

CRS Report for Congress

Science, State, Justice, Commerce and Related Agencies (House)/ Commerce, Justice, Science and Related Agencies (Senate): FY2007 Appropriations

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Susan B. Epstein, Coordinator
Specialist in Foreign Policy and Trade
Foreign Affairs, Defense, and Trade Division

M. Angeles Villarreal, Coordinator
Analyst in International Trade and Finance
Foreign Affairs, Defense, and Trade Division



Prepared for Members and
Committees of Congress

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): FY2007 Appropriations

Summary

This report monitors actions taken by the 109th Congress for the House's Science, State, Justice, Commerce, and Related Agencies (SSJC) and the Senate's Commerce, Justice, Science, and Related Agencies (CJS) FY2007 appropriations bill. 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 109th Congress.

On September 29, 2006, Congress passed the Defense Department Appropriation (H.R. 5631/P.L. 109-289), which includes a continuing resolution (CR) to fund the most other agencies, including SSJC agencies, through November 17, 2006. On November 15, 2006, Congress passed a second CR (H.J.Res. 100) which extends funding provided in the initial continuing resolution through December 8, 2006. On December 8, the House passed a third CR (H.J.Res. 102), which extends funding through February 15, 2007. The Senate passed the measure on December 9.

For the FY2007 SSJC/CJS appropriations, the Administration requested \$62.5 billion/\$52.3 billion in the budget that it sent to Congress on February 6, 2006. The Administration request for the major departments and their related agencies are Department of Justice (DOJ), \$21.3 billion; Department of Commerce (DOC), \$6.3 billion; Department of State, \$10.2 billion; Science, \$22.8 billion; and Related Agencies, \$2.3 billion. (The numbers may not add to the total due to rounding.)

The House passed its SSJC appropriation bill (H.R. 5672) on June 29, providing a total of \$62.6 billion. The House funding level includes \$22.5 billion for DOJ, \$5.9 billion for DOC and related agencies, \$22.7 billion for the Science agencies, \$9.7 billion for the Department of State and international broadcasting, and \$2.3 billion for related agencies. The Senate committee reported its bill covering State Department funding (H.R. 5522) on July 10.

The enacted FY2006 appropriation provided \$62.1 billion (\$63.1 billion, including FY2006 supplemental funds) for the agencies under the jurisdiction of the Science, State, Justice, Commerce Appropriations subcommittee of the House. The appropriations enacted for the major departments and their related agencies were DOJ, \$21.7 billion; DOC, \$6.6 billion; Department of State, \$9.5 billion; Science, \$22.2 billion; and Related Agencies, \$2.5 billion.

CRS Key Policy Staff

Area of Expertise	Name	CRS Division	Telephone and E-Mail
Departments			
Department of Justice	Celinda Franco	DSP	7-7360 cfranco@crs.loc.gov
Department of Commerce	Ted Murphy	G&F	7-6201 tmurphy@crs.loc.gov
Department of State and International Broadcasting	Susan Epstein	FDT	7-6678 sepstein@crs.loc.gov
Agencies and Policy Areas			
Patent and Trademark Office, NIST, Technology Administration	Wendy H. Schacht	RSI	7-7066 wschacht@crs.loc.gov
Telecommunications, NTIA	Glenn McLoughlin	RSI	7-7073 gmcloughlin@crs.loc.gov
NASA	Daniel Morgan	RSI	7-5849 dmorgan@crs.loc.gov
NSF	Christine Matthews	RSI	7-7055 cmatthews@crs.loc.gov
NTIS	Jeffrey Seifert	RSI	7-0781 jseifert@crs.loc.gov
FCC	Patty Figliola	RSI	7-2508 pfigliola@crs.loc.gov
NOAA	Wayne Morrissey	RSI	7-7072 wmorrissey@crs.loc.gov
EDA	Eugene Boyd	G&F	7-8689 eboyd@crs.loc.gov
MBDA, SBA	Eric Weiss	G&F	7-6209 eweiss@crs.loc.gov
Bureau of the Census	Jennifer D. Williams	G&F	7-8640 jwilliams@crs.loc.gov
Trade agencies: ITA, ITC, USTR, NIPLECC	M. Angeles Villarreal	FDT	7-0321 avillarreal@crs.loc.gov
BIS	Ian Fergusson	FDT	7-4997 ifergusson@crs.loc.gov
Equal Employment Opportunity Commission	Linda Levine	DSP	7-7756 llevine@crs.loc.gov
Legal Services Corporation	Carmen Solomon-Fears	DSP	7-7306 csolomonfears@crs.loc.gov
Securities and Exchange Commission	Mark Jickling	G&F	7-7784 mjickling@crs.loc.gov
U.S. Commission on Civil Rights	Garrine Laney	DSP	7-2518 glaney@crs.loc.gov
State Justice Institute	Steve Rutkus	G&F	7-7162 srutkus@crs.loc.gov

Division abbreviations: ALD = American Law Division; DSP = Domestic Social Policy Division; FDT = Foreign Affairs, Defense, and Trade Division; G&F = Government and Finance Division; RSI = Resources, Science, and Industry Division.

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Science, State, Justice, Commerce and Related Agencies (House)/ Commerce, Justice, Science and Related Agencies (Senate): FY2007 Appropriations

Most Recent Developments

On September 29, 2006, Congress passed the Department of Defense FY2007 Appropriation bill (H.R. 5631/P.L. 109-289), which includes a continuing resolution (CR) providing funding for Science, State, Justice and Commerce (SSJC) and related agencies through November 17, 2006. The funding is to be the lesser of House- or Senate-passed funding levels for FY2007 or the FY2006 enacted level. On November 15, 2006, Congress passed a second CR (H.J.Res. 100), which extended funding provided in the initial continuing resolution through December 8, 2006. On December 8, the House passed a third CR (H.J.Res. 102) extending funding through February 15, 2007. The Senate passed the measure on December 9.

The House passed its SSJC appropriation bill (H.R. 5672/ H.Rept. 109-520/ S.Rept. 109-280) on June 29, providing a total of \$63.1 billion. The House funding level includes \$22.5 billion for the Department of Justice, \$5.9 billion for the Department of Commerce and related agencies, \$22.7 billion for the Science agencies, \$9.7 billion for the Department of State and international broadcasting, and \$2.3 billion for related agencies. The Senate CJS Appropriations Subcommittee marked up its version of the bill on July 11, and the full Senate committee began working on the the bill on July 13. The Senate version recommends \$22.0 billion for Justice, \$7.1 billion for Commerce, \$23.8 billion for Science, and \$2.3 billion for related agencies. Department of State funding is in H.R. 5522 (S.Rept. 109-277) and contains \$9.6 billion for the State Department and international broadcasting.

The Administration submitted its FY2007 budget to Congress on February 6, 2006. The Administration requested \$62.5 billion for the agencies under the jurisdiction of the Science, State, Justice, Commerce Appropriations (SSJC) subcommittee of the House and \$52.3 billion for the Agencies under the Commerce, Justice, Science (CJS) Appropriations subcommittee in the Senate. The Administration requests for the major departments and their related agencies are Department of Justice, \$21.3 billion; Department of Commerce, \$6.3 billion; Department of State, \$10.2 billion; Science, \$22.8 billion; and Related Agencies, \$2.3 billion.

The President signed the FY2006 Science, State, Justice, Commerce, and Related Agencies (SSJC) appropriations bill into law on November 22, 2005 (P.L. 109-108). The law provides \$62.1 billion (\$63.1 billion including FY2006

supplementals) for the agencies under the jurisdiction of the Science, State, Justice, Commerce Appropriations subcommittee of the House. The estimated appropriations of the major departments and their related agencies (after rescissions and supplementals) were Department of Justice, \$21.7 billion; Department of Commerce, \$6.6 billion; Department of State, \$9.5 billion; Science, \$22.2 billion; and Related Agencies, \$3.2 billion.

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 109th Congress. In the 108th 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 109th 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 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 remain under the jurisdiction of SSJC in the House. In addition, 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 to these agencies in Title II Commerce agencies.

Table 1. Legislative Status of SSJC/CJS Appropriations, FY2007

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conf. Report Approval		Public Law
House	Senate						House	Senate	
6/14/06	7/11/06	6/20/06 H.Rept. 109-520	6/29/06 (393-23)	7/13/06 S.Rept. 109-280					

Background Information

Synopsis of FY2006 Appropriations

The Administration requested \$64.2 billion/\$54.2 billion for SSJC/CJS appropriations in its FY2006 budget request sent to Congress on February 7, 2005. The House Appropriations Committee reported its SSJC bill (H.R. 2862, H.Rept. 109-118) on June 7, 2005, and the House passed the bill on June 16 after three days of debate and 43 amendments. 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 by a vote of 91-4 on September 15, 2005, after consideration of 122 amendments. The Conference Report (H.Rept. 109-272) was filed on November 7, 2005. The House approved the measure by a vote of 397-19 on November 9; the Senate approved it on November 11 by a vote of 94-5. It was signed into law by President Bush on November 22, 2005 (P.L. 109-108). The FY2006 appropriations were subject to a 1.28% across-the-board rescission, reflecting Sec. 638, P.L. 109-108 and P.L. 109-148.

Departmental Funding Trends

The table below shows funding trends for the major agencies in CJS appropriations over the five-year period FY2002-FY2006, including supplemental appropriations. Over the five-year period, funding decreased for the Department of Justice by \$2.082 billion (-8.8%). Funding increased for the Department of Commerce by \$0.735 billion (12.8%), for the Title III Science Agencies by \$2.473 billion (12.5%), and for the Department of State by \$1.559 billion (21.2%).

The Justice Department's budget declined from FY2002 to FY2003 by 17% when it was reduced by more than \$4 billion due to the relocation of some activities to the Department of Homeland Security. The Justice Department total has continued to be below the FY2002 total. The Commerce Department budget has generally increased, with a slight decrease in FY2006 over the previous year due primarily to the rescissions applied to FY2006 enacted appropriations. The Science Agencies' funding has shown a gradual increase each of the five years; the State Department's increases each year through FY2005 reflect funding for the U.S. embassy in Iraq, embassy security, and international peacekeeping, largely through emergency supplemental appropriations.

Table 2. Funding for Departments of Commerce, Justice, and State, and Science Agencies
(in billions of current dollars)

Department/Agency	FY2002	FY2003	FY2004	FY2005	FY2006
Justice	23.707	19.648	19.850	21.000	21.714
Commerce	5.739	5.796	5.943	6.550	6.737
Science ^a	19.71	20.600	20.960	21.676	22.218
State	7.362	8.179	9.429	10.181	9.565

Sources: Funding totals provided by the U.S. House of Representatives, Committee on Appropriations.

a. Before FY2006, Title III Science Agencies were contained in the VA/HUD appropriations bill.

Survey of High-Profile Issues

Department of Justice

- The President's FY2007 budget request proposes the consolidation of the state, local, and tribal law enforcement grant programs, the Weed and Seed program, and juvenile justice programs into the Justice Assistance account of the Office of Justice Programs (OJP). The FY2007 President's request would eliminate funding for a number of OJP programs, such as the Edward Byrne Memorial Justice Assistance Grants (JAG) program (\$327.2 million in FY2006 after earmarks for Boys and Girls Clubs and National Institute of Justice), the Edward Byrne Discretionary Grants (\$189.3 million in FY2006), Indian Country Prison Grants (\$8.9 million in FY2006), and Tribal Court Grants (\$7.9 million in FY2006).
- The Administration's budget request proposes an increase in funding for the Project Safe Neighborhoods (PSN) initiative, a program administered by ATF that is designed to combat firearms-related crime, to reach a level of \$395 million. Under the President's budget proposal, the restructured PSN program would include Project ChildSafe, State and Local Gun Crime Prosecution Assistance/*Project Sentry*, Gang Technical Assistance Program, Weed and Seed Program/Community Capacity Development Office (CCDO), National Stalker and Domestic Violence Database, and National Criminal History Improvement Program (NCHIP).
- The FY2007 President's budget proposes funding for expanding and improving Drug Courts, providing \$69 million for the program, an increase of \$60 million over the FY2006 enacted appropriations.
- The FY2007 budget proposal includes funding of \$40 million for the Meth Hot Spots program, a program designed to provide state and local law enforcement assistance in cleaning up toxic waste sites created through the illicit production of methamphetamine. The proposed funding level represents an increase of \$20 million over funding enacted in FY2006.
- The President's FY2007 request for DEA includes a proposal to transfer the High-Intensity Drug Trafficking Area (HIDTA) program from the Office of National Drug Control Policy (ONDCP) to DOJ and to coordinate the program with the efforts of the Organized Crime and Drug Enforcement Task Force (OCDETF) and other antidrug efforts that are part of DEA's comprehensive drug enforcement strategy. The budget request proposes \$208 million for HIDTA funding in FY2007.

Department of Commerce and Related Agencies

Key issues include the following:

- Appropriations measures that limit the use by the U.S. Patent and Trademark Office (PTO) of the full amount of fees collected in the current fiscal year.
- A proposed shift from funding to support industrial technology development programs at the National Institute of Standards and Technology, particularly the Advanced Technology Program and the Manufacturing Extension Partnership and congressionally directed projects, to a greater concentration on funding basic research in the physical sciences as part of the President's "American Competitiveness Initiative."
- For FY2007, the Bush Administration has requested that \$45 million be added to the National Telecommunications and Information Administration (NTIA) budget to fund the Digital Television Transition and Public Safety Fund, as mandated by the Deficit Reduction Act of 2005. There is a 2008 deadline for the Federal Communications Commission (FCC) to auction unused analog spectrum and a February 17, 2009, deadline for converting all U.S. analog television transmissions to digital. Policymakers will likely consider this budget request with regard to whether it will achieve this goal, and how NTIA will assist in the conversion process.
- Possible termination of the Census Bureau's longitudinal Survey of Income and Program Participation and its proposed replacement with a new data collection system focusing on income and wealth dynamics.
- Consolidation of 18 federal economic and community development programs in the Administration's proposed "Strengthening America's Communities Initiative," reduction of their aggregate funding levels, and creation of a new Regional Development Account within the Economic Development Administration.
- 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 the National Oceanic and Atmospheric Administration's (NOAA's) budget authority under a single Organic Act and Congress's review of NOAA satellite programs.
- Proposed terminations of several ocean-related programs, provoking criticism from the Joint Ocean Commission Initiative.

Science Agencies

Key issues are as follows:

- 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

Key issues include the following:

- Secretary Rice's newly announced vision for diplomacy referred to as Transformational Diplomacy, which will involve reorganizing parts of USAID and State.
- Moving of diplomats away from Washington and Europe to countries where the Administration deems more critical need.
- Increased emphasis on critical need language capabilities within the Department.
- Greater emphasis on public diplomacy activities conducted by all State Department personnel overseas.

Department of Justice¹

Background

Title I of the SSJC/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.

¹ This section was written by Celinda Franco, Specialist in Social Legislation, Domestic Social Policy Division.

- *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 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 approved 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.

For FY2006, the Congress appropriated \$19.5 billion² for discretionary DOJ programs, a slight decrease of \$311 million less than the net amount of FY2005 appropriations, after rescissions and supplemental appropriations.

² Amount reflects total appropriations for direct discretionary programs and does not include mandatory DOJ programs that are not subject to congressional appropriations.

Government Performance and Results Act

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.

FY2007 Budget Request

The Department of Justice FY2007 budget request includes \$21.325 billion in spending. The FY2007 budget request represents a decrease of \$299.7 million over what Congress approved for FY2006 (see **Table 3**).

According to DOJ budget justifications, the President's FY2007 budget request includes increased funding for preventing terrorism and ensuring domestic security of \$386 million over FY2006 enacted levels. For reducing violent crime, gun crime, illegal drug trafficking, and white collar crime, the FY2007 budget request includes \$9 billion, an increase of \$489 million over FY2006 enacted levels. Support for state, local, and tribal crime and violence prevention would be reduced to \$2.9 billion by the President's budget request, a decrease of \$1 billion from FY2006 enacted levels. Funding for the federal justice system under the President's request totals \$7.8 billion, an increase of \$404 million over FY2006 appropriations.

The House passed its SSJC bill (H.R. 5672), which provides a total of \$22.456 billion for the Department of Justice. This is \$1.131 billion more than the Administration request and \$831.1 million more than the FY2006 funding level. The Senate-passed recommendation includes \$21.955 billion in DOJ funding. (See **Table 3** for more details.)

General Administration. The General Administration account for DOJ 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 FY2007, the President's budget proposal includes just over \$2.0 billion for General Administration, an increase of \$233.9 million over FY2006 funding levels. The General Administration account funds the Attorney General's office, senior departmental management, the Inspector General's office, efforts to integrate fingerprint identification systems (e.g., IAFIS and IDENT), and narrowband communications, among other things. For FY2007, the budget request proposes funding of \$175 million for the Justice Information

Sharing Technology (JIST) initiative, \$89.2 million for Narrowband Communications, and \$1.332 billion for the Office of the Detention Trustee.

For salaries and expenses, the President's FY2007 budget proposes \$115.5 million, an increase of \$7.4 million over FY2006 funding levels. These proposed funds would support the Attorney General and DOJ senior policy-level offices responsible for managing Department resources and developing policies for legal, law enforcement, and criminal justice activities. The FY2007 budget requested does not include funding for the Office of Intelligence and Policy Review, which Congress funded at \$36.6 million in FY2006. The Administration's request for FY2007 proposes funding of \$15.9 million for a National Drug Intelligence Center.

The House-passed bill includes \$1.942 billion for General Administration funding, while the Senate recommendation includes \$1.859 billion. The House bill allows \$35.4 million for Salaries and Expenses; the Senate recommendation provides \$41.1 million. The House bill provides \$125 million for JIST, and the Senate Committee recommends \$100 million in funding. For Narrowband Communications, the House bill provides \$89 million, and the Senate recommends \$75 million.

