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and Commerce**

“The Fiscal Year 2025 Department of Commerce Budget”

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Chairman Bilirakis, Ranking Member Schakowsky, and members of the Subcommittee, thank you for this opportunity to discuss President Biden’s Fiscal Year (FY) 2025 Budget Request for the U.S. Department of Commerce.

The Commerce Department continues to implement major initiatives authorized by Congress through the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and the CHIPS and Science Act. Thanks to these laws and the funding Congress has provided, the Commerce Department continues to tackle our nation’s most pressing economic and national security priorities, including those related to emerging technologies, supply chains, manufacturing, innovation, and workforce.

The President’s Budget requests \$11.4 billion in discretionary funding and \$4 billion in mandatory funding for the Department of Commerce in FY25. I’m here today to ask you to support that funding so we can continue fulfilling the Department’s mission to create the conditions for economic growth and opportunity for all communities.

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

First, the President's Budget positions America to ensure U.S. technologies, capital, and expertise are not misappropriated in ways that harm national security or foreign policy.

In order to prevent American and allied technologies from being exploited by countries and entities of concern to undermine our national security, we have been working to modernize and strengthen our export controls. We need new investments to meet new challenges such as the People's Republic of China's (PRC) continued efforts at illicit technology transfer to its military through its policy of military-civil fusion (MCF), Russia's ongoing aggression against Ukraine, and rapid advancements in technology broadly. To protect America against these challenges, the Budget includes \$223 million for the Bureau of Industry and Security (BIS) to expand export enforcement, bolster capacity to identify and protect sensitive technologies, evaluate the effectiveness of existing export controls and update when needed, and increase regional expertise to enhance cooperation on export controls with allies and partners.

The Budget also requests \$5 million for the International Trade Administration (ITA) to address risks arising from outbound investments from the United States into sensitive technologies that could enhance the technological capabilities of the PRC and other countries of concern in ways that threaten U.S. national security.

The Department also contributes to the examination of inbound investment through its participation in the Committee on Foreign Investment in the United States (CFIUS). The Budget includes \$5.3 million to support CFIUS reviews.

Second, the President’s Budget promotes leadership and responsible innovation in Artificial Intelligence (AI).

AI holds extraordinary potential for both promise and peril. Harnessing AI for good requires mitigating its risks. The Budget invests an additional \$62.1 million at Commerce to safeguard, regulate, and promote AI, including protecting the American public against its societal risks. This funding will allow the Department to implement central components of Executive Order 14110, “Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence.”

Central to the Department’s efforts, the National Institute of Standards and Technology (NIST) will fund the creation of guidelines, tools, benchmarks, and best practices for evaluating and mitigating AI risk, including increased funding for the U.S. AI Safety Institute’s (AISI) work to ensure needed testing, evaluation and red teaming of advanced AI to identify and mitigate potentially dangerous capabilities and realize the goals of the AI EO. Just last month, the Department released a strategic vision for the AISI, rooted in two core principles—first, that beneficial AI depends on AI safety; and second, that AI safety depends on science. The AISI aims to address key challenges, including a lack of standardized metrics for frontier AI, underdeveloped testing and validation methods, limited national and global coordination on AI safety issues, and more.

The new AI investments include funding to establish a new AI and Emerging Technologies Policy Lab at the National Telecommunications and Information Administration (NTIA) to drive innovation and policy development.

The new AI investments also include \$8.9 million for BIS to implement mandatory reporting requirements under the Defense Production Act regarding domestic AI developers and compute providers so we can better understand who is developing frontier AI models and the results of safety tests on those models, and second, for Infrastructure-as-a-Service (IaaS) providers to report when foreign entities are using U.S. cloud to train frontier AI models. These funds would be used to hire additional staff for these programs.

Third, the President’s Budget supports resilient supply chains to foster economic prosperity and protect national security.

The Budget includes an increase of \$12 million within ITA to support supply chain resiliency, which is critical to our national security and economic competitiveness. The additional funding will expand the Supply Chain Center and provide for new industry-specific analysts to identify and assess economic and national security risks to supply chains, as well as develop strategies that the Federal Government can take to mitigate those risks. These funds will support the use of the recently released Supply Chain Exposure Tool (SCET), a dynamic new analytic tool designed to facilitate engagement with partner governments to develop a shared understanding of first- and second-order supply chain vulnerability, as well as the updated supply chain risk assessment framework, a first-of-its kind U.S. Government system to assess U.S. supply chain risk across industries and critical products.

The Budget also includes \$37 million for the NIST’s Manufacturing USA program to help secure U.S. global leadership in advanced manufacturing by continuing its large-scale public-private collaborations on technology, supply chain, and workforce development.

