

March 14, 2003

MEMORANDUM

TO: Members, Subcommittee on Fisheries Conservation, Wildlife and Oceans

FROM: Subcommittee Staff

SUBJECT: Oversight Hearing on Fiscal Year 2004 Budget Request for the National Oceanic and Atmospheric Administration (NOAA)

At 2:00 p.m. on Wednesday, March 19, 2003, in Room 1334 Longworth House Office Building, the Subcommittee on Fisheries Conservation, Wildlife and Oceans will hold a hearing on the Administration's Fiscal Year 2004 (FY'04) budget request for the National Oceanic and Atmospheric Administration (NOAA) programs within the jurisdiction of the Subcommittee. Vice Admiral Conrad C. Lautenbacher, Jr., Under Secretary for Oceans and Atmosphere/Administrator, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, has been invited to testify.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)

The National Oceanic and Atmospheric Administration (NOAA), a Department of Commerce agency, consists of five line offices: National Ocean Service (NOS), National Marine Fisheries Service (NMFS), Office of Oceanic and Atmospheric Research (OAR), National Weather Service (NWS), and National Environmental Satellite, Data, and Information Service (NESDIS). The Resources Committee has jurisdiction over NOAA's fisheries and wildlife, marine affairs and oceanography programs, including those in NOS, NMFS, and OAR.

NOAA's budget is divided into the Operations, Research and Facilities (ORF) account, Procurement, Acquisition and Construction (PAC) account, and several smaller miscellaneous accounts. Congress provided NOAA with \$3.288 billion in discretionary appropriations in FY'03. The Administration requests \$3.451 billion in discretionary appropriations in FY'04. Of the amount:

- \$2.482 billion is for ORF;
- \$844.4 million is for PAC;
- \$90.0 million is for the Pacific Coastal Salmon Fund; and
- \$172.5 million is for a new Business Management Fund.

The FY '04 request cuts \$84 million from NOS' FY '03 appropriated level, \$11.6 million from OAR, and \$4.9 million from NMFS. An increase of \$60.5 million for NWS and \$192.5 million for NESDIS.

In addition to requesting a new \$172.5 million Business Management Fund, the budget request also includes \$63.7 million in Adjustments to Base. Many NOAA programs have not received increases for several years sufficient to cover the cost of inflation , and the resulting erosion due to increases in personnel and other costs have left those programs with severely diminished capabilities. In FY '02 and again in the FY '03 request, NOAA has attempted to address that problem through targeted increases to base program funding.

A summary chart appears on the next page, and a more detailed table comparing FY '03 and FY '04 Administration budget requests will be mailed to your office.

NOAA Discretionary Appropriations		
In millions of \$		
	FY '03 Enacted	FY '04 Request
National Ocean Service		
ORF	417.933	391.032
PAC	77.079	20.000
Total, NOS	495.012	411.032
National Marine Fisheries Service		
ORF	580.066	620.958
PAC	27.000	14.000
Other Funds	130.000	97.181
Total, NMFS	737.066	732.139
Office of Oceanic and Atmospheric Research		
ORF	374.740	366.501
PAC	17.450	14.084
Total, OAR	392.190	380.585
National Weather Service		
ORF	698.767	720.950
PAC	60.798	99.081
Total, NWS	759.565	820.031
National Environmental Satellite Data and Information Service		
ORF	150.616	150.317
PAC	494.429	687.204
Total, NESDIS	645.045	837.521
Program Support		
ORF	173.397	232.542
PAC	85.474	10.030
Business Management Fund		172.463
Total, Program Support	258.871	415.035
Total, NOAA	3287.749	3596.343

OPERATIONS, RESEARCH AND FACILITIES (ORF) ACCOUNT

NATIONAL OCEAN SERVICE (NOS)

The National Ocean Service includes: the Coast Survey, which produces charts and navigational information crucial to the conduct of safe marine navigation; the National Geodetic Survey, which maintains the Nation's vertical reference system; the Center for Operational Oceanographic Products and Services which collects and distributes tide and current data; the National Centers for Coastal Ocean Science, which conducts research of use to coastal managers; the Office of Response and Restoration, which conducts hazardous materials planning and environmental restoration; the Office of Ocean and Coastal Resource Management which oversees the Coastal Zone Management Program, and the Coastal and Estuarine Land Protection program; the National Marine Sanctuaries Program; the Coastal Services Centers which provide technical assistance to state coastal managers; and the Coastal Observing Technology System which provides a framework for regional coastal ocean observing systems. NOS implements the Hydrographic Services Improvement Act, the Coastal Zone Management Act and the National Marine Sanctuaries Act.