For the *Federal Office of Detention Trustee (OFDT)*, the FY2007 request includes \$1.332 billion in funding, a \$170.4 million increase over the \$1.162 billion appropriated by Congress for FY2006. 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. Marshals Service. The House provides \$1.331 billion for the Office of the Detention Trustee, while the Senate recommends \$1.332 billion, an amount identical to the Administration's request for FY2007.

The *Office of the Inspector General (OIG)* is responsible for detecting and deterring waste, fraud, and 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 FY2007 budget proposal requests \$70.558 million for the OIG, a \$2.7 million increase over the FY2006 appropriation of \$67.9 million. The House and Senate proposals also provide \$70.558 million for FY2007.

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. For FY2007, the Administration's budget request proposes \$11.951 million for the parole commission, an increase of \$1.0 million over the Commission's FY2006 appropriation of \$10.9 million. The House and Senate proposals provide \$11.5 million for the Parole Commission.

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 FY2007, the Administration's budget request includes \$3.446 billion for legal activities, an increase of \$168.7 million over the FY2006 enacted appropriations of \$3.277 billion. The House bill includes \$3.385 billion, and the Senate recommends \$3.384 billion for total legal activities.

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 FY2007 budget request includes \$684.3 million, an increase of almost \$30.8 million over the FY2006 enacted appropriation of \$653.5 million. The House bill includes \$668.7 million, and the Senate provides \$653.4 million for these activities.

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 FY2007 request includes \$1.664 billion, an increase of nearly \$48.8 million over the enacted FY2006 amount of \$1.589 billion. The House bill proposes \$1.664 billion, the same amount as the Administration's request, while the Senate proposes \$1.646 billion for funding of the U.S. Attorneys Office.

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 FY2007 request includes \$825.9 million for the Marshals Service, an increase of \$25.3 million over the Service's FY2006 enacted appropriation of \$801.0 million. The House bill includes proposed funding of \$825.9 million, while the Senate proposes funding of \$856.0 million for the U.S. Marshals.

For *other legal activities* — 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 FY2007 request includes \$298.2 million, \$64 million more than appropriated in FY2006 of \$234 million.

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 DOJ, the federal agencies that participate in OCDETF are the Drug Enforcement Administration; the Federal Bureau of Investigation; the Bureau of Alcohol, Tobacco, Firearms and Explosives; the U.S. Marshals Service; the Justice, Tax and Criminal Divisions of DOJ; 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. In addition, 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 FY2007 President's budget request includes \$706.1 million for OCDETF, which includes \$208 million for relocating the High Intensity Drug

Trafficking Areas (HIDTAs)³ at DOJ, for a net OCDETF funding level of \$498.1 million. For FY2006, \$483.2 million was appropriated for OCDETF, \$14.9 million less than the net FY2007 amount requested by the Administration.

The House bill proposes funding of \$498.5 million for OCDETF in FY2007. The Senate recommends \$388.0 million for the program. Neither the House nor Senate proposals include the relocation of HIDTAs from the Department of Treasury.

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 FY2007 request proposes funding of \$6.04 billion for the FBI. This funding level represents an increase of \$302.4 million over the FY2006 enacted appropriations of \$5.738 billion. Of the President's requested amount, \$51.4 million would fund construction.

The FY2007 budget request includes funding for the FBI to improve its ability to prevent terrorist attacks, disrupt terrorist and their financing, and investigate and prosecute those responsible for committing terrorist acts against the United States. The President's FY2007 budget would provide funding of \$2.308 billion for counterintelligence and national security, compared with appropriations of \$2.260 billion in FY2006, a proposed increase of \$48 million.

The House bill provides total FBI funding of \$6.043 billion, including \$80.4 million for construction. The Senate recommends funding of \$5.975 billion for the agency, of which \$120.7 million would be for construction expenses.

Drug Enforcement Administration. The Drug Enforcement Administration (DEA) is the lead federal agency tasked with reducing the illicit supply and abuse of dangerous narcotics and drugs. DEA, along with OCDETF, dismantled 119 drug trafficking organizations operating in the United States and significantly disrupted the activities of 208 others in FY2005. The Administration's FY2007 request includes \$1.736 billion for DEA, almost \$61.6 million more than the \$1.675 billion appropriated by Congress in FY2006.

For FY2007, the House proposes funding of \$1.752 billion for DEA, while the Senate proposes \$1.724 billion.

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 FY2007 request proposes \$860.1 million for ATF, a decrease of almost \$71.7 million from FY2006 appropriations of \$935.8⁴ million. According

³ The HIDTA program is currently administered by the Office of National Drug Policy (ONDCP), and a similar request to relocate the HIDTA program was proposed in the Administration's FY2006 request.

⁴ This amount reflects rescissions of \$11.79 million and 2006 Hurricane Katrina (continued...)

to the FY2007 budget request, the Administration is proposing additional funding for ATF of \$120 million to be collected from user fees related to explosives.

The President's budget would restructure and centralize a large portion of ATF's programmatic resources into the Project Safe Neighborhoods (PSN) initiative. The 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. Under the PSN, a number of programs of several agencies, including OJP, ATF, the U.S. Attorneys, and the DOJ Criminal Division, would be coordinated to address the crime and violence in hard-hit neighborhoods across the country. For example, from OJP, the following programs would be brought into PSN: *Project Childsafe*, which distributes free gun safety kits; the State and Local Gun Crime Prosecution Assistance (*Project Sentry*) program, which provides support for prosecution of crimes involving misuse of firearms; the *Gang Technical Assistance Program*, a new program to assist states and localities in their efforts to disrupt criminal gang activity and enhance the sharing of criminal intelligence; the *Weed and Seed* program, which promotes multi-disciplinary community-based crime control strategies, including gang-related violence; the *National Stalker and Domestic Violence Database*, which supports law enforcement and prosecution efforts against stalking and domestic violence; and the *National Criminal History Improvement Program (NCHIP)*, which sponsors efforts to improve the quality, timeliness, and immediate availability of criminal history and related records used to support criminal investigations, and background checks for employment and eligibility to purchase a firearms. The Administration's FY2007 budget request proposes funding of \$395 million for the PSN program.

ATF also launched a companion initiative, the Violent Crime Impact Teams (VCIT), which combines the efforts of federal, state, and local law enforcement to target gun crime "hot spots." VCIT is currently active in 10 cities, and the FY2007 budget request includes an expansion of the initiative to 15 additional cities. This expansion would increase VCIT funding by \$16 million, for a total request of \$35.7 million.

The House bill provides \$950.1 million, and the Senate recommends \$985.0 million for FY2007 funding for ATF.

Federal Prison System. The Federal Prison System is administered by the Bureau of Prisons (BOP), which maintains penal institutions nationwide and contracts with state, local, and private concerns for additional detention space. The Administration requests almost \$5.107 billion in FY2007 funding for the Federal Prison System, almost \$173.2 million more than Congress appropriated for FY2006.

The Administration estimates that as of January 26, 2006, there were nearly 188,463 federal inmates in 113 institutions, of which 11% represent immigration-related arrests and over 53% represent drug-related offenses. Of the total number of

⁴ (...continued)

Supplemental appropriations of \$24.0 million.

federal inmates, 159,872 are in facilities operated by the BOP. The BOP projects that the total federal prison population will increase to 195,972 in 2006, and increase to 203,880 by 2007. As required by the Violent Crime Control and Law Enforcement Act (VCCLEA) of 1994, the BOP provides substance abuse treatment for certain “eligible” inmates. According to BOP, over the past seven years, the percentage of all federal inmates with a substance abuse disorder increased from 34% to 40%.

The House bill proposes funding of \$5.079 billion for BOP, while the Senate recommends \$5.303 billion for FY2007.

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 request includes \$1.201 billion for FY2007, a reduction of more than \$1.2 billion from FY2006 appropriated levels of just under \$2.372 billion.

For FY2007, the House bill would provide \$2.376 billion in total OJP funding, while the Senate proposes total funding of almost \$1.934 billion for these programs.

The President’s FY2007 request proposes to eliminate funding for a number of OJP programs, similar to the President’s FY2006 budget request, and consolidate the remaining programs under the Justice Assistance account. The following are selected examples of the President’s budget-cutting proposals. The Administration’s budget proposal would eliminate funding for, among other programs, the Byrne Justice Assistance Grants (JAG) program (\$411.2 million in FY2006), the Byrne Discretionary Grants (\$189.3 million in FY2006), Indian Country Prison Grants (\$8.9 million in FY2006), and Tribal Court Grants (\$7.9 million in FY2006). The President’s proposal also would eliminate funding for most Juvenile Justice programs, which received appropriations of \$338.4 million, including the Juvenile Accountability Block Grant (JABG), funded for FY2006 at \$49.4 million. Funding for the State Criminal Alien Assistance Program (SCAAP), would be eliminated by the President’s budget proposal, compared with FY2006 funding of \$399.8 million for the program, and the Secure Our Schools (SOS) program funding would be eliminated, resulting in a \$14.8 million reduction from FY2006 funding levels. The President’s FY2007 budget would reduce funding for the Bulletproof Vests program from \$29.6 million in FY2006 to \$9.8 million in FY2007, and the Prison Rape Prevention and Prosecution Program, funded at just under \$16 million in FY2006, would be reduced to slightly under \$2 million in FY2007.

The President’s FY2007 budget proposal would *increase* funding for the Southwest Border Prosecution Initiative, from \$29.617 million in FY2006 to \$29.757 million in FY2007. The Weed and Seed Program/Community Capacity Development Office (CCDO) budget request would decrease slightly, from \$49.361 million in FY2006 to \$49.348 million in FY2007. The National Stalker and Domestic Violence Database funding would increase, from \$2.934 million in FY2006 to \$2.938 million in FY2007. The FY2007 budget request would fund the Boys and Girls Clubs of America but at a reduced funding level of \$59.5 million in FY2007, compared to \$83.9 million in FY2006.

Both the House and Senate proposals would fund many of the programs not funded under the Administration's FY2007 budget request. The House proposes funding of almost \$635.1 million for JAG grants, while the Senate proposes \$555.1 million for the program. The House bill does not include any funding for the Byrne Discretionary Grants, while the Senate proposes funding of \$120 million for FY2007. The House proposes funding of \$49.3 million for the Weed and Seed program, while the Senate proposes \$40 million for the program, an amount that reflects a \$9.3 million reduction in program funding.

Community Oriented Policing Services. The Administration's FY2007 request proposes \$102.1 million for the Community Oriented Policing Services (COPS) program along with a rescission of \$127.5 million, for a negative budget authority of \$25.4 million. However, some COPS programs would be combined with other OJP programs into the Justice Assistance account (described below) and provide grants on a competitive basis. Funding for COPS Interoperability and Technology Grants would be eliminated (\$138.1 million in FY2006); the Meth Hot Spots program would be funded at \$40.1 million in FY2007, down from \$62.7 million in FY2006; and the COPS Training and Technical Assistance program would be funded at a slightly higher level of \$3.997 million in FY2007, compared with \$3.949 in FY2006. In addition, beginning in FY2007, the Administration proposes that Indian Country activities be jointly administered by OJP and COPS, and includes proposed funding of \$31.1 million for tribal law enforcement.

The House would fund the COPS program at \$541.7 million in FY2007, while the Senate would provide funding of \$537.6 million for the program. The House proposes \$32 million for the Bullet Proof Vest initiative, while the Senate recommends \$20 million for FY2007. The Meth Hot Spots program would be funded at \$99 million by the House proposal and at \$85 million by the Senate proposal. COPS technology grants would be funded at \$100 million by the House and \$110 million by the Senate.

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 FY2007, the Administration's budget requests just under \$1.098 billion, which under the proposed realignment of selected OJP programs would be used for the following purposes.

Improving the Criminal Justice System. For Improving the Criminal Justice System, the Administration's request includes \$377.2 million along with a proposed \$127.5 million rescission.⁵ The balance of the funds requested would include, among other programs, the following: \$9.8 million for the Bulletproof Vest Partnership (formerly funded under COPS); \$59.5 million for Boys and Girls Clubs; \$165.8 million for the PSN program; \$39.7 million for the Regional Information Sharing

⁵ 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.

System; \$29.8 million for the Southwest Border Project; \$14.9 million for Faith-Based Prisoner Re-entry Initiative; and \$1.9 million for Prison Rape Prevention & Prosecution. In addition, the Administration's FY2007 request proposes to eliminate funding for the State Criminal Alien Assistance program (SCAAP).

The House bill proposes funding of \$32 million for the Bulletproof Vest program, while the Senate proposal recommends \$20 million in FY2007 funding. The House bill includes \$75 million for Boys and Girls Clubs, while the Senate proposes funding of \$85 million for the program. The House bill includes funding of \$415 million for SCAAP, while the Senate proposes funding of only \$100 million for the program. For the PSN program, the House bill provides \$54.8 million, and the Senate recommends \$30 million.

Research, Development, Evaluation, and Statistics. For Research, Development, Evaluation and Statistics, the Administration's FY2007 budget requests \$116 million: \$59.8 million for criminal justice statistics and \$56.2 million for research, evaluation, and demonstration projects.

Technology for Crime Identification. The Administration's FY2007 budget request for the Technology for Crime Identification program proposes \$238.2 million in funding, of which \$175.6 million for the DNA analysis and capacity enhancement program. Of that amount, not less than \$151 million could be for reducing and eliminating the backlog of DNA samples and for increasing state and local DNA laboratory capacity.

Both the House and Senate bills would fund the DNA backlog grants at almost \$175.6 million for FY2007, an increase of more than \$68 million over FY2006 levels.

Juvenile Delinquency and Crime. For strengthening the juvenile justice system, the Administration's FY2007 request includes \$175.9 million, including \$93.2 for state and local programs under the Juvenile Justice Formula Grant program; \$33.5 million for the Juvenile Delinquency Block Grants; \$6.5 million for demonstration projects; and \$10 million for research, evaluation, training and technical assistance. The President's FY2007 budget does not request funding for the Juvenile Accountability Incentive Block Grant.

Juvenile Justice programs would be funded at \$285.7 million by the House and \$300.2 million by the Senate. Both the House and Senate bills include \$25 million in funding for the Juvenile Justice Formula Grant program and \$6.6 million for discretionary grants. The House proposal provides \$49.4 million for Juvenile Accountability Incentive Block Grants, while the Senate would provide \$50 million.

Substance Abuse Demand Reduction. The Administration's FY2007 budget request for Substance Abuse Demand Reduction provides for funding of \$79.9 million, including \$69.2 million for Drug Courts, and \$10.7 million for the Cannabis Eradication Grant program. The President's FY2007 budget request does not include funding for the Residential Substance Abuse Treatment (RSAT), the drug treatment program for state prisoners.

For Drug Courts, the House proposes \$40 million in funding, compared to the Senate's recommendation of \$15 million for the program. For the RSAT program, the House bill includes \$5 million and the Senate bill includes \$2 million. Neither bill includes funding for the Cannabis Eradication grant program.

Victims of Crime. The Administration's budget request for services for Victims of Crime (VOC) within the Justice Assistance account includes \$109.4 million. Among other things, this amount would fund programs and initiatives authorized under the Violence Against Women Act (VAWA) and Victims of Child Abuse Act, including \$50.9 million for the Missing Child program, just under \$10 million for the Victim Notification System and for legal counsel and support services for victims, \$11.7 million for improving the investigation and prosecution of child abuse, \$1.9 million for the National Sex Offender Public Registry, and \$1.5 million for victims of trafficking.

In addition, the President's FY2007 budget request proposes \$625 million cap for the Crime Victims Fund. The budget request also includes a proposal to rescind, or cancel, \$1.255 billion from balances in the Crime Victims Fund, also frequently referred to as the "Rainy Day" fund.

The House and Senate bills include provisions to set the Crime Victims Fund cap at \$625 million for FY2007. The House and Senate bills do not include provisions to rescind the balance of the Crime Victims Fund.

Office on Violence Against Women. The Office on Violence Against Women (OVW) was created in 1995 as a component of the Department of Justice, and the OVW is administratively separate from OJP. The Administration's FY2007 budget request for OVW provides funding of \$347 million. Of that amount, \$11.9 million would be for the Court-Appointed Special Advocate (CASA) program, \$2.3 million for Child Abuse Training programs for judicial personnel and practitioners, and \$986,000 for grants for televised testimony.

For VAWA, the House bill includes \$418.3 million and the Senate report recommends \$390 million.

Table 3. Funding for the Department of Justice
(\$ millions in budget authority) ^a

Accounts	FY2006 Enacted ^b	FY2007 Request	FY2007 House	FY2007 Senate	FY2007 Enacted
General Administration	\$1,786.9	\$2,078.8	\$1,942.1	\$1,859.9	
U.S. Parole Commission	10.9	11.9	11.5	11.5	
Legal Activities	3,298.1	3,405.8	3,385.8	3,384.8	
<i>General legal activities</i>	653.5	684.3	668.7	654.3	
<i>United States Attorneys</i>	1,599.6	1,664.4	1,644.4	1,646.2	
<i>United States Marshals Service</i>	801.7	825.9	825.9	856.0	
<i>Other</i>	243.3	231.2	246.8	228.3	
Federal Bureau of Investigation	5,823.4	6,040.0	6,043.4	5,974.9	
<i>Salaries and expenses</i>	3,395.9	3,680.7	3,654.9	3,546.2	
<i>Counterintelligence and National Security</i>	2,259.7	2,307.9	2,307.9	2,307.9	
<i>Construction</i>	37.1	51.4	80.4	120.70	
Drug Enforcement Administration	1,689.1	1,736.5	1,751.5	1,723.7	
Interagency Law Enforcement	483.2	706.1 ^d	498.5	388.0	
Bureau of Alcohol, Tobacco, Firearms and Explosives	935.8	860.1 ^e	950.1	985.0	
Federal Prison System	4,933.4	5,106.6	5,078.5	5,303.6	
Office of Violence Against Women	381.6	347.0	418.3	390.0	
Office of Justice Programs	2,371.7	1,201.0	2,376.2	1,933.8	
<i>Justice assistance</i>	230.3	1,033.9	223.6	172.0	
<i>State and local law enforcement assistance</i>	1,253.1	—	1,202.0	810.1	
<i>Weed and seed program fund</i>	49.4	—	49.3	40.0	
<i>Community oriented policing services</i>	457.4	102.1	541.7	537.6	
<i>Juvenile justice programs</i>	338.4	—	285.7	300.2	
<i>Public safety officers benefits program</i>	72.8	65.0	73.8	73.8	
Additional Funding ^c		0.2		0.1	
Total: Department of Justice	\$21,714.1	\$21,494.0	\$22,455.8	\$21,955.3	

Source: U.S. House and Senate Appropriations Committees.

