006, the Administration has requested a total appropriation of \$26.6 million, less than a tenth of last year's funding. Absent from this year's budget submission is any funding request for the agency's Economic Development Assistance Programs (EDAP). On the other hand, EDA's responsibilities would be dramatically increased.

On February 7, 2005, the Bush Administration released its budget recommendations for FY2006. Included in the budget was a proposal that would consolidate the activities of at least 18 existing community and economic development programs into a two-part grant proposal called the "Strengthening America's Communities Initiative." As outlined by the Administration, the proposal would realign several, but not all, federal economic and community development programs. Responsibility for the programs now being carried out by five federal agencies would be transferred to EDA. EDA would administer the core program and a bonus program, which would award additional funds to communities that demonstrated efforts to improve economic conditions. The Administration has offered a general outline of the new programs, but it has not yet submitted a detailed proposal for congressional consideration. It has stated that the new program will emphasize flexibility, will be results oriented, and will be targeted to communities based on need.

Currently, the House and Senate are moving forward with appropriations for EDA in a manner which does not take into account the Administration's Strengthening America's Communities Initiative (SACI) proposal. (The SACI proposal had requested \$3.71 *billion*, a large part of which was to go to Social Service Block Grants—albeit at a greatly reduced level from FY2005 funding.) The House has approved the Appropriation Committee's recommendation of \$201 for the agency's Economic Development Assistance Programs (EDAP) and \$26.6 million for Salaries and Expenses (S&E), for a total FY2006 appropriation of \$227.6 million for EDA. In the Senate, the Appropriations Committee has recommended a total of \$314.9 million for EDA for FY2006, an increase of \$27 million over

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<sup>10</sup> This section was written by Bruce Mulock, Specialist in Government and Business, Government and Finance Division.

current funding. More specifically, the Senate committee recommends \$30.9 million for S&E and \$284 million for EDAP.

For FY2005, the Administration had requested a total appropriation of \$320.3 million for the Economic Development Administration. More specifically, it requested \$289.8 million for EDAP and \$30.6 million for S&E. The House approved these amounts. The Senate Appropriations Committee recommended a slightly lower amount for EDAP — \$285 million — and \$30.4 million for S&E, for a total appropriation of \$315.5 million for FY2005 (the same total amount the agency received for FY2004). During the September 15<sup>th</sup> floor debate on the appropriations bill, two significant amendments dealing with emergency spending were adopted. As part of \$4.3 billion designated as emergency spending related to aiding victims of Hurricane Katrina (emergency spending does not count against the spending cap assigned by the budget resolution (H Con Res 95)) \$210 million was provided for economic development activity in the disaster area. Some observers have surmised that EDA is the logical recipient of this emergency funding. Similarly, Senator Snowe introduced an amendment (SA 1717), which was accepted, providing \$400 million to the Department of Commerce for bridge loans to small businesses. As one observer noted, EDA is more likely to assume spending authority for this funding than is the Census Bureau. The Senate bill did not include funding for the President's Strengthening America Initiative.

Regarding appropriations for FY2005, the Omnibus bill that was enacted reduced the agency's appropriation for EDAP, providing \$257.4 million or \$26.6 million less than EDA received for FY2004. Salaries and Expenses remained virtually unchanged at \$30.48 million, giving EDA a total FY2005 appropriation of \$287.9 million. It is perhaps worth noting that for FY2001, FY2002 and FY2003, Congress provided EDA with appropriations of \$439 million, \$365.6 million, and \$320.8 million, respectively.

For FY2004, the Administration had requested a total appropriation of \$364.4 million. Of this amount, \$331 million was for EDAP, and \$33.4 million was for S&E. The House approved a total of \$318.7 million for the Economic Development Administration, including \$288.1 billion for EDAP and \$30.6 million for S&E. The Senate Appropriations Committee recommended a total of \$387.7 million for EDA, including \$357.1 million for EDAP and \$30.6 million for S&E. The conference agreement provided EDA with a total appropriation of \$315.3 million — \$285 million for EDAP and \$30.2 million for S&E.

The agency's authorization expired at the end of FY2003. Hearings on the Administration's proposal (H.R. 2454) for reauthorizing EDA were held in June 2003 by the House Subcommittee on Economic Development, Public Buildings and Emergency Management. On June 23, 2003, the House Transportation and Infrastructure Committee adopted a modified version (H.R. 2535) of the Administration's five-year reauthorization bill. The Senate Environment and Public Works Committee did not take up the EDA reauthorization issue until late in the 2<sup>nd</sup> session of the 108<sup>th</sup> Congress. Finally, on October 7, 2004, the Senate passed S. 1134 under a suspension of the rules by a vote of 388 to 31. President Bush signed the bill, the Economic Development Administration Reauthorization Act of 2004, into law (P.L. 108-382) on October 15, 2004.



The legislation allows the Secretary of Commerce to finance more than 80 percent of project costs with federal funds. Additionally, the bill gave EDA the authority to allow local governments to keep surplus (or under-run) funds from projects completed under budget. Finally, the bill allowed EDA to use additional excess project funds to increase the federal government's share of the cost or to allow individual projects to be improved without the need for further appropriations action by Congress.

## **Economic Development Challenge<sup>11</sup>**

The President's FY2006 budget proposes creating a new entity, the Economic Development Challenge (EDC), which would administer the proposed \$3.71 billion dollar Strengthening America's Communities Grant Program. EDC would award grants to economically distressed communities for planning, infrastructure development, and business financing to achieve long-term economic stability and growth. The Administration has yet to propose legislation for this new entity and program. Neither the House or Senate bills would fund this proposed initiative.

## **Minority Business Development Agency<sup>12</sup>**

The Minority Business Development Agency (MBDA) is charged with playing the lead role in the Federal Government for coordinating all minority business programs. For FY2006 the President's budget calls for providing the MBDA with \$30.7 million, an increase of \$828,000 or about 2.77 percent over the current appropriation. The House passed the Appropriation Committee's recommendation of \$30 million. The Senate Appropriations Committee has recommended \$30.7 million, the same amount proposed by the Administration. The Senate-passed version mirrored the Appropriation Committee's recommendation. FY2005 the Administration had requested \$34.46 million for the agency, an increase of nearly \$6 million over FY2004 funding. The House approved \$28.9 million. The Senate Appropriations Committee recommended \$31.55 million for the agency. The Omnibus bill provided the MBDA with \$29.9 million for FY2005, an increase of a little less than \$1.5 million over FY2004.

## **National Telecommunications and Information Administration<sup>13</sup>**

For FY2006, the Bush Administration has continued to request significant changes in the NTIA budget. For the coming fiscal year, the Administration has requested \$23.5 million for the overall NTIA budget; the full House approved \$19.7 million for FY2006 on June 16, while on June 23 the Senate Appropriations

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<sup>11</sup> This title is coordinated by Kevin Kosar, Analyst in American National Government, Government and Finance Division.

<sup>12</sup> This section was written by Bruce Mulock, Specialist in Government and Business, Government and Finance Division.

<sup>13</sup> This section was written by Glenn McGloughlin, Specialist in Technology and Telecommunications Policy, Resources, Science, and Industry Division.

Committee approved \$57.3 million for the coming fiscal year. (For FY2005 appropriations, the NTIA budget is \$38.7 million). There are two major components to the NTIA budget. The first is Salaries and Expenses. The Administration has requested \$21.4 million for FY2006, while the full House approved \$17.7 million and the Senate approved \$20.3 million (Congress appropriated \$17.2 million in FY2005). A large part of this program (\$7 million in FY2005) is for management of the federal government's use of radio spectrum, which would increase under both the Administration's request and House action. For the second, the Public Telecommunications Facilities, Planning and Construction (PTFPC) program, the President has requested that funding end in FY2006, except for a carryover of \$2 million to fulfill current program functions. The House approved this request. (Congress provided \$21.4 million for this program in FY2005), while the Senate approved \$22 million. A third component the Technologies Opportunities Program (TOP), was eliminated in the FY2005 appropriations act. However, the Senate has restored \$15 million to this program.

The NTIA is the executive branch's principal advisory office on domestic and international telecommunications and information technology issues and policies. It has as its mandate to provide greater access for all Americans to telecommunications services; to support U.S. attempts to open foreign markets; to advise on international telecommunications negotiations; to fund research grants for new technologies and their applications; and to assist non-profit organizations converting to digital transmission in the 21st century.

The NTIA also manages federal use of radio frequency spectrum domestically and internationally. Both the Administration and the House have requested that NTIA be reimbursed by other agencies for services it provides those agencies on spectrum management, analysis and research services. However, some have also argued that NTIA's role in spectrum management responsibilities should be broadened and expanded to include greater coordination across the federal government through an expanded budget and resources.

For the PTFPC program, the House has noted that as of March 2005, 307 of 356 (93.9%) public television stations are now transmitting a digital signals, indicating that the program has successfully achieved its goals. However, others contend that this issue is part of a larger concern about public broadcasting in general, and support for the Corporation for Public Broadcasting specifically; and until all stations are broadcasting with digital technology, the program should be supported and funded.

For the TOP infrastructure grants program, the Bush Administration requested zero funding for this program in FY2005 and did not request any funding for FY2006. The House did not approve any finding for this program in its consideration of the NTIA appropriations for FY2006. However, the Senate approved a restoration of funding for this program, consistent with funding levels before FY2005. Many Senators contend that this program is vital for supporting pilot, merit-based grants to connect those parts of the United States still not connected to the Internet.

## National Technical Information Service<sup>14</sup>

Following the National Technical Information Act (P.L. 100-519), as amended in 1992 by the American Technology Preeminence Act (P.L. 102-245), congressional policymakers did not appropriate any funding for the National Technical Information Service (NTIS) for FY2006. Instead, funding for NTIS continues to be drawn from NTIS' Revolving Fund, established by the Commerce, Justice, State Appropriations Act for FY1993 (P.L. 102-395). In part, due to NTIS' efforts to develop new products and limit spending, NTIS achieved a positive net income of \$508,000 for FY2004. This compares with a positive net income of \$10,000 for FY2003, \$1.346 million for FY2002, and \$2.290 million for FY2001.

The NTIS is part of the Technology Administration at the Department of Commerce. The NTIS was established within the Department of Commerce in 1970, although its origins can be traced back to World War II with the creation of the Publications Board in 1945. The Publications Board collected classified scientific and technical information related to the war effort to be considered for release to the general public. These functions were formalized in 1950 with the establishment of the Clearinghouse for Federal Scientific and Technical Information within the Bureau of Standards, which were later transferred to the newly created NTIS in 1970.

According to its website [<http://www.ntis.gov/>], NTIS serves as “the federal government’s central source for the sale of scientific, technical, engineering, and related business information by or for the U.S. government and complementary materials from international sources.” Its mission is to support “the nation’s economic growth and job creation by providing access to information that stimulates innovation and discovery.” The NTIS claims to hold approximately 3 million government information products, with 600,000 of these documents available through its online searchable database. In addition, NTIS offers a variety of fee-based services to federal agencies. These services include, but are not limited to, distribution of information products, support services, web development, multimedia production, and custom research services.

The advent and rapid growth of and electronic and multimedia publishing both challenges and affirms the role of NTIS. On the one hand, the growth of the Internet and electronic documents has been attributed, in part, to a decline in NTIS sales as more documents become available online at no charge from other sources. In addition, the emergence of a range of new information brokers raises the question of whether or not the services NTIS provides are redundant and/or directly compete with those provided by private sector companies. On the other hand, the dynamic nature of online content means that websites and their content can move location or even disappear without notice. Moreover, even in the case of websites that are well established and relatively consistent in maintaining content, there is no guarantee that online materials will be archived or remain available indefinitely. In contrast, part of NTIS' responsibilities include maintaining a “permanent repository” of information.

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<sup>14</sup> This section was written by Jeffrey W. Seifert, Analyst in Information Science and Technology Policy, Resources, Science, and Industry Division.

## Bureau of the Census<sup>15</sup>

To fund the Bureau of the Census in FY2006, President Bush requested a total of \$877.4 million: \$220 million for salaries and expenses, and \$657.4 million for periodic programs, including the decennial census. The total request exceeded the FY2005 enacted amount of \$744.8 million (after rescissions) by \$132.6 million. Much of the increase was due to accelerated planning for the 2010 census. The Bureau anticipates a redesigned short-form census, to be answered by all U.S. households. Also, the Bureau intends to replace the census long form with the American Community Survey (ACS), which collects data annually from a sample of households.

The request for the 2010 census faces challenges in FY2006, as it did in FY2005. During consideration of FY2005 Commerce, Justice, and State, the Federal Judiciary, and Related Agencies' appropriations (H.R. 4754, 108<sup>th</sup> Congress), the House defeated an amendment by Representative Hefley to eliminate that year's funding for the short-form census. Mr. Hefley deemed the effort to redesign the short form excessively expensive. Also defeated was an amendment by Representative Paul that sought to prohibit the use of FY2005 funds for the American Community Survey. Mr. Paul expressed concern, recurrent among various Members of Congress, that the ACS constitutes an unwarranted invasion of respondents' privacy (*Congressional Record*, daily edition, vol. 150, July 7, 2004, pp. H5279-H5280, H5292-H5293, H5318).

For FY2006, the House Appropriations Committee recommended that the Census Bureau receive \$832.2 million, \$45.1 million below the Administration's request. Of the total amount recommended, \$208 million (\$12 million less than requested) was for salaries and expenses; \$624.2 million (\$33.1 million less than requested) was for periodic programs. The committee's recommended amount for the re-engineered short-form census was \$213.8 million and for the ACS, \$169.9 million. During House consideration of H.R. 2862, however, Representative Baird proposed an amendment to cut \$10 million from the committee-recommended FY2006 salaries and expenses account and another \$10 million from funds for short-form census redesign. Viewing certain Census 2000 promotional activities as having been wasteful, re-engineering the short-form census as an "awfully expensive revision," and efforts to fight crime (especially drug-related crime) as the more urgent priority, Representative Baird proposed that the \$20 million diverted from the Census Bureau be equally divided between the Department of Justice's Drug Enforcement Administration and Community Oriented Policing Services program. Despite opposition from House Appropriations Subcommittee on Science, the Departments of State, Justice, and Commerce, and Related Agencies Chairman Wolf, subcommittee ranking Member Mollohan, and Government Reform Subcommittee on Federalism and the Census Chairman Turner, the Baird amendment won approval on a roll-call vote (260-168, with five Members not voting; Roll No. 248) (*Congressional Record*, daily edition, vol. 78, June 14, 2005, pp. H4458, H4469).

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<sup>15</sup> This section was written by Jennifer D. Williams, Government and Finance Division.

The Senate Appropriations Committee recommended, and the full Senate approved, \$727.4 million for the Census Bureau in FY2006, \$150 million less than the Administration requested. In the Senate-passed bill, the salaries and expenses account would receive \$183 million (\$37 million below the request); periodic programs would receive \$544.4 million (\$113 million short of the request). The appropriation for each of these accounts would be less than in FY2005. Under salaries and expenses, the committee expressed particular concern that the Bureau's reports on manufacturing, general economic statistics, and foreign trade statistics be maintained and issued in a timely manner. Under periodic programs, the committee recommended \$390 million for the decennial census, designating not less than \$79.8 million of this amount for the Master Address File/Topologically Integrated Geographic Encoding and Referencing (MAF/TIGER) System. The Bureau relies on MAF/TIGER to direct census questionnaires to the correct housing units. The amount of ACS funding was not broken out separately. The committee noted its support for the Bureau's efforts to maximize the accuracy and cost effectiveness of the 2010 census, and encouraged the Bureau to minimize the number of expensive in-person visits to housing units for non-response followup.

In a "Statement of Administration Policy" released September 8, 2005, shortly before the Senate acted on H.R. 2862, the Office of Management and Budget observed about the Senate's impending \$150 million (17%) reduction in the request for the Census Bureau:

This reduction would suspend the American Community Survey, increase the lifecycle cost of the 2010 Census by over \$1 billion, and lead to a less accurate Census. Timely and accurate Census data are necessary for decision makers at every level of government for budgetary and planning purposes, and in recovery efforts for crisis situations. The bill also would jeopardize the accuracy of the national income accounts and lead to the elimination of important economic data series. (Statement available at [http://www.whitehouse.gov/omb/legislative/sap/109-1/hr2862sap-s.pdf].)

