

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

“Fiscal Year 2023 Budget Request for the Department of Commerce”

Thursday, May 12, 2022

Chair Cartwright, Ranking Member Aderholt, and members of the Committee, thank you for this opportunity to discuss President Biden’s Fiscal Year 2023 Budget Request for the U.S. Department of Commerce. The priorities reflected in this Budget build upon the important investments you enacted in Fiscal Year 2022 through annual appropriations, the Bipartisan Infrastructure Law, and the Ukraine Supplemental Appropriations Act. I am grateful for your support of the Department as we look forward to accomplishing even more in Fiscal Year 2023.

The President’s Budget Request includes \$11.7 billion for the Department of Commerce, an 18 percent increase above the fiscal year 2022 enacted level. The investments proposed in this budget will position us to continue fulfilling the Department’s mission to create the conditions for economic growth and opportunity for all communities, implement the recently published 2022-26 Departmental Strategic Plan (Innovation, Equity, and Resilience: Strengthening American Competitiveness in the 21st Century), and support the President’s economic vision for America – to build our economy from the bottom up and the middle out.

Today, I will focus on six key areas of investment within the President’s Budget for the Department of Commerce.

First, the Budget strengthens the Nation’s supply chains by investing in domestic manufacturing.

Rising costs for working families and ongoing supply shocks underscore the urgency of building long-term resilience across critical supply chains, strengthening domestic manufacturing, and beginning to institutionalize supply chain resilience within the Department of Commerce.

The Budget calls for \$1.46 billion to support the work of the National Institute of Standards and Technology, or NIST, including \$275 million Manufacturing Extension Program, or MEP, which is an increase of \$117 million over FY 2022. Today, there are 51 MEP centers that work with manufacturers to help them develop new products and customers, expand and diversify markets, adopt new technology, and enhance value within supply chains. The additional investment in MEP will enable the centers and their clients to respond quickly to new market opportunities by working at all levels of the supply chain, from original equipment manufacturers to suppliers,

and with state and federal governments. It will also facilitate initiatives to expand the pool and diversity of workers in the manufacturing sector, by partnering with workforce organizations to coordinate and tailor services to meet the needs of local manufacturers.

The Budget also includes \$97 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. Each Manufacturing USA Institute is a public-private partnership with a distinct technology focus, such as advanced composites, additive manufacturing, biofabrication, smart manufacturing, and sustainable manufacturing. Each institute works to secure the future of U.S. manufacturing through innovation, education, and collaboration. With this request, the Department of Commerce will maintain funding for our current institute, which focuses on biopharmaceutical manufacturing, and sponsor four new Manufacturing USA Institutes that will promote collaboration on industry-relevant research and development to spur manufacturing innovation in the U.S.

The Budget also proposes \$16.1 million to augment the Commerce Department's data tools and expertise to support more secure and diversified supply chains. This investment will provide Bureau of Economic Analysis (BEA) \$5.2 million and 15 positions to better collect data on U.S. participation in global supply and distribution chains and will provide the International Trade Administration (ITA) \$10.9 million for 38 positions for additional capacity needed to strengthen supply chain resilience by allowing us to track the supply of goods and services and respond to acute disruptions.

Second, the Budget positions us to compete globally, protect our national security, and continue to lead a global coalition united in condemnation of Russian aggression against Ukraine.

The Budget calls for \$630.8 million for the International Trade Administration (ITA), \$72 million above the FY 2022 enacted level. Within this, the Budget calls for investments to strengthen commercial diplomacy in targeted areas of high economic and geostrategic value, including the Indo-Pacific region, which will assist U.S. companies competing in these important markets.

The Budget provides the Bureau of Industry and Security (BIS) \$199.5 million, representing an increase of \$58.5 million, or 41 percent more than the FY 2022 enacted level, to apply and enforce export controls to advance our national security objectives. Within this, the Budget includes \$36 million to secure the information and communications technology and services (ICTS) supply chain and \$10 million in new funding to strengthen national security efforts to counter current and emerging threats from Russia and China.

Third, the Budget continues a focus on equitable and inclusive economic growth for all Americans.

We fail to meet our full potential as a nation if we are not investing in all underserved communities, workers, inventors, and entrepreneurs.