Additionally, the Budget includes \$175 million for NIST’s Manufacturing Extension Partnership (MEP), a public-private partnership with centers in every state that offer advisory services to a diverse set of small and medium enterprises. MEP Centers will continue efforts to coordinate with private sector manufacturers to narrow gaps in key product supply chains and support the adoption of critical technologies to make U.S. manufacturers more resilient to global market disruptions.

Fourth, the President’s Budget provides resources to enable the U.S. to continue partnering with our allies to advance our shared values and shape the global strategic environment in which China operates.

ITA’s Global Markets business unit ensures that U.S. businesses and their workers have a robust advocate helping them identify business opportunities globally, overcome the challenges they face abroad, and address unfair foreign trade practices. The Budget includes \$379 million for Global Markets, including a restructuring of its global footprint to focus on the highest priority markets, and a request for \$4 million and 13 positions to support U.S. export competitiveness in strategic markets that enhance our ability to respond to global threats and counter unfair trade practices and economic coercion by China. The Budget reflects our view that in order to compete effectively, we must show up in regions around the world where the PRC is exerting its influence, even as the United States remains the partner of choice.

The Indo-Pacific Economic Framework for Prosperity (IPEF) is a proactive model for economic cooperation that seeks to reestablish U.S. leadership and competitiveness in a critical region. The Budget continues to support ITA’s engagement with the 13 IPEF partners in areas including

strengthening supply chain resilience, facilitating and capturing the economic opportunities as IPEF partners transition to clean economies, and improving the business environment by strengthening anti-corruption efforts and the efficiency of tax administration. The Budget builds on the success gained from the entry into force of the Supply Chain Pillar and the substantially concluded negotiations over the Clean Economy and Fair Economy Pillars, which were completed in record time. Earlier this month, I wrapped up an IPEF Ministerial Meeting in Singapore, where I joined IPEF partners in signing the Clean Economy Agreement, Fair Economy Agreement, and the Overarching Agreement on IPEF, and convened an investor forum that secured a commitment of \$23 billion by U.S. and other companies in investments for sustainable infrastructure projects in the region.

Additionally, the Budget provides the U.S. Patent and Trademark Office (USPTO) with \$4.6 billion in budget authority, which will enable USPTO to continue granting patents, registering trademarks, and protecting American intellectual property worldwide.

Fifth, the President's Budget invests in programs that promote access to good jobs and equitable growth.

The Budget requests \$4 billion in mandatory funding and \$523 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.

The \$4 billion in mandatory funding, coupled with \$41 million of discretionary funding, would enable EDA to execute on the objectives of the Regional Technology and Innovation Hub Program (Tech Hubs Program), as authorized under the Research and Development, Competition, and Innovation Act, and establish cutting-edge, strategic regional technology and innovation hubs that foster geographic diversity in innovation and create quality jobs in underserved and vulnerable communities.

Within this funding, the Budget also invests in two EDA programs which recognize that workforce development and economic development are inseparable. First, the Budget requests \$41 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. EDA ran the first iteration of the Good Jobs Challenge using funds from the American Rescue Plan and received over 500 applications for 32 one-time grants. This additional funding will allow EDA to continue to address this demonstrated nationwide need.

Second, the Budget requests \$41 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 helping to reduce high prime-age (25 to 54 years of age) employment gaps.

The Budget also requests \$5 million for grants focused on the economic development needs of Tribal governments and Indigenous communities. This proposal would provide resources to

address a long unmet need within Indigenous communities that have historically suffered from a lack of investment in core economic development need.

Additionally, the Budget invests \$80 million in the Minority Business Development Agency, which will bolster the services it provides to socially and economically disadvantaged American business enterprises.

Finally, the Budget invests \$75.6 million in our Office of Space Commerce to support the continued expansion of one of the fastest-growing sectors of our economy, to modernize our space regulatory system aligned with the Administration's Novel Space Activities Authorization and Supervision Framework and corresponding legislation, and to provide space situational awareness information that will protect U.S. industry operations.

Sixth, the President's Budget drives climate science, adaptation, and resilience efforts.

The Budget includes \$6.5 billion for the National Oceanic and Atmospheric Administration (NOAA). It prioritizes operations, infrastructure, and continuing initiatives that provide the environmental intelligence necessary to make informed oceans, coastal, fisheries, weather, and climate decisions. The Budget is bolstered by funds previously provided by the Infrastructure Investment and Jobs Act and Inflation Reduction Act.

The Budget provides \$2.1 billion for weather and climate satellites. FY25 funding will enable NOAA to maintain all current satellite programs by including \$84 million for Geostationary

Operational Environmental Satellites R Series (GOES-R), \$342 million for Polar Weather Satellites, and \$40 million for Space Weather Follow On.

The Budget also continues strategic investments in the next generation of climate, weather, and space weather satellites, including \$798 million for Geostationary Extended Observations, \$68 million for Low Earth Orbit Weather Satellites, and \$237 million for Space Weather Next. These investments will deliver the information needed to address emerging environmental issues and challenges that threaten the security of our nation.

