

Departmental Overview

Innovation, Equity, and Resilience

Strengthening American Competitiveness in the 21st Century

The Department of Commerce's mission is to create the conditions for economic growth and opportunity for all communities. The Department of Commerce's (Department's) Fiscal Year (FY) 2024 Budget (Budget) makes prudent investments to position our workers and businesses for success in the 21st century. Specifically, the Budget makes investments that will drive U.S. innovation and global competitiveness, foster inclusive capitalism and equitable economic growth, address the climate crisis, expand opportunity and discovery through data, and provide 21st century service to deliver on its mission.

FY 2024 Budget in Context

The Budget proposes \$12.3 billion in discretionary funding and \$4 billion in mandatory funding. This funding will complement investments in high-speed Internet access and climate resilience provided by the Bipartisan Infrastructure Law and the Inflation Reduction Act as well as investments to revitalize the domestic semiconductor industry provided by the CHIPS Act of 2022.

Drive U.S. Innovation and Global Competitiveness

The Budget enables resilient supply chains to ensure our economic prosperity and national security.

The Budget includes a \$21 million increase to establish a supply chain resiliency office within the International Trade Administration (ITA). The supply chain resiliency office will hire 54 new analysts and leverage external experts to: identify and assess economic and national security risks to supply chains; develop strategies to mitigate risks; and enable the implementation of those strategies. The Budget also includes an increase of \$5 million to hire 17 new people for SelectUSA to help implement those strategies by coordinating supply chain priorities with state Foreign Direct Investment (FDI) attraction efforts and recruiting high-value investment targets. While ITA supports these efforts on an ad hoc basis today, establishing a dedicated supply chain resiliency office will enable a more strategic and efficient approach to identifying and addressing supply chain risks.

Resilient supply chains strengthen our national security and economic prosperity and create high-paying American jobs. The Budget includes \$98 million for the National Institutes of Standards and Technology's (NIST's) Manufacturing USA program. Manufacturing USA's national network of institutes will help secure U.S. global leadership in advanced manufacturing by continuing its large-scale public-private collaborations on technology, supply chain, and workforce development. FY 2024's funding will support NIST's existing manufacturing institute and the new institute that will be launched in 2023. It will also finance \$60 million in new competitive awards to enable existing manufacturing institutes to promote domestic production of institute-developed technologies. The Budget also includes \$277 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 expand 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.

The Budget positions the Nation to ensure U.S. technologies, capital, and expertise are not misappropriated in ways that harm national security or foreign policy.

The United States continues to rally the world to support Ukrainians as they defend their freedom. More than one year after Russia began its brutal further invasion of Ukraine we continue to enforce and expand export controls and tariffs to increase pressure on Russia. The Budget includes \$222 million for the Bureau of Industry and Security (BIS). This funding level will allow BIS to support 587 total staff, more than 50% more staff than they have on board today to advance U.S. national security, foreign policy, and economic interests.

To protect U.S. national security and guard against threats, the Administration is considering the establishment of a program to address national security concerns arising from outbound investments from the United States into sensitive technologies that could enhance the technological capabilities of countries of concern in ways that threaten U.S. national security. Any such program must be meticulously calibrated so it is broad enough to prevent U.S. capital and expertise from financing advances in critical sectors that undermine U.S. national security yet narrow enough to prevent harm to America's workers and the U.S. economy. The Budget includes \$5 million to enable ITA to assist the Department of Treasury in scoping and implementing such a program. 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 \$6 million (\$3 million at BIS and \$3 million at ITA) to support CFIUS examinations.

The Budget provides resources to enable the U.S. to continue partnering with our allies in new ways to advance our shared values and shape the strategic environment in which China operates.

Reaffirming U.S. economic engagement in the Indo-Pacific region is critical to reducing China's economic sphere of influence. The Budget includes \$3 million to expand this dialogue and support ITA's engagement with the 13 Indo-Pacific Economic Framework for Prosperity (IPEF) partners in areas including supply chain resilience, clean energy and decarbonization, infrastructure development, tax and anti-corruption, and fair and resilient trade. This funding will advance commercial diplomacy and export promotion, and enable ITA to reaffirm relationships in a region home to more than half of the world's people. .

