

**WRITTEN TESTIMONY BY SECRETARY WILBUR ROSS
U.S. DEPARTMENT OF COMMERCE
FISCAL YEAR 2019 BUDGET REQUEST**

Chairman Culberson, Ranking Member Serrano, and members of the House Appropriations Subcommittee, thank you for this opportunity to discuss President Trump's Fiscal Year 2019 Budget Request for the U.S. Department of Commerce.

Thank you for enabling the Department to meet its major strategic objectives of helping the American economy grow, and ensuring our national security. We are accomplishing this by supporting investment and job creation; preparing for a successful 2020 Decennial Census; bolstering trade enforcement and export controls; and providing the observational infrastructure and personnel to develop timely and accurate weather forecasts.

Under my stewardship, our resource allocations in the FY 2019 Budget are centrally focused on helping American businesses and industries compete globally while improving the economic conditions and everyday lives of the American people and their communities.

To that end, the Department of Commerce's FY 2019 Budget Request of \$9.8 billion in funding is a 6 percent increase (+\$637 million) from the FY 2018 Continuing Resolution (\$9.1 billion). This does not include the \$1.0 billion that was recently appropriated to the Department as part of the supplemental assistance package enacted in the aftermath of severe storms in Texas, Florida, and other U.S. territories (the Economic Development Administration was provided \$600 million and the National Oceanic Atmospheric Administration was allocated \$400 million).

The FY 2019 Budget carries forward key strategic investments from FY 2018 and introduces new initiatives that I believe are critical to sustaining the economic momentum that we have established.

Our laser focus remains on helping the American Economy grow. The Department's FY 2019 Budget recognizes the challenges facing American workers and businesses as they attempt to navigate a rapidly changing and increasingly competitive world.

I believe the budget request is uniquely tailored to leverage the innovation, talent, expertise, and technological prowess of the Department's programs, projects, and activities to ensure businesses and the American people are receiving a good return on their taxpayer investments.

By prioritizing our industries, trade and economic advantages, and our workforce, we will continue to be an economic engine, both in the United States and around the world.

I look forward to working with this Committee and the rest of the Congress to achieve our shared goals on behalf of the Nation's taxpayers. For more information about the Department's FY 2019 Budget, please visit the Department's Web site at: http://www.osec.doc.gov/bmi/budget/FY19_CBJ.html.

Highlights of the FY 2019 Commerce Budget Request

CENSUS:

The 2020 Decennial Census is the Department's top priority. A complete and accurate Decennial Census is critical as it informs the policy making process, governs the apportionment of seats in the House of Representatives allocated to the States, and helps direct more than \$675 billion annually in Federal funds to local communities to improve homeland security, education, and infrastructure.

To support this critical endeavor, the Department's FY 2019 Budget requests **\$3.8 billion** for the Census Bureau, \$3.1 billion of which will directly support 2020 Census operations. The proposed \$2.3 billion increase from the FY 2018 CR reflects the Department's commitment to count everyone once and in the right place. The additional funding will provide pivotal investments in information technology and field infrastructure.

TRADE:

When President Trump tapped me to serve as the Commerce Secretary, I vowed to work hard to reduce the nation's trade deficit. Increased enforcement of our trade laws has been a major effort in this regard.

\$440 million is requested in the Department's FY 2019 Budget for the International Trade Administration (ITA). ITA will use the requested funding to hire more subject matter experts and enhance its trade enforcement and analysis capacity as it relates to antidumping and countervailing duty and Section 232 investigations.

The FY 2019 Budget includes more than \$90 million, an increase of \$6 million, for ITA's enforcement and compliance programs. This funding will enable ITA to conduct robust investigations into alleged trade violations and aggressively advocate for U.S. businesses facing tariff and non-tariff barriers abroad. A portion of this would be specifically allocated to Department of Commerce self-initiation efforts on behalf of American workers and businesses.

Trade is also closely linked to our national security. Separately, in 2017, the Bureau of Industry and Security (BIS) successfully completed 13 administrative enforcement cases, with total civil penalties of \$692,296,500—the highest annual level of civil penalties in the history of the Bureau.