## **U.S. Patent and Trademark Office<sup>16</sup>**

The U.S. Patent and Trademark Office (USPTO) examines and approves applications for patents on claimed inventions and administers the registration of trademarks. It also assists other federal departments and agencies protect American intellectual property in the international marketplace. The USPTO is funded by user fees paid by customers that are designated as "offsetting collections" and subject to spending limits established by the Appropriations Committee. In the Administration's FY2006 budget request, \$1.703 billion in budget authority is provided for the USPTO, 9.5 % above the current fiscal year. The Office is to have "full access" to all fees collected in FY2006. H.R. 2862, as passed by both the House and the Senate, also provides \$1.703 billion for the USPTO. The Senate version of the bill directs that \$500,000 be utilized for the National Intellectual Property Law Enforcement Coordinating Council (see p. 21 for more on NIPLECC).

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<sup>16</sup> This section was written by Wendy Schacht, Specialist in Science and Technology, Resources, Science, and Industry Division.

For FY2005, the Omnibus Appropriations Act gave the USPTO the authority to spend \$1.545 billion. A major portion of this funding was to be from fees collected under existing statutory authority. In addition, Title VIII of the Omnibus Appropriations Act created a new (temporary) fee structure that was expected to generate an additional \$219 million in FY2005. This budget authority represented a 27% increase over that provided in FY2004.

Beginning in 1990, appropriation measures have limited the ability of the U.S. Patent and Trademark Office to utilize the full amount of fees collected in each fiscal year. This is an area of controversy. Opponents of this approach argue that agency operations are supported by payments for services that must be financed in the year the expenses are incurred. Proponents of current methods maintain that the fees are necessary to help balance the budget and the amount of fees appropriated back to the USPTO are sufficient to cover operating costs.

### **Technology Administration/Office of the Under Secretary of Technology<sup>17</sup>**

The Technology Administration and the Office of the Under Secretary of Technology in the Department of Commerce advocates national policies that foster technology development to stimulate economic growth, conducts technology development and deployment programs, and disseminates technological information. The Office of the Under Secretary for Technology also manages and supervises the activities of the National Institute of Standards and Technology and the National Technical Information Service.

The President's FY2006 budget requested \$4.2 million for the Office of the Under Secretary for Technology. This figure is 35% below the \$6.5 million appropriated in FY2005. H.R. 2862, as passed by both the House and the Senate funds the Office at \$5.6 million, 14% below the current fiscal year.

### **National Institute of Standards and Technology<sup>18</sup>**

The National Institute of Standards and Technology (NIST) is a laboratory of the Department of Commerce. The organization's mandate is to increase the competitiveness of U.S. companies through appropriate support for industrial development of pre-competitive generic technologies and the diffusion of government-developed technological advances to users in all segments of the American economy. NIST research also provides the measurement, calibration, and quality assurance techniques that underpin U.S. commerce, technological progress, improved product reliability, manufacturing processes, and public safety.

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<sup>17</sup> This section was written by Wendy Schacht, Specialist in Science and Technology, Resources, Science, and Industry Division.

<sup>18</sup> This section was written by Wendy Schacht, Specialist in Science and Technology, Resources, Science, and Industry Division.

The President's FY2006 budget requested \$532 million in funding for NIST, a 24% decrease from FY2005 due primarily to an absence of support for the Advanced Technology Program (ATP) and a significant cut in financing for the Manufacturing Extension Partnership (MEP). Included in the total figure is \$426.3 million for the Scientific and Technology Research and Services (STRS) account which covers primarily the internal R&D activities of the laboratory. This amount is 12.5% above the current fiscal year (and includes \$5.7 million for the Baldrige National Quality Program). MEP would be funded at \$46.8 million, 56% below FY2005 support. The construction budget would be \$58.9 million.

H.R. 2862, as passed by the House, would provide \$548.7 million for NIST, 21% below current funding. The STRS account would receive \$397.7 million, 5% more than FY2005 but 6.7% below the President's request. Financing for MEP would total \$106 million, a decrease of 1.4% from the current fiscal year and over twice the Administration's budget request. There is no funding for ATP. Construction activities would receive \$45 million.

The version of H.R. 2862 passed by the Senate funds NIST at \$844.5 million, almost 21% above the FY2005 budget. Included in this amount is \$399.9 million for the STRS account (incorporating \$7.2 million for the Quality Program), an increase of 5.6% over current funding. MEP would receive \$106 million. Support for ATP, absent from both the President's budget request and the House-passed bill, would total \$140 million, 2.6% more than the financing provided in FY2005. Financing for the construction budget would total \$198.6 million, more than double the current figure. The construction funding is over three times that proposed by the Administration and more than four times that included in the House version of the bill.

For FY2005, the Omnibus Appropriations Act, P.L. 108-447, provided the NIST with \$699.2 million (after a mandated 0.8% across-the-board rescission and a 0.54% rescission from Commerce, Justice, State discretionary accounts). This amount was 12.5% above FY2004 funding. Internal research and development under the STRS account received \$378.8 million (including funding for the Baldrige National Quality Program), almost 12% over the previous fiscal year. The Manufacturing Extension Partnership was funded at \$107.5 million, an increase of 178% that brought support for the program up to pre-FY2004 levels. The Advanced Technology Program was financed at \$136.5 million (20% below FY2004) and the construction budget received \$72.5 million. The legislation also rescinded \$3.9 million of unobligated balances from prior year funds in the ATP account.

Continued support for the Advanced Technology Program has been a major funding issue. ATP provides "seed financing," matched by private sector investment, to businesses or consortia (including universities and government laboratories) for development of generic technologies that have broad applications across industries. Opponents of the program cite it as a prime example of "corporate welfare," whereby the federal government invests in applied research activities that, they emphasize, should be conducted by the private sector. Others defend ATP, arguing that it assists businesses (and small manufacturers) in developing technologies that, while crucial to industrial competitiveness, would not or could not be developed by the private sector alone. While Congress has maintained support for the Advanced

Technology Program, the initial appropriation bills passed by the House since FY2002 failed to provide funding for ATP. While support again was provided in the FY2005 appropriations legislation, it is 20% below the earlier fiscal year.

The budget for the Manufacturing Extension Partnership, another extramural program administered by NIST, was an issue during the FY2004 appropriations deliberations. While in the recent past, congressional support for MEP remained constant, the Administration's FY2004 budget request, the initial House-passed bill, and the FY2004 Consolidated Appropriations Act substantially decreased federal funding for this initiative reflecting the President's recommendation that manufacturing extension centers "...with more than six years experience operate without federal contribution." However, P.L. 108-447 restored financing for MEP in FY2005 to the level that existed prior to the 63% reduction taken in FY2004.

### **National Oceanic and Atmospheric Administration (NOAA) <sup>19</sup>**

NOAA is the largest agency of the Department of Commerce (DOC) in terms of funding and for FY2006 would account for about 61% of DOC's budget request of \$5.8 billion (not including \$3.7 billion in new funding requested for the President's "Economic Development Challenge"). On February 6, 2005, President Bush requested \$3.58 billion for NOAA for FY2006. At a February 7, 2005 budget briefing, NOAA's Administrator stated that the agency would be one of few for which the President is seeking discretionary funding increases for FY2006. On June 16, 2005, the House appropriated \$3.38 billion for the agency in H.R. 2862 (amended). On June 23, 2005, the Senate Appropriations Committee recommended a total of \$4.47 billion for NOAA in H.R. 2862, as amended by the committee. On September 13, the Senate voted for an additional \$5.8 million for the National Weather Service, resulting in a total of \$4.48 billion for NOAA. H.R. 2862, as amended by the Senate, is now awaiting conference.

**The President's Budget.** The President's request for FY2006 was \$210 million, or 6.2%, more than the \$3.37 billion he requested for FY2005. (See **Table 4**, below.) Even so, the FY2006 request is \$330 million, or 8.4%, less than the FY2005 appropriation of \$3.91 billion. Funding requested by the President for NOAA's five Operations, Research and Facilities (ORF) line offices, the Office of Program Planning and Integration (OPPI), and Program Support for FY2006 was \$2.44 billion. Also, \$965.1 million was requested for the Procurement, Acquisition, and Construction (PAC) account. A net sum of \$85 million was requested for NOAA's Other Accounts, including a \$2 million decrease for U.S. fishery obligations, \$90 million for the Pacific Coastal Salmon Recovery Fund (PCSRF) and \$3 million from the Coastal Zone Management Fund (CZMF) transferred to ORF.<sup>20</sup>

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<sup>19</sup> This section was prepared by Wayne A. Morrissey, Science and Technology Information Analyst, Resources, Science, and Industry Division.

<sup>20</sup> For further information on NOAA's FY2006 budget, see CRS Report RS22109, *The National Oceanic and Atmospheric Administration (NOAA) Budget for FY2006: President's Request, Congressional Appropriations, and Related Issues*, by Wayne A. Morrissey)



**Administration Concerns.** For FY2006, President Bush proposed savings of \$427.0 million in discretionary funding (compared with FY2005 appropriations) through NOAA-wide program terminations. However, the President also requested increases to procure satellite hardware, ecosystems activities, completion of construction of a third authorized fisheries research vessel, and procurement of a fourth. The largest ORF program termination was for the National Ocean Service (NOS) Ocean Health Initiative. The largest PAC program termination was for NOS collective land acquisition and construction projects funded under the Coastal and Estuarine Land Conservation Program (CELCP). President Bush identified all of the NOAA programs he proposed for termination as unauthorized earmarks.

**House Appropriations.** On June 16, 2005, the House passed H.R. 2862 (amended), Science, State, Justice, Commerce and Related Agencies Appropriations Act, 2006 (hereafter, SSJC Appropriations) and appropriated \$3.38 billion for NOAA. The House Appropriations Committee had recommended \$3.43 billion in total for NOAA. (See H.Rept. 109-118, June 10, 2005.) This amount is nearly \$150 million, or 4.2%, less than the President's request for NOAA for FY2006 of \$3.58 billion, and about \$480 million, or 12.3%, below the FY2005 House appropriation (after a 0.8% rescission) of \$3.91 billion. The House committee recommended \$2.44 billion for the ORF account; \$936 million for the PAC account; and a net sum of \$46 million for NOAA's Other Accounts. Because of negative balances in NOAA's fisheries accounts, the \$50 million recommended for PCSRF was effectively decreased by \$4 million. Also, the committee recommended a transfer of \$77 million from the interagency PDAF account, and \$3 million from the CZMF to ORF. NOAA was authorized to use \$19 million derived from previous fiscal year deobligations. H.Amdt. 260 to H.R. 2862, agreed to on June 14, 2004, reduced ORF appropriations recommended by the House committee by \$50 million, providing \$3.38 billion for FY2006.<sup>21</sup>

**Bush Administration Statement.** On June 14, 2005 OMB released a statement on SSJC Appropriations for FY2006. The statement indicated President Bush's support for passage of H.R. 2862, as reported by the House (H.Rept. 109-118). It also urged the House to provide the funding that was requested for NOAA climate research activities and key ocean and coastal programs, including funding for a fourth fishery research vessel, protected species, and fisheries research and management programs.

**Senate Version of H.R. 2862.** On September 13, 2005, the full Senate passed H.R. 2862 (amended) approving S.Amdt. 1656, which provided an additional \$5.8 million for the NWS ORF account and a total of \$4,481.8 million for NOAA. The added funding would create 43 new full-time equivalent positions for the National Hurricane Center for hurricane watches. Earlier, on June 23, 2005, the Senate Appropriations Committee recommended a total of \$4,476.0 million for NOAA. The Senate approved total of 4.48 billion is \$1.1 billion, or 33%, more than

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<sup>21</sup> H.Amdt. 260 to H.R. 2862 sponsored by Rep. Dreier (CA). In floor debate, Rep. Mollohan reported that the reduction in ORF funding would be applied as follows: NOS-\$8 million, NMFS-\$12 million, OAR-\$7 million, NWS-\$14.9 million, NESDIS-\$3 million; and Program Support-\$5 million. *Congressional Record*, Jun. 14, 2005: H4464-5.

that appropriated by the House; \$901 million, or 27%, more than the FY2006 request; and \$574 million, or 14.6%, more than the FY2005 appropriation. The Senate Committee recommended \$3.21 billion for ORF; \$1.20 billion for PAC; and a net sum of \$78.0 million for NOAA's other accounts, which includes \$90 million for PCSRF, \$3 million in transfers from the CZMF to ORF, and a cut of \$9 from Fisheries Finance programs. It also \$666.2 million for NOAA-wide implementation of the President's Ocean Action Plan (OAP) based on recommendations of the U.S. Oceans Commission. That amount is \$147.1 million more than appropriated for programs that were in FY2005, but categorized differently in FY2006, and \$306 million more than the amount requested for OAP by the President for FY2006.

### Second Bush Administration Statement on H.R. 2682 (Amended).

On September 8, 2005, in a "Statement of Administration Policy," President Bush expressed concern that the total appropriation level recommended by the Senate Appropriations Committee [and approved by the Senate] for NOAA, inclusive of funding to implement the President's "Ocean Action Plan" exceeded the FY2006 request by \$890 million.

**Table 4. NOAA Budget Request and Appropriations**  
(\$millions)

5 Line Offices, Pgm. Support, and OPPI	FY2005 Req.	P.L. 108-447 <sup>a,b</sup>	FY2006 Req.	H.R. 2862 <sup>c</sup>	Senate Amdt. H.R. 2862 <sup>d</sup>
1. National Ocean Service (NOS)	378.8	544.4	394.2	374.2	610.5
2. NOAA Fisheries (NMFS)	623.2	668.8	625.5	544.6	763.7
3. NOAA Research (OAR)	350.2	406.0	361.7	319.3	470.1
4. National Weather Service (NWS) <sup>e</sup>	749.2	699.1	744.8	744.2	778.6
5. NOAA Satellites (NESDIS)	149.0	176.9	154.0	155.3	180.4
Program Support	220.4	345.4	342.0	355.4	402.5
Office of Planning & Pgm. Integrat.	2.0	2.5	2.0	0.0	0.0
Offsets (transfers/deobligations)	(95.0)	(49.6)	(93.0)	(95.9)	3.0
Total Ops, Res., & Fac. (ORF)	2,377.8	2,793.5	2,531.2	2,397.1	3,208.8
Total Proc., Acq. & Constr. (PAC)	898.5	1,036.1	965.1	936.0	1,195.0
Other Accounts/PCSRF/CZMF	94.2	78.3	85.0	46.0	78.0
<b>NOAA Total</b>	<b>\$3,373.5</b>	<b>\$3,907.9</b>	<b>\$3,581.3</b>	<b>\$3,379.1</b>	<b>\$4,481.8</b>

Source: Compiled by CRS from FY2005 and FY2006 congressional appropriations documents.

#### Notes:

a. P.L. 108-447 figures reflects a 0.80% across the board rescission leveled on CJS appropriations for FY2005.

b. NOAA received emergency supplemental appropriations for FY2005 of \$38 million for the NWS, including \$24 million for ORF, and \$14 million for PAC. These amounts are not included in

the FY2005 appropriation, House appropriations, or Senate Appropriations Committee recommendations.

- c. Funding recommendations reported by the House Appropriations Committee for SSJC Appropriations, FY2006, (H.Rept. 109-118, June 10, 2005). (See footnote 16.)
- d. Funding recommended by the Senate Appropriations Committee (S.Rept. 109-88 on H.R. 2862, June 23, 2005).
- e. In response to Hurricane Katrina Senate figure includes \$5.8 million for 43 full-time equivalent positions at the National Hurricane Center as proposed in S.Amdt. 1656 and approved by the Senate on September 13, 2005.