The Budget further invests in NOAA's weather and climate enterprise, funding the National Weather Service (NWS) at \$1.4 billion. At this level, the NWS will continue to operate and maintain 122 Weather Forecast Offices, 13 River Forecast Centers, 18 Weather Service Offices, and associated employee housing units, and 9 National Centers. NOAA's Budget also includes \$212 million for NOAA's climate research programs to support the ongoing work of the National Climate Assessment and continue high-priority long-term monitoring, researching, and modeling activities that are critical to understanding and addressing the climate crisis.

The Budget also includes \$33.6 million, an additional \$10 million, for Mitchell Act Hatcheries in the Columbia River Basin complementing the resources previously provided in the Inflation Reduction Act. These additional funds are part of the Administration's commitment to prioritize the restoration of healthy and abundant wild salmon, steelhead, and other native fish populations to the Columbia River Basin, and honor the United States' obligations to Tribal Nations.

The Budget also invests in expanding offshore wind energy, while conserving and protecting high-priority natural resources. The Budget provides NOAA \$53 million to expand offshore wind development. This funding will enable NOAA to use the best available science to help support the goal of deploying 30 gigawatts of offshore wind energy by 2030 while protecting biodiversity and promoting sustainable ocean co-use. It also provides \$86 million to support National Marine Sanctuaries and Marine Protected Areas as part of the Administration's America the Beautiful initiative. With this funding, NOAA will enhance its capacity to expand critical conservation work and support the designation process for additional sanctuaries.

Additionally, the Budget provides the Office of Marine and Aviation Operations (OMAO) \$533.6 million, a net increase of \$90.2 million above FY24 Enacted. This includes increases across Marine Operations and Maintenance, Aviation Operations and Aircraft Services, and NOAA Commissioned Officer Corps. OMAO's budget also includes \$21 million to finalize a second specialized high-altitude G-550 Hurricane Hunter to meet national needs.

Seventh, the President's Budget enables the Department to provide the data that leaders in communities, industry, and government need to drive U.S. competitiveness, innovation, and job growth.

The Budget provides the Census Bureau \$1.6 billion, including \$399 million to prepare for the 2030 Census, \$256 million for the American Community Survey, and \$158 million for the Economic Census. FY25 funding will enable the Census Bureau to continue to transform from a survey-centric organization to a data-centric organization that blends survey data with

administrative and alternative digital data sources, providing more timely and relevant data products to stakeholders and the public.

The Budget will also enable the Census Bureau to invest in economic statistics for Puerto Rico, and improve data methods and quality, hone crosscutting research techniques and provide common technology for data collection, processing, and dissemination across the bureau.

The Budget provides \$138.5 million for the Bureau of Economic Analysis to support economic statistics, including research on environmental-economic statistics.

Finally, the President's Budget invests in the fundamental infrastructure that makes science possible and the oversight that protects the American taxpayer.

The Budget invests over \$400 million in fundamental research infrastructure at NIST, NOAA and NTIA. NIST's mission to advance measurement science requires cutting-edge equipment and best in class facilities; however, approximately 63% of NIST research facilities are in poor or critical condition. NIST's failing infrastructure results in an estimated 30-40% increase in researcher downtime annually. NIST's world-class scientists cannot continue to do the scientific research necessary to ensure tomorrow's competitiveness in yesterday's crumbling facilities.

Therefore, the Budget includes \$311.5 million for construction and major renovations at NIST research campuses to begin working on the backlog of deferred maintenance at NIST.

The Budget includes \$90 million for NOAA to continue addressing deferred maintenance and other construction requirements and \$75 million for the continued recapitalization of NOAA's aging marine fleet.

The Budget includes \$2 million to maintain the Table Mountain Field Site and Radio Quiet Zone. Table Mountain is the only Radio Quiet Zone available for research and development of new spectrum-dependent technologies and comprises 1,700 acres with 12 research buildings.

It is critical that the Department maintain sufficient oversight of Federal grants to identify potential inefficient, ineffective, or misused funding. The Budget requests \$85.9 million, a \$17.9 million increase above the FY24 Enacted level, for EDA's Salaries and Expenses. This increase will support 58 additional positions to help oversee EDA's grant portfolio, which has increased more than eight-fold since 2017.

The Department of Commerce is a dynamic agency charged with administering a wide portfolio of government programs; everything from conducting the decennial Census to administering and enforcing export controls. However, the Department's work is unified by a common theme of promoting America's competitiveness, and the ability for all American workers, families, and businesses to participate and succeed in the 21st century global economy. The investments I have just outlined are consistent with that theme, and they are all vital to fulfilling our mission of creating the conditions for economic growth and opportunity for all communities. Thank you for inviting me to appear today. I look forward to continuing to work with you, and I am happy to answer your questions.