To continue building on these important enforcement and national security initiatives, **\$121 million** is requested in the FY 2019 Budget for BIS, a \$8.9 million increase from the 2018 CR. This increased funding will enable BIS to hire additional staff to address the increased workload associated with the Committee on Foreign Investment in the United States (CFIUS) and support the ongoing work of BIS. The International Trade Administration is also provided with additional funding for CFIUS to support its ability to detailed sector reviews required under CFIUS and perform its role as the Department's CFIUS coordinator.

WEATHER SATELLITES:

With its \$1.6 billion request for the National Environmental Satellite and Data Information Service (NESDIS), NOAA will continue its work to deploy the next generation of weather satellites and observational infrastructure. The FY 2019 Budget includes \$878 million for the Polar Weather Satellites, which supports continued work on the Joint Polar Satellite System -2 (JPSS-2) and allows the program to maintain the previously scheduled Launch Readiness Dates of second quarter in 2024 for JPSS-3 and the fourth quarter of 2026 for JPSS-4.

The Budget meets this objective, while lowering overall costs, by combining the current JPSS Program of Record (POR) with the Polar Follow On (PFO) program into a single program, allowing NOAA to more efficiently manage the acquisition of these satellites. The JPSS satellites provide space-based observations that are critical data for weather forecast models in support of forecasting short, mid- and long term severe weather events.

The FY19 Budget also fully funds continued work on the Geostationary Operational Environmental Satellite-R (GOES-R) Series, including the continued development of the third and fourth satellites of the series, GOES-T and GOES-U. On March 1, 2018, NESDIS launched GOES-S (now known as GOES-17), the second of the GOES-R Series. GOES-17 will move to a western position to join its sister satellite, GOES-EAST. Together, these satellites will provide faster, more accurate, and more detailed data than legacy satellites to track storm systems, lightning, wildfires, coastal fog, and other hazards. These satellites will observe the majority of the Western Hemisphere from the west coast of Africa all the way to New Zealand.

Streamlining Government Operations and Improving Efficiency

The Department's FY 2019 resource allocations are designed to fuel American prosperity, the national economy, and the nation's taxpayers. Difficult tradeoffs have to be made for which Commerce programs are prioritized.

The FY 2019 Budget seeks to transform MBDA into a policy-focused operation that can better assist minority businesses across America. Consistent with this transformation, the Budget proposes to eliminate funding for MBDA's business centers.

Instead, MBDA's FY 2019 Budget will allot its present 50 positions for this new endeavor, which seeks to ensure minority entrepreneurs have access to the resources they need to create jobs and help fuel the Nation's prosperity.

Similar to the Department's budget request in FY 2018, the FY 2019 Budget once again proposes significant savings to maximize every taxpayer dollar. These initiatives include eliminating the Economic Development Administration (EDA). These proposals are consistent with the approach throughout the Budget to focus on core federal missions and reduce lower priority expenditures, such as grants.

The proposed elimination of EDA's grant-making functions and salaries and expenses would result in an approximately \$300 million savings.

We are also once again recommending the discontinuation of federal funding for the Hollings Manufacturing Extension Partnership (MEP) program, which subsidizes up to half the cost of state centers that provide consulting services to small- and medium-sized manufacturers. This would result in a projected savings of \$125 million. There has been enough private sector support for this program that we believe it can function well without the need for Federal money.

NOAA is once again proposing to reduce or eliminate a number of its external grant programs, which total approximately \$405 million.

This includes \$72 million for NOAA's National Sea Grant College and Marine Aquaculture grant programs; a \$75 million reduction to the National Ocean Service's Coastal Zone Management and the Regional Coastal Resilience grant programs; and \$65 million for the Pacific Coastal Salmon Recovery Fund (PCSRF), which provide resources to restore and conserve Pacific salmon and steelhead.

Finally, NOAA is re-proposing to terminate the Office of Education for a savings of \$27 million from the FY 2018 CR. This includes terminating the Competitive Education Grants and Educational Partnership Program with Minority Serving Institutions (EPP/MSI) grants. The Budget further proposes to end the Bay-Watershed Educational and Training (B-Wet) Regional Programs.

NOAA will continue to provide watershed educational experiences for students through other programs, including National Marine Sanctuaries.