**Related Budget Issues.** Other factors could potentially affect NOAA's FY2006 budget outcome.<sup>22</sup> These include the following:

- What additional funding might be provided to NOAA/NWS in the aftermath of Hurricane Katrina, being that 2005 is the most active hurricane season since 1933. (See **Note e.**, above.)
- Whether NOAA would be able to sustain its present mission after the House reduced its budget by \$540 million, or 13.8 percent; and
- Whether the Senate and the House can reach agreement on funding for the "Ocean Commission Initiative" and restore funding for a number of programs cut by the House in FY2006, as well as recommended for termination by the President.
- Whether Congress chooses to fund international tsunami warning efforts and other ocean environment observation goals intended to be met through development of the Administration-backed Global Environmental Observation System of Systems (GEOSS).
- Whether NOAA and partners NASA and DOD can meet deployment schedules for the National Polar Orbiting Environmental Satellite System (NPOESS), and develop ground-based systems architecture for a 2010 launch target; and
- Whether Congress will act on pending legislation to authorize all of NOAA's programs and activities under a single legal authority, otherwise known as an organic act.

## Related Legislation

### **H.R. 50 (Ehlers)**

Would amend present law to re-establish the National Oceanic and Atmospheric Administration in the Department of Commerce, reorganize the administration of NOAA, and place within NOAA: (1) the National Weather Service; (2) programs to support operations of ongoing data collection and direct services and products regarding satellite, observations, and coastal, ocean, and Great Lakes information; (3) programs to conduct and support research and education and the development of technologies relating to weather, climate, and the coasts, oceans, and Great Lakes;

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<sup>22</sup> For more information on OPC recommendations and President's Action Plan for NOAA, see CRS Issue Brief IB10132, *Ocean Commissions: Ocean Policy Review and Outlook*, by Eugene H. Buck, et al. On a possible NOAA organic act, see CRS Report RS22109, by Wayne Morrissey. On tsunami warning systems and funding, see CRS Report RL32739, *Tsunamis: Monitoring, Detection, and Early Warning Systems*, by Wayne Morrissey.

and (4) a Science Advisory Board. Introduced January 4, 2005, referred to House Subcommittee on Environment, Technology, and Standards on February 10, 2005.

**H.R. 337 (Maloney)**

Would amend present law to make the term of office of the Director of the Census five years and require that the Director of the Census report directly to the Secretary of Commerce. House Committee on Government Reform on Jan 25, 2005.

**H.R. 449 (Camp)**

Would establish the position of Assistant Secretary of Commerce for Job Retention and Creation to gather information about economic development assistance. Referred to the House Committee on Energy and Commerce on February 1, 2005.

**H.J.Res. 53 (Miller-MI)**

Proposes to amend the U.S. Constitution to provide for apportioning the House of Representatives on the basis of the number of U.S. citizens, not persons, in each state. If the amendment went into effect, the decennial census short form would have to include a question about citizenship. Introduced June 9, 2005, and referred to the House Committee on the Judiciary.

**S. 14 (Stabenow)**

Would amend present law to: (1) revise and extend the requirement that the U.S. Trade Representative identify and report on trade expansion priorities; and (2) establish the position of Chief Enforcement Negotiator. Also would provide assistance to workers in areas negatively affected by international trade. Referred to the Committee on Finance on January 24, 2005.

**S. 50 (Inouye)**

Would attempt to strengthen the National Oceanic and Atmospheric Administration's tsunami detection, forecast, warning, and mitigation program. Referred to the Committee on Commerce, Science, and Transportation on January 24, 2005, which ordered S. 50 to be reported as an original measure on February 2, 2005.

**S. 148 (McCain)**

Would amend the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301 et seq.) to establish the United States Boxing Commission as a commission within the Department of Commerce and provide regulations for the sport and industry of boxing. Referred to the Senate Committee on Commerce, Science, and Transportation on January 25, 2005.

## **Related CRS Products**

CRS Report RL32647, *Government Advertisement of Tourism: Recent Action and Long-Standing Controversies*, by Kevin R. Kosar.

CRS Report 95-36, *The Advanced Technology Program*, by Wendy H. Schacht.

CRS Report RL31252, *State and Local Sales and Use Taxes and Internet Commerce*, by Steven Maguire.

CRS Report RL31293, *E-Commerce Statistics: Explanation and Sources*, by Rita Tehan.

CRS Report 97-104, *Manufacturing Extension Partnership Program: An Overview*, by Wendy H. Schacht.

CRS Report 95-30, *The National Institute of Standards and Technology: An Overview*, by Wendy H. Schacht.

CRS Report RS21460, *The National Oceanic and Atmospheric Administration (NOAA): A Brief Review of FY2003 Appropriations and the FY2004 Budget*, by Wayne A. Morrissey.

CRS Report RL31832, *The Export Administration Act: Evolutions, Provisions, and Debate*, by Ian F. Fergusson.

CRS Report RS20906, *U.S. Patent and Trademark Office Appropriations Process: A Brief Explanation*, by Wendy H. Schacht.

CRS Issue Brief IB91132, *Industrial Competitiveness and Technological Advancement: Debate Over Government Policy*, by Wendy H. Schacht.

CRS Report RS21469: *The National Telecommunications and Information Administration (NTIA): Budget, Programs, and Issues*, by Glenn McGloughlin.

CRS Report RL32739, *Tsunamis: Monitoring, Detection, and Early Warning Systems*, by Wayne Morrissey.

CRS Issue Brief IB10132, *Ocean Commissions: Ocean Policy Review and Outlook*, coordinated by Eugene Buck, et al.

CRS Report RL31438, *Patent Administration: Current Issues and Possibilities for Reform*, by John R. Thomas.

CRS Report RL32823, *An Overview of the Administration's Strengthening America's Communities Initiative*, coordinated by Eugene Boyd.

**Table 5. FY2006 Funding for the Department of Commerce and Related Agencies**  
(\$ millions in budget authority)

Bureau or Agency	FY2004 Enacted	FY2005 Enacted	FY2006 Request	H.R. 2862	Senate
International Trade Administration	\$378.1	\$388.3	\$395.9	\$393.9	\$396.6
Bureau of Industry and Security	\$67.5	\$67.5	\$77.0	\$77.0	\$77.0
Economic Development Administration	\$315.3	\$284.1	\$26.6	\$227.6	\$524.9
Economic Development Challenge	—	—	\$3,710.0	—	—
Minority Business Development Agency	\$28.6	\$2,959.0	\$30.7	\$30.0	\$30.7
Economic and Statistical Analysis	\$74.2	\$78.9	\$85.3	\$80.3	\$81.3
Bureau of the Census	\$624.2	\$744.8	\$877.4	\$812.2	\$727.4
National Telecommunications and Information Administration	\$51.1	\$38.7	\$23.5	\$19.7	\$57.3
Patent and Trademark Office <sup>a</sup>	(\$1,222.5)	(\$1,544.8)	(\$1,703.0)	(\$1,703.0)	(\$1,703.0)
Technology Administration	\$6.3	\$6.5	\$4.2	\$6.5	—
National Institute of Standards and Technology	\$621.5	\$699.2	\$532.0	\$548.7	\$844.5
National Oceanic and Atmospheric Administration	\$3,701.0	\$3,907.9	\$3,581.2	\$3,379.0	\$4,481.8
Departmental Management	\$67.7	\$78.7	\$106.3	\$70.2	\$77.4
Other	\$8.1	\$209.1	—	—	—
<i>Department of Commerce Subtotal:</i>	<i>\$5,943.5</i>	<i>\$6,533.1</i>	<i>\$9,450.0</i>	<i>\$5,645.1</i>	<i>\$7,303.9</i>
U.S. Trade Representative	\$41.6	\$41.0	\$38.8	\$44.8	\$41.0

Bureau or Agency	FY2004 Enacted	FY2005 Enacted	FY2006 Request	H.R. 2862	Senate
International Trade Commission	\$57.7	\$60.8	\$65.3	\$62.8	\$62.8
National Intellectual Property Law Enforcement Coordination Council	—	\$2.0	—	—	— <sup>b</sup>
<i>Related Agencies Subtotal:</i>	<i>\$99.3</i>	<i>\$103.8</i>	<i>\$104.1</i>	<i>\$107.6</i>	<i>\$103.8</i>
Rescission	<b>(\$100.0)</b>	—	—	<b>(\$35.0)</b>	—
<b>Title II Total:</b>	<b>\$5,942.8</b>	<b>\$6,636.9</b>	<b>\$9,554.1</b>	<b>\$5,752.7</b>	<b>\$7,740.7</b>

**Sources:** P.L. 108-447; U.S. House of Representatives, Committee on Appropriations, H.Rept. 109-118, tables at pp. 176-192; and U.S. Senate amendment of H.R. 2862 on September 15, 2005.

- a. The Patent and Trademark Office (PTO) is fully funded by user fees. The fees collected, but not obligated during the current year, are available for obligation in the following fiscal year, and do not count toward the appropriation totals. Only newly appropriated funds count toward the annual appropriation totals.
- b. Senate bill would have U.S. PTO provide \$500,000 for NIPLECC.

## Science Agencies

### National Aeronautics and Space Administration<sup>23</sup>

The National Aeronautics and Space Administration (NASA) was created by the 1958 National Aeronautics and Space Act (P.L. 85-568). NASA conducts civilian space and aeronautics activities. The agency is managed from NASA Headquarters in Washington, D.C. It has nine major field centers around the country, and a Federally Funded Research and Development Center (FFRDC) — the Jet Propulsion Laboratory — which is operated by the California Institute of Technology. Dr. Michael Griffin became NASA's 11<sup>th</sup> Administrator in April 2005.

NASA is requesting \$16.456 billion for FY2006, a 2.4% increase over the \$16.07 billion (adjusted for the rescission) appropriated in the FY2005 Consolidated Appropriations Act (P.L. 108-447). NASA also received \$126 million in a FY2005 supplemental (P.L. 108-324) for hurricane relief associated with the 2004 Florida hurricanes, giving it a total of \$16.196 billion for FY2005. The FY2006 request is a 1.6% increase above that total. Last year, NASA was projected to receive a 4.6% increase for FY2006. NASA submitted an amended budget request on July 15, 2005. The total for the agency did not change, only how it is distributed within the agency. The House, and the Senate appropriations committee, acted on the bill prior

<sup>23</sup> This section was prepared by Marcia S. Smith, Specialist in Aerospace and Telecommunications Policy, Resources, Science, and Industry Division.

to the submission of the budget amendment. Two NASA facilities were damaged by Hurricane Katrina in August 2005: Stennis Space Center, in Mississippi, near Slidell, LA, where space shuttle main engines are tested; and the Michoud Assembly Facility, in New Orleans, LA, where space shuttle external tanks are manufactured (it is operated for NASA by Lockheed Martin). The facilities themselves received relatively minor damage, but many workers were displaced. NASA's preliminary estimate of the cost to recover from Katrina is \$1.1 billion. Whether and how that may impact NASA's FY2006 budget is not known at this time. For more on NASA's FY2006 budget request, see CRS Report RS22063, *The National Aeronautics and Space Administration: Overview, FY2006 Budget in Brief, and Key Issues for Congress*, by Marcia S. Smith and Daniel Morgan, or CRS Report RL32988, *The National Aeronautics and Space Administration's FY2006 Budget Request: Description, Analysis, and Issues for Congress*, by Marcia S. Smith and Daniel Morgan.

**Table 6. NASA's FY2006 Budget Request**

(\$ millions in budget authority)

Account	FY2004 Actual	FY2005 Estimate	FY2006 Request (amended)	House Approps (passed)	Senate Approps (passed)
Science, Aeronautics, and Exploration (SA&E)	7,873	*7,681	9,829	9,726	9,761
Exploration Capabilities	7,478	*8,358	6,595	6,713	6,603
Inspector General	27	31	32	32	32
<b>Total</b>	<b>15,378</b>	<b>16,070</b>	<b>16,456</b>	<b>16,471</b>	<b>16,396</b>
<b>FY2005 Supp. for 2004 hurricanes</b>		<b>126</b>			
<b>Grand Total</b>	<b>15,378</b>	<b>16,196</b>	<b>16,456</b>	<b>16,471</b>	<b>16,396</b>

**Source:** Figures for FY2004 and FY2005 are from the Office of Management and Budget [<http://www.whitehouse.gov/omb/budget/fy2006/nasa.html>]. The FY2006 figures are from the amended budget request

[[http://www.whitehouse.gov/omb/budget/amendments/amendment\\_7\\_15\\_05.pdf](http://www.whitehouse.gov/omb/budget/amendments/amendment_7_15_05.pdf)] submitted to Congress on July 15, 2005. "Grand Total" was added by CRS. Totals may not add due to rounding. The FY2005 figures reflect NASA's Initial Operating Plan and are not final. House and Senate figures are from the reports accompanying H.R. 2862 (H.Rept. 109-118, S.Rept. 109-88).

\*The FY2005 figures for SA&E and Exploration Capabilities in this OMB-based table are different from those in the table in NASA's FY2006 budget justification because the OMB figures show the shift of the "Exploration Systems" line item from the Exploration Capabilities account to the SA&E account.

Debate over NASA's FY2006 budget request centers on President Bush's "Vision for Space Exploration," announced on January 14, 2004. The President directed NASA to focus its activities on returning humans to the Moon by 2020, and someday sending them to Mars and "worlds beyond." Robotic probes would serve as pathfinders for human missions, and also be used to continue studies of the universe (using space-based telescopes, for example). Other countries were invited to participate. A cost estimate for accomplishing the Vision was not provided, although NASA later released an estimate of \$64 billion (FY2003 dollars) for returning humans to the Moon, not including the cost of associated robotic probes.



Under the President's proposal, most of the funding for the Vision would come from redirecting funds from other NASA activities, not new money. Thus, the debate over the Vision revolves around two major issues: the relative importance of funding NASA versus other national priorities, and the relative importance of funding the Vision versus other NASA activities. How much of the FY2006 request is for "the Vision" is not specified, although a NASA briefing chart identifies \$6 billion for "exploration specific" activities. Another \$6.4 billion is requested for the space shuttle and space station programs — often described as the first steps in the Vision. The remainder of the budget, \$4.1 billion, is labeled "Earth Science, Aero & Others" ("Aero" is for aeronautics).

In terms of the first issue, supporters of the Vision point to the relatively small percentage of federal budget authority that is allocated to NASA — 0.7 % in FY2005 — as an indication that it is not a significant factor in the nation's overall spending. Skeptics counter that spending more than \$16 billion on NASA is a luxury when many domestic discretionary programs are being cut, and federal R&D spending overall is not keeping pace with inflation. Regarding the second issue, Vision proponents argue that NASA should focus on the President's Vision even though it may mean cutting back on NASA's aeronautics, Earth science, and certain space science activities. Others disagree. The House and Senate appropriations and authorization committees that oversee NASA all expressed support for the Vision in their reports on NASA's funding bills (H.R. 2862, H.R. 3070, S. 1281), but also concern that NASA should continue to have a balance among its activities, not focus solely on the Vision. During floor debate on H.R. 3070, a manager's amendment was adopted that increased NASA's authorized funding level for FY2006 to \$16.966 billion (\$510 million more than the request), with the additional funds designated for the Vision. That bill also restructures NASA's budget accounts to separate "exploration" from "science, aeronautics, and education." See CRS Report RL32988, *The National Aeronautics and Space Administration's FY2006 Budget Request: Description, Analysis, and Issues for Congress*, by Marcia S. Smith and Daniel Morgan, for details.

The amount of funding that is available for various NASA activities will affect workforce levels. NASA's FY2006 budget request assumes that the number of budgeted civil service full time equivalents (FTEs) will drop by almost 2,500 in the next year and a half — from 19,227 in FY2005 to 16,738 for FY2007. How to "right size" NASA, its facilities, and its workforce, and ensure NASA has the necessary skill mix for the Vision, are among the issues facing Congress. H.R. 3070 as passed by the House prohibits Reductions in Force (RIFs) or other involuntary separations (except for cause) at NASA prior to February 16, 2007.

