

**Statement of
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**Before the
House Appropriations Committee, Subcommittee on Commerce, Justice,
Science and Related Agencies**

**“Budget Hearing – Fiscal Year 2024 Request for the U.S. Department of
Commerce”**

Tuesday, April 18, 2023

Chairman Rogers, Ranking Member Cartwright, and members of the Subcommittee, thank you for this opportunity to discuss President Biden’s Fiscal Year (FY) 2024 Budget Request for the U.S. Department of Commerce.

The Commerce Department is hard at work. Thanks to major investments like the Bipartisan Infrastructure Law and the CHIPS and Science Act, and your support through the appropriations process, the Commerce Department is making substantial progress on some of our nation’s most pressing economic and national security priorities, including those related to our supply chains, manufacturing, innovation, and workforce. But global competition remains fierce, and we can’t take our foot off the gas. I’m here today to ask you to build on those investments in Fiscal Year 2024 so we can keep the momentum going and continue to deliver on behalf of the American people. I am grateful for your support as we look forward to accomplishing even more in FY 2024.

The President’s Budget requests \$12.3 billion in discretionary funding and \$4 billion in mandatory funding for the Department of Commerce. The investments proposed in this budget will enable the Department to continue fulfilling its mission to create the conditions for economic growth and opportunity for all communities.

Today, I will focus on seven key areas of investment within the Department of Commerce.

First, the President’s Budget makes strategic investments in innovation, manufacturing, and supply chains.

Without manufacturing strength in the United States, and the innovation that flows from it, we are at a clear disadvantage in the race to invent and commercialize future generations of technology. The FY 2024 Budget invests in programs that enable resilient supply chains to ensure our economic prosperity and national security.

The Budget calls for \$1.6 billion to support the work of the National Institute of Standards and Technology, or NIST, including \$277 million for the Manufacturing Extension Program, or MEP. Today, 51 MEP centers work with manufacturers across the country to help them develop new products and customers, expand and diversify markets, adopt new technology, and enhance value

within supply chains. The additional investment we propose in MEP for FY 2024 will enable MEP centers to expand coordination with private sector manufacturers to narrow gaps in supply chains and adopt critical technologies to make U.S. manufacturers more resilient to global market disruptions.

The Budget also includes \$98 million to expand NIST's role in Manufacturing USA. The U.S. government currently funds 16 Manufacturing USA Institutes, one of which is sponsored by the Department of Commerce. The Department of Commerce will add an additional institute this year using FY 2023 regular appropriations and up to three additional semiconductor focused institutes leveraging CHIPS and Science Act funding. With the funding requested in FY 2024, the Department of Commerce will finance \$60 million in new competitive awards to enable existing Institutes to promote domestic production of institute-developed technologies.

The Budget also proposes \$713 million for the International Trade Administration (ITA) including a \$26 million increase to make ITA's supply chain resilience efforts more proactive. Of this, \$21 million is to establish a supply chain resiliency office within the International Trade Administration to identify and assess economic and national security risks to supply chains; develop strategies to mitigate risks; and implement those strategies. The remaining \$5 million is an increase for SelectUSA that will further allow that program to attract foreign direct investment that will strengthen supply chain resilience.

Second, the Budget protects U.S. technologies, capital, and expertise.

As the United States continues to degrade Russia's military and defense industrial base through export controls and address the national security threats posed by the People's Republic of China (PRC), the Budget includes funding for the Bureau of Industry and Security (BIS) and ITA to continue activities that advance U.S. national security, foreign policy, and economic interests. The Budget includes \$6 million (\$3 million at BIS and \$3 million at ITA) to continue supporting Committee on Foreign Investment in the United States (CFIUS) examinations. The Administration is also considering establishing a program to address national security risks associated with outbound investments to prevent U.S. capital and expertise from financing advances in the critical sectors of countries of concern that undermine U.S. national security. Such a program must be meticulously calibrated to ensure it does not place an undue burden on U.S. investors or businesses. The Budget includes \$5 million to enable ITA to assist the Department of the Treasury in scoping and implementing such a program.

Third, the Budget enables us to partner with our allies to advance our shared values and shape the strategic environment in which the PRC operates.

The Budget also includes \$420 million for ITA's Global Markets program to ensure that U.S. businesses and commercial interests have a robust advocate and first line of engagement on foreign trade and market access barriers. This includes an additional \$17 million for Global Markets to counter economic coercion and unfair trade practices by the PRC and enhance U.S. export competitiveness in strategic regions of vital economic and national security concern. The Budget also includes \$3 million to reaffirm U.S. economic engagement in the Indo-Pacific region by tackling mutual challenges, promoting long-term inclusive growth and stability, and advancing shared values through the Indo-Pacific Economic Framework for Prosperity (IPEF), and \$2 million to expand the standards attaché program in ITA.