- a. Amounts may not total due to rounding.
- b. Amounts include rescissions and Hurricane Katrina Supplemental Appropriations (P.L. 109-148).
- c. For amounts not specified in the table.
- d. Amount includes \$208 million for proposed relocation of High Intensity Drug Trafficking Area (HIDTA) program.
- e. Amount does not include the President's budget proposal to collect \$120 million in fees from explosives users.

Related CRS Products

CRS Report RL33308, *Community Oriented Policing Services (COPS): Background, Legislation, and Issues Community Oriented Policing Services (COPS) Program*, by Nathan James.

CRS Report RS22416, *Edward Byrne Memorial Justice Assistance Grant Program: Legislative and Funding History*, by Nathan James.

CRS Report RL32824, *Federal Crime Control: Background, Legislation and Issues*, coordinated by Lisa Seghetti.

CRS Report RS22458, *Gun Control: Statutory Disclosure Limitations on ATF Firearms Trace Data and Multiple Handgun Sales Reports*, by William J. Krouse.

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

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

CRS Report RL33403, *Hate Crime Legislation in the 109th Congress*, by William J. Krouse and Janice Cheryl Beaver.

CRS Report RL33011, *Terrorist Screening and Brady Background Checks for Firearms*, by William J. Krouse.

CRS Report RL33033, *Intelligence Reform at the Federal Bureau of Investigation: Issues and Options for Congress*, by Alfred Cummings and Todd Masse.

CRS Report RS22070, *Juvenile Justice: Overview of Legislative History and Funding Trends*, by Blas Nunez-Neto.

CRS Report RL32800, *Sex Offender Registration and Community Notification Law: Enforcement and Other Issues*, by Garrine P. Laney.

CRS Report RL32579, *Victims of Crime Compensation and Assistance: Background and Funding*, by Celinda Franco.

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

Commerce and Related Agencies⁶

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 U.S. 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.

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.

⁶ This section was coordinated by Nye Stevens, Specialist in American National Government, Government and Finance Division.

- *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 FY2007 budget request called for \$6.18 billion for the Commerce Department. This represented a decrease of \$293.8 million, or about 4.5%, from the FY2006 appropriation for the department of \$6.47 billion (after the FY2006 rescission). The House bill, H.R. 5672, would cut the Department's appropriation further, to \$5.77 billion, about 6% less than the current level and 10% less than the request. The principal reductions made by the House were in the accounts for NOAA, EDA, Census, and departmental management.

Departmental Management

The President's FY2007 budget requested \$98.5 million in new discretionary budget authority for Departmental Management: \$57.0 million for salaries and expenses, \$22.53 million for the Office of Inspector General (IG), and \$18 million for renovation of the Department's headquarters, the Herbert C. Hoover Building. The \$57 million for salaries and expenses would be approximately \$9.5 million above the FY2006 appropriation, a 20% increase. The \$22.53 million for the IG would be a slight increase from the FY2006 appropriation of \$22.47 million. The House bill provided \$30.1 million for salaries and expenses, \$26.9 million less than requested and \$16.8 million less than the FY2006 appropriation. No funds were provided for renovation of the Hoover Building, but the House did grant the full \$22.5 million for the IG. The Senate Committee report's recommendation was that \$52.1 million be provided for salaries and expenses. Included in this figure was \$5.9 million for blast protection windows in the Hoover Building, but the Senate, like the House, provided nothing for Hoover Building renovation. With the \$22.5 million for the IG, the Senate Committee's allowance for the departmental management account amounts to \$74.6 million, \$22 million more than the House's allowance.

International Trade Administration⁷

The International Trade Administration (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 an estimated total full-time staff of 2,217 in FY2006.

The President's FY2007 request for ITA is \$408.8 million, a \$14.9 million (3.6%) increase over the FY2006 appropriation of \$393.8 million (after rescissions). The request anticipates the collection of \$33 million in fees and other reimbursable obligations, raising available funds to \$441.8 million. The House recommended \$429.8 million for ITA for FY2007, \$28 million more than the current level and \$8 million more than the request. Of the total, \$13 million would be offset from fee collections, for a net appropriation of \$416.8 million. A House floor amendment increased the recommended funding for ITA by \$5 million to help promote U.S. exports. The Senate Appropriations Committee recommended a net appropriation of \$413.8 million for ITA, \$5 million above the budget request, but \$3 million below the House recommendation. The Senate Committee recommendation does not include the proposed increase of \$5 million for offsetting fee collections. S.Rept. 109-280 states that the Committee is concerned that small businesses can be adversely affected by the offsetting fees and encourages ITA to find ways that ensure all sizes of businesses can take advantage of the services provided by ITA.

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 FY2006 appropriation provided \$47 million for the MSU (before rescissions). The President requested \$47.3 million in direct obligations for FY2007. The Senate recommendation for MSU for FY2007 is the same as the budget request.

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. The FY2006 appropriation provided \$43 million for MAC (before rescissions). The President requested \$39.3 million in FY2007. The Senate recommendation for MAC is the same as the budget request.

Import Administration Unit (IA). IA administers the trade remedy laws of the United States, including antidumping, countervailing duty, and safeguard actions. In FY2006, IA received an appropriation of \$59 million (before rescissions). The

⁷ The sections on ITA, USTR, and ITC were written by M. Angeles Villarreal, Analyst in International Trade and Finance, Foreign Affairs, Defense, and Trade Division.

Administration has requested \$59.4 million for IA in FY2007. The Senate recommendation for IA in FY2007 also is \$59.4 million.

Trade Promotion/U.S. Foreign Commercial Service (TP/FCS). The TP/FCS program conducts trade promotion programs intended to broaden and deepen the base of U.S. exports; provides U.S. companies with export assistance services; and leads interagency advocacy efforts for major overseas projects. In FY2006, the TP/FCS received an appropriation of \$227 million (before rescissions). For FY2007, the Administration requested \$237.3 million for this unit. The Senate recommendation for TP/FCS is \$242.3 million, \$5 million above the budget request.

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 FY2007 request is \$42.2 million, about \$2 million less than the FY2006 amount of \$44.2 million appropriated by Congress (including rescissions). The House approved \$46.2 million for FY2007, \$4 million (9%) more than requested by the President. The House recommends that \$2 million of this amount shall be for negotiating, implementing, monitoring, and enforcing trade agreements with China. The Senate Appropriations Committee recommendation provides \$42.2 million for USTR, the same as the Administration's request.

The USTR is responsible for advancing U.S. interests at the WTO and negotiating bilateral and regional free trade agreements (FTAs). In 2006 and the early part of 2007, the Administration concluded FTAs with Peru, Colombia, and Oman. The Administration has ongoing negotiations with Ecuador, the Southern African Customs Union (SACU), Panama, Thailand, and the United Arab Emirates. In 2006, USTR obtained congressional approval of FTAs with Bahrain, the Dominican Republic, and Central American countries. The Office had 229 full-time employees in FY2006.

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. In FY2006, ITC had 365 employees. For FY2007, ITC requested \$64.2 million, about a \$2 million increase over the \$62.0 million appropriated by Congress in FY2006 (after rescissions). The House approved \$62.6 million for FY2007, 1% more than the current level but 3% less than requested. The Senate Appropriations Committee recommendation provides \$64.2 million for ITC, the same as the President's budget request.

Bureau of Industry and Security⁸

The President's FY2007 request for the Bureau of Industry and Security (BIS) is \$78.6 million, a 3.4% increase from the funding level of \$75 million (after rescissions) adopted by the FY2006 conference report (H.Rept. 109-272). 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 415 full-time employees in FY2006. Authorization for the activities of BIS, the Export Administration Act (50 U.S.C. 2401, et seq), last 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 2, 2005 (69 Fed. Reg. 45273).

BIS divides its FY2007 funding request between licensing activity (\$38.9 million), enforcement activities (\$33.2 million), and management and policy coordination (\$6.5 million). Of these amounts, \$14.8 million is requested for Chemical Weapons Convention (CWC) enforcement. The House recommends \$76.8 million, a level \$1.8 billion above the current year, but the same amount below the administration request. Of the \$76.8 million, the House recommends \$62.0 million for operations and administration and \$14.8 million for CWC compliance activities. The Senate Appropriations Committee recommended \$78.6 million, the same as the President's request, and mirrored the division of funding above.

Economic Development Administration⁹

For the second consecutive year, the Administration has included in its budget request a proposal that would eliminate a number of federal economic and community development programs and dramatically reshape programs administered by the Commerce Department's Economic Development Administration (EDA). The Administration is requesting a total of \$327.2 million for EDA activities for FY2007, including \$257 million for the new Regional Development Account (RDA) program, \$27 million for planning grants awarded to Economic Development Districts, \$13 million for trade adjustment assistance, and \$29 million for salaries and expenses. This is approximately \$47 million more than the \$280.4 million appropriated in FY2006, which included \$29 million for salaries and expenses, \$158 million for public works, \$44 million for economic adjustment, \$27 million for planning, \$13 million for trade adjustment, \$8 million for technical assistance, and \$483,000 for research.

⁸ This section was written by Ian F. Fergusson, Analyst in International Trade and Finance, Foreign Affairs, Defense, and Trade Division.

⁹ This section was written by Eugene Boyd, Analyst, Government and Finance Division.

The Administration's FY2006 budget recommendations included a proposal that would have consolidated the activities of at least 18 existing community and economic development programs, including those of the EDA, into a two-part grant proposal called the Strengthening America's Communities Initiative (SACI).¹⁰ Responsibility for the 18 programs now being carried out by five federal agencies (the Departments of Housing and Urban Development, Commerce, Treasury, Health and Human Services, and Agriculture) would have been transferred to the Commerce Department. Congress eventually rejected the proposal and funded all 18 programs for FY2006.

The Administration's FY2007 budget request outlines a revamped SACI proposal. Under the FY2007 version, two of the 18 programs would be funded — the Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program and a new Regional Development Account (RDA) within EDA. The FY2007 budget proposes a SACI funding level of \$3.360 billion — nearly \$2 billion less than the aggregate appropriation for the 18 programs in FY2006. The Administration's FY2007 budget also identifies some general elements of the new SACI proposal including development of a common set of goals and performance measures for the CDBG and RDA programs. In addition, the Administration plan calls for a new CDBG allocation formula targeted to the neediest communities, a bonus fund component, and reforms that address the CDBG program's shortcomings outlined in the Program Assessment Rating Tool. On May 25, 2006, HUD posted its legislative reform on its website.¹¹ The proposal does not yet have a House or Senate sponsor. The FY2007 version of the President's SACI proposal recommends consolidating four existing EDA programs (public works, economic adjustment assistance, research and evaluation, and technical assistance) into a single account, the RDA. RDA funds would be awarded on a competitive basis to entities that support multi-jurisdictional regional development activities. The Administration has not released a formal legislative proposal creating the RDA.

H.R. 5672, as passed by the House on June 29, 2006, recommends an FY2007 appropriation of \$260.4 million for EDA activities, including \$139.6 million for public works, \$44.2 million for economic adjustment assistance, \$8 million for technical assistance, \$12.8 million for trade adjustment assistance, \$26 million for planning grants and \$29.7 million for salary and expenses.¹² The proposed funding level is \$20 million less than appropriated for FY2006 and recommended by the Senate, and \$66.8 million less than the \$327.1 million requested by the Administration. Under the House version of H.R. 5672, funding for public works projects would fall \$19 million below the \$159 million appropriated in FY2006, accounting for the bulk of the reduction, accompanied by modest reductions in economic adjustment assistance (\$600,000), trade adjustment assistance (\$200,00) and technical assistance (\$320,000).

¹⁰ For a detailed review of the Administration's SACI proposals, see CRS Report RL32823, *An Overview of the Administration's Strengthening America's Communities Initiative (SACI)*, by Eugene Boyd.

¹¹ See [<http://www.hud.gov/content/releases/pr06-056act.pdf>].

¹² The Economic Development Administration Reauthorization Act of 2004, P.L. 108-373, requires EDA to provide at least \$27 million for planning grants.

The committee report accompanying the bill includes several directives to the EDA. The bill directs the EDA “to continue operations and funding of the planning grant program for existing and designated economic districts in a manner that is consistent with the current and ongoing practices, policies and existing rules and regulations.”¹³ This is a reference to questions generated by draft regulations released during August of last year. The report accompanying the bill also directs EDA to continue to direct funds to the most distressed communities, including providing funds to local economies affected by the economic downturn in the coal industry at no less than the same level of assistance received in 2006, and it directs EDA to maintain the operation of all six of its regional offices. This last directive is in response to concerns that EDA was considering closing three of its six regional offices.

On July 13, 2006, the Senate Appropriations Committee reported its version of H.R. 5672 (S.Rept. 109-280). The bill recommends an appropriation of \$280.4 million for program activities and salaries and expenses. This is \$47 million less than requested by the Administration, \$20 million more than recommended by the House, and approximately the same amount as appropriated for FY2006. The bill includes \$155 million for public works, which is \$15 million less than recommended by the House; \$45 million for economic adjustment grants; \$8.2 million for technical assistance; \$15 million for trade adjustment assistance, which is \$2.2 million more than recommended by the House; \$26.7 million for planning grants; \$870,000 for research grants; and \$29.7 million for salaries and expenses. The report accompanying the Senate version of the bill includes language that specifically rejects the Administration’s request that program activities be consolidated into a single Regional Development Account. Like its House counterpart, the report accompanying the Senate version of the bill includes language voicing concern about the distribution of EDA program funds among the agency’s six regional offices. It directs EDA to allocate funds to the six regional offices within 30 days after enactment of the act using the EDA formula and to notify the Senate Appropriations Committee when all grant funds have been distributed.

Minority Business Development Agency¹⁴

The Minority Business Development Agency (MBDA) is charged with the lead role in coordinating all the federal government’s minority business programs. For FY2007 the President’s budget requests \$29.6 million for the MBDA, which is unchanged from the enacted FY2006 appropriation. The Senate Appropriations Committee and the House approved the full \$29.6 million.

For FY2006, the Administration requested \$30.7 million for the agency, and Congress approved \$30.0 million. The FY2006 rescission reduced this by approximately \$380,000, to \$29.6 million.

¹³ U.S. Congress, House Committee on Appropriations, Science, State, Justice, Commerce and Related Agencies Appropriations Bill, Fiscal Year 2007, report to accompany H.R. 5672, 109th Cong., 2nd sess., H.Rept. 109-520 (Washington: GPO, 20086), p. 74.

¹⁴ This section was written by Eric Weiss, Analyst in Financial Institutions, Government and Finance Division.

National Telecommunications and Information Administration¹⁵

The National Telecommunications and Information Administration (NTIA) is the executive branch's principal advisory office on domestic and international telecommunications and information technology issues and policies. Its mandate is 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 nonprofit organizations converting to digital transmission in the 21st century. The NTIA also manages federal use of radio frequency spectrum domestically and internationally.

For FY2007, the Bush Administration has requested an overall funding figure of \$17.8 million for NTIA, excluding funding for analog to digital conversion funding (for FY2006, the appropriated amount is \$39.6 million¹⁶). The Senate Appropriations Committee voted to provide \$17.8 million on July 13. There are two major components to the current NTIA budget (the Bush Administration also has requested funding for a third program, created out of the Deficit Reduction Act of 2005 and discussed below). The first program is Salaries and Expenses. For FY2007, the Administration has requested that NTIA's Salaries and Expenses account should be funded at \$17.8 million (in FY2006, it was also funded at \$17.8 million). In the past, a large part of this program (\$7 million in FY2006) has been for management of the federal government's use of radio spectrum. For the second component, the Public Telecommunications Facilities, Planning and Construction (PTFPC) program, the Bush Administration has requested termination of this program, with all remaining federal expenditures from FY2006 spent (for FY2006 Congress provided \$21.7 million for this program).

For the PTFPC program, a similar request was made last year by the Bush Administration to end this program; the House approved this request, while the Senate approved its current level of funding. The House noted that, as of March 2005, 307 of 356 (93.9%) public television stations are now transmitting a digital signal, 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 that until all stations are broadcasting with digital technology, the program should be supported and funded.

The third NTIA program that the Bush Administration has requested funding for comes out of the 2005 Deficit Reduction Act. That law — and new NTIA program — called for the creation of a Digital Transition and Safety Public Fund,

¹⁵ This section was written by Glenn McLoughlin, Specialist in Technology and Telecommunications Policy, Resources, Science, and Industry Division.