Among the projects that would be terminated sooner than previously planned are NASA's space shuttle and International Space Station (ISS) programs. The President directed that the space shuttle be retired when ISS construction is completed, expected in 2010. Dr. Griffin has indicated that he intends to terminate the shuttle in 2010 whether or not ISS construction is completed. Some want to continue the shuttle until a replacement is available, so that there is no "gap" when the United States would not have an ability to launch astronauts to the ISS. S. 1281, the Senate version of the NASA authorization bill, as reported from committee,

directs NASA not to retire the shuttle until a replacement is available. The House bill (H.R. 3070), as passed by the House, is silent on the issue.

The President directed NASA to develop a Crew Exploration Vehicle (CEV) to take crews to Earth orbit by 2014, but its primary purpose is taking them to and from the Moon. Dr. Griffin wants to accelerate development of the CEV to shorten the gap between the end of the shuttle program and the CEV's availability. He explicitly made ISS crew transport a requirement for the CEV. His predecessor, Mr. Sean O'Keefe, declined to make such a commitment, wanting to keep CEV focused on its lunar role. Mr. O'Keefe planned to rely on Russia — one of the partners in the ISS program — to take U.S. crews to and from the ISS. Russia has indicated that it will not provide ISS crew transport services to NASA for free after April 2006 when an existing agreement will be fulfilled, however, and NASA is not permitted to pay Russia for such services under the Iran Nonproliferation Act (INA, P.L. 106-178 — see CRS Report RS22072, *The Iran Nonproliferation Act and the International Space Station: Issues and Options*, by Sharon Squassoni and Marcia S. Smith). The Bush Administration submitted a proposed amendment to the INA to Congress in July 2005 (see CRS Issue Brief IB93017, *Space Stations*, by Marcia S. Smith), but some, like Dr. Griffin, feel that the United States should maintain its own ability to launch astronauts into space in any case. But his decision to set a fixed termination date for the shuttle is subject to criticism because it may create schedule pressure similar to that which was cited as a factor in the 2003 space shuttle *Columbia* tragedy. Another option is to clearly define exactly how many shuttle missions are needed to complete the space station, and fly the shuttle until those requirements are met, whenever that occurs. In the FY2006 appropriations bill, the House and Senate approved the requested funding level for the shuttle for FY2006 — \$4.5 billion. The authorization bills do not specify a funding level for the shuttle.

As for the ISS, the President directed NASA to restructure the broadly-based research program it had planned to conduct aboard ISS to support only research needed to accomplish the Vision. Some want to restore the research program to what was planned prior to the Vision. S. 1281, the Senate version of the NASA authorization bill, as reported from committee, adds funding for ISS research and makes other changes to augment its research role. H.R. 3070 directs that 15% of the research funding for the ISS be used for research not related to the Vision. A NASA budget chart released along with the President's speech showed NASA completing its use of the ISS by FY2017. What will happen to it after that time is unclear.

The initial FY2006 request for the ISS was \$2.180 billion: \$1.857 billion for construction and operations (including \$160 million for ISS Crew/Cargo Services) and \$324 million for research. The amended request moved ISS Crew/Cargo Services to another part of the NASA budget and reduced the amount for ISS construction and operations commensurately (although it identified \$168 million for that activity instead of \$160 million as was indicated in the original request). In H.R. 2862, the House cut \$10 million from ISS construction and operations, \$10 million from ISS Crew/Cargo Services, and \$25 million from the account that funds research on ISS, though it did not specify that the cuts be made to the ISS-related portion of that account. The Senate cut all \$160 million from ISS Crew/Cargo services. The authorization bills do not identify an amount for the ISS.

Another issue is whether or not to send the shuttle to service the Hubble Space Telescope (see CRS Report RS21767, *Hubble Space Telescope: Should NASA Proceed with a Servicing Mission?*, by Daniel Morgan). Two days after the President's Vision speech, then-Administrator O'Keefe announced that the shuttle would not be used to conduct further Hubble servicing missions, citing shuttle safety concerns in the wake of the February 1, 2003 *Columbia* tragedy as the primary reason. Widespread criticism led NASA to explore the possibility of a robotic servicing mission instead, but a December 2004 report from the National Research Council concluded that a robotic servicing mission was not likely to succeed in the time available. In the FY2006 request, NASA requested money only for a deorbit mission (to ensure that Hubble reenters from orbit without posing danger to populated areas). At his April 2005 confirmation hearing, however, Dr. Griffin pledged to revisit the possibility of a shuttle servicing mission after the shuttle completes its two "Return to Flight" (RTF) missions and its risk factors are better understood following the post-*Columbia* modifications. (The first RTF mission was launched on July 26; see CRS Report RS21408, *NASA's Space Shuttle Program: The Columbia Tragedy, the Discovery Mission, and the Future of the Shuttle*, by Marcia S. Smith, for details.) Meanwhile, he directed NASA engineers to resume planning for a shuttle servicing mission. The Senate added \$250 million for a Hubble servicing mission in its version of H.R. 2862. The House did not add any funds, but expressed support for a servicing mission. (H.R. 3070, as passed by the House, designates \$150 million for a Hubble servicing mission.)

## National Science Foundation (NSF)<sup>24</sup>

**Agency Mission.** The National Science Foundation (NSF) was created by the National Science Foundation Act of 1950, as amended (P.L. 81-507). The NSF has the broad mission of supporting science and engineering in general and funding basic research across many disciplines. The majority of the research supported by the NSF is conducted at U.S. colleges and universities. In addition to ensuring the nation's supply of scientific and engineering personnel, the NSF promotes academic basic research and science and engineering education across many disciplines. Other federal agencies, in contrast, support mission-specific research. The NSF provides support for investigator-initiated, merit-reviewed, competitively selected awards, state-of-the-art tools, instrumentation and facilities. Also, NSF provides almost 30% of the total federal support for science and mathematics education. Support is provided to academic institutions, industrial laboratories, private research firms, and major research facilities and centers. While the NSF does not operate any laboratories, it does support Antarctic research stations, selected oceanographic vessels, and national research centers. Additionally, the NSF supports university-industry relationships and U.S. participation in international scientific ventures.

The NSF is an independent agency in the executive branch and under the leadership of a presidentially appointed Director and a National Science Board (NSB) composed of 24 scientists, engineers, and university and industry officials involved in research and education. The NSB and the Director make policy for the NSF. The

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<sup>24</sup> This section was prepared by Christine M. Matthews, Specialist in Science and Technology Policy, Resources, Science, and Industry Division.

Office of the Inspector General (OIG) of the NSF has the responsibility of, among other things, conducting audits and investigations of NSF programs, and promoting efficiency and effectiveness in NSF programs and operations. The OIG reports directly to the NSB and Congress.

**Table 7. National Science Foundation, FY2004 to FY2006**

(\$ in millions)

	<b>FY2004 Actual</b>	<b>FY2005 Estimate</b>	<b>FY2006 Request</b>
Research and Related Activities	\$4,293.3	\$4,220.6	\$4,333.5
Education and Human Resources	944.1	841.4	737.0
Major Research Equipment and Facilities Construction	184.0	173.7	250.0
Salaries and Expenses	218.9	223.2	269.0
National Science Board	2.2	4.0	4.0
Office of Inspector General	9.5	10.0	11.5
<b>Total, NSF</b>	<b>\$5,652.0</b>	<b>\$5,472.8</b>	<b>\$5,605.0</b>

### **Key Budget Issues.**

**Overview of the FY2006 Budget Request.** The NSF has witnessed considerable growth during a period of constrained research budgets. When measured in current dollars, its total appropriation increased more than 70.7% in 10 years — FY1996, \$3,206.3 million; FY2000, \$3,923.4 million; and FY2005, \$5,472.8 million. Even when inflation is taken into account, its growth increased (in constant FY2004 dollars) by 45.2% during this 10-year period. The FY2006 request for NSF is \$5,605 million, a 2.4% (\$132.2 million) increase over the FY2005 estimate of \$5,472.8 million. The FY2006 request provides support for several interdependent priority areas: biocomplexity in the environment (\$84 million), human and social dynamics (\$39 million), mathematical sciences (\$89 million), and nanoscale science and engineering (\$243 million). Additional priority areas include those of strengthening core disciplinary research, broadening participation in the science and engineering workforce, and sustaining organizational excellence in NSF management practices. An investment of \$509 million in cyberinfrastructure will allow for funding of modeling, simulation, visualization and data storage, and other communications breakthroughs. NSF anticipates that this level of funding will make cyberinfrastructure more powerful, stable, and accessible to researchers and educators through widely shared research facilities. Increasing grant size and duration has been a long-term priority for NSF. The funding rate for research grants has declined from approximately 30% in the late 1990s to an estimated 20% in FY2005. In the FY2006

request, the NSF will increase the rate to 21%, while maintaining current gains in award size and duration. NSF recognizes that international research partnerships are critical to the nation in maintaining a competitive edge, addressing global issues, and capitalizing on global economic opportunities. To address these particular needs, the FY2006 request proposes \$35 million for the Office of International Science and Engineering. Additional FY2006 highlights include funding for the National Nanotechnology Initiative (\$343.8 million), investments in Climate Change Science Program (\$196.9 million), continued support for homeland security (\$344 million), and funding for Networking and Information Technology Research and Development (\$803.2 million).

Included in the FY2006 request is \$4,333.5 million for Research and Related Activities (R&RA), a 2.7% increase (\$112.9 million) over the FY2005 level of \$4,220.6 million. R&RA includes Integrative Activities (IA), and is the source of funding for the acquisition and development of research instrumentation at U.S. colleges and universities. The FY2006 request for IA is \$134.9 million, a 3.8% increase (\$5 million) over the FY2005 estimate. The Office of Polar Programs is funded in the R&RA. The FY2006 request transfers responsibility to NSF from the U.S. Coast Guard for funding the maintenance and operation of polar icebreaking activities. (NSF will not own the ships, but will be responsible for the operation, maintenance, and staffing).

The Major Research Equipment and Facilities Construction (MREFC) account is funded at \$250 million in FY2006, a 44% increase (\$76.4 million) over the FY2005 level. No new starts are proposed in the FY2006 request. Those projects receiving support in the FY2006 request are Atacama Large Millimeter Array Construction (\$49.2 million), EarthScope (\$50.6 million), IceCube Neutrino Observatory (\$50.5 million), Rare Symmetry Violating Processes (\$41.8 million), and Scientific Ocean Drilling Vessel (\$57.9 million).

The FY2006 request for the Education and Human Resources Directorate (EHR) is \$737 million, a 12.4% decrease (\$104.2 million) from the FY2005 estimate. The EHR portfolio is focused on, among other things, increasing the technological literacy of all citizens, preparing the next generation of science, engineering, and mathematics professionals, and closing the achievement gap in all scientific fields. Support at the various educational levels in the FY2005 request is as follows: precollege, \$140.8 million; undergraduate, \$135 million; and graduate, \$155 million. The request provides \$60 million for the President's Math and Science Partnerships program (MSP), a 24.4% decrease from the FY2005 estimate. Funding in the FY2006 request will provide support for ongoing awards, in addition to data collection, evaluation, knowledge management, and dissemination. No new partnership awards are proposed in the FY2006 request. Several programs are directed at increasing the number of underrepresented minorities in science and engineering — Black Colleges and Universities Programs (\$25 million), Tribal Colleges and Universities Program (\$10 million), Louis Stokes Alliances for Minority Participation (\$35 million), and Centers of Research Excellence in Science and Technology (\$18.5 million). Funding for the Experimental Program to Stimulate Competitive Research (EPSCoR) is \$94 million in the FY2006 request, almost level to the FY2005 estimate.

**Policy Issues.** On February 2, 2004, the NSB released a report that was mandated by Section 22 of the NSF Authorization Act of 2002. The report addressed the unmet needs of the agency and determined what infrastructure was needed to support NSF's programmatic expansion through FY2007. The recommendations provided in the report are based on the budget levels contained in the authorization. The NSB recommended a total investment of \$19 billion for the NSF to sustain its position in science and technology. Rather than spread funding across all programs and activities, the report suggested to focus on key strategic areas — \$1.2 billion for advanced tools and cyber infrastructure, \$1 billion to improve research productivity and student opportunities, \$700 million toward building a competitive workforce, \$200 million for maintaining management excellence, and \$200 million to increase the number and diversity of institutions receiving awards. The FY2006 request for NSF is 34% below what was recommended in the authorizing legislation. The NSB contends that increasing the number and length of research awards should be one of the highest priorities of the agency. However, because of the slight budget increase, the number of proposals that the agency has been able to fund has dropped from more than 30% in the late 1990s to an anticipated 21% in the FY2006 budget request.

There has been considerable debate in the academic and scientific community and in Congress about the management and oversight of major projects selected for construction and the need for prioritization of potential projects funded in the Major Research Equipment and Facilities Construction (MREFC) account. The NSF was directed to improve its oversight of large projects by developing an implementation plan that included comprehensive guidelines and project oversight review. One continuing question focused on the selection process for including major projects in the upcoming budget cycle. In February 2004, the National Academies released the congressionally mandated study of the process for prioritization and oversight of projects in the MREFC account. The report recommended a more open process for project selection, broadened participation from various disciplines, and well-defined criteria for the selection process. In May 2005, the NSB approved a report detailing the new guidelines for the development, review, and approval of major projects — *Setting Priorities for Large Research Facility Projects Supported by the National Science Foundation*. Also at the May 2005 meeting, the NSB approved a facility plan, describing facilities under construction and those being considered for future funding. The facility plan is to be made available when final edits identified by the NSB are completed.

On June 16, 2005, the House Committee on Appropriations passed H.R. 2862, Science, State, Justice, Commerce, and Related Agencies Appropriations Bill, FY2006 (H.Rept. 109-118). The bill provides a total of \$5,643.4 million for NSF in FY2006, \$38.4 million above the Administration's request and \$170.6 million above the FY2005 estimate. Included in the total is \$4,377.5 million for R&RA, \$44 million above the request and \$156.9 million above the FY2005 level. The EHR receives \$807 million in H.R. 2862, \$70 million above the request and \$34.4 million below the FY2005 level. The bill provides \$60 million for the MSP. The MREFC account is funded at \$193.4 million, \$56.6 million below the request and \$19.7 million above the FY2005 estimate.

On September 15, 2005, the Senate passed its version of H.R. 2862 in the Commerce, Justice, Science Appropriations Bill, FY2006 (S.Rept. 109-88). The bill

provides a total of \$5,531 million for the NSF, \$74 million below the request and \$112.4 million below the House allowance. R&RA is funded at \$4,345.2 million in FY2006, \$11.7 million above the request, and \$35.2 million above the House-passed version. Support for the MREFC is \$193.4 million, \$56.6 million below the Administration's request, and the same as provided by the House. The Committee recommends \$747 million in FY2006 for EHR, \$10 million above the request and \$60 million below the House-passed version. Included in the support for EHR is \$64 million for MSP. The Senate report contains language rejecting the Administrations' request to have the MSP placed entirely in the Department of Education. Conference has been scheduled.

**Table 8. Funding for the Title III Science Agencies**

(\$ millions in budget authority)

Bureau or Agency	FY2003 enacted	FY2004 enacted	FY2005 enacted	FY2006 request	House bill	Senate bill
NASA	\$15,339.0	\$15,378.0	\$16,196.4	\$16,456.4	\$16,471.0	\$16,396.0
National Science Foundation	\$5,310.0	\$5,652.0	\$5,472.8	\$5,605.0	\$5,643.4	\$5,531.0
Office of Science/Technology	\$5.0	\$7.0	\$6.3	\$5.6	\$5.6	\$5.6
<b>Title III House Total:</b>	<b>\$20,654.0</b>	<b>\$21,037.0</b>	<b>\$21,675.5</b>	<b>\$22,067.0</b>	<b>\$22,120.0</b>	<b>\$21,932.6</b>
Title III Senate: Commerce agencies included in Title III: NOAA, NIST.			\$4,630.9	\$4,117.4	\$3,934.2	\$5,320.5
<b>Title III Senate Total</b>			<b>\$26,306.4</b>	<b>\$26,184.4</b>	<b>\$26,054.2</b>	<b>\$27,253.1</b>

Source: U.S. House of Representatives, U.S. Senate, Committees on Appropriations, CRS estimates.

