

## Departmental Overview

## Innovation, Equity, and

## Resilience

*Strengthening American Competitiveness in the 21st Century*

The Department of Commerce's (Department's) mission is to create the conditions for economic growth and opportunity for all communities. The Department's Fiscal Year (FY) 2025 Budget (Budget) maintains funding for essential programs and activities and 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 the Department's mission.

## FY 2025 Budget in Context

The Budget proposes \$11.4 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, the Inflation Reduction Act, and the Infrastructure Investment and Jobs Act, as well as investments to revitalize the domestic semiconductor industry provided by the CHIPS and Science Act.

## Drive U.S. Innovation and Global Competitiveness

*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.*

We must ensure strategic competitors cannot exploit foundational American and allied technologies, know-how, or data to undermine American and allied security. We are therefore modernizing and strengthening our export controls. The Budget includes \$223 million for the Bureau of Industry and Security (BIS) to help BIS expand export enforcement domestically and overseas, bolster BIS's capacity to identify critical and emerging technologies eligible for export control, evaluate the effectiveness of export controls, and increase regional expertise to enhance cooperation on export controls with allies and partners.

To protect U.S. national security and guard against threats, the Budget 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 countries of concern in ways that threaten U.S. national security. This funding will enable ITA to gather and analyze information regarding certain outbound investments from the United States to address the nexus between outbound investments and 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 (\$2.3 million at BIS and \$3 million at ITA) to support CFIUS examinations.

*The Budget promotes leadership and responsible innovation in Artificial Intelligence (AI).*

Artificial intelligence (AI) holds extraordinary potential for both promise and peril. Harnessing AI for good and realizing its myriad benefits requires mitigating its substantial risks. The Budget invests \$65 million to safeguard, regulate, and promote AI, including protecting the American public against its societal risks. This funding will allow the Department to successfully 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 U.S. AI Safety Institute to operationalize NIST's AI Risk Management Framework by creating guidelines, tools, benchmarks, and best practices for evaluating and mitigating dangerous capabilities and conducting evaluations including red-teaming to identify and mitigate AI risk. The Budget also allocates funding to establish a new program at the National Telecommunication Information Administration (NTIA) to create the AI and Emerging Technologies Policy Lab (APL) to drive innovation and policy development.

*The 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. The additional funding will institutionalize 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 and implement strategies to mitigate those risks.

Resilient supply chains strengthen our national security and economic prosperity and create high-paying American jobs. The Budget 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. The Budget also 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.

*The 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 commercial interests have a robust advocate and first line of defense against unfair foreign trade practices and market access barriers. The Budget includes \$379 million for Global Markets, which includes 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 to enhance the U.S.' ability to respond to global threats and counter unfair trade practices and economic coercion by China. The Budget also continues to 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.

The Budget also 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.

### Foster Inclusive Capitalism and Equitable Economic Growth

*The Budget invests in programs that promote all Americans' 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 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, 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 and must be addressed together. 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 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 makes investments within EDA to establish a new \$5 million grant program focused 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 \$80 million in the Minority Business Development Agency. 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 \$6.6 billion for the National Oceanic and Atmospheric Administration (NOAA), \$188 million or 3%

more than the FY 2024 Annualized CR. This NOAA Budget 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 Bipartisan Infrastructure Law and Inflation Reduction Act. 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, \$430 million above the FY 2024 Annualized CR level. FY 2025 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 (PWS), and \$40 million for Space Weather Follow On (SWFO). The Budget also continues strategic investments in the next generation of climate, weather, and space weather satellites to continue development of world leading, mission-driven weather satellite programs that will offer new state-of-the-art capabilities to improve forecasting. The Budget provides \$798 million for Geostationary Extended Observations (GeoXO), \$68 million for Low Earth Orbit Weather Satellites, and \$237 million for Space Weather Next.

The Budget further invests in NOAA's weather and climate enterprise. Specifically, it funds the National Weather Service (NWS) at \$1.4 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 \$212 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 includes 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 energy while conserving and protecting high-priority natural resources. The Budget provides NOAA \$53 million to expand offshore wind permitting, a \$31 million increase above the FY 2024 Annualized CR. This funding will enable NOAA to use the best available science to help support the goal of deploying 30 gigawatts of offshore energy by 2030 while protecting biodiversity and promoting sustainable ocean co-use. It also provides \$86 million, a \$18.2 million increase above the FY 2024 Annualized CR, 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.

Additionally, the Budget provides the Office of Marine and Aviation Operations (OMAO) a net increase of \$71 million above the 2024 Annualized CR. These include increases across Marine Operations and Maintenance, Aviation Operations and Aircraft Services, and NOAA Commissioned Officer Corps, to support expanded marine and aviation operations to support increased efforts to collect high quality data, enhance public safety, and improve understanding of climate-induced impacts on communities and ecosystems. OMAO's budget also includes \$21 million, an increase of \$17 million above the FY 2024 Annualized CR, to finalize a second specialized high-altitude G-550 Hurricane Hunter to meet national needs.

### 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 \$1.578 billion. Within this funding, the Budget includes \$399 million to prepare for the 2030 Census, \$256 million for the American Community Survey, and \$158 million for the Economic Census. FY 2025 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, an \$8.5 million increase from the FY 2024 Annualized CR, to support economic statistics, including research on environmental-economic statistics.

## 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 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. 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 scientific research necessary to ensure tomorrow's competitiveness in yesterday's crumbling facilities. Therefore, the Budget includes \$311.5 million for maintenance, renovations, and improvements at NIST research campuses.

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, yet NTIA does not have specific facilities and maintenance funding for this asset to support the growing demands of modern spectrum sharing research.

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 FY 2024 Annualized CR 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 (from \$694 million to \$6 billion) since 2017.

## Conclusion

The Budget includes \$11.4 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.