¹⁶ FY2006 funding numbers for NTIA are taken from the April 19, 2006, "crosswalk" table from the House Committee on Appropriations. It is important to also note that the committee also shows the FY2007 request for the overall NTIA budget at \$17.8 million, for salaries and expenses only.

which offset receipts from the auction of licenses to use electromagnetic spectrum recovered from discontinued analog television signals. The Bush Administration sets these reimbursable funds at \$45 million in FY2007. These receipts would fund the following programmatic functions at NTIA: a digital-analog converter box program to assist consumers in meeting the 2009 deadline for receiving television broadcasts in digital format; public safety interoperable communications grants, which will be made to ensure that public safety agencies have a standardized format for sharing voice and data signals on the radio spectrum; New York City 9/11 digital transition funding, until the planned Freedom Tower is built; assistance to low-power television stations, for conversion from analog to digital transition; a national alert and tsunami warning program; and funding to enhance a national alert system as stated in the ENHANCE 911 Act of 2004.

National Technical Information Service¹⁷

In accordance with the National Technical Information Act (P.L. 100-519), as amended in 1992 by the American Technology Preeminence Act (P.L. 102-245), the President's budget submission does not request any funding for the National Technical Information Service (NTIS) for FY2007. Similarly, the House of Representatives did not appropriate any funding for NTIS when it passed H.R. 5672 on June 29, 2006. Likewise, the Senate Committee on Appropriations did not appropriate any funding for NTIS when it passed H.R. 5672 on July 13, 2006. Instead, funding for NTIS will continue 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's 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-

¹⁷ This section was written by Jeffrey W. Seifert, Specialist in Information Science and Technology Policy, Resources, Science, and Industry Division.

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 electronic and multimedia publishing both challenges and affirms the role of NTIS. On the one hand, the growth of the Internet and electronic documents contributed, 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 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's responsibilities include maintaining a "permanent repository" of information.

Bureau of the Census¹⁸

For discretionary domestic spending by the Bureau of the Census in FY2007, the Administration requested budget authority totaling \$878.2 million: \$184.1 million for salaries and expenses and \$694.1 million for periodic programs, including the decennial census. The total request was \$66 million greater than the FY2006 enacted amount of \$812.2 million (and exceeded by \$76.3 million the FY2006 level of \$801.9 million, after rescissions). Much of the increase was due to preparations for the 2010 census, the Bureau's highest-priority program, which will involve a mail-out, mail-back short-form questionnaire to be answered by all U.S. households. The Bureau plans to replace the census long form with the American Community Survey (ACS), which provides yearly tabulations of data from monthly household samples. For the whole 2010 census program, the FY2007 request of \$511.8 million is intended to go toward planning, testing, and developing the re-engineered census; improved mapping; and maintaining the full, nationwide ACS implementation level.

To help fund the 2010 census, the Bureau proposed eliminating the Vehicle Inventory and Use Survey from the economic census. Also, the Bureau proposed phasing out and replacing the Survey of Income and Program Participation (SIPP), in the salaries and expenses account, as explained below.

For the past two decades, the SIPP has been the leading source of [data on] the economic well-being of Americans. Its longitudinal household design provides many advantages; however, it also makes data processing and analysis difficult, leading to long delays before the data can be analyzed and understood. While the American Community Survey ... and a growing body of administrative records now provide important sources of information, they cannot by themselves meet all the information needs of policy makers.

¹⁸ This section was written by Jennifer D. Williams, Government and Finance Division.

The FY2007 request includes \$9.2 million to design a new data collection system on income and wealth dynamics to meet the policy and operational needs of the country, which will replace the SIPP.¹⁹

Of the \$9.2 million, the Bureau would use \$5.6 million to design the new data collection system and would use the remaining \$3.6 million “to facilitate the collection of another wave (i.e., a ninth wave) of 2004 SIPP panel data during FY2007,” thus providing a full 2006 calendar year of SIPP data. The ninth wave, however, would depend on the Bureau’s “success in getting partner agencies (such as the U.S. Department of Health and Human Services and the U.S. Social Security Administration) that rely on SIPP data to also make combined investments of roughly another \$6.4 [million], allowing for a ninth wave investment of \$10 [million].”²⁰

The House Appropriations Committee recommended that the SIPP survey receive \$10 million more than the requested amount in discretionary funds “to continue SIPP data collection while a new survey is designed” and that an additional \$10 million “from mandatory funds ... be available to disseminate data collected from the SIPP in support of measuring the impact of welfare provisions.”²¹

During consideration of H.R. 5672, the House approved three amendments²² to shift \$58.3 million from FY2007 Census Bureau funding to crime-fighting endeavors. Representative Mark Kennedy proposed moving \$50 million from the Bureau to the Edward Byrne Memorial Justice Assistance Grant Program under the Department of Justice to combat, in particular, crimes associated with methamphetamine. The House agreed to the amendment by a 291-129 vote (Roll No. 330). Representative Ginny Brown-Waite offered an amendment, approved by voice vote, to take \$5 million from the Department of Justice’s general administration and another \$5 million from the Census Bureau and increase funding for the Violence Against Women Act by \$10 million. Also approved on a voice vote was Representative Nancy Johnson’s amendment to decrease Bureau funding by \$3.3 million and increase, by the same amount, funding for the Federal Bureau of Investigation’s Innocent Images Program, which seeks to protect children from online sexual predators.

The House agreed to \$825.9 million for the Census Bureau in FY2007, \$24 million more than the FY2006 enacted amount, after rescissions. The amount approved for salaries and expenses was \$190.1 million; that for periodic programs was \$635.8 million. The \$58.3 million funding shift discussed above would have, according to the Bureau, effects such as eliminating group quarters data collection

¹⁹ U.S. Department of Commerce, Bureau of the Census, *Budget Estimates, Fiscal Year 2007, Congressional Submission*, Exhibit 13 (no page number), received via e-mail from the Census Bureau, Mar. 7, 2006.

²⁰ *Ibid.*

²¹ U.S. Congress, House Committee on Appropriations, *Science, State, Justice, Commerce, and Related Agencies Appropriations Bill, Fiscal Year 2007*, report to accompany H.R. 5672, 109th Cong., 2nd sess., H.Rept. 109-520 (Washington: GPO, 2006), p. 77.

²² See *Congressional Record*, daily edition, vol. 152 (June 27, 2006), pp. H4644-H4645, H4651-H4652, H4657-H4661, and H4664-H4665.

for the ACS. Without these data, “the ACS cannot fully represent the total population of the U.S.,” including prisoners and the elderly in nursing homes, and “cannot fully be the replacement for the long form in 2010.”²³

The Senate Appropriations Committee’s recommended \$828.2 million for the Bureau in FY2007 exceeded the House amount by \$2.3 million and the FY2006 enacted amount, after rescissions, by \$26.3 million, but was \$50 million less than the budget request. The shortfall was entirely in the periodic programs account, which would receive \$644.1 million instead of the requested \$694.1 million. Salaries and expenses would receive \$184.1 million, as requested. The committee report included language encouraging the Bureau “to continue its hard work to minimize the number of personal visits for non-response follow-up for all census surveys.” Increasing initial response rates would “provide substantial cost savings in the ongoing American Community Survey, other periodic surveys, and the 2010 census.”²⁴

U.S. Patent and Trademark Office²⁵

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.

The President’s FY2007 budget requests \$1.843 billion in budget authority for the USPTO, an increase of 9.5% over the FY2006 figure. In addition, the budget document states that the Office is to have “full access” to all fees collected in FY2007. The Administration also requests an extension of current law that temporarily increased patent fees for FY2005 and FY2006 and indicates that it will propose additional legislation to permanently extend this fee increase past FY2007.

H.R. 5672, the FY2007 Science, State, Justice, Commerce, and Related Agencies Appropriations Act as passed by the House, provides the USPTO with the budget authority to spend \$1.771 billion in FY2007, 5% above the current fiscal year. This is the same figure that is included in the bill reported from the Senate Committee on Appropriations. The Senate Committee report states that

The Congressional Budget Office [CBO] re-estimated the amount of fees the USPTO will collect in fiscal year 2007 downward from the administration’s [sic] estimation of \$1,842,966,000 to \$1,771,000,000. The Committee is therefore required to treat the CBO re-estimation as the actual budget request.

²³ U.S. Department of Commerce, Bureau of the Census, “Impact of H.R. 5672, as Passed by the House,” statement dated July 3, 2006, p. 1.

²⁴ U.S. Congress, Senate Committee on Appropriations, *Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2007*, report to accompany H.R. 5672, 109th Cong., 2nd sess., H.Rept. 109-280 (Washington: GPO, 2006), p. 82.

²⁵ This section was written by Wendy Schacht, Specialist in Science and Technology, Resources, Science, and Industry Division.

The Administration's FY2006 budget proposal included \$1.703 billion in budget authority for the USPTO. H.R. 2862, as originally passed by both the House and the Senate, also provided \$1.703 billion for the Office. The final FY2006 appropriations, P.L. 109-108, gave the USPTO the budget authority to spend \$1.683 billion, a lesser amount due to a revision of estimated fee collections by the USPTO itself.

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 methods to limit USPTO fee usage maintain that the fees are necessary to help balance the budget and the fees appropriated back to the Office are sufficient to cover operating costs.

Technology Administration/Office of the Under Secretary of Technology²⁶

The Technology Administration and the Office of the Under Secretary of Technology in the Department of Commerce advocate national policies that foster technology development to stimulate economic growth, conduct technology development and deployment programs, and disseminate 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.

For FY2007, the President's budget proposes spending \$1.5 million for the Technology Administration, a decrease of 75% over the previous fiscal year. H.R. 5672, as passed by the House, provides \$2.0 million for the Office of the Under Secretary of Technology, 66% below FY2006 funding. The version of H.R. 5672 reported from the Senate Committee on Appropriations recommends financing of \$2.5 million for the Office, 58% below the current figure.

The Administration's FY2006 budget included \$4.2 million for the Office of the Under Secretary for Technology. H.R. 2862, as originally passed by the House, would have provided \$6.5 million. The initial Senate-passed version of the bill included funding (but no specific amount) under the Departmental Management account. The final FY2006 appropriations, P.L. 109-108, financed the Office at \$5.9 million (after mandated rescissions).

²⁶ This section was written by Wendy Schacht, Specialist in Science and Technology, Resources, Science, and Industry Division.

National Institute of Standards and Technology²⁷

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.

The Administration's FY2007 budget includes \$581.3 million for NIST, a decrease of almost 22.7% from the current fiscal year. Support for the laboratory's internal R&D activities under the Scientific and Technology Research and Services (STRS) account would increase 18.3% to \$467 million (including \$8 million for the Baldrige National Quality Program). No funding is requested for the Advanced Technology Program (ATP), and support for the Manufacturing Extension Partnership (MEP) would decline 55.7% to \$46.3 million. Construction financing would total \$68 million, a 60.8% decrease from FY2006.

H.R. 5672, the Science, State, Justice, Commerce, and Related Agencies Appropriations Act as passed by the House, provides \$627 million in FY2007 funding for NIST, almost 16.6% below the FY2006 figure due primarily to the absence of support for ATP. Financing for laboratory R&D in the STRS account increases 18.3% to \$467 million. MEP funding totals \$92 million, 12% below the current fiscal year. For the construction budget, \$68 million is provided.

The version of H.R. 5672 reported from the Senate Committee on Appropriations would fund NIST at \$764 million, 1.6% above the current fiscal year. Although there is no financing for ATP, there is increased support for internal laboratory R&D, the Manufacturing Extension Partnership program, and construction activities. The STRS account is to receive \$467 million, the same amount included in both the Administration's request and the House-passed bill. Funding for MEP increases 1.3% from FY2006 to \$106 million. Construction is to be financed at \$191 million, 10% above the current level and almost three times the amount provided by both the Administration's budget proposal and H.R. 5672 as passed by the House.

The President's FY2006 budget requested \$532 million in funding for NIST. Included in this figure was \$426.3 million for the STRS account (with \$5.7 million for the Quality Program). No support was provided for ATP, while MEP would have been funded at \$46.8 million. The construction budget was to be \$58.9 million. H.R. 2862, as originally passed by the House, would have provided \$548.7 million for NIST. The STRS account was to receive \$397.7 million. Financing for MEP would total \$106 million; no funding was provided for ATP. Construction activities would have received \$45 million. The version of H.R. 2862 initially passed by the Senate funded NIST at \$844.5 million. Included in this amount was \$399.9 million for the

²⁷ This section was written by Wendy Schacht, Specialist in Science and Technology, Resources, Science, and Industry Division.

STRS account (incorporating \$7.2 million for the Quality Program), \$106 million for MEP, and \$140 million for ATP. The construction budget would total \$198.6 million.

Subsequently, the final FY2006 appropriations, P.L. 109-108, provided \$752 million for NIST (after the mandated rescissions but not including a \$7 million rescission from unobligated balances in the MEP account). Support for the STRS account totaled \$394.8 million and included \$7.3 million for the Quality Program. The Manufacturing Extension Partnership received \$104.6 million and the Advanced Technology Program was financed at \$79 million. The construction budget totaled \$173.6 million.

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. Although Congress has maintained (often decreasing) funding for the Advanced Technology Program, the initial appropriation bills passed by the House since FY2002 failed to include financing for ATP. This year, the version of the measure reported from the Senate Committee on Appropriations also does not fund ATP. For FY2006, support again was provided for the program, but the amount was 41% below that included in the FY2005 appropriations.

The budget for the Manufacturing Extension Partnership, another extramural program administered by NIST, was an issue during the FY2004 appropriations deliberations. Although 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. While the level of support decreased in FY2006, it remained significantly above the FY2004 figure.

As part of the “American Competitiveness Initiative,” announced by the President in the 2006 State of the Union, the Administration has indicated that it intends to double over 10 years funding for “innovation-enabling research” performed at NIST. This is to be accomplished through increased support of NIST’s “core” programs, defined as internal research in the STRS account and the construction budget. To this end, the President’s FY2007 budget requests an 18.3% increase in funding for intramural R&D at the laboratory. H.R. 5672, as passed by the House and reported from the Senate Committee on Appropriations, provides for this 18.3% increase in support research performed within the NIST facilities.

National Oceanic and Atmospheric Administration (NOAA) ²⁸

President Bush requested almost \$3.68 billion for NOAA for FY2007. This amount included \$2.59 billion for the Operations, Research, and Facilities (ORF) account; \$1.02 billion for the Procurement, Acquisition, and Construction (PAC) account; and a net of \$60.8 million for NOAA's Other Accounts, which include the Pacific Coastal Salmon Recovery Fund (PCSRF), the Coastal Zone Management Fund (CZMF), and NOAA's fisheries financing programs. There was a transfer of \$77 million requested for the Promote and Develop American Fisheries Fund (PDAFF) for FY2007 for additional spending authority. (See **Table 4.**) NOAA is the largest agency of the Department of Commerce (DOC) in terms of funding. For FY2007, NOAA's budget request is nearly two-thirds of DOC's total request.

Congress appropriated a total of \$4.1 billion for NOAA for FY2006. The SSJC Appropriations Act (P.L. 109-108) for FY2006 had imposed an across-the-board rescission of 0.28% for DOC in Section 638 of that act. On February 8, 2006, the Office of Management and Budget (OMB) reported to Congress a 1% across-the-board cut in discretionary spending for most federal agencies. Section 3801 of the Department of Defense Appropriations Act for FY2006 (P.L. 109-148) implemented that rescission resulting in almost \$3.91 billion in appropriations for NOAA in FY2006. Also, NOAA was provided \$54 million in emergency appropriations for Hurricane Katrina recovery in P.L. 109-148 (H.Rept. 109-359, pp. 97-98, December 18, 2005), which resulted in a grand total of \$3.95 billion for NOAA in FY2006. On February 16, 2006 the President requested further emergency supplemental appropriations of \$33 million for NOAA operations and facilities recovery in the Gulf; Congress approved \$150 million (P.L. 109-234) for a grand total of \$4.1 billion for FY2006.

The President's Budget. President Bush's FY2007 request of \$3.68 for NOAA is \$420 million, or 10.2%, less than the \$4.1 billion appropriated for FY2006 (after rescission and emergency appropriations).

The President's FY2007 budget proposed increases for NWS and for NOAA Satellite programs (NESDIS), which included an increase of \$104.0 million for the Geostationary Orbiting Environmental Satellite (GOES) program to procure and deploy new GOES-R generation hardware. Also, a \$20.3 million increase (to be matched by DOD) was proposed for the National Polar Orbiting Environmental Satellite System (NPOESS) to address scheduling and deployment slippages. The President further requested \$12.4 million for NWS for FY2007 to complete procurement of detection buoys for a "strengthened" National Tsunami Warning Program (NTWP) that includes a technologically upgraded and expanded warning system. NOAA's Administrator noted that the request would culminate a commitment of \$40 million for that effort.²⁹

²⁸ This section was prepared by Wayne A. Morrissey, Science and Technology Information Analyst, Resources, Science, and Industry Division.

²⁹ For additional information about tsunami warning systems and funding, see CRS Report RL32739, *Tsunamis: Monitoring, Detection, and Early Warning Systems*, by Wayne (continued...)

Table 4. NOAA FY2007 Budget Request
(\$millions)

5 NOAA Line Offices/ Program Support/ PAC & Other Accounts/Adjust. to Base	FY2006^{a,b}	FY2007 Req.^c	H.R. 5672^d	S.Rept. 109-280^e
National Ocean Service (NOS)	500.0	394.5	315.1	630.5
NOAA Fisheries (NMFS)	678.5	649.0	539.1	813.7
NOAA Research (OAR)	373.7	338.3	328.5	467.2
National Weather Service (NWS)	745.3	783.4	784.6	823.6
NOAA Satellites (NESDIS)	179.3	149.6	145.3	163.2
Program Support	356.4	364.1	356.6	386.3
Offsets (transfers/deobligations)	(88.1)	(93.1)	(106.0)	(80.0)
Adjustments ^f	150.0	7.0	5.0	5.0
Total Ops, Res., & Fac. (ORF)	2,748.1	2,590.8	2,368.2	3,289.4
Total Proc., Acq. & Constr. (PAC)	1,147.3	1,024.5	996.7	1,057.9
Other Accounts/PCSRF/CZMF	54.6	60.8	12.0	84.0
Totals	4,100.0	3,678.1	3,376.9	4,431.3

Sources: FY2005 and FY2006 congressional appropriations figures from House Appropriations Committee tables included in *Congressional Record*, Nov. 15, 2005: E2350-2351. The FY2007 President's request figures are from the NOAA *FY2007 Budget Summary (Blue Book)*, Feb. 6, 2006, at [http://www.corporateservices.noaa.gov/7Enbo/07bluebook_highlights.html]. FY2007 total for H.R. 5672 (amended) is from *House Science, State, Justice Commerce Appropriations for FY2007, "House Recommendations,"* July 5, 2006. Senate Appropriations Committee recommendation for H.R. 5672 is from S.Rept. 109-280, July 13, 2006 (Tables, pp. 88-112).