## Related CRS Products

CRS Report 95-307, *U.S. National Science Foundation: An Overview*, by Christine Matthews.

CRS Report RL30930, *U.S. National Science Foundation: Experimental Program to Stimulate Competitive Research (EPSCoR)*, by Christine Matthews.

CRS Report RS21267, *National Science Foundation: Major Research Equipment and Facility Construction*, by Christine Matthews.

CRS Report RS21720, *Space Exploration: Issues Concerning the "Vision for Space Exploration,"* by Marcia Smith.

CRS Report RS21767, *Hubble Space Telescope: Should NASA Proceed with a Servicing Mission?*, by Daniel Morgan.

CRS Report RS22063, *The National Aeronautics and Space Administration: Overview, FY2006 Budget in Brief, and Key Issues for Congress*, by Marcia Smith and Daniel Morgan.

CRS Report RS22072, *The Iran Nonproliferation Act and the International Space Station: Issues and Options*, by Sharon Squassoni and Marcia Smith.

## Department of State and International Broadcasting<sup>25</sup>

### Background

The State Department, established on July 27, 1789 (1 Stat.28; 22 U.S.C. 2651), has a mission to advance and protect the worldwide interests of the United States and its citizens. The State Department supports the activities of more than 50 U.S. agencies and organizations operating at 260 posts in 180 countries. Currently, the State Department employs approximately 30,000 people, about 60% of whom work overseas. As covered in Title IV, the State Department funding categories include *administration of foreign affairs, international operations, international commissions, and related appropriations*, such as international broadcasting. The enacted FY2005 appropriation for Title IV was \$8.766 billion (reflecting the two rescissions in the law). Typically, more than three-fourths of State's budget is for Administration of Foreign Affairs (about 78% in FY2005), which consists of salaries and expenses, diplomatic security, diplomatic and consular programs, technology, and security/maintenance of overseas buildings.

The Foreign Relations Authorization for FY1998-1999 (P.L. 105-277) provided for the consolidation of the foreign policy agencies. As of the end of FY1999, the Arms Control and Disarmament Agency (ACDA) and the United States Information Agency (USIA) were abolished, and their budgets and functions were merged into the Department of State.

Security issues have remained a top priority since the August 7, 1998 terrorist attacks on two U.S. embassies in Africa. An immediate response was a \$1.56 billion supplemental enacted by the end of that year. In November 1999, the Overseas Presence Advisory Panel reported its findings on embassy security needs and recommendations. Also in November 1999, Congress authorized (P.L. 106-113) \$900 million annually for FY2000 through FY2004 for embassy security spending within the **embassy security, construction and maintenance** (ESCM) account, in addition to worldwide security funds in the **diplomatic and consular programs** (D&CP) account.

After the September 11, 2001 terrorist attack, Congress passed emergency supplemental funds (P.L. 107-38 and P.L. 107-117) which included a total of \$254.9 million for counter-terrorist and emergency response activities within the Department of State and \$47.9 million for international broadcasting. In addition, Congress passed an FY2002 supplemental (H.R. 4775; P.L.107-206) which provided \$303 million for the Department of State and \$15.1 million for international broadcasting. The 108<sup>th</sup> Congress voted for three supplemental appropriations — P.L. 108-11 and P.L. 108-106 and P.L. 108-287 — which provided a combined total of \$1.3 billion for the Department of State and international broadcasting. (For an account-by-

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<sup>25</sup> This section was written by Susan B. Epstein, Specialist in Foreign Affairs and Trade, Foreign Affairs, Defense, and Trade Division.



account presentation, see CRS Report RL31370, *State Department and Related Agencies: FY2005 Appropriations and FY2006 Request*, by Susan B. Epstein.)

The United States contributes in two ways to the United Nations and other international organizations: (1) voluntary payments funded in the Foreign Operations Appropriations bill and (2) assessed contributions included in the Commerce, Justice, and State Appropriations measure. Assessed contributions are provided in two accounts, **international peacekeeping** (CIPA) and **contributions to international organizations** (CIO). Following a period of dramatic growth in the number and costs of U.N. peacekeeping missions during the early 1990s, a trend that peaked in FY1994 with a \$1.1 billion appropriation, funding requirements declined in subsequent years. The FY2000 enacted appropriation for CIO was \$885 million, \$500 million for international peacekeeping, and \$351 million for U.S. arrearage payments to the U.N. if certain reform criteria were met. Only \$100 million of the appropriated arrearage payments had been released because the reforms had not been implemented. After the United States lost its seat on the U.N. Human Rights Commission in 2001, the Foreign Relations Authorization bill added a provision (Sec. 601, H.R. 1646) that would have restricted payment of \$244 million of U.S. arrearage payments to the U.N. until the United States regained its seat. After the September 11th attacks, however, Congress passed S. 248 (P.L. 107-46) which authorized arrearage payments to the U.N. (For more detail, see CRS Issue Brief IB86116, *U.N. System Funding: Congressional Issues*, by Vita Bite). The FY2005 enacted levels (reflecting the two rescissions) amounted to \$1,166.2 million for CIO and \$483.5 million for CIPA.

**International broadcasting**, which had been a primary function of the USIA prior to 1999, is now carried out by an independent agency referred to as the Broadcasting Board of Governors (BBG). The BBG includes the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Cuba Broadcasting, Radio Free Asia (RFA), Radio Free Iraq, Radio Free Iran and the newly-authorized Radio Free Afghanistan. In FY2002 the BBG began a pilot project to create a new Middle East Radio Network (MERN) by reallocating base funds. The emergency supplementals passed in 2001, 2002, and 2003 included funding for expanded broadcasting by VOA and RFE/RL to Muslim audiences in and around Afghanistan and the creation of Radio Free Afghanistan. In 2003, the BBG initiated a satellite Middle East Television Network (MTN) called Alhurra. The BBG's FY2005 appropriation was \$591.6 million (reflecting rescissions).

## **FY2006 Funding Issues — Administration of Foreign Affairs**

The Administration of Foreign Affairs makes up the bulk of the State Department budget — 78% in the FY2005 State Department enacted funds. The Administration's FY2006 request for State's Administration of Foreign Affairs seeks \$6,766.1 million, 6.5% above the FY2005 enacted level of \$6,362.2 million. In addition, the President submitted an FY2005 supplemental request one week after submitting his FY2006 budget request. It includes \$1,425.2 million for accounts under the Administration of Foreign Affairs. The House-passed SSJC bill (H.R. 2862) provides \$6,699.4 million or \$76.7 million less than the Administration request for the Administration of Foreign Affairs FY2006 budget. The House provided less than requested for the Diplomatic and Consular Programs account, the Educational

and Cultural Exchanges account, and the Embassy Security Construction & Maintenance account. The House amounts were subsequently reduced to total \$6,640.3 million. The Senate passed its version of H.R. 3057 which includes \$6,733.9 million for the Administration of Foreign Affairs.

**Diplomatic & Consular Programs (D&CP).** D&CP primarily covers salaries and expenses, hiring, diplomatic expenditures, cost of living and foreign inflation, as well as exchange rate changes. The FY2006 request of \$4,472.6 million represents an increase of more than 7% as compared to the \$4,172.2 million funding level enacted for FY2005. This funding level request includes \$689.5 million for worldwide security upgrades, as compared to \$649.9 million in the FY2005 appropriation. The D&CP funding request also includes \$327.9 million, as compared to \$320 million in the FY2005 budget, designated only for public diplomacy. In addition, the President's FY2005 supplemental request includes \$767.2 million for D&CP to pay for operational and security costs for U.S. Missions in Iraq, Afghanistan, and for startup costs for State's new Office of the Coordinator for Reconstruction and Stabilization. The House passed \$4,436.6 million or \$36 million less than was requested for D&CP in FY2006. The House total includes \$689.5 million for worldwide security upgrades and \$340 million for public diplomacy programs. The Senate-passed State-Foreign Operations bill contains \$4,444.6 million for D&CP, including \$328 million for public diplomacy and \$689.5 million for worldwide security upgrades.

**Embassy, Security, Construction, and Maintenance (ESCM).** ESCM provides funding for embassy construction, repairs, leasing of property for embassies and housing facilities at overseas posts. The FY2006 request of \$615.8 million is just 2% above the FY2005 enacted level of \$603.5 million; however, the FY2005 supplemental request includes an additional \$658 million under ESCM for constructing the new embassy compound in Baghdad, and other purposes. The House bill includes \$603.5 million (the same as the FY2005 enacted level) for regular ESCM in FY2006. The Senate version of H.R. 3057, as reported out of committee included \$603.8 million for regular ESCM funds in FY2006; however a Senate floor amendment reduced this account to \$598.8 million in the Senate-passed bill.

**Worldwide Security Upgrades.** Ever since the bombings of two U.S. embassies in eastern Africa in August 1998, Congress has appropriated additional money within both D&CP and ESCM for increasing security. The funds in D&CP for worldwide security upgrades are primarily for ongoing expenses due to the upgrades that took place after 1998, such as maintaining computer security, maintaining bullet-proof vehicles, ongoing salaries for perimeter guards, etc. Worldwide security upgrades in ESCM are more on the order of bricks-and-mortar-type expenses. The FY2006 request for upgrades within D&CP totals \$689.5 million — nearly \$40 million above the enacted level for FY2005. The FY2006 request for worldwide security funding within ESCM amounts to \$910.2 million, about \$10 million more than the FY2005 enacted level. The combined total request for State's worldwide security upgrades is \$1,599.7 million.

The House passed \$910.2 million for worldwide security upgrades for FY2006. Combined with the worldwide security upgrades in the D&CP account, this totals

\$1,599.7 million, the same as the Administration had requested. The Senate provides \$900.2 million for embassy security upgrades, or a combined total of \$1,589.7 million for worldwide security upgrades in FY2006.

**Educational and Cultural Exchanges.** This line item includes programs such as the Fulbright, Muskie, and Humphrey academic exchanges, as well as the international visitor exchanges and some Freedom Support Act and SEED programs. The Administration's FY2006 request was for \$430.4 million, about 21% more than the FY2005 enacted level of \$355.9 million. The Administration request includes more than \$180 million for programs targeted toward Muslim populations.

H.R. 2862 provides \$410.4 million (about \$20 million below the request, but \$54.5 million above the FY2005 enacted level) for exchange programs in FY2006. H.R. 3057, as passed by the Senate, contains \$440.2 million for exchanges in FY2006.

**Capital Investment Fund (CIF).** CIF was established by the Foreign Relations Authorization Act of FY1994/95 (P.L. 103-236) to provide for purchasing information technology and capital equipment which would ensure the efficient management, coordination, operation, and utilization of State's resources. In FY1997 the CIF budget was \$24.6 million. The FY2006 request is for \$133 million, comparable to FY2005 funding if both the CIF and the Centralized Information Technology Modernization Program are combined.

The House-passed bill had provided \$128.3 million for FY2006, comparable to the level of the technology funds for FY2005, but \$4.7 million below the President's request. That later was reduced to \$69.1 million. The Senate bill includes \$58.9 million for CIF and \$74.1 million for a new account started in FY2005 — Centralized Information Technology Modernization Program.

## International Commissions

The International Commissions account includes the U.S.-Mexico Boundary and Water Commission (IBWC), the International Fisheries Commissions (IFC), the International Joint Commission (IJC), the International Boundary Commission (IBC), and the Border Environment Cooperation Commission (BECC). The IBWC's mission is to apply rights and obligations assumed by the United States and Mexico under numerous treaties and agreements, improve water quality of border rivers, and resolve border sanitation problems. The mission of the IFC is to recommend to member governments conservation and management measures for protecting marine resources. The IJC's mission is to develop and administer programs to help the United States and Canada with water quality and air pollution issues along their common border. The IBC is obligated by the Treaty of 1925 to maintain an effective boundary line between the United States and Canada. And, established by the North American Free Trade Agreement, the BECC's main purpose is to help local states and communities to develop solutions to environmental problems along the U.S.-Mexico border. The FY2006 funding request of \$70.3 million represents an increase of 11% over the \$63.3 million enacted in FY2005. The FY2006 requested increase reflects wage and inflation increases, as well as continuation or expansion of ongoing projects.

As passed by the House, the SSJC bill provides \$63.8 million for FY2006, slightly more than the FY2005 enacted level, but \$6.5 million less than requested. The House bill would provide \$3 million less than requested for the International Boundary and Water Commission, the United States and Mexico — \$1.7 million less for salaries and expenses than was requested and \$1.3 million less for construction; also \$379,000 less than requested for American Sections, and \$3.1 million less than requested for the International Fisheries Commissions.

The Senate-passed State-Foreign Operations bill contains a total of \$70 million for International Commissions. This amount includes \$28.7 million for the International Boundary and Water Commission, the United States and Mexico (the same as requested and \$1.7 million more than the House); \$5.3 million for construction (the same as the House); \$10.4 million for the American Sections, International Commissions (\$.9 million more than the House level); and \$25.6 million for International Fisheries Commissions (\$3.6 million above the House level).

## **International Organizations and Conferences**

The International Organizations and Conferences account consists of two line items: U.S. Contributions to International Organizations (CIO) and U.S. Contributions for International Peacekeeping Activities (CIPA). The FY2006 request seeks \$2,332 million for the overall account, up nearly 41% over the FY2005 level of \$1,649.7 million, including rescissions.

**Contributions to International Organizations (CIO).** The CIO supports U.S. membership in numerous international and multilateral organizations that transcends bilateral relationships and covers issues such as human rights, environment, trade, and security. The FY2006 request level for this line item is \$1,296 million, 11.2% above the \$1,166 million enacted level of FY2005. The request would satisfy full funding needs of U.S. assessed contributions to the 47 international organizations.

The House had passed \$1,166.2 million for FY2006, which was the same as the FY2005 enacted level, but \$130.3 million below the President's request. Subsequently, that amount was reduced to \$1,144.3 million. The Senate passed its bill with \$1,166.2 million for this account.

**Contributions to International Peacekeeping (CIPA).** The United States supports multilateral peacekeeping efforts around the world through payment of its share of the U.N. assessed peacekeeping budget. The President's FY2006 request of \$1,035.5 million represents an increase of 114.2% from the FY2005 enacted level of \$483.5 million. In addition, the emergency FY2005 supplemental contains a request for \$780 million which represents the amount for new peacekeeping missions voted for by the Administration in the U.N. Security Council in 2004.

H.R. 2862, as passed by the House, provides \$1,035.5 million for CIPA in FY2006, the same as the FY2006 request. The Senate-passed version of H.R. 3057 provides the same amount.

## Related Appropriations

Related appropriations include those for The Asia Foundation, the National Endowment for Democracy (NED), and the East-West and North-South Centers. The Administration's FY2006 request for related appropriations totals \$104.9 million — 5.3% over the FY2005 enacted level of \$100 million. The House passed a total of \$66.9 million, reducing both the FY2005 enacted and the President's request for this account by about one-third. As passed in the Senate, H.R. 3057 includes \$51.7 million for related appropriations in FY2006.

**The Asia Foundation.** The Asia Foundation (TAF) is a private, nonprofit organization that supports efforts to strengthen democratic processes and institutions in Asia, open markets, and improve U.S.-Asian cooperation. It receives both government and private sector contributions. Government funds for the Foundation are appropriated and pass through the Department of State. In 2004 The Asia Foundation had said it would increase its private sector fund-raising efforts and expected to raise about \$4.5 million in private funds in FY2005. Private funds in FY2004 amounted to \$3 million and now TAF projects private sector donations in FY2005 to be \$4 million. The FY2006 request of \$10 million is a 22% reduction over the FY2005 enacted funding level of \$12.8 million. The organization states that the \$10 million request is necessary for the rising demands related to: 1) the front-line countries of Pakistan, Afghanistan, and Indonesia, 2) the tsunami, and 3) the large Muslim population in Asia. The House-passed bill agrees with the President's FY2006 request for this account. The Senate version of H.R. 3057 provides \$15 million for The Asia Foundation in FY2006.