NOS received \$418.0 million in FY '03, and the Administration is seeking \$391.0 million in FY '04. Significant changes proposed for FY '04 in NOS include:

- an additional \$4.35 million is requested in Navigation Services to address the survey backlog through a long term vessel charter;
- level funding is requested for the Coastal Zone Management, National Marine Sanctuary and National Estuarine Research Reserve programs; and
- no funds are requested for the Coastal Observing Technology System.

NATIONAL MARINE FISHERIES SERVICE (NMFS)

The National Marine Fisheries Service (NMFS) is responsible for the conservation and management of marine and anadromous fisheries in the U.S. Exclusive Economic Zone (EEZ), including implementation of the Magnuson-Stevens Fishery Conservation and Management Act. NMFS is also responsible for the Marine Mammal Protection Act and the implementation of the Endangered Species Act for marine and anadromous fish species and certain marine mammals. NMFS also assists states in managing marine fisheries in state waters.

NMFS received \$580.066 million in FY '03, and is requesting \$620.958 million in FY '04. NOAA is in the final stages of developing a new Strategic Plan for FY '03 and beyond to help focus its finite resources. After consulting with constituents across the Nation, NOAA developed four overarching goals for achieving its mission. The goal for NMFS is to protect, restore, and manage the use of coastal and ocean resources through ecosystem management approaches. Significant changes proposed in FY '04 to help NMFS meet its goal include:

- an increase of \$2.0 million to improve the understanding and prediction of climate change on major U.S. marine and coastal ecosystems in the Bering Sea and Gulf of Alaska;

- an increase of \$2.8 million to support efforts to reduce bycatch. Funding will be used for additional observers, gear technologies and public and private research and testing;
- an increase of \$3.0 million to continue to modernize and expand fishery stock assessments. Funding will increase charter days at sea and use of advanced technologies, and enhance NMFS oceanography studies;
- an increase of \$3.0 million for increased observer coverage in the Northeast for the New England groundfish fishery; and
- an increase of \$2.0 million to fund consultations under Section 7 of the Endangered Species Act to help the Agency meet court-ordered time lines with the Environmental Protection Agency in California and Washington.

OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH (OAR)

The Office of Oceanic and Atmospheric Research (OAR) conducts the scientific research, environmental studies and technology development critical to improve NOAA services. Research is conducted by NOAA and university scientists through a network of 11 Environmental Research Laboratories, 30 Sea Grant programs, 6 Undersea Research Centers, and 8 cooperative NOAA/university laboratories. OAR received \$374.7 million in FY '03, and the Administration is seeking \$366.5 million in FY '04. The \$112.2 million request for NOAA's Ocean, Coastal, and Great Lakes Research partnership programs represents a \$26.6 million decrease from the fiscal year 2003 appropriation. This includes a \$3.0 million reduction for Sea Grant.

PROGRAM SUPPORT

Corporate Services:

A \$25.1 million increase is requested for support of the headquarters offices and functions, such as the Undersecretary's office, legislative affairs and the General Counsel's office. These activities provide support to all the line offices. The Fiscal Year 2004 requests also a \$172.5 million Business Management Fund. The long term goal of the fund is provide a mechanism by which the use of corporate services by individual programs can be better quantified, and those programs charged for their use of those services. This fund would be paid for by transfers from the line offices.

Environmental Compliance:

A \$2 million increase is requested for the Pribilof Island cleanup. The requested amount, \$10 million, is authorized under the Pribilof Islands Transition Act.

Marine Operations and Maintenance, and Aviation Operations:

This account funds the administration of the NOAA Commissioned Officer Corps, and the operations and maintenance of NOAA's ship and aircraft fleets. An \$14.1 million increase is requested for ship operations and maintenance.

PROCUREMENT, ACQUISITION AND CONSTRUCTION (PAC) ACCOUNT

In FY '03 NOAA received \$762.2 million for procurement, acquisition and construction (PAC), including \$555.2 million for NWS and NESDIS projects. In FY '04, \$844.4 is requested, including \$786.3 million for NWS and NESDIS. In FY '04, no funds are requested for the Coastal and Estuarine Land Protection Program, and no funds are requested for the third DYSON-class fishery survey vessel or any other fleet replacement activities.