Notes:

- a. Emergency appropriations of \$54 million were provided for NOAA for FY2006 in P.L. 109-148, including \$17.2 million for ORF and \$37.4 million for PAC for Hurricane Katrina recovery and are included in FY2006 appropriation totals. Further emergency appropriations of \$150 million were provided for NOAA in P.L. 109-234.
- b. P.L. 109-108 total also reflects OMB 1% cut for NOAA of \$40.1 million, including \$28.3 million for ORF, \$0.6 million for PCSRF, \$11.2 million for PAC, and \$300,000 for fisheries finance programs. Total rescissions for NOAA for FY2006 are roughly 1.28%.
- c. FY2007 NOAA line office budgets and other budget account figures from *NOAA Budget in Brief*, February 6, 2006.
- d. House passed-H.R. 5672 as reported by House Appropriations Committee, July 5, 2006.
- e. H.R. 5672 as marked up by the Senate Appropriations Committee on July 13, 2006.
- f. Adjustments include \$2 million for Medicare and \$3 million for Coastal Zone Management. For FY2006, emergency appropriation of \$150 million. For FY2007, \$2 million added to request.

The President requested that \$25 million of unobligated funds, rescinded by Congress in FY2006, be restored to NOAA. Further, he proposed \$590 million in saving in FY2007 from NOAA program terminations, including \$573 million from programs added by Congress in FY2006 and \$16.3 million from construction projects with one-year-only funding.³⁰ A number of proposed terminations were criticized by Joint Oceans Commission leaders who objected to ocean and coastal research-related budget cuts for FY2007. The request for such programs was \$280 million less than FY2006 appropriations and \$15 million below the FY2006 request.³¹

House Appropriations. On June 26, 2006, the House passed H.R. 5672 and appropriated \$3.38 billion for NOAA. This is about \$300 million, or 8.2%, less than the FY2007 request of \$3.68 billion and \$720 million, or 17.6%, less than FY2006 appropriations (including emergency appropriations) of \$4.1 billion. The House appropriation cut funding for many NOAA programs more than requested by the President, with NWS being the exception. The House cut NOAA's satellite budget, reflecting the dissatisfaction of some Members of the House Science Committee with management of the NPOESS program and associated satellite data management components. Also, the request for the PCSRF of almost \$67 million was cut by two-thirds because of a lack of quantitative program performance data. This left less than \$20 million for the Fund. NOS and NOAA Fisheries sustained the largest cuts reflecting Administration proposed savings for FY2007 from many ocean and coastal research and ocean exploration activities.

Senate Appropriations Committee Recommendations. On July 13, 2006, H.R. 5672 (amended) was reported by the Senate Appropriations Committee (S.Rept. 109-280) recommending \$4.43 billion for NOAA. This is \$330.0 million more than FY2006 appropriations of \$4.1 billion; \$750 million more than the FY2007 request, and \$1 billion more than House appropriations for FY2007. Increases of \$511 million were recommended to fund ocean and coastal research activities that were called for under Joint Ocean Commission Initiative (\$715 million was recommended by JOCI leaders. From the committee's recommendations, \$142.8 million would be used to develop the Integrated Coastal and Ocean Observation System, an amount that exceeded JOCI recommendations. Increases were also recommended for NOAA fisheries for science-based marine conservation, management, and restoration activities. The committee recommended an increase for the NOAA National Sea Grant Program and funding for Ocean Exploration activities of \$25 million. They recommended \$28 million for the National Buoy Data Center for network upgrades and long-term operations and maintenance. Funding recommended for NOAA educational programs is \$38 million, almost \$19 million more than the FY2006 request. Increases for Marine Data Acquisition (OMAO) would fund salaries and benefits for 22 new NOAA Commissioned Officers who

³⁰ For further information on NOAA's FY2007 budget request see CRS Report RS22410, *The National Oceanic and Atmospheric Administration (NOAA) Budget for FY2007: President's Request, Congressional Appropriations, and Related Issues*, by Wayne A. Morrissey.

³¹ Joint Ocean Commission (JOC), "Statement of the Joint Ocean Commission Initiative on President Bush's FY2007 Budget Proposal," Feb. 13, 2006, at [<http://www.jointoceancommission.org/>], accessed Feb. 21, 2006.

pilot NOAA marine vessels and aircraft, and some are divers. The committee recommended \$49 million to procure new marine research vessels or to rehabilitate or convert others. Procurement of a second (Gulfstream IV) hurricane reconnaissance jet was also recommended. Also, the committee recommended \$90 million for the PCSRF, which is \$70 million more than the House appropriation.

Supplemental Appropriations. On September 8, 2005, P.L. 109-62, Hurricane Supplemental (2), authorized \$17.2 million for NOAA's ORF account and \$37.4 million for the PAC account for relief from damage sustained by the agency during Hurricane Katrina (H.Rept. 109-359). On December 18, 2005, Congress passed H.R. 4939, DOD appropriations for FY2006 (P.L. 109-234), allocating that funding. On February 16, 2006, President Bush requested \$33 million for further relief from Hurricane Katrina for NOAA, including \$21 million for the ORF account and \$11.8 million for the PAC account. Congress appropriated \$150 million in emergency funding for NOAA, of which \$118 million was for the ORF account and \$32 million was for the PAC account. It also approved a \$38 million transfer from USDA to re-seed, rehabilitate, and restore damaged oyster reefs in the Gulf.

Related Budget Issues. The following factors may affect NOAA's FY2007 budget outcome:

- Criticism of Joint Oceans Commission Initiative leaders of the Administration's proposed budget cuts for NOAA coastal and ocean-related programs in FY2007.
- NOAA (and partners NASA and DOD) delays in launching and deploying the National Polar Orbiting Environmental Satellite System (NPOESS) for space-based weather observations, associated ground-based systems architecture, and maintenance of contracts.
- Legislation (H.R. 5450, 109th Cong., 2nd sess.), reintroduced, that would authorize funding for all of NOAA's programs and activities under a single legal authority, otherwise known as an *organic act*.
- In the House-passed H.R. 5672, CJS Appropriations, FY2007, NOAA funding is less than both the FY2007 request and the FY2006 appropriation. The Senate Appropriations Committee recommendation is \$1 billion more than the House appropriation.

Table 5. Funding for the Department of Commerce and Related Agencies

(\$ millions in discretionary budget authority)

Bureau or Agency	FY2006 Enacted	FY2007 Request	House	Senate Committee	FY2007 Enacted
International Trade Administration	\$393.8	\$408.8	\$416.8	\$413.8	
Bureau of Industry and Security	\$75.0	\$78.6	\$76.8	\$78.6	
Economic Development Administration	\$280.4	\$327.2	\$260.4	\$280.4	
Minority Business Development Agency	\$29.6	\$29.6	\$29.6	\$29.6	
Economic and Statistical Analysis	\$79.2	\$80.5	\$79.9	\$80.5	
Bureau of the Census	\$801.9	\$878.2	\$825.9	\$828.2	
National Telecommunications and Information Admin.	\$39.6	\$17.8 ^a	\$17.8 ^a	\$17.8 ^a	
— Pub. Telecom Facilities	—	—	—	\$22.0	
Patent and Trademark Office ^b	\$1,683.1	\$1,771.0	\$1,771.0	\$1,771.0	
Technology Administration	\$5.9	\$1.5	\$2.0	\$2.5	
National Institute of Standards and Technology	\$745.0	\$581.3	\$627.0	\$764.0	
National Oceanic and Atmospheric Administration	\$3,950.0	\$3,676.1	\$3,376.9	\$4,431.3	
Departmental Management	\$73.3	\$98.5	\$52.6	\$74.6	
<i>Department of Commerce Subtotal:</i>	<i>\$6,473.9</i>	<i>\$6,180.1</i>	<i>\$5,765.7</i>	<i>\$7,023.3</i>	
U.S. Trade Representative	\$44.2	\$42.2	\$46.2	\$42.2	
International Trade Commission	\$62.0	\$64.2	\$62.6	\$64.2	
National Intellectual Property Law Enforcement Coord. Cncl.	\$0.0	\$1.0	\$0.0	\$0.0	
<i>Related Agencies Subtotal:</i>	<i>\$106.8</i>	<i>\$107.4</i>	<i>\$108.8</i>	<i>\$106.4</i>	
Title II Total:	\$6,580.1	\$6,284.5	\$5,874.5	\$7,129.7	

Source: U.S. Department of Commerce, *FY2007 Budget In Brief*, p. 6; House Committee on Appropriations, Science, State, Justice, Commerce Subcommittee, Apr. 19, 2006, Crosswalk Table.

- a. Does not include \$45 million in mandatory spending from the Digital Transition and Safety Public Fund.
b. 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.

Related Legislation

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.

H.R. 5450 (Ehlers)

This legislation was introduced on May 22, 2006, and was referred to the House Committees on Science and Resources. The House Science Committee reported it on June 29, 2006 (H.Rept. 109-545, Part 1). It establishes the NOAA within the Department of Commerce, maintaining the current leadership structure at NOAA, but creates a new Deputy Assistant Secretary for Science and Education. It requires the Secretary of Commerce to maintain the National Weather Service within NOAA. It describes programs to support the operations and services, and the research and education functions of NOAA and authorizes the NOAA Science Advisory Board. It requires NOAA to contract with the National Academy of Sciences to perform three tasks, including an assessment of the adequacy of the environmental data and information systems of NOAA and to flesh out two strategic plans dealing with information system adequacy and extramural research to support the mission of NOAA. It also requires NOAA to submit a reorganization plan to Congress 18 months after enactment of the legislation. It repeals the executive order that established NOAA in 1970 and preserves the status of all current NOAA rules, regulations, and other legal matters. It requires NOAA to notify Congress and the public before closing or transferring a NOAA facility. Finally, the legislation establishes conditions for development of major program cost baselines and requires notification to Congress when certain cost increases or schedule delays occur in major programs.

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 he or she report directly to the Secretary of Commerce. Introduced January 25, 2005, and referred to the House Committee on Government Reform.

Related CRS Products

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

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

CRS Report RL33528, *Industrial Competitiveness and Technological Advancement: Debate Over Government Policy*, by Wendy H. Schacht.

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 RS22410, *The National Oceanic and Atmospheric Administration (NOAA) Budget for FY2007: President's Request, Congressional Appropriations, and Related Issues*, by Wayne A. Morrissey.

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

CRS Report RL33603, *Ocean Commissions: Ocean Policy Review and Outlook*, John R. Justus and Eugene H. Buck.

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

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

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

Science Agencies

National Aeronautics and Space Administration³²

The National Aeronautics and Space Administration (NASA) was created by the 1958 National Aeronautics and Space Act (P.L. 85-568) to conduct civilian space and aeronautics activities. The agency is managed from headquarters in Washington, DC. It has nine major field centers around the country, plus the Jet Propulsion Laboratory, which is operated under contract by the California Institute of Technology. Dr. Michael Griffin became NASA Administrator in April 2005.

NASA has requested \$16.792 billion for FY2007, a 1% increase over its FY2006 appropriation of \$16.631 billion. If \$385 million in supplemental funding for Hurricane Katrina response and recovery is excluded from the FY2006 figure, the requested increase for FY2007 is 3%. The House provided \$16.709 billion in H.R. 5672. The Senate Appropriations Committee recommended \$16.757 billion plus an additional \$1.040 billion in emergency funding.

³² This section was prepared by Daniel Morgan, Analyst in Science and Technology Policy, Resources, Science, and Industry Division.

Table 6. Funding for NASA
(\$ in millions)

Account	FY2006	FY2007 Request	FY2007 House	FY2007 Sen. Cte.	FY2007 Enacted
Science, Aeronautics, & Exploration	9,636.7	10,523.8	10,482.0	10,488.8	
Exploration Capabilities	6,962.7	6,234.9	6,193.5	6,234.9	
Inspector General	32.0	33.5	33.5	33.5	
Subtotal	16,631.4	16,792.2	16,709.0	16,757.2	
Return to Flight	—	—	—	1,000.0	
Hurricane Katrina	—	—	—	40.0	
Total	16,631.4	16,792.2	16,709.0	17,797.2	

Source: House and Senate Appropriations Committees, H.R. 5672 as passed by the House, and S.Rept. 109-280.

Note: FY2006 figures reflect supplemental appropriations and rescissions, but not amounts transferred between accounts by NASA or \$27 million transferred from NOAA.

Budget priorities throughout NASA are being driven by the Vision for Space Exploration, announced by President Bush in January 2004 and endorsed by Congress in the NASA Authorization Act of 2005 (P.L. 109-155). The Vision includes returning the space shuttle to flight status, then retiring it by 2010; completing the space station, but discontinuing its use by the United States by 2017; returning humans to the moon by 2020; and then sending humans to Mars and “worlds beyond.” The President did not propose significantly increased funding for NASA to accomplish the Vision. Instead, most of the funding was to come from redirecting funds from other NASA activities. (Dr. Griffin has described this approach as “go as you can afford to pay.”) The funding requirements of the Vision thus constrain other NASA priorities.

In the Science, Aeronautics, and Exploration (SA&E) account, funding for Constellation Systems, the program responsible for developing vehicles to return humans to the moon, would increase from \$1.7 billion in FY2006 to \$3.1 billion in the FY2007 request. The House provided \$150 million less than the request for Exploration Systems, which consists of Constellation Systems and two smaller programs. The Senate committee also recommended less than the request for Exploration Systems.

Meanwhile, also in SA&E, reduced growth in Science funding would add up to a proposed reduction of \$3.1 billion through FY2010 relative to projections in last year’s request. Most of that reduction would be to offset higher than expected costs for returning the space shuttle to flight status following the February 2003 *Columbia* accident. The request for Science includes full funding for a Hubble Space Telescope servicing mission, but funding for several robotic missions to Mars is cancelled or deferred. No funding is requested for the SOFIA airborne infrared

telescope or the Europa mission to one of Jupiter's moons. The request for Research and Analysis, which provides grant funding to individual researchers, is down 15% from FY2006 in most programs. The House provided \$75 million more than the request for Science, including \$50 million for Research and Analysis. The Senate committee recommended increases totaling \$31.5 million for two Science programs and directed NASA to proceed with SOFIA "from within available funds."

The request for Aeronautics Research in SA&E is about the same as was projected last year, but its content has changed significantly. The largest program, Vehicle Systems, has been renamed Fundamental Aeronautics and will now focus on "core competencies" in subsonic, supersonic, and hypersonic flight regimes, including work on rotorcraft. In the FY2006 budget cycle, proposals to eliminate several of these areas met with strong congressional opposition. An amendment to the Senate FY2007 budget resolution (S.Amdt. 3033 to S.Con.Res. 83) increased the recommended funding for NASA aeronautics by \$179 million. The House provided \$100 million more than the request for Aeronautics Research. The Senate Appropriations Committee recommended \$35 million more than the request.

In the Exploration Capabilities account, NASA's current human space flight programs, the space shuttle and the International Space Station (ISS), are also being significantly affected by the Vision. The President's speech directed that the space shuttle be retired in 2010 after ISS construction is completed. The Crew Exploration Vehicle (CEV) being developed by the Constellation Systems program, whose primary purpose is to take astronauts to the moon, would also be able to visit the ISS. However, because it is planned for "no later than 2014" there is likely to be a multi-year gap when the United States will be unable to launch its own astronauts into space. As for the ISS, the President's speech directed NASA to restructure the broad-based research program it had planned to conduct aboard ISS to support only research needed to accomplish the Vision. (Congress responded in the NASA Authorization Act of 2005 by directing that at least 15% of ISS research funding be used for research not related to the Vision.) It is unclear what will happen to the ISS after its use by NASA is completed in 2017. The House provided the requested amount for the space shuttle but less than the request for the ISS and other Exploration Capabilities activities. The Senate committee recommended the requested amount for Exploration Capabilities.

A Mikulski amendment in the full Senate Appropriations Committee markup created two new appropriations accounts for NASA: \$1 billion for space shuttle Return to Flight expenses and \$40 million for additional Hurricane Katrina recovery expenses. Both were designated as emergency funding. Neither was included in either the request or the House bill.

For more on NASA's FY2007 budget request, see CRS Report RS22381, *National Aeronautics and Space Administration: Overview, FY2007 Budget in Brief, and Key Issues for Congress*, by Daniel Morgan and Carl E. Behrens.

National Science Foundation (NSF)³³

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 helping to ensure 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, and 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. Although the NSF does not operate any laboratories, it does support Antarctic research stations, selected oceanographic vessels, and national research centers. In addition, 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 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.

Key Budget Issues.