ITA's Global Markets business unit ensures that U.S. businesses and commercial interests have a robust advocate and first line of defense against unfair foreign trade practices and market access barriers. The Budget includes \$420 million for Global Markets, which includes an additional \$17 million and 58 positions to support U.S. export competitiveness in strategic markets and enhance the U.S.' ability to counter unfair trade practices and economic coercion by China.

The Budget also provides U.S. Patent and Trademark Office with \$4.2 billion in budget authority, which will enable USPTO to continue granting patents, registering trademarks, and protecting American intellectual property worldwide.

Foster Inclusive Capitalism and Equitable Economic Growth

The Budget invests in programs that enables all Americans to have an opportunity to participate in the 21st century economy.

The Budget requests \$4 billion in mandatory funding and \$804 million in discretionary funding in 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 \$50 million in discretionary funds, would enable EDA to execute on the objectives of the Regional Technology and Innovation Hub Program, as authorized under the Research and Development, Competition, and Innovation Act. Namely, this funding will enable EDA to establish cutting-edge and 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 that recognize that workforce development and economic development are inseparable and must be addressed together. First, the Budget requests \$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. EDA ran 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 \$200 million for the Reconnect 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 makes investments within EDA to establish a new \$20 million grant program focused exclusively on the economic development needs of tribal governments and indigenous communities. This proposal acknowledges the acute and systemic disadvantages that have long hindered the ability of indigenous communities in fostering economic development.

Outside of EDA, the Budget invests \$110 million in the Minority Business Development Agency, \$40 million more than the FY 2023 Enacted level and the full amount authorized in the MBDA Act. This investment will bolster services provided to minority-owned enterprises to help narrow racial wealth gaps.

Address the Climate Crisis through Mitigation, Adaptation, and Resilience Efforts

The Budget drives climate mitigation, adaptation, and resilience efforts by leveraging bureaus' expertise and capabilities.

The Budget includes \$6.8 billion for the National Oceanic and Atmospheric Administration (NOAA), \$451 million or 7% more than the FY 2023 Enacted Level. The resources provided to NOAA complement investments in climate resilience provided by the Bipartisan Infrastructure Law and the Inflation Reduction Act. Within the amount provided in the Budget, the Administration continues its commitment to the nation's weather and climate satellite enterprise by providing \$2.1 billion for the nation's weather and climate

satellites, \$370 million above the FY 2023 Enacted level. FY 2024 funding will enable NOAA to maintain all current satellite programs; it includes: \$280 million for Geostationary Operational Environmental Satellites R Series (GOES-R), \$342 million for Polar Weather Satellites (PWS), and \$97 million for Space Weather Follow On (SWFO). The Budget continues strategic investments in the next generation of climate, weather, and space weather satellites by providing \$417 million for Geostationary Extended Observations (GeoXO), \$124 million for LEO Weather Satellites, and \$225 million for Space Weather Next. This satellite budget is based on a new ten-year \$25 billion cost profile for NOAA weather satellites. This cost profile follows through on the Administration's commitment to provide the observing systems necessary to meet evolving weather, climate, and environmental data needs while responsibly managing costs.

The Budget further invests in NOAA's weather and climate enterprise. Specifically, it funds the National Weather Service (NWS) at \$1.3 billion. At this level, the NWS will continue to operate and maintain 122 Weather Forecast Offices (WFO), 13 River Forecast Centers (RFC), 18 Weather Service Offices (WSO), and associated employee housing units, and 9 National Centers. NOAA's Budget also 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. The Budget provides NOAA \$60 million to expand offshore wind permitting, a \$39 million increase above the 2023 enacted level. This will allow NOAA to use the best available science to help meet the goal of deploying 30 gigawatts of offshore energy by 2030 while protecting biodiversity and promoting sustainable ocean co-use. It also provides \$87 million to support National Marine Sanctuaries and Marine Protected Areas as part of the Administration's America the Beautiful initiative, which aims to conserve at least 30 percent of U.S. lands and waters by 2030. With this funding NOAA will expand critical conservation work and support the designation process for additional sanctuaries.