Fourth, the Budget invests in programs that enable all Americans to have an opportunity to participate in the 21st century economy.

For too many Americans, the pandemic was just one in a series of economic shocks that have battered their communities, reduced wages, and eliminated entire local industries. Yet, all U.S. regions have existing assets that, with the right partnerships and investments, can be built upon to ensure that these regions can thrive in the modern, global economy. The Budget requests \$4 billion in mandatory funding and \$804 million in discretionary funding for the Economic Development Administration (EDA) to promote innovation and competitiveness and prepare American regions for growth and success in the worldwide economy. This includes \$4 billion in mandatory funds and \$50 million in discretionary funds for the Regional Technology and Innovation Hub Program to foster geographic diversity in innovation and create quality jobs in underserved and vulnerable communities. The Department also requests \$200 million for the Recompete Pilot Program to provide grants to distressed communities and connect workers to good jobs that support long-term comprehensive economic development by reducing high prime-age employment gaps. Additionally, it includes \$100 million for the Good Jobs Challenge to fund employer-led workforce training systems and partnerships to train and place American workers into high-quality jobs and support regional economies. The Budget also invests \$110 million in the Minority Business Development Agency, including \$20 million in rural business centers, to bolster services provided to minority-owned enterprises and help narrow racial wealth gaps across the country.

Fifth, the Budget expands climate science, adaptation, and resilience.

Addressing the climate crisis must be a top priority for the nation, and we must use every tool at our disposal to help address this crisis and related economic impacts. The Budget leverages all the Department's bureaus, and our dedicated workforce, to ensure communities across the nation have the data, tools, and resources they need to prepare for the impacts of climate change while building a better, more resilient, America.

The Budget includes \$6.8 billion for the National Oceanic and Atmospheric Administration (NOAA), \$451 million or 7% more than the enacted level. Within this request, the Administration proposes \$2.1 billion for the nation's weather and climate satellites, \$370 million more than the 2023 enacted level, to keep the nation's weather and climate satellites in operation and on schedule for future deployment. The Department also proposes to fund the National Weather Service at \$1.3 billion and includes \$231 million for NOAA's climate research programs to support the ongoing work of the National Climate Assessment and continue high-priority, long-term observing, monitoring, researching, and modeling activities. The Budget also invests in expanding offshore energy while conserving and protecting high-priority natural resources by providing NOAA \$60 million to expand offshore wind permitting activities, a \$39 million increase above the FY 2023 enacted level. This additional funding will allow NOAA to use the best available science to help deploy 30 gigawatts of offshore energy by 2030, while protecting biodiversity and promoting sustainable ocean co-use.

Sixth, the Budget provides the data leaders in communities, industry, and government need to drive U.S. competitiveness, innovation, and job growth.

The Budget provides the Census Bureau with \$1.6 billion to enable it to continue its transformation from a 20th century survey-centric bureau to a 21st century data-centric organization that provides more timely and relevant data products to our stakeholders. The Budget also includes \$21 million in two new programs at the National Telecommunication Information Administration (NTIA) to improve the efficient use of spectrum by improving spectrum sharing.

Seventh, and finally, the Budget invests in the fundamental infrastructure that makes science possible and the grant oversight that protects the American taxpayer.

The Budget invests nearly \$500 million in fundamental research infrastructure across the Department. Sixty-three percent of NIST research facilities are in poor or critical condition. NIST's world-class scientists cannot continue to do the research to ensure tomorrow's competitiveness in yesterday's crumbling facilities. Therefore, the Budget includes \$262 million for NIST Safety, Capacity, Maintenance, and Majors Repairs, more than double the FY 2023 enacted level. The Budget also includes \$146 million for NOAA to begin to address deferred maintenance and other construction requirements and \$75 million for the continued recapitalization of NOAA's aging marine fleet. Finally, the Budget includes \$8 million for facilities maintenance at NTIA's Table Mountain Field Site and Radio Quiet Zone, the only Radio Quiet Zone available for research and development.

The Department must maintain sufficient oversight of the grants it makes. While grantees can draw down on broadband grants provided under the Infrastructure Investment and Jobs Act and economic development grants provided under the American Rescue Plan until the late 2020s or early 2030s respectively, the Department will begin to run out of funding to oversee certain programs in FY 2024. The Budget includes \$35 million for EDA and NTIA to continue appropriate oversight of those grants.

While the Commerce Department is a diverse agency that covers everything from patents to the weather, the common thread among the investments I have just outlined is that they are all vital to fulfilling our mission of creating the conditions for economic growth and opportunity for all communities.

With these smart, targeted investments we will bolster our economic and national security, make our supply chains more resilient, promote American manufacturing and innovation, and help more workers and businesses compete and win in the 21st century global economy. Thank you for inviting me to appear today. I look forward to working with you, and I am happy to answer your questions.