Overview of the FY2007 Request. The FY2007 request for the National Science Foundation (NSF) is \$6.02 billion, a 7.9% increase (\$439 million) over the FY2006 level of \$5.58 billion. The President's American Competitiveness Initiative proposes to double the NSF budget over the next 10 years. The FY2007 request is to be the first installment toward that doubling effort. The FY2007 request for NSF provides support for several interdependent priority areas: broadening participation in the science and engineering enterprise, providing world-class facilities and infrastructure, advancing research at the frontier, and bolstering K-12 education. NSF will invest approximately \$640 million in programs targeted at those groups underrepresented in the science and engineering workforce. Total support for providing world-class facilities will approach \$1.7 billion. Across the agency, activities at advancing research at the frontiers of science would be \$4.7 billion.

³³ This section was prepared by Christine M. Matthews, Specialist in Science and Technology Policy, Resources, Science, and Industry Division.

Table 7. Funding for the National Science Foundation
(\$ in millions)

	FY2006 Enacted	FY2007 Request	House	Senate Cmte	FY2007 Enacted
Research and Related Activities	\$4,331.5	\$4,666.0	\$4,666.0	\$4,646.4	
Education and Human Resources	796.7	816.2	832.4	835.8	
Major Research Equipment and Facilities Construction	190.9	240.3	237.3	237.3	
Salaries and Expenses	246.8	281.8	268.6	256.5	
National Science Board	4.0	3.9	3.9	3.9	
Office of Inspector General	11.4	11.9	11.9	11.9	
Total, NSF	\$5,581.2	\$6,020.0	\$6,020.0	\$5,991.7	

Source: House Appropriations Committee.

NSF asserts 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 FY2007 request proposes \$40.6 million for the Office of International Science and Engineering. Also, in FY2007, NSF will continue in its leadership role in planning U.S. participation in observance of the International Polar Year, which spans 2007 and 2008. A first-year investment of \$62 million is provided to address major challenges in polar research. Other FY2007 highlights include funding for the National Nanotechnology Initiative (\$373.2 million), investments in Climate Change Science Program (\$205.3 million), continued support for homeland security (\$384.2 million), and funding for Networking and Information Technology Research and Development (\$903.7 million). Also, a new effort in the FY2007 request will be a \$20 million program of fundamental research on new technologies for sensor systems that detect explosives.

Included in the FY2007 request is \$4.67 billion for Research and Related Activities (R&RA), a 7.7% increase (\$334.5million) over the FY2006 level of \$4.33 billion. R&RA funds research projects, research facilities, and education and training activities. Partly in response to concerns in the scientific community about the imbalance between support for the life sciences and the physical sciences, the FY2007 request provides increased funding for the physical sciences — \$248.5 million, a 6.6% increase (\$15.4 million) over the FY2006 estimate. Research in the physical sciences often leads to advances in other disciplines. R&RA includes Integrative Activities (IA) and is a source of funding for the acquisition and development of research instrumentation at U.S. colleges and universities. It also funds Partnerships for Innovation, disaster research teams, and the Science and

Technology Policy Institute. The FY2007 request for IA is \$131.4 million, a 4.2% decrease (\$5.8 million) from the FY2006 estimate. The Office of Polar Programs (OPP) is funded in the R&RA. In FY2006, responsibility for funding the costs of icebreakers that support scientific research in polar regions was transferred from the U.S. Coast Guard to NSF.³⁴ The NSF will continue to operate and maintain the three icebreakers.³⁵ The OPP is funded at \$438.1 million in the FY2007 request, 12.5% above the FY2006 level. Significant increases in OPP for FY2007 have been directed at the programs for Arctic and Antarctic sciences.

Research project support in the FY2007 request totals \$2.41 billion. Support is provided to individuals and small groups conducting disciplinary and cross-disciplinary research. Included in the total for research projects is support for centers, proposed at \$259.8 million. NSF supports a variety of individual centers and center programs. The FY2007 request provides \$67.5 million for Science and Technology Centers, \$55.7 million for Materials Centers, \$62.8 million for Engineering Research Centers, \$37.4 million for Nanoscale Science and Engineering Centers, and \$6.5 million for Centers for Analysis and Synthesis.

The Major Research Equipment and Facilities Construction (MREFC) account is funded at \$240.3 million in the FY2007 request, a 26% increase (\$49.6 million) over the FY2006 level. The MREFC supports the acquisition and construction of major research facilities and equipment that extend the boundaries of science, engineering, and technology. Of all federal agencies, NSF is the primary supporter of “forefront instrumentation and facilities for the academic research and education communities.” First priority for funding is directed at ongoing projects. Second priority is given to projects that have been approved by the National Science Board (NSB) for new starts.³⁶ NSF requires that for a project to receive support, it must have “the potential to shift the paradigm in scientific understanding and/or infrastructure technology.” NSF states that the projects receiving support in the FY2007 request meet that qualification. Five ongoing projects and two new starts are funded in the FY2007 request. Projects receiving support are the Atacama Large Millimeter Array Construction (\$47.9 million), EarthScope (\$27.4 million), IceCube Neutrino Observatory (\$28.7 million), National Ecological Observatory Network

³⁴ Although the NSF does not own the ships, it is responsible for the operation, maintenance, and staffing of the vessels.

³⁵ The United States has maintained a presence in the Antarctic for almost 40 years, and 90% of the icebreakers duties are devoted to polar research. Language was included in the FY2006 conference report directing the NSF to pursue alternative sources of funding for the icebreaking fleet beyond 2006. One option being proposed is for the NSF to enter into a memorandum of understanding with the Coast Guard for reimbursement for the maintenance and operation of U.S. Polar research activities. Currently, several studies are being conducted to review the long-term icebreaking needs in support of research in the Antarctic.

³⁶ The FY2006 request included support for the Rare Symmetry Violating Processes (RSVP). Language was included in the FY2006 appropriations stating that conferees were concerned with the “unacceptable increases” in the project cost and suggested that the RSVP proposal be altered or descope. If the necessary changes can be made, then the restructured RSVP could be considered for inclusion for project support within the R&RA.

(\$12 million), Scientific Ocean Drilling Vessel (\$42.9 million), Alaskan Region Research Vessel (\$56 million), and Ocean Observatories Initiative (\$13.5 million).

The FY2007 request provides support for several NSF-wide investments: biocomplexity in the environment (\$42.6 million), human and social dynamics (\$41.5 million), and mathematical sciences (\$78.5 million). Additional priority areas include those of strengthening core disciplinary research, continuing as lead federal agency in networking and information technology R&D, and sustaining organizational excellence in NSF management practices. The NSF maintains that researchers need not only access to cutting-edge tools to pursue the increasing complexity of research, but funding to develop and design the tools critical to 21st century research and education. An investment of \$596.8 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 applications has declined from approximately 30% in the late 1990s to an estimated 23% in FY2006.

The FY2007 request for the Education and Human Resources Directorate (EHR) is \$816.2 million, a 2.4% increase (\$19.5 million) over FY2006. 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 FY2007 request is as follows: precollege, \$215 million; undergraduate, \$196.8 million; and graduate, \$160.6 million. Priorities at the precollege level include research and evaluation on education in science and engineering (\$41.2 million), informal science education (\$65.6 million), and a new program, Discovery Research K-12 (\$104.1 million). Discovery Research will combine the strengths of three existing programs and encourage innovative thinking in K-12 science, technology, engineering, and mathematics education.

At the undergraduate level, approximately 72% of the funding is in support of new awards and activities. Priorities at the undergraduate level include the Robert Noyce Scholarship Program (\$9.8 million); Course, Curriculum, and Laboratory Improvement (\$86.5 million); Science, Technology, Engineering, and Mathematics (STEM) Talent Expansion Program (\$26.1 million); the National STEM Education Digital Library (\$16 million); the Federal Cyber Service (\$11 million); and Advanced Technological Education (\$45.9 million). The Math and Science Partnership Program (MSP) has been transferred to the undergraduate level in FY2007. MSP is supported at \$46 million, a 27.2% decrease from the FY2006 estimate. Funding in the FY2007 request will provide support for ongoing awards, in addition to data collection, evaluation, knowledge management, and dissemination.

No new partnership awards are proposed in this budget request. The MSP has made approximately 80 awards, with an overall funding rate of about 9%. At the graduate level, priorities are those of Integrative Graduate Education and Research Traineeship (\$24.6 million), Graduate Research Fellowships (\$88 million), and the Graduate Teaching Fellows in K-12 Education (\$46.8 million). Added support is given to several programs directed at increasing the number of underrepresented

minorities in science, mathematics, and engineering. Among these targeted programs in the FY2007 request are the Historically Black Colleges and Universities Programs (\$29.7 million), Tribal Colleges and Universities Program (\$12.4 million), Louis Stokes Alliances for Minority Participation (\$39.7 million), and Centers of Research Excellence in Science and Technology (\$24.9 million). Funding for the Experimental Program to Stimulate Competitive Research (EPSCoR) is \$100 million in the FY2007 request, a slight increase of \$1.3 million over the FY2006 estimate. Approximately 55% of the FY2007 request for EPSCoR would be available for new awards and activities, with the balance supporting awards made in previous years.

Table 8. Funding for the Title III Science Agencies
(\$ millions in budget authority)

Bureau or Agency	FY2006 Enacted	FY2007 Request	House	Senate Cmte.	FY2007 Enacted
NASA	\$16,596.4	\$16,792.2	\$16,709.0	\$17,797.2	
National Science Foundation	\$5,581.2	\$6,020.0	\$6,020.0	\$5,991.7	
Office of Science/Technology	\$5.5	\$5.4	\$5.4	\$5.4	
Total	\$22,183.1	\$22,817.8	\$22,734.4	\$23,794.3	

Sources: U.S. House of Representatives, U.S. Senate, committees on appropriations, and CRS estimates.

Policy Issues. 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 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 September 2005, the NSB released its management report on 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*.³⁷ The report describes facilities under construction and those being considered for future funding. Because of the changing nature of science and

³⁷ National Science Board, *Setting Priorities for Large Research Projects Supported by the National Science Foundation*, NSB05-77, Arlington, VA, September 2005, 31 pp. Note: Large research facility projects are defined as those costing 10% or more of a directorate or program's annual budget.

technology, NSF deems it essential that it have the flexibility to reconsider facilities at the various stages in their development. Also, the NSF states that it must be able to respond effectively to possible changes in interagency participation, international and cooperative agreements, or co-funding for major research facilities. The NSF encourages project planning from disciplines and fields in which scientists and engineers have not traditionally partnered or collaborated. The report notes that although some “concepts” may evolve into MREFC candidates, others may prove infeasible for major project support. The NSF has stated that the facility plan will be updated as needed.

On June 29, 2006, the House passed H.R. 5672, Science-State-Justice-Commerce Appropriation Bill, FY2007 (H.Rept. 109-520). The bill provides \$6.02 billion for the NSF in FY2007, the amount requested by the Administration. Included in the funding is \$4.67 billion for R&RA, again, the same as the request. The MREFC is funded at \$237.3 million, \$3 million below the Administration’s request. The House bill does not include the \$3 million reimbursement to Judgement Fund of the U.S. Treasury for a settlement related to the Polar Aircraft Upgrades project. The EHR is funded at \$832.4 million, approximately \$16.2 million above the request. Included in the amount for the EHR is \$105 for EPSCoR, \$5 million above the amount requested. The Senate Committee on Appropriations reported its version of H.R. 5672 on July 13, 2006 (S.Rept. 109-280). The Senate provides a total of \$5.99 billion for the NSF in FY2007, \$28.3 million below the request and the House bill. R&RA is funded at \$4.65 billion, \$19.6 million below the Administration’s request and the House version. Other funding levels included in the Senate version are \$237.3 million for MREFC, \$835.8 million for EHR, and \$110 million for EPSCoR.

Related CRS Products

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

CRS Report RS22381, *National Aeronautics and Space Administration: Overview, FY2007 Budget in Brief, and Key Issues for Congress*, by Marcia S. Smith and Daniel Morgan.

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

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

Department of State and International Broadcasting³⁸

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 FY2006 appropriation for Title IV was \$9.56 billion (reflecting the two rescissions in the law), 9.4% higher than the previous year's regular appropriation, but 11% lower than the previous appropriations when including the FY2005 supplemental funds within P.L. 109-13 for Title IV. Typically, about three-fourths of State's budget is for Administration of Foreign Affairs (about 69% in FY2006), which consists of salaries and expenses, diplomatic security, diplomatic and consular programs, technology, and security/maintenance of overseas buildings.

FY2007 Funding Issues

Administration of Foreign Affairs. The Administration's FY2007 request for State's Administration of Foreign Affairs is \$6.93 billion, 5.5% above the FY2006 estimated level of \$6.57 billion (including rescissions). The House-passed level in H.R. 5672 is \$6,656.5 million. The Senate Appropriations Committee funding level in H.R. 5522 is \$6,584.5 million.

Diplomatic & Consular Programs (D&CP). D&CP covers primarily salaries and expenses, hiring, diplomatic expenditures, cost of living and foreign inflation, as well as exchange rate changes. The FY2007 request of \$4.65 billion represents an increase of 7.7%, compared with the \$4.32 billion funding level enacted for FY2006. The FY2007 funding level request includes \$795.2 million for worldwide security upgrades, compared with \$680.7 million in the FY2006 appropriation. The D&CP funding request also includes \$351 million, compared with \$329.7 million in the FY2006 budget, designated only for public diplomacy. The House-passed funding for D&CP is \$4,460.1 million, including \$351 million for public diplomacy and \$795.1 million for worldwide security upgrades. The Senate Appropriations Committee set funding at \$4,495.1 million, including \$795.1 million for worldwide security upgrades.

Embassy, Security, Construction, and Maintenance (ESCM). ESCM provides funding for embassy construction, repairs, and leasing of property for embassies and housing facilities at overseas posts. The FY2007 request of \$640.1

³⁸ This section was written by Susan B. Epstein, Specialist in Foreign Affairs and Trade, Foreign Affairs, Defense, and Trade Division.

million is 12.1% above the FY2006 enacted level of \$571.1 million (including rescissions). The House agreed to a total of \$1,505 million for ESCM, including \$605.7 million for regular funding and \$899.4 million for worldwide security upgrades. The Senate Committee recommends funding for ESCM to be a total of \$1,388.8 million.

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 and bullet-proof vehicles, and ongoing salaries for perimeter guards. Worldwide security upgrades in ESCM are more on the order of bricks-and-mortar-type expenses. The FY2007 request for upgrades within D&CP total \$795.2 million — \$114.5 million (16.8%) above the enacted level of \$680.7 million (reflecting rescissions) for FY2006. The FY2007 request for worldwide security funding within ESCM totals \$899.4 million, virtually the same as the FY2006 level (after rescissions). The combined total FY2007 request for State's worldwide security upgrades is \$1.69 billion. The combined total of the House-passed bill is \$1.69 billion, while that of the Senate committee is \$1.58 billion.

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 FY2007 request is for \$474.3 million, 11.3% more than the FY2006 estimated level of \$426.3 million. The Administration request includes \$200.3 million for the Fulbright program and \$351 million within the D&CP account for public diplomacy expenses. The House-passed funding level is \$436.3; the Senate committee recommends \$445.5 million.

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 that would ensure the efficient management, coordination, operation, and utilization of State's resources. The FY2007 request is for \$68.3 million, a 17.6% increase over the \$58.1 million enacted for FY2006 (after rescissions). In addition, the FY2006 appropriation included \$68.5 million for the Centralized Information Technology Modernization Program. The Administration did not request any funding for that account for either FY2006 or FY2007. The House agreed to \$58.1 million for CIF, and the Senate committee recommended the same amount.

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 FY2007 request totals \$2.40 billion for the overall account, up nearly 11% over the FY2006 level of \$2.17 billion, including rescissions. The House-passed overall level is \$2.26 billion, and the Senate committee recommends an overall funding of \$2.29 billion.

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 FY2007 request level for this line item is \$1.27 billion, 10.2% above the \$1.15 billion enacted level for FY2006. The request represents full funding of U.S.-assessed contributions to the U.N. and other international organizations. It does not include funding for prior-year funding shortfalls. Both the House and Senate Appropriations Committees recommended \$1,151.3 million for CIO in FY2007. After floor amendments in the House took \$29 million in offset funds from CIO mostly for Justice Department accounts, the House passed \$1,122.3 million for CIO.

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 FY2007 request of \$1.14 billion represents an increase of 11.1% over the FY2006 estimated level of \$1.02 billion (including rescissions). In addition, the Administration is requesting an additional \$69.8 million for this account to support U.N. peacekeeping efforts in the southern Sudan. The House-passed bill sets funding at \$1,135.3, as does the Senate Appropriations Committee.

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. Established by the North American Free Trade Agreement, the BECC helps local states and communities to develop solutions to environmental problems along the U.S.-Mexico border. The FY2007 funding request of \$63.9 million represents a decrease of 3.9% over the \$66.5 million enacted in FY2006. The FY2007 requested decrease is due largely to a decrease in funds for the Great Lakes Fishery Commission. The House funding level for international commissions is \$67.9 million, while the Senate committee level is \$67.4 million.

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 FY2007 request for related appropriations totals \$103.6 million — 8.7% less than the FY2006 enacted level of \$113.6 million, after rescissions. The House-passed level of \$68.1 million is close to half of the current level, largely because of the significant increase in funding for democracy promotion through the National Endowment for Democracy (NED) in FY2006. The Senate Committee-recommended level is even lower — \$44.5 million

— because the committee recommends a much lower funding level for NED, as more funding is recommended in the Democracy Fund account, elsewhere in the bill.

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 government and private sector contributions. Government funds for the Foundation are appropriated and pass through the Department of State. The FY2007 request of \$10 million reflected a 27.5% reduction over the FY2006 enacted funding level of \$13.8 million. The organization states that the \$10 million will support programs that promote tolerance within Muslim minority/majority countries such as Pakistan, Afghanistan, Nepal, and Cambodia; promote free and fair elections in Asia; and develop democratic institutions for legal reform in China, Vietnam, Indonesia, and Thailand. The Asia Foundation says it will continue to seek private funds and expects to raise \$4 million in private funds for FY2007. The House bill sets funding at \$13.8 million, and the Senate committee recommends \$14.0 million for the Asia Foundation in FY2007.