The Budget provides \$502.5 million for the Economic Development Administration (EDA) to help communities experiencing economic distress take control of their future and position themselves for economic prosperity and resiliency. Within this, the Budget includes \$50 million for the new Recompete Pilot Program, which will provide grants to communities experiencing

high prime-age employment gaps. It also increases funding for the Assistance to Coal Communities program, to continue to assist communities economically impacted by changes in the coal industry. The most directly comparable portion of EDA's American Rescue Plan Act Coal Communities Commitment was the Economic Adjustment Assistance portion, and this was significantly oversubscribed with applications totaling more than twice the \$200 million in funding available. With additional funding, we would be able to better support these and so many other communities.

The Budget proposes \$110 million for the Minority Business Development Agency (MBDA), double the FY 2022 enacted level, necessary to meet the full authorization this Committee put forth in the Minority Business Development Act included in the Bipartisan Infrastructure Law. This funding will build MBDA's capacity and expand existing grant programs, including the flagship business and specialty center programs, opening regional offices, and establishing a Rural Business Center program.

Fourth, the Budget takes historic action to combat the climate crisis.

The coast-to-coast devastation caused by extreme weather events has been heartbreaking to watch. Extreme winds, tornadoes, hurricanes, wildfires, heat, and floods threaten lives, families, homes, and businesses. Addressing the climate crisis is an essential component of the Department's mission to create the conditions for economic growth and opportunity.

The Budget includes \$6.9 billion for the National Oceanic and Atmospheric Administration (NOAA), an increase of \$986 million from the 2022 enacted level to ensure the Department is providing decision-makers across the public and private sectors with critical, actionable data, strategies, and expertise to address the climate crisis. The Department will bolster equity in its service delivery to ensure that our most vulnerable communities, including tribal, rural, and other underserved populations, have access to the information and tools they need to make climate-smart decisions. The Budget includes additional funding for the Climate Competitive Research Program to provide decision-makers with the information and tools they need to respond to climate change, and to provide climate change projections out to 2050. Our budget request for NOAA also supports programs to catalyze wind energy, restore habitats, protect the oceans and coasts, continue education and outreach efforts in local communities, and improve NOAA's ability to predict extreme weather, including events associated with climate change. It also includes \$2.3 billion to support the nation's weather and space weather satellite enterprise, which is a \$667 million increase above the FY 2022 enacted level, to ensure the continuity of our world-class weather observation capability. The next decade is a critical time to address the climate crisis, and with this Budget, NOAA has a once in a generation opportunity to advance climate resilience and promote economic growth.

Additionally, the Budget proposes \$87.7 million for the Office of Space Commerce, a \$71.7 million increase above the FY 2022 enacted level. The U.S. commercial space industry pioneers innovative technologies that transform our daily lives, gather critical data, enable communications, and help secure the Nation. This significant increase in funding for the Office of Space Commerce will be dedicated to standing up a civil, operational Space Situational Awareness (SSA) capability at NOAA that meets the industry's needs.

Fifth, the Budget expands opportunity and discovery through data.

The Nation's economy, technology, and demographics are changing rapidly and profoundly, making timely data crucial for developing the insights needed to support American competitiveness, innovation, and growth of quality jobs. The Budget provides the Census Bureau with \$1.5 billion to enable it to continue its transformation from a 20th century survey-centric model to a 21st century data-centric model that provides more timely and relevant data products to our stakeholders. The Budget also calls for \$141 million for BEA, \$25 million more than the FY 2022 enacted level, to support new data on the supply chain, income distribution statistics, health care spending, and growth of the space economy to better inform decision-makers.

Sixth, and finally, the Budget ensures the Department can provide 21st century service to the American public.

The Budget proposes new funds to enhance cybersecurity and increase the diversity and equity of our workforce. It also proposes investments to improve technology and customer experience. These investments will ensure that the Department can provide best in government services to the American public. The mission of the Department could not be carried out without our dedicated employees. They have persevered through new challenges and emerged more resolute to help the Department achieve new heights.

Together, in the face of extraordinary challenges, we are building a 21st century economy that is keeping America competitive globally and positioning America's workers and businesses for success. We are already witnessing historic levels of job creation and economic growth. But there is more work to do. I look forward to working with you to enact the President's FY 2023 Budget for the Department of Commerce to do that work. I am happy to take your questions.