

Shelby Opening Statement on Department of Commerce FY2016 Budget Request

WASHINGTON, DC – Thursday, February 26, 2015 – U.S. Senator Richard Shelby (R-Ala.), Chairman of the Senate Appropriations Subcommittee on Commerce-Justice-Science (CJS), today delivered the following opening statement during a subcommittee hearing to review the FY2016 budget request for the U.S. Department of Commerce.

The full text of Shelby’s remarks, as prepared, is below.

“Today, I want to welcome Secretary Pritzker who will testify about the Department of Commerce’s 2016 budget request. This Committee has had a productive relationship with the Commerce Department under Secretary Pritzker’s tenure, and we appreciate her being here today.

“The Department of Commerce is responsible for a variety of activities critical to our nation’s well-being including: weather forecasting, economic development, fisheries management, cybersecurity standards, and trade enforcement. Few departments have such potential to directly impact the strength and sustainability of our communities and local businesses back home.

“The Commerce Department’s request for fiscal year 2016 totals \$9.8 billion, which is \$1.3 billion - or 16 percent - above the 2015 enacted amount of \$8.5 billion. This request represents a significant increase in spending at a time when America is still living within a constrained budget.

“The Department’s request proposes increased funding for several important programs that are already expensive, including the build-up to the 2020 Decennial Census and efforts to launch the next generation of weather satellites. However, these large increases are coupled with substantial funding for new initiatives, which will continue to add financial pressure on existing core programs and operations.

“Such a disjointed request ignores current fiscal realities and raises immediate questions about the Administration’s priorities for establishing a balanced budget within the Commerce Department. Strict oversight and fiscal responsibility are essential for the Department’s success in fiscal year 2016.

“One of the growing pressures on the Department’s budget is the anticipated budgetary and personnel buildup to execute the 2020 Census. While the Department is working to make the

2020 Census as efficient and cost effective as possible, any delay in testing and activities now will have very costly ramifications in the future. The Department simply cannot afford to have another billion dollar setback like what was experienced in 2010.

“Madam Secretary, if you are not watchful of plans and schedules with the Census today, important programs throughout the Department could suffer in order to keep the Decennial Census on track.

“When it comes to accountability, ensuring the timely delivery, launch, and operation of weather satellites remains a primary concern for this subcommittee. According to NOAA’s own budget request: ‘Polar orbiting satellites provide the primary input – up to 85 percent – of the data needed for NOAA’s Numerical Weather Prediction Models, the underpinnings of high impact weather forecasts.’

“Despite the continued support and full-funding provided by this Committee to NOAA for these satellites, recent reports by GAO and the Department of Commerce Inspector General suggest that a gap in polar satellite data is likely to occur. GAO continues to predict a gap that could last anywhere from 17 to 53 months, while NOAA and NASA say there is only a potential of a 3 month gap. I am disappointed in the lack of a specific plan to address the potential near-term data gap that could occur this calendar year.

“Madam Secretary, this mixed message on the potential gap deeply troubles me. It is clear, that loss of this data would negatively impact the capability of our nation’s weather forecasters — potentially putting lives and property in harm’s way. However, this gap debate and incongruent information does little to dissuade my concerns or that of the American people.

“In addition, I am concerned about the Department’s 2016 request of \$380 million for a new proposal to build a follow-on polar satellite program after the Joint Polar Satellite System. The 2016 request is only an initial down payment for this new satellite program and lacks specific details on the overall price tag, which could cost several billion dollars.

“This Committee will need further information from the Department and NOAA on this new satellite system to determine what exactly the taxpayers are being asked to invest in beyond fiscal year 2016.

“Finally, I want to touch on the Department’s role in economic development. For fiscal year 2015, I expressed concern about the rollout of the Investing in Manufacturing Communities program. This program gives selected communities a seal of approval and priority access to federal resources, resulting in the Department picking winners and losers. This is a concern that I still have.

“I am similarly troubled by a new initiative proposed in the 2016 request that would establish two new institutes for manufacturing innovation. Last year’s omnibus spending bill included an authorization to build out a network of these manufacturing institutes.

“While I support efforts to drive innovation and spur private-sector growth, I am worried these institutes may benefit only certain communities while disadvantaging others.

“Furthermore, I believe this manufacturing initiative will create a fiscal commitment we are unable to meet. The Administration proposes \$1.9 billion in mandatory spending in fiscal year 2017 to fund these manufacturing institutes, but these funds have yet to be authorized.

“However, with no mandatory funding available or identified, the Administration proposes spending \$150 million of discretionary funding in fiscal year 2016. This is discretionary funding that the Department simply cannot afford, and I am concerned that funding new initiatives like this will come at a cost to Commerce’s core functions.

“To be financially successful, the Department’s role in this initiative should be limited in scope, focused on its core mission of economic development and assisting the most economically distressed communities, while being mindful of taxpayer dollars.

“I look forward to hearing your views on these matters, Secretary Pritzker, and working with our subcommittee members to address their concerns in the 2016 bill.

“And now I want recognize our CJS ranking member and our Full Committee Vice Chairwoman Senator Barbara Mikulski.

“Senator Mikulski and I have worked together on the Appropriations Committee for many years, especially on this subcommittee, and I’m glad to have her as my partner again this Congress.

“We share the same goals and ideals when it comes to strong fiscal oversight and a desire for returning to regular order. I look forward to working with Senator Mikulski to craft a responsible fiscal year 2016 CJS bill.”

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