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 FY2007 request is for \$80 million, the same level as was requested for FY2005 and FY2006, and 8% higher than the final enacted level for FY2006 of \$74.1 million, including rescissions. The House-passed NED funding level is \$50 million for FY2007. The Senate Appropriations Committee recommends \$8.8 million, as the committee recommends more than \$1 billion for the Democracy Fund in the foreign operations portion of the bill.

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 FY2007 request for the East-West Center is \$12 million, a 36.8% decline from the FY2006 enacted level of \$19 million, after rescissions. The House level is \$3 million, noting that the Center can seek private sector contributions, while the Senate committee recommends significantly more — \$19 million.

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. Although the Administration did not request any FY2005 funding for this Center, Congress provided \$7.3 million for it in FY2005. The Administration requested spending \$.8 million of interest and earnings from the Trust Fund for program funding in FY2006. Congress appropriated \$4.9 million for this account in FY2006 and \$.9 million for the Trust. The Administration is requesting \$.7 million of interest and earnings from the Trust Fund program for FY2007. The House set spending of interest and earnings at \$0.35 million, while the Senate committee set it at \$0.75 million.

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 FY2007 funding request totals \$671.9 million, 4.3% above the FY2006 level of \$644 million, after rescissions. The FY2007 broadcasting request includes \$653.6 million for broadcasting operations, \$18.3 million for capital improvements, and \$36.3 million for Broadcasting to Cuba. The House passed funding at \$646.3 million for broadcasting operations (including \$36.1 million for Cuba Broadcasting) and \$7.6 million for capital improvements for a total of \$653.9 million for international broadcasting. The Senate Appropriations Committee recommends \$653.6 million (including \$36.3 million for Cuba Broadcasting) for broadcasting operations and \$7.6 million for capital improvements, for a total of \$661.2 million.

Related Legislation

S. 600 (Lugar)/H.R. 2601 (Smith, C.). 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, 2005. House floor action occurred on July 19 and 20. The measure was passed by the House July 20, 2005 (351-78). No further action has occurred.

Related CRS Products

CRS Report RL33420, *Foreign Operations (House)/State, Foreign Operations, and Related Programs (Senate): FY2007 Appropriations*, by Larry Nowels, Connie Veillette, and Susan B. Epstein.

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

CRS Report RL31370, *State Department and Related Agencies: FY2006 Appropriations and FY2007 Request*, by Susan B. Epstein.

CRS Report RL33611, *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	FY2006 Enacted ^b	FY2007 Request	House H.R. 5672	Senate H.R. 5522	FY2007 Enacted
Administration of Foreign Affairs	\$6,566.8	\$6,931.0	\$6,656.5	\$6,584.5	
International Organizations and Conferences	\$2,173.6	\$2,403.9	\$2,257.6	\$2,286.6	
International Commissions	\$66.5	\$63.9	\$67.9	\$67.4	
Related Appropriations	\$113.6	\$103.6	\$68.1	\$43.5	
Subtotal: State Department ^a	\$8,920.5	\$9,502.4	\$9,050.1	\$8,982.0	
International Broadcasting	\$644.0	\$671.9	\$653.9	\$661.2	
Title IV Total	\$9,564.5	\$10,174.3	\$9,704.0	\$9,643.2	

Source: House Appropriations Committee.

- a. In addition to appropriations, State has authority to spend certain collected fees from machine readable visas, expedited export fees, etc. The estimate of such fees for FY2006 is \$734.0 million, and the FY2007 request is for \$683 million.
- b. FY2006 numbers reflect two rescissions: in the SSJC appropriation (Sec. 638, P.L. 109-108) and in the FY2006 emergency supplemental (P.L. 109-148).

Independent Agencies

Equal Employment Opportunity Commission (EEOC)³⁹

The EEOC enforces laws banning employment discrimination based on race, color, national origin, sex, age, or disability. In the past few years, appropriators have been particularly concerned about the agency's implementation of a restructuring plan. The three-phase restructuring plan includes the National Contact Center, a two-year pilot project, that began in March 2005; the January 2006 commencement of field structure and staff realignment that the Commission approved in mid-2005; and the examination of headquarters' structure and operations to streamline functions and clarify roles and responsibilities.

FY2007 Appropriations. The Administration proposed a budget of \$322.8 million for the EEOC, or \$4.2 million less than the FY2006 appropriation of \$327.0 million. (The FY2006 figure includes rescissions of \$0.9 million and \$3.3 million from the \$331.2 million contained in the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 [P.L. 109-108]). The budget request reduces staffing by 19 full-time equivalents and provides up to \$28 million for payments to state and local entities with which the agency has work-sharing agreements to address workplace discrimination within their jurisdictions (i.e., Fair Employment Practices Agencies, FEPAs, and Tribal Employment Rights Organizations, TEROs). Last year, the Administration requested up to \$33 million for FEPAs and TEROs; this is the amount to which Congress had, in prior years, raised the EEOC's request. (The agency estimates that it will spend \$30.5 million on these work-sharing arrangements in FY2006.) In addition to the proposed reduction in the state and local contract maximum, the Commission expects to offset its request for an additional \$4.4 million to cover the staff's total compensation with cutbacks of \$4.1 million in general operating expenses (e.g., rent and security, printing and copying, and travel and training) and of \$2.0 million in information technology (IT) expenditures.

H.R. 5672, which the House passed in June 2006, includes funding for the EEOC at the level requested by the Administration (\$322.8 million). The bill further concurs in the Administration's request that agency payments to FEPAs and TEROs not exceed \$28 million. As in the past, the House prohibits the Commission from implementing any workforce repositioning, restructuring, or reorganization until it notifies the Committees on Appropriations of such proposals. This also is stated in H.Rept. 109-520, which further directs the EEOC to submit to the committee a comprehensive analysis of current staffing levels by department and the full impact the *headquarters* repositioning, restructuring, or reorganization will have on all core services, including the number of staff to be redeployed to the field. In addition, H.Rept. 109-520 instructs the agency to continue submitting quarterly status reports on projected and actual spending levels, by function, and highlighting any changes that result from repositioning activities. The House Appropriations Committee also

³⁹ This section was prepared by Linda Levine, Specialist in Labor Economics, Domestic Social Policy Division.

expects the EEOC to use findings from the Inspector General's evaluation of the National Contact Center to improve the project's operation.

The Senate Appropriations Committee reported its bill in July 2006. S.Rept. 109-280 provides a larger appropriation of \$326,998,000 to the EEOC. Most of the additional funding goes toward agency payments to FEPAs and TEROS — up to \$33 million rather than \$28 million. The Committee prohibits any sums to be used to fund the position of “chief operating officer” and to operate the National Contact Center. The Chair of the EEOC is further directed to assign at least 57 full-time permanent positions to the Commission's Baltimore office, among them a district director and regional attorney. S.Rept. 109-280 instructs the agency not to implement any workforce repositioning, restructuring, or reorganization until it notifies the Senate Committee on Appropriations of such proposals.

FY2006 Appropriations. 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). Following the Appropriations Committees' recommendations, the House and Senate endorsed the Administration's budget proposal for the Commission. In November 2005, President Bush signed the FY2006 appropriations bill (H.R. 2862), which included a rescission of 0.28%. In December 2005, the President signed the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and the Pandemic Influenza Act, 2006 (H.R. 2863, P.L. 109-148), which contained an additional rescission of 1.0%.

The conference agreement adopted, by reference, language in H.Rept. 109-118 that requires the Commission to continue submitting quarterly reports on projected and actual spending levels by function and to highlight any changes due to repositioning activities. The conference agreement also adopted, by reference, language in S.Rept. 109-88 that (1) prohibits the agency from implementing a repositioning plan that reduces the salary of EEOC employees or reduces the number of officers or employees serving as mediators, investigators, or attorneys at any Commission office and that (2) 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. The conference agreement further provided that the EEOC should not undertake any workforce repositioning, restructuring, or reorganizing without advance notification of the Committees on Appropriations. In addition, the conferees directed the Commission to continue working toward resolution of concerns regarding the pending repositioning plan.

Federal Communications Commission (FCC)⁴⁰

The Federal Communications Commission, created in 1934, is an independent agency charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The FCC is also charged with promoting the safety of life and property through wire and radio communications. The mandate of the FCC under the Communications Act is to make available to all people of the United States a rapid, efficient, nationwide, and worldwide wire and radio communication service. The FCC performs five major functions to fulfill this charge: spectrum allocation, creating rules to promote fair competition and protect consumers where required by market conditions, authorization of service, enhancement of public safety and homeland security, and enforcement. 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.

For FY2007, the Senate recommended an overall budget of \$301.500 million for the salaries and expenses of the FCC, all of which is to be collected through regulatory fees (no direct appropriation). The FY2007 recommendation is \$1.042 million less than the Bush Administration request of \$302.542 million and \$11.742 million more than the FY2006 enacted appropriation of \$289.758 million. The Senate expressed its continued concern about the declining standards of broadcast television and the impact that decline is having on America's children and also strongly urged the FCC to act expeditiously upon the complaint filed under Section 616 of the Communications Act regarding Washington Nationals baseball.

For FY2007, the House of Representatives recommended an overall appropriation of \$294.261 million for the salaries and expenses of the FCC. Of that figure, \$293.261 million is to be collected through regulatory fees, with a direct appropriation of \$1.0 million. The FY2007 recommendation is \$8.281 million less than the Bush Administration request of \$302.542 million and \$4.503 million more than the FY2006 enacted appropriation of \$289.758 million. The recommended FY2007 funding level will cover efforts to promote the deployment of broadband services, deregulate where competition exists, enhance public safety and homeland security, ensure the viability of the Universal Service Fund, promote the efficient use of spectrum, and review media regulation to foster competition and diversity.

Federal Trade Commission (FTC)⁴¹

The Federal Trade Commission (Commission or FTC) is an independent agency. It seeks to protect consumers and enhance competition by eliminating unfair or deceptive acts or practices in the marketing of goods and services and by ensuring that consumer markets function competitively. For FY2007, the Administration

⁴⁰ This section was written by Patty Figliola, Specialist in Telecommunications and Internet Policy, Resources, Science, and Industry Division.

⁴¹ This section was written by Bruce Mulock, Specialist in Government and Business, Government and Finance Division.

requested a program level for the FTC of \$223 million, an increase of \$12 million, or 5.7%, over the agency's present level of funding. Of the total amount provided, \$120 million is to have been derived from pre-merger filing fees, \$18 million from Do-Not-Call fees, and the remaining amount — \$76 million — is to be provided by a direct appropriation.

The House, following the recommendation of the Appropriations Committee, recommended a total budget authority of \$213.1 million for the Federal Trade Commission for FY2007, which is \$3,000,000 above the FY2006 level and \$9,921,000 below the Administration's request. For its part, the Senate echoed the Administration's request for a program level of \$223 million, to be derived in the same manner as proposed in the President's Budget.

For FY2006, the Administration requested a program level of \$211 million for the FTC, an increase of slightly more than \$5.5 million, or 2.7%, over FY2005 funding. The House-passed bill provided the FTC with \$211 million for FY2006, which was \$6.7 million above the previous-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 was to be derived from Hart-Scott-Rodino pre-merger filing fees and \$23 million from so-called Do-Not-Call fees (more formally known as the Telemarketing Sales Rule, promulgated under the Telephone Consumer Fraud and Abuse Prevention Act). The total amount of direct appropriations for FY2006 was therefore \$71.1 million (after rescissions). The conference agreement (H.R. 2862/P.L. 109-108) provided the FTC with \$211 million for FY2006, employing the previously noted funding formula.

In recent years, the FTC has mostly funded its operations by means of its pre-merger filing fees collections and, to a lesser extent, from Do-Not-Call fees. By way of an historical footnote, for FY2000 through FY2002, zero (\$0) direct appropriations were required because the entire program level was covered by a combination of fees and prior-year collections.

Legal Services Corporation (LSC)⁴²

The LSC is a private, non-profit, federally funded corporation that provides grants to local offices that, 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 bills, 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.

⁴² This section was prepared by Carmen Solomon-Fears, Specialist in Social Legislation, Domestic Social Policy Division.

P.L. 109-108 (enacted on November 22, 2005) included \$330.8 million for the LSC for FY2006, the same amount that was originally passed by the House, instead of \$358.5 million as passed by the Senate. The LSC FY2006 appropriation includes \$312.4 million for basic field programs and required independent audits, \$12.8 million for management and administration; \$1.3 million for client self-help and information technology, \$2.5 million for the Office of the Inspector General, and \$1.8 million in grants to offset losses stemming from the 2000 census-based reallocations. In addition, P.L. 109-108 included language that advised the LSC to reduce its rent for its office space (by eliminating some office space and negotiating a more competitive cost per square foot) and included existing provisions restricting the activities of LSC grantees. P.L. 109-108 also included a general rescission equal to 0.28% of funding for the Science, State, Justice, Commerce, and Related Agencies appropriation (which includes the LSC). Moreover, P.L. 109-148 (enacted on December 30, 2005) included a 1% government-wide rescission on discretionary programs. Thus, the LSC appropriation for FY2006 was lowered to \$326.6 million.

For FY2007, the Bush Administration requested \$310.9 million for the LSC. This amount is almost \$16 million below the FY2006 funding level for the LSC. The budget request includes existing provisions restricting the activities of LSC grantees. The LSC would receive \$288.6 million for basic field programs and required independent audits; \$14.4 million for management and administration; \$3.0 million for client self-help and information technology; \$3.0 million for the Office of the Inspector General; and \$2.0 million in grants to offset losses stemming from the 2000 census-based reallocations.

The House Appropriations Committee recommended a total of \$313.860 million for the LSC (H.R. 5672; H.Rept. 109-520) and included existing provisions restricting the activities of LSC grantees. This is \$3 million above the FY2007 budget request and \$12.7 million below the FY2006 final appropriation. Since the LSC is a private, nonprofit corporation, it is not required to comply with federal laws related to employment, travel, and other administrative procedures, but the committee bill requires that the LSC submit a report to the committee no later than February 1, 2007, describing whether, in fact, LSC procedures adhere to federal law and, if discrepancies exist, proposals to modify LSC procedures so that they will comply with federal law.

On June 27, 2006, the House passed a floor amendment (by Representative Obey, 337 yeas to 185 noes) that increased the LSC funding level by \$25 million, from \$313.9 million (H.R. 5672; H.Rept. 109-520) to \$338.9 million. Under the House-passed bill, the LSC would receive \$321.9 million for basic field programs and required independent audits; \$12.7 million for management and administration; \$1.2 million for client self-help and information technology; and \$3.0 million for the Office of the Inspector General.

The Senate Appropriations Committee recommended a total of \$358.527 million for the LSC (H.R. 5672; S.Rept. 109-280) and included existing provisions restricting the activities of LSC grantees. This is \$47.7 million above the FY2007 budget request, \$31.9 million above the FY2006 final appropriation, and \$19.7 million above the House-passed version of the bill. The LSC would receive \$337.8 million for basic field programs and required independent audits; \$12.8 million for

management and administration; \$3.0 million for client self-help and information technology; \$3.0 million for the Office of the Inspector General; and \$2.0 million in grants to offset losses stemming from the 2000 census-based reallocations.

Securities and Exchange Commission (SEC)⁴³

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. The SEC is required to adjust the fee rates periodically to make the amount collected approximately equal to the agency's budget. When the fees are collected, they go to a special offsetting account available to appropriators, not to the Treasury's general fund.

The Administration's request for FY2006 was \$888.1 million, a decrease of 2.7% from FY2005. Of that total, \$25.0 million was to be from prior-year unobligated balances, and the remaining \$863.1 would be from offsetting fee collections. The House, the Senate, and the conference all approved an amount equal to the request: \$888.1 million, of which \$25.0 million came from prior-year unobligated balances, and the remainder (\$863.1 million) from current-year fee collections. There was no direct appropriation from the general fund.

For FY2007, the Administration requested \$890.8 million, an increase of 0.3% over FY2006. The House approved \$900.5 million for the SEC, 1.4% above the FY2006 appropriation and 1.1% above the Administration's request. Of that total, \$20.0 million is to come from prior-year unobligated balances, and the remainder from current-year fee collections; no direct appropriation from the general fund will be needed.

The Senate Committee recommended \$890.8 million for the SEC in FY2007, the amount of the Administration's request. The entire amount would be derived from fee collections.

Small Business Administration (SBA)⁴⁴

The Senate Appropriations Committee increased the Administration's overall request for the Small Business Administration (SBA) to \$646.0 million from \$639.0 million. The House and the Senate committees would eliminate administration proposals to charge additional fees on loans of more than \$1 million and to raise the interest rate on new disaster loans after five years. Senate Appropriations added congressional initiatives and increased the amount for non-credit business assistance programs. The increase of \$28.4 million to \$123.0 million in non-credit business

⁴³ This section was prepared by Mark Jickling, Specialist in Public Finance, Government and Finance Division.

⁴⁴ This section was written by Eric Weiss, Analyst in Financial Institutions, Government and Finance Division.

assistance programs would require other salary and expense items be reduced to keep the total approved to the amount requested. The House had approved \$672.8 million, which is \$33.8 million above what the Senate Appropriations Committee approved.

Excluding disaster loans which were \$1,153 million in FY2006 and for which \$198.9 million are proposed for FY2007, the Administration proposed a new budget authority for the SBA of \$440.0 million for FY2007. This would be a decrease of \$18.2 million from the FY2006, also excluding disaster loans. Including disaster loans, the Administration's request would be a decrease of \$969.6 million from FY2006's \$1,608.6 million enacted.