**National Endowment for Democracy (NED).** The National Endowment for Democracy is a private, nonprofit organization established during the Reagan Administration that supports programs to strengthen democratic institutions in more than 80 countries around the world. NED proponents assert that many of its accomplishments are possible because it is not a U.S. government agency. NED's critics claim that it duplicates government democracy promotion programs and could be eliminated, or could be operated entirely through private sector funding. The FY2006 request is for \$80 million, the same level as was requested for FY2005. The final enacted level for FY2005, however, was \$59.2 million due to congressional interest in increasing funding for the Small Business Administration (SBA). NED's 35.1% increase requested over the FY2005 funding level would go toward programs in Muslim countries, Sudan, and the Democratic Republic of Congo, among other activities.

The House passed a total of \$50 million for NED's FY2006 budget. The House report notes that NED had not followed the past direction provided by the appropriations committee on creating a specific institute in Africa and has failed to provide funding for coordinating groups advocating for victims of human rights abuses. The Senate-passed bill provides \$8.8 million for NED in its State Department appropriations title, but also provides another \$80 million for NED under a new Democracy Fund in Title III of H.R. 3057, nearly \$9 million more than the President's request.

**East-West and North-South Centers.** The Center for Cultural and Technical Interchange between East and West (East-West Center), located in Honolulu, Hawaii, was established in 1960 by Congress to promote understanding and cooperation among the governments and peoples of the Asia/Pacific region and the United States. The FY2006 request for the East-West Center was \$13 million, a 32.3% decline from the FY2005 enacted level of \$19.2 million. The House passed \$6 million, less than half of what the President requested and \$13.2 million below the FY2005 enacted level. The Senate passed \$20 million for the East-West center.

The Center for Cultural and Technical interchange between North and South (North-South Center) is a national educational institution in Miami, Florida, closely affiliated with the University of Miami. It promotes better relations, commerce, and understanding among the nations of North America, South America and the Caribbean. The North-South Center began receiving a direct subsidy from the federal government in 1991; however, it has not received a direct appropriation since FY2000.

**The International Center for Middle Eastern-Western Dialogue Trust Fund.** The conferees added language in the FY2004 conference agreement for the Consolidated Appropriations Act, FY2004 to establish a permanent trust fund for the International Center for Middle Eastern-Western Dialogue. The act provided \$6.9 million for perpetual operations of the Center which is to be located in Istanbul, Turkey. Despite the fact that the Administration did not request any FY2005 funding for this Center, Congress provided \$7.3 million for it in FY2005. The Administration is requesting to spend \$.8 million of interest and earnings from the Trust Fund for program funding in FY2006. The House bill includes no funding for this account. A Senate floor amendment increased funding for this account by \$5 million over the committee-recommended level, providing a total of \$7 million for the Center in FY2006.

## **International Broadcasting**

International Broadcasting, which had been a primary function of the U.S. Information Agency (USIA) prior to 1999, now falls under an independent agency referred to as the Broadcasting Board of Governors (BBG). The BBG includes the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Cuba Broadcasting, Radio Sawa, Radio Farda, and Radio Free Asia (RFA). In addition to the ongoing international broadcasting activities, the Administration initiated a new U.S. Middle East Television Network — Alhurra.

The BBG's FY2006 funding request totals \$651.9 million, 10.2% above the FY2005 level of \$591.5 million. The FY2006 request includes \$603.4 million for broadcasting operations, \$10.9 million for capital improvements, and \$37.7 million for Broadcasting to Cuba.

H.R. 2862, as passed by the House, provides a total of \$630.9 million for international broadcasting, \$21.1 million below the President's request, but \$32 million above the current-year enacted funding. The House level includes \$168.3 million for VOA, \$76.2 million for RFE/RL, \$27.9 million for Cuba Broadcasting, and \$30.0 million for Radio Free Asia. In addition, the House bill provides \$10.9

million for Capital Improvements and \$13.5 million for moving RFE/RL employees and equipment into a new facility in FY2008.

In the Senate, H.R. 3057 provides \$651.9 million for international Broadcasting, including \$37.6 million for Cuba Broadcasting.

In addition to the FY2006 funding request, the President included broadcasting money in his FY2005 supplemental request, sent to Congress a week after the FY2006 budget. In the supplemental, the President sought \$2.5 million for Broadcasting Capital Improvements to upgrade transmitting systems in Tajikistan. Another \$4.8 million in the supplemental request is for additional funds, beyond the FY2006 request, for VOA, the Middle East Broadcasting Networks, and the International Broadcasting Bureau. The enacted emergency supplemental (P.L. 109-13) provided those funding levels.

## **Related Legislation**

**S. 600 (Lugar)/H.R. 2601 (Smith).** A bill to authorize appropriations for the Department of State and international broadcasting activities. In addition, the Senate bill contains provisions on the Peace Corps, and foreign assistance programs for fiscal years 2006 and 2007. The Senate bill was introduced March 10, 2005, referred to the Senate Foreign Relations Committee, and reported by the Committee the same day. (S.Rept. 109-35). The Senate bill received floor action April 6, 2005. The House bill was introduced May 24, 2005; committee markup was held June 8, 9, 2005. House floor action occurred on July 19 and 20. The measure was passed by the House July 20 (351-78).

## **Related CRS Products**

CRS Report RL33000, *Foreign Relations Authorization, FY2006 and FY2007: An Overview*, by Susan B. Epstein.

CRS Report RL31370, *State Department and Related Agencies: FY2005 Appropriations and FY2006 Request*, by Susan B. Epstein.

CRS Report RL32919, *Foreign Operations (House)/State, Foreign Operations, and Related Programs (Senate): FY2006 Appropriations*, by Larry Nowels and Susan B. Epstein.

CRS Issue Brief IB86116, *U.N. System Funding: Congressional Issues*, by Vita Bite.

**Table 9. Funding for the Department of State and International Broadcasting**  
(\$ millions in budget authority)

Bureau or Agency	FY2003 enacted	FY2004 enacted <sup>b</sup>	FY2005 enacted <sup>c</sup>	FY2006 request	House bill	Senate bill
Administration of Foreign Affairs	\$5,987.1	\$7,007.2	\$6,362.4	\$6,776.1	\$6,640.3	\$6,733.9
International Organizations and Conferences	\$1,529.7	\$1,694.9	\$1,649.7	\$2,332.0	\$2,179.8	\$2,201.7
International Commissions	\$57.1	\$57.1	\$63.3	\$70.3	\$63.8	\$70.0
Related Appropriations	\$70.9	\$78.0	\$100.0	\$104.7	\$66.9	\$51.7
Subtotal: State Department <sup>a</sup>	\$7,644.8	\$8,837.2	\$8,174.7	\$9,283.3	\$8,950.7	\$9,057.3
International Broadcasting	\$533.8	\$591.5	\$591.5	\$651.9	\$630.9	\$651.9
<b>Title IV Total</b>	<b>\$8,178.6</b>	<b>\$9,428.7</b>	<b>\$8,766.9</b>	<b>\$9,935.2</b>	<b>\$9,581.6</b>	<b>\$9,709.2</b>

**Source:** U.S. House of Representatives, Committee on Appropriations.

- In addition to appropriations, State has authority to spend certain collected fees from machine readable visas, expedited export fees, etc. The amount for such fees for FY2004 is estimated at \$687.5 million and for FY2005 the enacted level is \$661.5 million, the request for FY2006 is \$672.1 million.
- FY2004 numbers include the emergency supplemental (P.L. 108-106 and P.L. 108-287) and reflect both rescissions in the Consolidated Appropriation Act of FY2004, P.L. 108-199.
- FY2005 numbers reflect the two rescissions in the Consolidated Appropriation Act of FY2005, P.L. 108-447.

## Independent Agencies

### Equal Employment Opportunity Commission (EEOC)<sup>26</sup>

The EEOC enforces laws banning employment discrimination based on race, color, national origin, sex, age, or disability. The Commission's workload has increased substantially since it was created under Title VII of the Civil Rights Act of 1964, due to passage of the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991 as well as to employees' greater awareness of their rights.

The Administration requested an FY2006 appropriation of \$331.2 million for the EEOC, an increase of \$4.4 million from the \$326.8 million (including rescissions) provided by the Consolidated Appropriations Act, 2005 (P.L. 108-447). Notably, \$33 million would be devoted to payments for Fair Employment Practices Agencies (FEPAs), which are state and local bodies with which the agency has work-sharing agreements to address workplace discrimination within their jurisdictions. This is the amount of payments to FEPAs to which Congress has, in prior years, raised the EEOC's request. As well as a \$441,000 increase for state and local

<sup>26</sup> This section was prepared by Linda Levine, Specialist in Labor Economics, Domestic Social Policy Division.



contracts, the Commission asked for an additional \$5.5 million to cover the staff's total compensation and an additional \$400,000 to cover rental (including security) payments. The EEOC would reduce general operating expenses (e.g., printing, reproduction, postage, and travel) by \$977,000 and information technology expenditures by \$1 million to offset the aforementioned increases.

The House and Senate, following the Appropriations Committees' recommendations, would provide the EEOC with the level of funding the Administration requested (\$331.2 million, including \$33 million for FEPAs). H.R. 2862 includes prior year language prohibiting the Commission from repositioning, restructuring, or reorganizing without advance notification of the Committee. S.Rept. 109-88 further directs the Commission to submit to Congress — before implementation of any repositioning, restructuring, or reorganization plan — a comprehensive analysis (conducted for each district, field, area, and local office) of current investigations and enforcement levels, and the full impact of such plan on all core services. It also specifies that a repositioning plan should neither reduce the salary of EEOC employees nor the number of officers or employees serving as mediators, investigators, or attorneys at any Commission office. In addition, H.Rept. 109-118 requires the agency to continue submitting quarterly reports on projected and actual spending levels by function and to highlight any changes due to repositioning activities.

## **Federal Communications Commission (FCC)<sup>27</sup>**

The Federal Communications Commission, created in 1934, is an independent agency charged with regulation and interstate and foreign communication of radio, television, wire, cable, and satellite. The FCC performs four major functions: spectrum allocation, creating rules to promote fair competition and protect consumers where required by market conditions, authorization of service, and enforcement. Among its responsibilities are licensing of communications operators; interpretation and enforcement of rules, regulations, and authorizations regarding competition; publication and dissemination of consumer information services; and management and allocation of the use of the electromagnetic spectrum. The FCC obtains the majority of its funding through the collection of regulatory fees pursuant to Title I, section 9 of the Communications Act of 1934; therefore, its direct appropriation is considerably less than its overall budget.

The Bush Administration requested \$304,057,000 for the FY2006 FCC budget, with \$4,823,000 in direct appropriations and \$299,234,000 derived from offsetting fee collections. The FCC's FY2005 budget was \$281,098,000.

The House of Representatives passed a budget of \$289,771,000 for the salaries and expenses of the FCC. Of that amount, \$288,771,000 would be derived from offsetting fee collections, with a direct appropriation of \$1,000,000. The recommendation allows:

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<sup>27</sup> This section was written by Patty Figliola, Specialist in Telecommunications and Internet Policy, Resources, Science, and Industry Division.

- Up to \$4,000 for official reception and representation expenses
- Purchase of uniforms and acquisition of vehicles
- Special counsel fees
- Collection of \$288,771,000 in section 9 fees
- Fees in excess of \$288,771,000 to be available in FY2007.

The Senate passed a budget of \$297,370,000 for the salaries and expenses of the FCC. Of that amount, \$296,370,000 would be derived from offsetting fee collections, with a direct appropriation of \$1,000,000. The recommendation maintains the limitation of \$85,000,000 in auction proceeds that may be used for competitive bidding programs. The recommendation includes the following:

- \$9,900,000 for land and structure
- \$500,000 for improvement and care of grounds and repair to buildings
- \$4,000 for official reception and representation expenses
- Purchase and hire of motor vehicles
- Special counsel fees.

## **Federal Trade Commission (FTC)<sup>28</sup>**

For FY2006, the Administration is requesting a program level of \$211 million for the Federal Trade Commission (FTC), an increase of slightly more than \$5.5 million or 2.7 percent over current funding. The House-passed bill provides the FTC with \$211 million for FY2006, which is \$6.7 million above the current year funding and the same as the Administration's request. For its part, the Senate followed the recommendation of the Appropriations Committee which set funding for the agency for FY2006 at the \$211 million level. Of the amounts provided, \$116 is from Hart-Scott-Rodino pre-merger filing fees and \$23 million from Do-Not-Call fees. The total amount of direct appropriations for FY2006 is therefore \$72 million.

Last year (FY2005), the Administration requested 205.4 million for the agency. The House approved a program level of \$203.4 million, an increase of \$17.9 million over FY2004 funding. The Senate Appropriations Committee, for its part, recommended \$207.7 million for FY2005. The conference agreement provided the FTC with \$205.4 million (the same as requested). More specifically, of the amounts provided, \$101 million is coming from fees for Hart-Scott-Rodino premerger notification filings, \$21.9 million from Do-Not-Call provisions of the Telemarketing Sales Rule, and Congress has provided a direct appropriation of \$82.5 million.

More specifically for FY2006, the Administration is requesting that the program level of \$211 million for the FTC be funded by \$72 million from the General Fund of the U.S. Treasury and offsetting collections from two sources: \$116 million from fees for Hart-Scott-Rodino premerger notification filings; and \$23 million from fees

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<sup>28</sup> This section was written by Bruce Mulock, Specialist in Government and Business, Government and Finance Division.

sufficient to implement and enforce new Do-Not-Call provisions of the Telemarketing Sales Rule.

The FTC, an independent agency, is responsible for enforcing a number of federal antitrust and consumer protection laws. In recent years the FTC has used pre-merger filing fees collected under the Hart-Scott-Rodino Act to mostly or entirely fund its operations. By way of an historical footnote, for FY2000 through FY2002, zero (\$0) direct appropriations were required since the entire program level was covered by a combination of fees and prior year collections.

## **Legal Services Corporation (LSC)<sup>29</sup>**

The LSC is a private, non-profit, federally-funded corporation that provides grants to local offices which, in turn, provide legal assistance to low-income people in civil (non-criminal) cases. The LSC has been controversial since its incorporation in the early 1970s, and has been operating without authorizing legislation since 1980. There have been ongoing debates over the adequacy of funding for the agency, and the extent to which certain types of activities are appropriate for federally funded legal aid attorneys to undertake. In annual appropriations laws, Congress traditionally has included legislative provisions restricting the activities of LSC-funded grantees, such as prohibiting any lobbying activities or prohibiting representation in certain types of cases.

P.L. 108-447, the consolidated appropriations for FY2005, among other things continued funding for the LSC at a level of \$335.3 million. The LSC FY2005 appropriation of \$335.3 million includes \$316.6 million for basic field programs and required independent audits; \$13.0 million for management and administration; \$1.3 million for client self-help and information technology; \$2.6 million for the inspector general; and \$1.8 million in grants to offset losses stemming from the 2000 census-based reallocations. It also included existing provisions restricting the activities of LSC grantees. In addition, it allows the LSC to spend up to \$1 million of prior-year funding balances for a school student loan repayment pilot program. P.L. 108-447 also authorized a 0.8% across-the-board government-wide rescission and an additional 0.54% uniform rescission applicable only to funding for the Commerce, Justice, State, and Related Agencies appropriation (which includes the LSC), thereby lowering the FY2005 LSC appropriation to \$330.8 million.

For FY2006, the Bush Administration requested \$318.3 million for the LSC. This is \$12.5 million (almost 4%) below the FY2005 LSC appropriation (after the rescissions). The FY2006 budget request for the LSC includes \$299.2 million for basic field programs and required independent audits, \$13.4 million for management and administration, \$3.5 million for client self-help and information technology, and \$2.2 million for the Office of the Inspector General. The budget request also includes existing provisions restricting the activities of LSC grantees.