The Budget also includes \$97 million for NIST's activities on Climate Change and Environmental Sustainability including a \$3 million increase for NIST's efforts in greenhouse gas (GHG) measurement and monitoring. This work is in coordination with other Federal agencies including NOAA, NASA, and EPA. This funding will enable NIST laboratories to develop standards for carbon dioxide removal from natural-based sources, and to develop a comprehensive approach for ensuring the accuracy and trustworthiness of data used in carbon accounting from both man-made and natural sources.

Expand Opportunity and Discovery through Data

The Budget enables the Department to provide the data 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. Within this funding, the Budget includes \$409 million for the 2030 Census' preparation, \$260 million for the American Community Survey, and \$152 million for the Economic Census. In FY 2024, the Census Bureau will continue to transform from a 20th century survey-centric organization to a 21st century data-centric organization that blends survey data with administrative and alternative digital data sources, which will provide more timely and relevant data products to Census' stakeholders. In FY 2024 the Census will also make new investments in economic statistics for Puerto Rico, and collecting data on businesses' use of technology, post-secondary employment outcomes, and healthcare. It also invests in streamlining demographic data collection tools and researching innovative methods for producing data on the impacts of natural disasters.

The Budget includes \$20 million in two new programs at the National Telecommunication Information Administration (NTIA) to improve the efficient use of spectrum. First, it includes \$14 million to create an Incumbent Informing Capability (IIC) to improve spectrum sharing, thereby allowing more efficient use of the spectrum and expanding access to spectrum for both Federal and non-Federal users. Second, it includes \$7 million to establish a Spectrum Innovation Research Incubator (SIRI), which will proactively study and assess spectrum to identify spectrum that may be viable for repurposing. SIRI's proactive, data-driven, studies and analyses will enable spectrum to be repurposed, and as a result, make more spectrum available.

Provide 21st Century Service with 21st Century Capabilities

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 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. In fact, NIST's failing infrastructure results in an estimated \$242 million in wasted labor (lost progress) annually. NIST's world-class scientists cannot continue to do the science and research necessary 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 includes \$146 million for NOAA to begin to address deferred maintenance and other construction requirements. The Budget also includes \$75 million for the continued recapitalization of NOAA's aging marine fleet.

NTIA owns and maintains 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, yet NTIA does not have specific facilities and maintenance funding for this asset. The Budget includes \$8 million to establish a facilities maintenance and construction account to support necessary upgrades and repairs at Table Mountain.

It is critical that the Department maintain sufficient oversight of Federal grants to identify potential inefficient, ineffective, or misused funding. The Budget includes \$20 million for NTIA to conduct appropriate oversight of grants funded by the Infrastructure Investment and Jobs Act of 2022 (IIJA). IIJA provided \$50 billion to expand broadband access and connectivity through multiple grant programs. While some grantees can draw down on funds until the 2030s NTIA will begin to run out of funding for oversight of certain grant programs in FY 2024. The \$20 million in the Budget will enable NTIA to continue appropriate oversight of these programs in FY 2024. The Budget also proposes a legislative change that will enable NTIA to further leverage existing funds oversee certain grant programs in future years. The Budget also includes \$15 million for EDA to conduct appropriate oversight of the \$2.94 billion in American Rescue Plan Act grants. While grantees can draw down on funds until 2027, EDA projects it will run out of oversight funding in FY 2023. This funding will enable EDA to continue appropriate oversight of these programs in FY 2024.

Conclusion

The Budget includes \$12.3 billion in discretionary funds, and \$4 billion in mandatory funds, to enable the Department to create the conditions for economic growth and opportunity for all communities. The Budget makes diverse, strategic investments that will position our workers and businesses to succeed in the 21st century.