Lending authority would stay the same or increase for all loan programs except for microloans, which the Administration would zero out. Senate Appropriations and the House added \$1.0 million in budget authority for microloans. Senate Appropriations also earmarked \$2 million for direct microloans.

The Administration's budget request would increase the fees on loans of more than \$1 million in the SBA's flagship 7(a) business loan guarantee program to cover the administrative costs of these larger loans. The SBA's business main loan programs (7(a) and Section 504) presently have no government credit subsidy.

The Administration made no request for congressional initiatives. The Senate Appropriations Committee approved 75 initiatives totaling \$47.1 million, while the House recommended 64 initiatives with a total appropriation of \$20 million. In FY2006, there were \$90 million in congressional initiatives.

The Senate Appropriations Committee approved \$123 million for non-credit programs, compared to the House's approved \$120 million.

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)⁴⁵

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 budget request directly to Congress, apart from the President's budget.

For FY2007, SJI requested an appropriation of \$4.5 million, compared with \$3.46 million appropriated in FY2006,⁴⁶ a 30.2% increase. The Bush Administration, as in its budgets for the previous four years, proposed the eliminating of federal funding for the institute in FY2007. In its passage, on June 29, 2006, of H.R. 5672, the SSJC appropriations bill for FY2007, the House (following the recommendation of its Appropriations Committee) provided \$2 million for SJI, \$1.46 million less than the FY2006 funding amount. In its amended version of H.R. 5672, reported on July 13, 2006, the Senate Appropriations Committee recommended, as SJI had requested, \$4.5 million, \$1.05 million above FY2006 funding.

For the past five years, appropriations conferees in Congress had encouraged SJI to obtain funds, at least in part, from sources other than Congress. In response to a directive from House-Senate conferees for the FY2006 appropriations act, SJI, in its FY2007 request, noted that it has adopted a 50% "cash match requirement" from its grantees.⁴⁷ Also in its request, the institute stated that it continues to pursue grant-making partnerships with the Department of Justice's Office of Justice Programs (OJP), the Legal Services Corporation (LSC), and other public and private entities, looking to "pool its resources with OJP, LSC, and others to fund innovations in areas of mutual concern."

In the FY2006 appropriations process, the House Appropriations Committee endorsed an approach of providing some directly appropriated funds to SJI, but with the institute as well seeking additional funding from Department of Justice grant programs. The House committee (in H.Rept. 109-118, p. 154) stated that it understood that SJI had "been unable to generate stable sources of non-Federal funding" and that the SJI had contacted bar associations and court organizations as possible alternative sources of funding. However, the committee noted, these groups were "not inclined to contribute to operations of the SJI beyond providing matching grant funds for individual projects." For this reason, the committee said, it continued to recommend funding for SJI even though the President's FY2006 request did not.

⁴⁵ This section was written by D. Steven Rutkus, Specialist in American National Government, Government and Finance Division.

⁴⁶ The Science, State, Justice, Commerce appropriations act for FY2006 (P.L. 109-108) provided \$3.5 million for SJI, which a .28% general rescission in Title VI reduced to \$3.49 million. The funding amount was further reduced to \$3.46 million by a 1.0% across-the-board rescission provided for in the FY2006 Department of Defense Appropriations act (P.L. 109-148, at 119 Stat. 2791).

⁴⁷ Conferees for the FY2006 appropriations act (in H.Rept. 109-272, p. 206) had stated that they expected that "successful applicants for new and continuing SJI grants will provide a cash match of not less than 50 percent of the total cost of the project."

The committee commended SJI for beginning to work with OJP on issues involving state courts and encouraged SJI to continue seeking funds from OJP grant programs.

The \$3.5 million approved by Congress for SJI in FY2006 marked the second fiscal year in a row in which funding for the institute had been increased — following a number of years during which appropriators in Congress considered whether to provide any funding for SJI.⁴⁸

For FY2007, the House Appropriations Committee recommended \$2 million for SJI in FY2007, \$1.46 million less than the institute's FY2006 appropriation. The committee, in its report on the SSJC appropriation bill for FY2007, commended SJI for “continuing to work with the Office of Justice Program (OJP) on issues involving State courts,” and it encouraged SJI “to continue to seek funding from OJP grant programs.” The committee also “applauded” SJI for “recent successes in obtaining dollar-for-dollar matching funds for grants awarded,” adding that it expected “this goal to remain in place during fiscal year 2007.”⁴⁹ For its part, the Senate Appropriations Committee recommended \$4.5 million for SJI in FY2007, \$1.05 million above the level enacted for FY2006. In its report, the committee's discussion of recommended funding for SJI simply noted that the institute had been created in 1984 to further the development and adoption of improved judicial administration in state courts.⁵⁰

U.S. Commission on Civil Rights⁵¹

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 deems it appropriate.

For FY2007, the Senate Appropriations Committee recommends \$9 million for the Commission (S.Rept. 109-280). For FY2007, the House-passed bill would provide funding of \$8.93 million for the Commission compared with President

⁴⁸ For FY1999, 2000, and 2001, SJI received an annual appropriation of \$6.85 million, after which the level of funding dropped significantly — to \$3.0 million in both FY2002 and FY2003 and to \$2.2 million in FY2004. In FY2005, the downward trend was reversed, with \$2.6 million approved for the institute.

⁴⁹ U.S. Congress, House Committee on Appropriations, *Science, State, Justice, Commerce, and Related Agencies Appropriations Bill, Fiscal Year 2007*, report to accompany H.R. 5672, 109th Congress, 2nd sess., H.Rept. 109-520 (Washington: GPO, 2006), p. 142.

⁵⁰ U.S. Congress, Senate Committee on Appropriations, *Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2007*, report to accompany H.R. 5672, 109th Congress, 2nd sess., S.Rept. 109-280 (Washington: GPO, 2006), p. 144.

⁵¹ This section was written by Garrine P. Laney, Analyst in Social Legislation, Domestic Social Policy Division.

Bush's request of \$9.31 million for the Commission. FY2006 funding for the agency is \$8.9 million (including rescissions).

Although recognizing that the Commission had made some progress in addressing "management deficiencies," the House Appropriations Committee expressed concern that mismanagement was still an issue with the agency (H.Rept. 109-520, p. 132). Referring to a General Accountability Office report of May 2006, which identified leadership accountability issues, lack of policies with respect to report objectivity, and incorrect and ineffective use of state advisory committees, the committee encouraged the Commission to quickly address these problems as well as the mismanagement concern.

U.S. Commission on International Religious Freedom⁵²

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 FY2007, the Administration is requesting \$3 million, a 6.3% decline from the estimated FY2006 appropriation of \$3.2 million, after rescissions. The House-passed bill and the Senate Appropriations Committee agrees with the \$3 million funding level for FY2007.

For FY2006, the Administration requested \$3.0 million for the commission (the same as the FY2005 request). 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. 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 to work on developing an Index on Religious Freedom. The Senate recommended \$1 million for this account in FY2006.

U.S. Institute of Peace⁵³

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 activities such as educational programs, conferences and workshops, professional training, applied research, and dialogue facilitation in the United States and abroad. Prior to the FY2005 budget, USIP funding came from the Labor, HHS appropriation. In the

⁵² This section was written by Vita Bite, Specialist in International Relations, Foreign Affairs, Defense, and Trade Division.

⁵³ This section was written by Susan B. Epstein, Specialist in Foreign Affairs and Trade, Foreign Affairs, Defense, and Trade Division.

FY2005 budget process, it was transferred to the Commerce, Justice, State and related agencies appropriation primarily for relevancy reasons.

For the FY2007 request, the Administration request is \$26.98 million, up nearly \$5 million from the FY2006 estimated level of \$22.07 million, after rescissions. The House-passed bill (H.R. 5672) provides the requested amount, while the Senate Appropriations Committee recommends \$22.1 million in H.R. 5522. The Senate committee notes that USIP received \$5 million for programs and activities on Iraq and Afghanistan in the FY2006 Emergency Supplemental Appropriation (P.L. 109-234).

Related Legislation

H.R. 6101 (Cannon)

Legal Services Corporation Improvement Act. Amends the Legal Services Corporation Act to give the Board of Directors of the Legal Services Corporation (LSC) the power to appoint and remove an LSC Inspector General in accordance with the Inspector General Act of 1978. Allows the Inspector General to be removed at any time upon the written concurrence of at least nine members of the eleven-member Board. Introduced and referred to the House Committee on the Judiciary on September 19, 2006. The House Judiciary Subcommittee on Commercial and Administrative Law held a hearing on H.R. 6101 on September 26, 2006.

H.R. 230 (Sweeney)

Amends 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 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.

Related CRS Products

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

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

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

CRS Report RL33243, *Small Business Administration: A Primer on Programs*, by Eric Weiss.

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

Bureau or Agency	FY2006 Enacted	FY2007 Request	House	Senate	FY2007 Enacted
U.S. Commission on Civil Rights	\$8.9	\$9.3	\$8.9	(\$9.0)	
U.S. Commission on International Religious Freedom ^a	(\$3.2)	(\$3.0)	(\$3.0)	(\$3.0)	
Equal Employment Opportunity Commission (EEOC)	\$327.0	\$322.8	\$322.8	\$327.0	
Federal Communications Commission (FCC) ^b	\$1.0	\$1.0	\$1.0	\$0.0	
Federal Trade Commission	\$71.1	\$76.0	\$61.1	\$76.0	
Legal Services Corporation	\$326.6	\$310.9	\$338.9	\$358.5	
Securities and Exchange Commission ^c	\$863.1	\$880.5	\$880.5	\$890.8	
Small Business Administration ^d	\$1,608.6	\$639.0	\$672.8	\$646.0	
State Justice Institute ^e	\$3.5	\$0.0	\$2.0	\$4.5	
U.S. Institute of Peace ^a	(\$22.1)	(\$27.0)	(\$27.0)	(\$22.1)	
Other	\$5.4	\$13.0	\$2.5	\$3.7	
Total Title V	\$3,215.2	\$2,252.5	\$2,290.5	\$2,315.5	

Source: House Appropriations Committee.

*These funds are in H.R. 5522, State Department/Foreign Operations and Related Agencies Appropriations, FY2007 and are not included in the totals.

- a. Senate funding for these agencies is through the State/Foreign Operations Appropriations bill.
- b. The FCC is primarily funded by offsetting fee collections.
- c. The SEC is fully funded by transaction fees and securities registration fees.
- d. In addition, there were disaster loan appropriations of \$446 million in FY2006 and \$199.9 million proposed for FY2007.
- e. Under the terms of its enabling legislation, the State Justice Institute (SJI) is authorized to present its budget request directly to Congress. Although the President's FY2007 budget proposed nothing for SJI, the Institute requested \$4.5 million for itself.

Table 11. SSJC/CJS Appropriations by Department, FY2007
(\$ millions in budget authority)

Bureau or Agency	FY2006 Estimate	FY2007 Request	House	Senate Cmte.	FY2007 enacted
Title I: Department of Justice					
General Administration	\$1,786.9	\$2,078.8	\$1,942.1	\$1,859.9	
U.S. Parole Commission	\$10.9	\$11.9	\$11.5	\$11.5	
Legal Activities	\$3,298.1	\$3,405.8	\$3,452.8	\$3,384.8	
Interagency Law Enforcement	\$483.2	\$706.1	\$498.5	\$388.0	
Federal Bureau of Investigation	\$5,823.4	\$6,040.0	\$6,043.4	\$5,974.9	
Drug Enforcement Administration	\$1,689.1	\$1,736.5	\$1,751.5	\$1,723.7	
Alcohol, Tobacco and Firearms	\$935.8	\$860.1	\$950.1	\$985.0	
Federal Prison System	\$4,933.4	\$5,106.6	\$5,078.5	\$5,303.6	
Office of Justice Programs	\$2,371.7	\$1,201.0	\$2,376.2	\$1,933.8	
Violence Against Women Office	\$381.6	\$347.0	\$418.3	\$390.0	
Title I Total:	\$21,714.1	\$21,494.0	\$22,455.8	\$21,955.3	
Title II: Department of Commerce and Related Agencies					
International Trade Administration	\$393.8	\$408.8	\$416.8	\$413.8	
Bureau of Industry and Security	\$75.0	\$78.6	\$76.8	\$78.6	
Economic Development Administration	\$280.4	\$327.2	\$260.4	\$280.4	
Minority Business Development Agency	\$29.6	\$29.6	\$29.6	\$29.6	
Economic and Statistical Analysis	\$79.2	\$80.5	\$79.9	\$80.5	
Bureau of the Census	\$801.9	\$878.2	\$825.9	\$828.2	
National Telecommunications and Information Administration	\$39.6	\$17.8	\$17.8	\$39.8	
Patent and Trademark Office ^a	(\$1,683.1)	(\$1,771.0)	(\$1,771.0)	(\$1,771.0)	
Technology Administration	\$5.9	\$1.5	\$2.0	\$2.5	
National Institute of Standards and Technology	\$752.0	\$581.3	\$627.0	\$764.0	
National Oceanic and Atmospheric Administration	\$4,100.0	\$3,678.1	\$3,376.9	\$4,431.3	
Departmental Management	\$73.3	\$98.5	\$52.6	\$74.6	
Other	—	—	—	—	
<i>Department of Commerce Subtotal:</i>	<i>\$6,630.9</i>	<i>\$6,180.1</i>	<i>\$5,765.7</i>	<i>\$7,023.3</i>	
U.S. Trade Representative	\$44.2	\$42.2	\$46.2	\$42.2	
International Trade Commission	\$62.0	\$64.2	\$62.6	\$64.2	
<i>Related Agencies Subtotal:</i>	<i>\$106.8</i>	<i>\$106.4</i>	<i>\$108.8</i>	<i>\$106.4</i>	
Title II Total:	\$6,737.1	\$6,286.5	\$5,874.5	\$7,129.7	

Bureau or Agency	FY2006 Estimate	FY2007 Request	House	Senate Cmte.	FY2007 enacted
Title III: Science					
NASA	\$16,631.4	\$16,792.2	\$16,709.0	\$17,797.2	
National Science Foundation	\$5,581.2	\$6,020.2	\$6,020.0	\$5,991.7	
Exec Office of the President	\$5.5	\$5.4	\$5.4	\$5.4	
Title III Total:	\$22,218.1	\$22,817.8	\$22,734.4	\$23,794.3	
Title IV: Department of State					
Administration of Foreign Affairs	\$6,566.8	\$6,931.0	\$6,656.5	\$6,584.5 ^c	
International Organizations and Conferences	\$2,173.6	\$2,403.9	\$2,257.6	\$2,286.6 ^c	
International Commissions	\$66.5	\$63.9	\$67.9	\$67.4 ^c	
Related Appropriations	\$113.6	\$103.6	\$68.1	\$43.5 ^c	
<i>Subtotal: State Department^b</i>	<i>\$8,920.5</i>	<i>\$9,502.4</i>	<i>\$9,050.1</i>	<i>\$8,982.0^c</i>	
International Broadcasting	\$644.0	\$671.9	\$653.9	\$661.2 ^c	
Title IV Total	\$9,572.4	\$10,174.3	\$9,704.0	\$9,643.2^c	
Title V: Related Agencies					
Commission on Civil Rights	\$8.9	\$9.3	\$8.9	\$9.0	
U.S. Commission on International Religious Freedom ^c	(\$3.2)	(\$3.0)	(\$3.0)	(\$3.0)	
Equal Employment Opportunity Commission (EEOC)	\$327.0	\$322.8	\$322.8	\$327.0	
Federal Communications Commission (FCC) ^d	\$1.0	\$1.0	\$1.0	—	
Federal Trade Commission	\$71.1	\$76.0	\$61.1	\$76.0	
Legal Services Corporation	\$326.6	\$310.9	\$338.9	\$358.5	
Securities and Exchange Commission ^e	\$863.1	\$890.8	\$880.5	\$890.8	
Small Business Administration ^f	\$1,608.6	\$639.0	\$672.8	\$646.0	
State Justice Institute ^g	\$3.5	\$0.0	\$2.0	\$4.5	
U.S. Institute of Peace ^c	(\$22.1)	(\$27.0)	(\$27.0)	(\$22.0)	
Other ^h	\$5.4	\$13.0	\$2.5	\$3.7	
Total Title V	\$3,215.2	\$2,252.5	\$2,290.5	\$2,315.5	
Title VII: Rescissions					
Total Title VII Rescissions	(\$403.9)	(\$607.4)	(\$518.0)	(\$524.8)	
Grand Total (in Senate Bill)ⁱ	\$53,480.6	\$52,243.2	n.a.	\$54,670.0	
Grand Total (in House Bill)ⁱ	\$63,070.4	\$62,447.5	\$62,571.0	n.a.	

Source: House Appropriations Committee.

n.a.= not applicable

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. 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 the FY2005 appropriation was \$668.1 million; the FY2006 estimate is \$734.0 million, and the FY2007 request is for \$683.0 million in fee collections.
- c. Senate funding for these agencies is through the State/Foreign Operations Appropriations bill.
- d. The FCC is primarily funded by fee collections.
- e. The SEC is fully funded by transaction fees and securities registration fees.
- f. In addition, there were disaster loan appropriations of \$1,042.2 million in FY2005, \$446 million in FY2006, and \$199.9 million proposed in FY2007.
- g. Under the terms of its enabling legislation, the State Justice Institute (SJI) is authorized to present its budget request directly to Congress. Although the President's FY2007 budget proposed nothing for SJI, the Institute requested \$4.5 million for itself.
- h. "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; the Commission on Security and Cooperation in Europe; the 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; the U.S. Senate-China Interparliamentary Group, and the HELP Commission — all of which 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 bill.
- i. Totals differ between House and Senate, since the Senate bill does not include the Department of State, International broadcasting, the Commission on International Religious Freedom, and the U.S. Institute of Peace. Totals may not add up due to rounding.