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<sup>29</sup> This section was prepared by Carmen Solomon-Fears, Specialist in Social Legislation, Domestic Social Policy Division.

On June 16, 2005, the House passed the Appropriations Committee's recommended funding level of \$330.8 million for the LSC for FY2006 (H.R. 2862; see H.Rept. 109-118). This is the same amount as the LSC FY2005 appropriation after the rescissions; and \$12.5 million above the Bush Administration's FY2006 budget request for the LSC. The House appropriation for the LSC includes \$313.7 million for basic field programs and required independent audits, \$12.8 million for management and administration, \$1.8 million for client self-help and information technology, and \$2.5 million for its Office of the Inspector General. The House bill also includes existing provisions restricting the activities of LSC grantees. Moreover, the House bill includes text that encourages the LSC to proceed with the planned pilot loan repayment assistance plan for attorneys (no funding) and advises the LSC to reduce its rent for its office space (by eliminating some office space and negotiating a more competitive cost per square foot).

On June 23, 2005, the Senate Appropriations Committee recommended \$324.5 million for the LSC for FY2006 (S.Rept. 109-88). The Committee's recommendation is \$6.3 million below the FY2005 LSC appropriation and \$6.3 million above the Administration's FY2006 budget request for the LSC. The Senate Committee recommendation includes existing provisions restricting the activities of LSC grantees. On September 15, 2005, the Senate passed an amended version of the Appropriation Committee's recommendation. It includes \$358.5 million for the LSC for FY2006 (of which \$8 million is for basic field programs providing legal assistance to victims of Hurricane Katrina). (S.Amdt. 1659 to H.R. 2862 introduced by Senator Harkin on September 9<sup>th</sup> increased LSC funding from \$324.5 million to \$358.5 million.)

## **Securities and Exchange Commission (SEC)<sup>30</sup>**

The SEC administers and enforces federal securities laws to protect investors from fraud and to maintain fair and orderly markets. The SEC's budget is set through the normal appropriations process, but funds for the agency come from fees on sales of stock, new issues of stocks and bonds, corporate mergers, and other securities market transactions. When these fees are collected, they go to a special offsetting account available to appropriators, not to the Treasury's general fund.

For FY2005, the Administration requested \$913.0 million, an increase of 13% over FY2004. The House and Senate both approved the amount requested by the Administration. The Conference Committee approved the \$913.0 million, but that was to include \$56 million in prior-year unobligated balances. Thus, the new appropriation for FY2005 was \$856 million, to be covered by current-year fee collections.

The Administration's request for FY2006 is \$888.1 million, a decrease of 2.7% from FY2005. Of that total, \$25.0 million will be from prior-year unobligated balances, and the remaining \$863.1 will come from offsetting fee collections. Thus, no direct appropriation will be necessary.

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<sup>30</sup> This section was prepared by Mark Jickling, Specialist in Public Finance, Government and Finance Division.

The House approved an amount equal to the request: \$888.1 million, of which \$25.0 million is to come from prior-year unobligated balances, and the remainder from current year fee collections.

The Senate also approved the requested amount of \$888.1 million (including the \$25.0 million from prior-year balances), with the entire amount to be derived from fee collections.

### **Small Business Administration (SBA)<sup>31</sup>**

For FY2005, the Administration requested a total appropriation of \$678.4 million for the Small Business Administration (SBA), a reduction of \$32.9 million, or about 4.6%, from the agency's current funding level. The FY2005 request includes \$326.3 million for Salaries and Expenses (S&E). The House approved \$742.8 million, \$31.5 million more than the agency's FY2004 appropriation. The House-approved FY2005 appropriation included \$315.4 million for S&E, which was \$10.9 million less than the President's Budget recommendation and approximately \$7 million less than its FY2004 appropriation. The Senate Appropriations Committee recommended a total FY2005 appropriation of \$761.9 million, including \$357.7 million for S&E.

During the debate on the FY2005 CJS bill several amendments were adopted on the House floor, including one by Chairman of the Small Business Committee, Donald A. Manzullo, which would have provided a \$79 million subsidy for the SBA's 7(a) loan program.

The conference report provides the SBA with \$579.5 million for FY2005, including \$322.3 million for S&E. While this is substantially less than the Administration requested — and the House and Senate recommended — it is not will not result in a reduction in the agency's guaranteed loan program levels. It is not clear, however, what the economic effect will be. Proponents for making the agency's largest guaranteed loan program — the so-called 7(a) program — “self-funding” maintain that the subsidy costs for the programs can be offset by charging slightly higher fees to borrowers and lenders. Opponents express worry that shifting cost burdens to lenders will reduce the number of lenders willing to participate in the program. It may be that only time will tell.

For FY2004, the President's budget request had included \$797.9 million for the SBA. The House approved \$745.6 million for the agency, which would have been roughly a 1.9% increase over the FY2003 amount. The House-approved version included \$326.6 million for S&E, about \$33.6 million below the Administration request. The Senate Appropriations Committee recommended and the Senate approved \$751.7 million for the agency, including \$332.4 million for S&E. The conference agreement provided the SBA with a total appropriation of \$711.3 million for FY2004, including recisions.

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<sup>31</sup> This section was written by Bruce Mulock, Specialist in Government and Business, Government and Finance Division.

The SBA is an independent federal agency created by the Small Business Act of 1953. Although the agency administers a number of programs intended to assist small firms, arguably its three most important functions are to guarantee — principally through the agency’s Section 7(a) general business loan program — business loans made by banks and other financial institutions; to make long-term, low-interest loans to small businesses that are victims of hurricanes, earthquakes, other physical disasters, and acts of terrorism; and to serve as an advocate for small business within the federal government.

### **State Justice Institute (SJI)<sup>32</sup>**

The State Justice Institute (SJI) is a private, nonprofit corporation that makes grants to state courts and funds research, technical assistance, and informational projects aimed at improving the quality of judicial administration in state courts across the United States. Under the terms of its enabling legislation, SJI is authorized to present its request directly to Congress, apart from the President’s budget. SJI requested \$5 million for FY2006, compared with \$2.6 million appropriated for FY2005. By contrast, the Bush administration’s FY2006 budget request, like its budgets for the previous three years, proposed eliminating federal funding for the institute altogether. As recommended by its Appropriations Committee, the House, in passing H.R. 2862, has approved \$2 million in FY2006 funding for the institute. The Senate, on the other hand, has approved \$5 million, the same amount as requested by its Appropriations Committee, and as requested by the Institute.

In reporting H.R. 2862, the House Appropriations Committee (in H.Rept. 109-118, p. 154) stated that it understood that SJI “has been unable to generate stable sources of non-Federal funding” and that the SJI has contacted bar associations and court organizations as possible alternative sources of funding. However, the committee noted, “these groups are not inclined to contribute to operations of the SJI beyond providing matching grant funds for individual projects.” For this reason, the committee said, it has continued to recommend funding for SJI even though the President’s FY2006 request did not. The committee commended SJI for beginning to work with the Department of Justice’s Office of Justice Programs (OJP) on issues involving state courts and encouraged SJI to continue to seeking funds from OJP grant programs. (In addition to SJI’s FY2005 appropriation of \$2.6 million, funds transferred from OJP increased total funding available to SJI in FY2005 to \$3.4 million.)

In reporting its version of H.R. 2862, the Senate Appropriations Committee (in S.Rept. 109-88) noted simply that SJI was created in 1984 “to further the development and adoption of improved judicial administration in State courts.”

Over the past four fiscal years, Congress has approved funding for SJI at a level significantly below previous levels. For FY1999, 2000, and 2001, SJI received an annual appropriation of \$6.85 million, compared with \$3.0 million in both FY2002 and FY2003, \$2.2 million in FY2004, and \$2.6 million in FY2005. For their part,

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<sup>32</sup> This title was written by D. Steven Rutkus, Specialist in American National Government, Government and Finance Division.

conferees for the CJS appropriations bills in the last four fiscal years have encouraged the institute to obtain funds from sources other than Congress. In response to specific directives from conferees for the FY2002 and FY2003 CJS bills, SJI explored the availability of support from private donors, state and local agencies, state and local bar associations, and state court systems, but was unable to secure funding from any of them.

For FY2004 and FY2005, conferees on the CJS bill suggested a somewhat different approach, encouraging SJI to apply for funding from programs in the Department of Justice (DOJ) which support state court programs. Accordingly, during the last two fiscal years, pursuant to an agreement between SJI and DOJ, the latter has transferred \$1.2 million to the institute to support state court projects educating judges about rape, sexual assault, and other violence against women.

Although Congress, as noted, has scaled back the appropriations level for SJI in recent years, it has, in a separate action, authorized multi-year funding for SJI at a significantly higher level. On September 30, 2004, the Senate, by unanimous consent, passed H.R. 2714 (State Justice Institute Reauthorization Act of 2004), authorizing \$7 million in funding for SJI annually for FY2005 through FY2008. In October 2004, the House agreed to the Senate-amended version of H.R. 2714, and the bill was signed by the President into law (P.L. 108-372). Earlier, in its report on H.R. 2714 (H.Rept. 108-285, p. 2), the House Judiciary Committee endorsed SJI's continued operation. "Sustaining the Institute's operations," the committee said,

... is necessary because the states, as a practical matter, devote the great majority of their judicial funding to address personnel, construction, and maintenance needs. They simply lack the resources to develop programs that improve the administrative efficiency and overall productivity of their courts.

SJI serves a Federal interest precisely because it makes state courts more efficient. State courts are the primary fora in which the vast majority of lawsuits are resolved. In fulfilling that mission, state courts address Federal constitutional and statutory issues every day....

In sum if litigants largely resolve their legal differences at the state level — including those that involve Federal issues — then Congress promotes a Federal interest by supporting SJI.

## **U.S. Commission on International Religious Freedom<sup>33</sup>**

The Commission on International Religious Freedom was created by the International Religious Freedom Act of 1998 (P.L. 105-292) as a federal government commission to monitor religious freedom abroad and to advise the President, the Secretary of State, and Congress on promoting religious freedom and combating intolerance in other countries. For FY2005, the Administration requested \$3.0 million for the commission and H.R. 4754 as passed by the House included that amount. The House Appropriations Committee in its report commended the

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<sup>33</sup> This section was written by Vita Bite, Specialist in International Relations, Foreign Affairs, Defense, and Trade Division.

commission for its efforts to promote religious freedom and urged the commission and the State Department to continue work on developing an Index on Religious Freedom that may be used to assess progress within regions and in specific countries. The Senate Appropriations Committee in reporting S. 2809 (S.Rept. 108-344) did not include any funds for the commission. As finally enacted as part of the Consolidated Appropriations Act, 2005, P.L.108-447, \$3.0 million was appropriated for the commission. The conference agreement also included language allowing the commission to procure temporary services for a study of the right to freedom of religion in North Korea.

For FY2006, the Administration requested \$3.0 million for the commission. Sec. 808 of S. 600, the Foreign Relations Authorizations for FY2006 and 2007, as introduced included \$3.0 million for the commission for FY2006 and such sums as may be necessary for FY2007 and the House measure, H.R. 2601, as agreed to by the House Committee on International Relations authorized \$3.3 million for each of fiscal years 2006 through 2011. H.R. 2862, as passed by the House, appropriated \$3.2 million for the commission for FY2006. In its report (H.Rept. 109-118) the Appropriations Committee urged the commission and the State Department to continue work on developing an Index on Religious Freedom. The Senate Appropriations Committee report (S.Rept. 109-96) recommends \$1 million for this account in FY2006.

### **U.S. Institute of Peace<sup>34</sup>**

The U.S. Institute of Peace (USIP) was established in 1984 by the U.S. Institute of Peace Act, Title XVII of the Defense Authorization Act of 1985 (P.L. 98-525). USIP's mission is to promote international peace through such activities as educational programs, conferences and workshops, professional training, applied research, and facilitating dialogue in the United States and abroad. Prior to the FY2005 budget, USIP funding came from the Labor, HHS appropriation. In the FY2005 budget process, it was transferred to the Commerce, Justice, State and related agencies appropriation primarily for relevancy reasons. The FY2003 actual budget was \$16.3 million and the FY2004 estimate is \$17.1 million. Also in FY2004, USIP received \$10 million within the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan (P.L. 108-106) and a \$3 million grant from the Department of State to facilitate the Philippines peace process. Congress enacted \$121.9 million for the Institute of Peace in FY2005. In addition to its appropriation of \$23 million, it received \$100 million (before rescission) for facility construction (CAA, Div. J, Sec.118).

For the FY2006 request, the organization is requesting \$21.85 million. The House bill (H.R. 2862) provides \$22.9 million for USIP for FY2006. The Senate State, Foreign Operations Appropriation bill (H.R. 3057) provides \$21.9 million for USIP in FY2006.

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<sup>34</sup> This section was written by Susan B. Epstein, Specialist in Foreign Affairs and Trade, Foreign Affairs, Defense, and Trade Division.



## **U.S. Commission on Civil Rights<sup>35</sup>**

The U.S. Commission on Civil Rights (Commission), established by the Civil Rights Act of 1957, investigates allegations of citizens that they were denied the right to vote based on color, race, religion, or national origin; studies and gathers information on legal developments constituting a denial of the equal protection of the laws; assesses federal laws and policies in the area of civil rights; and submits reports on its findings to the President and Congress when the Commission or the President deem it appropriate.

With passage of H.R. 2862 on September 15, 2006, the Senate would provide \$9 million in FY2006 for the Commission on Civil Rights, the same funding level that the House approved and slightly below the President's budget request.

On June 23, 2005, the Senate CJS Appropriations Committee had reported out H.R. 2862 (S.Rept. 109-88). The Senate CJS Committee recommended FY2006 appropriations of \$9 million for the Commission on Civil Rights, \$25,000 above FY2005 funding level and \$96,000 below the President's FY2006 request. On June 16, 2005, the House passed H.R. 2862, which would provide FY2006 appropriations of \$9 million for the Commission. For FY2006, President Bush requests \$9.1 million for the Commission. For the Commission on Civil Rights, the Consolidated Appropriations Act, 2005 (P.L. 108-447) provided \$9.1 million, the same amount requested by the Administration. In FY2004, the Commission received an appropriation of \$9 million.

Both the House and Senate CJS Appropriations Committee reports addressed financial and management problems at the Commission. Senate CJS Committee report language expressed concern over the Commission's "insolvency and documented financial mismanagement." It urged the Commission to continue to enact reform and to prepare two written reports by September 30, 2005 and January 31, 2006 on the implementation of GAO recommendations. The House CJS Appropriations Committee report (H.Rept. 109-118) language instructed the Commission to rectify the financial management problems of the Commission and to prepare a report describing proposed structural and management changes for the Commission no later than September 15, 2005.

## **U.S. Commission on International Religious Freedom<sup>36</sup>**

The Commission on International Religious Freedom was created by the International Religious Freedom Act of 1998 (P.L. 105-292) as a federal government commission to monitor religious freedom abroad and to advise the President, the Secretary of State, and Congress on promoting religious freedom and combating intolerance in other countries. For FY2005, the Administration requested \$3.0

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<sup>35</sup> This section was written by Garrine P. Laney, Analyst in Social Legislation, Domestic Social Policy Division.

<sup>36</sup> This section was written by Vita Bite, Specialist in International Relations, Foreign Affairs, Defense, and Trade Division.

million for the commission and H.R. 4754 as passed by the House included that amount. The House Appropriations Committee in its report commended the commission for its efforts to promote religious freedom and urged the commission and the State Department to continue work on developing an Index on Religious Freedom that may be used to assess progress within regions and in specific countries. The Senate Appropriations Committee in reporting S. 2809 (S.Rept. 108-344) did not include any funds for the commission. As finally enacted as part of the Consolidated Appropriations Act, 2005, P.L.108-447, \$3.0 million was appropriated for the commission. The conference agreement also included language allowing the commission to procure temporary services for a study of the right to freedom of religion in North Korea.

For FY2006, the Administration requested \$3.0 million for the commission. Sec. 808 of S. 600, the Foreign Relations Authorizations for FY2006 and 2007, as introduced included \$3.0 million for the commission for FY2006 and such sums as may be necessary for FY2007 and the House measure, H.R. 2601, as agreed to by the House Committee on International Relations authorized \$3.3 million for each of fiscal years 2006 through 2011. H.R. 2862, as passed by the House, appropriated \$3.2 million for the commission for FY2006. In its report (H.Rept. 109-118) the Appropriations Committee urged the commission and the State Department to continue work on developing an Index on Religious Freedom. The Senate recommends \$1 million for this account in FY2006.

## **U.S. Institute of Peace<sup>37</sup>**

The U.S. Institute of Peace (USIP) was established in 1984 by the U.S. Institute of Peace Act, Title XVII of the Defense Authorization Act of 1985 (P.L. 98-525). USIP's mission is to promote international peace through such activities as educational programs, conferences and workshops, professional training, applied research, and facilitating dialogue in the United States and abroad. Prior to the FY2005 budget, USIP funding came from the Labor, HHS appropriation. In the FY2005 budget process, it was transferred to the Commerce, Justice, State and related agencies appropriation primarily for relevancy reasons. The FY2003 actual budget was \$16.3 million and the FY2004 estimate is \$17.1 million. Also in FY2004, USIP received \$10 million within the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan (P.L. 108-106) and a \$3 million grant from the Department of State to facilitate the Philippines peace process. Congress enacted \$121.9 million for the Institute of Peace in FY2005. In addition to its appropriation of \$23 million, it received \$100 million (before rescission) for facility construction (CAA, Div. J, Sec.118). For the FY2006 request, the organization is requesting \$21.85 million. The House bill (H.R. 2862) provides \$22.9 million for USIP for FY2006. The Senate State, Foreign Operations Appropriation bill (H.R. 3057) provides \$21.9 million for USIP in FY2006.

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<sup>37</sup> This section was written by Susan B. Epstein, Specialist in Foreign Affairs and Trade, Foreign Affairs, Defense, and Trade Division.

## **Related CRS Products**

CRS Report 96-649, *Small Business Administration: Overview and Issues*, by Bruce K. Mulock.

CRS Report RS20418, *Funding for Major Civil Rights Enforcement Agencies*, by Garrine Laney.

CRS Report RS20204, *Securities Fees and SEC Pay Parity*, by Mark Jickling.

CRS Report 95-178, *Legal Services Corporation: Basic Facts and Current Status*, by Carmen Solomon-Fears.

CRS Report RL32589, *The Federal Communications Commission: Current Structure and its Role in the Changing Telecommunications Landscape*, by Patty Figliola.

## **Related Legislation**

### **H.R. 230 (Sweeney)**

To amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a program to provide regulatory compliance assistance to small business concerns, and for other purposes. Reported by Small Business Committee (H.Rept. 109-208).

### **H.R. 527 (Brady) S. 139 (Kerry)**

Vocational and Technical Entrepreneurship Development Act of 2005 - Amends the Small Business Act to direct the Administrator of the Small Business Administration to establish a program under which the Administrator shall make grants to, or may enter into cooperative agreements with, State small business development centers to provide, on a statewide basis, technical assistance to secondary schools, or to post-secondary vocational or technical schools, for the development and implementation of curricula designed to promote vocational and technical entrepreneurship. H.R. 527 reported by the Small Business Committee on July 28, 2005 (H.Rept. 108-207)

### **H.R. 2982 (Wynn)**

To require the Federal Communications Commission to reorganize the bureaus of the Commission in order to better carry out their regulatory functions. Introduced and referred to House Committee on Energy and Commerce on June 17, 2005.

**Table 10. FY2006 Funding for CJS Related Agencies**  
(\$ millions in budget authority)

<b>Bureau or Agency</b>	<b>FY2004 enacted</b>	<b>FY2005 enacted</b>	<b>FY2006 request</b>	<b>FY2006 House</b>	<b>FY2006 Senate</b>
U.S. Commission on Civil Rights	\$9.1	\$9.0	\$9.1	\$9.0	\$9.0
U.S. Commission on International Religious Freedom <sup>a</sup>	\$3.0	\$3.0	\$3.0	\$3.2	\$1.0
Equal Employment Opportunity Commission (EEOC)	\$324.9	\$326.8	\$331.2	\$331.2	\$331.2
Federal Communications Commission (FCC) <sup>b</sup>	\$1.0	\$1.0	\$4.8	\$1.0	\$1.0
Federal Trade Commission	\$50.4	\$81.4	\$72.0	\$72.0	\$72.0
Legal Services Corporation	\$335.3	\$330.8	\$318.3	\$330.8	\$358.5
Securities and Exchange Commission <sup>c</sup>	\$691.5	\$844.6	\$863.1	\$863.1	\$863.1
Small Business Administration	\$711.3	\$1,500.8	\$593.0	\$655.3	\$621.6
State Justice Institute <sup>d</sup>	\$2.2	\$2.6	\$0.0	\$2.0	\$5.0
U.S. Institute of Peace <sup>a</sup>	\$27.1	\$121.9	\$21.9	\$22.9	\$21.9
Other <sup>e</sup>	\$14.2	\$13.1	\$12.9	\$15.6	\$4.0
<b>Total Title V</b>	<b>\$2,170.0</b>	<b>\$3,235.0</b>	<b>\$2,229.3</b>	<b>\$2,306.1</b>	<b>\$2,288.3</b>

**Source:** U.S. House of Representatives, U.S. Senate, Committees on Appropriations; CRS estimates.

- a. Senate funding for these agencies are through the State/Foreign Operations Appropriations bill. They are not included in the Senate total for this table.
- b. The FCC is partially funded by offsetting fee collections.
- c. The SEC is fully funded by transaction fees and securities registration fees.
- d. Under the terms of its enabling legislation, the State Justice Institute (SJI) is authorized to present its budget request directly to Congress. While the President's FY2006 budget proposed nothing for SJI, the Institute requested \$5.0 million for itself.
- e. "Other" includes agencies receiving appropriations of \$3.0 million or less in FY2005. These agencies include the Commission for the Preservation of American Heritage Abroad; Commission on Security and Cooperation in Europe; Antitrust Modernization Commission; the Marine Mammal Commission; the Congressional/Executive Commission on China; the National Veterans Business Development Corp; the U.S.-China Economic and Security Review Commission; U.S. Senate-China Interparliamentary Group, and the HELP Commission are funded by the House SSJC bill. Of these, only the Antitrust Modernization Commission; the National Veterans Business Development Corp; and the Marine Mammal Commission are funded through the Senate CJS bill.

**Appendix. SSJC/CJS Appropriations by Department, FY2006**  
(\$ millions in budget authority)

Bureau or Agency	FY2004 Enacted	FY2005 Enacted	FY2006 Request	FY2006 House-passed	FY2006 Senate-passed	FY2006 Enacted
<b>Title I: Department of Justice</b>						
General Administration	\$1,316.6	\$1,424.3	\$1,977.3	\$1,834.8	\$1,860.0	
Legal Activities	\$3,078.5	\$3,180.9	\$3,331.3	\$3,327.4	\$3,239.0	
Interagency Law Enforcement	\$550.6	\$553.5	\$661.9	\$506.9	\$440.2	
Federal Bureau of Investigation	\$4,590.7	\$5,145.6	\$5,701.2	\$5,761.2	\$5,296.0	
Drug Enforcement Administration	\$1,584.5	\$1,631.2	\$1,694.2	\$1,716.2	\$1,649.1	
Alcohol, Tobacco and Firearms	\$827.3	\$878.5	\$1,043.6	\$923.6	\$923.7	
Federal Prison System	\$4,811.2	\$4,779.8	\$4,755.1	\$4,969.1	\$4,889.6	
Office of Justice Programs	\$3,164.9	\$2,993.1	\$1,568.8	\$2,319.9	\$2,584.5	
Other	\$26.0	\$25.5	\$11.4	\$400.8	\$320.4	
Rescission	(\$100.0)	—	(\$62.0)			
<b>Title I Total:</b>	<b>\$19,850.3</b>	<b>\$20,612.3</b>	<b>\$20,682.8</b>	<b>\$21,759.9</b>	<b>\$21,202.5</b>	
<b>Title II: Department of Commerce and Related Agencies</b>						
International Trade Administration	\$378.1	\$388.3	\$395.9	\$393.9	\$396.6	
Bureau of Industry and Security	\$67.5	\$67.5	\$77.0	\$77.0	\$77.0	
Economic Development Administration	\$315.3	\$284.1	\$26.6	\$227.6	\$524.9	
Minority Business Development Agency	\$28.6	\$29.5	\$30.7	\$30.0	\$30.7	
Economic and Statistical Analysis	\$74.2	\$78.9	\$85.3	\$80.3	\$81.3	
Economic Development Challenge Grant			\$3,710.0			
Bureau of the Census	\$624.2	\$744.8	\$877.4	\$812.2	\$727.4	
National Telecommunications and Information Administration	\$51.1	\$38.7	\$23.5	\$19.7	\$57.3	
Patent and Trademark Office <sup>a</sup>	(\$1,222.5)	(\$1,544.8)	(\$1,703.0)	(\$1,703.3)	(\$1,703.3)	
Technology Administration	\$6.3	\$6.5	\$4.2	\$6.5	—	
National Institute of Standards and Technology	\$621.5	\$699.2	\$532.0	\$548.7	\$844.5	
National Oceanic and Atmospheric Administration	\$3,701.0	\$3,907.9	\$3,581.2	\$3,379.0	\$4,481.8	
Departmental Management	\$67.7	\$78.7	\$106.3	\$70.2	\$77.4	
Other	\$8.1	\$209.1	—	—	—	
<i>Department of Commerce Subtotal:</i>	<i>\$5,943.5.</i>	<i>\$6,533.1</i>	<i>\$9,450.0</i>	<i>\$5,645.1</i>	<i>\$7,298.9</i>	
U.S. Trade Representative	\$41.6	\$41.0	\$38.8	\$44.8	\$41.0	
International Trade Commission	\$57.7	\$60.8	\$65.3	\$62.8	\$62.8	
National Intellectual Property Law Enforcement Coordinating Council	—	\$2.0	—	—	—	
<b>Related Agencies Subtotal:</b>	<b>\$99.3</b>	<b>\$103.8</b>	<b>\$104.1</b>	<b>\$107.6</b>	<b>\$103.8</b>	
Rescission	(\$100.0)			(\$35.0)	—	
<b>Title II Total:</b>	<b>\$5,942.8</b>	<b>\$6,636.9</b>	<b>\$9,554.1</b>	<b>\$5,752.7</b>	<b>\$7,402.7</b>	

Bureau or Agency	FY2004 Enacted	FY2005 Enacted	FY2006 Request	FY2006 House-passed	FY2006 Senate-passed	FY2006 Enacted
<b>Title III: Science</b>						
NASA	\$15,378.0	\$16,196.4	\$16,456.4	\$16,471.0	\$16,396.0	
National Science Foundation	\$5,652.0	\$5,472.8	\$5,605.0	\$5,643.4	\$5,531.0	
Exec Office of the President	\$7.0	\$6.3	\$5.6	\$5.6	\$5.6	
<b>Title III Total:</b>	<b>\$21,037.0</b>	<b>\$21,675.5</b>	<b>\$22,067.0</b>	<b>\$22,120.0</b>	<b>\$21,932.6</b>	
<b>Title IV: Department of State</b>						
Administration of Foreign Affairs	\$7,007.2	\$6,362.4	\$6,776.1	\$6,640.3	\$6,733.9	
International Organizations and Conferences	\$1,694.9	\$1,649.7	\$2,332.0	\$2,179.8	\$2,201.7	
International Commissions	\$57.1	\$63.3	\$70.3	\$63.8	\$70.0	
Related Appropriations	\$78.0	\$100.0	\$104.9	\$66.9	\$51.7	
<i>Subtotal: State Department<sup>b</sup></i>	<i>\$8,837.2</i>	<i>\$8,175.4</i>	<i>\$9,283.3</i>	<i>\$8,950.7</i>	<i>\$9,057.3</i>	
International Broadcasting	\$591.5	\$591.5	\$651.9	\$630.9	\$651.9	
<b>Title IV Total</b>	<b>\$9,428.7</b>	<b>\$8,766.9</b>	<b>\$9,935.2</b>	<b>\$9,581.6</b>	<b>\$9,709.2</b>	
<b>Title V: Related Agencies</b>						
Commission on Civil Rights	\$9.1	\$9.0	\$9.1	\$9.0	\$9.0	
U.S. Commission on International Religious Freedom <sup>c</sup>	\$3.0	\$3.0	\$3.0	\$3.2	\$1.0	
Equal Employment Opportunity Commission (EEOC)	\$324.9	\$326.8	\$331.2	\$331.2	\$331.2	
Federal Communications Commission (FCC) <sup>d</sup>	\$1.0	\$1.0	\$4.8	\$1.0	\$1.0	
Federal Trade Commission	\$50.4	\$81.4	\$72.0	\$72.0	\$72.0	
Legal Services Corporation	\$335.3	\$330.8	\$318.3	\$330.8	\$358.5	
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Small Business Administration	\$711.3	\$1,500.8	\$593.0	\$655.3	\$621.6	
State Justice Institute <sup>f</sup>	\$2.2	\$2.6	—	\$2.0	\$5.0	
U.S. Institute of Peace <sup>c</sup>	\$27.1	\$121.9	\$21.9	\$22.9	\$21.9	
Other <sup>g</sup>	\$14.2	\$13.1	\$12.9	\$15.6	4.0	
<b>Total Title V</b>	<b>\$2,170.0</b>	<b>\$3,235.0</b>	<b>\$2,229.3</b>	<b>\$2,306.1</b>	<b>\$2,288.3</b>	
<b>Title VII: Rescissions<sup>g</sup></b>						
Total Title VII Rescissions	(\$307.2)	(\$271.1)	(\$52.2)	(\$222.0)	(\$196.5)	
<b>Grand Total (in Bill)<sup>h</sup></b>	<b>(\$42,242.0)</b>	<b>\$60,655.5</b>	<b>\$64,416.2</b>	<b>\$61,517.2</b>	<b>\$52,826.1</b>	

**Source:** U.S. House of Representatives, U.S. Senate, Committees on Appropriations; CRS estimates.

**Notes:**

- The Patent and Trademark Office (PTO) is fully funded by user fees. The fees collected, but not obligated *during* the current year, are available for obligation in the following fiscal year, and *do not* count toward the appropriation totals. Only newly appropriated funds count toward the annual appropriation totals.
- In addition to appropriations, State has authority to spend certain collected fees from machine readable visas, expedited export fees, etc. The amount for such fees for FY2004 is estimated to be \$687.5 million and the FY2005 appropriation includes \$661.5 million in fee collections.
- Senate funding for these agencies are through the State/Foreign Operations Appropriations bill. They are not included in the Senate total for this table.

- d. The FCC is partially funded by fee collections.
- e. The SEC is fully funded by transaction fees and securities registration fees.
- f. Under the terms of its enabling legislation, the State Justice Institute (SJI) is authorized to present its budget request directly to Congress. While the President's FY2006 budget proposed nothing for SJI, the Institute requested \$5.0 million for itself.
- g. "Other" includes agencies receiving appropriations of \$3.0 million or less in FY2005. These agencies include the Commission for the Preservation of American Heritage Abroad; Commission on Security and Cooperation in Europe; Antitrust Modernization Commission; the Marine Mammal Commission; the Congressional/Executive Commission on China; the National Veterans Business Development Corp; the U.S.-China Economic and Security Review Commission; U.S. Senate-China Interparliamentary Group, and the HELP Commission are funded by the House SSJC bill. Of these, only the Antitrust Modernization Commission; the National Veterans Business Development Corp; and the Marine Mammal Commission are funded through the Senate CJS bill and reflected in the Senate total. The others are funded by the State/Foreign Operations Appropriations legislation.
- g. Rescissions are listed for informational purposes. Grand total does not reflect rescissions.
- h. Senate Grand total does not reflect State or State-related agency appropriations. These totals are subject to revision.