WRITTEN STATEMENT ON THE

NATIONAL OCEANIC AND ATMOSPHERIC

ADMINISTRATION'S FY 2003 BUDGET

BY THE

UNDER SECRETARY OF COMMERCE FOR OCEANS AND ATMOSPHERE

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FOR THE

HOUSE RESOURCES COMMITTEE

SUBCOMMITTEE ON FISHERIES CONSERVATION, WILDLIFE AND OCEANS

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Thank you, Mr. Chairman, and members of the Subcommittee, for this opportunity to testify on the President's FY 2003 Budget Request for the National Oceanic and Atmospheric Administration (NOAA). I will focus my remarks today on the budget items of particular interest to this Committee. I will start by discussing programs with proposed funding increases.

Let me begin by saying that this budget supports and enhances the goals of the President and the Department of Commerce. NOAA has established itself as one of the world's premier scientific and environmental agencies. We are an agency that deals with environmental change. We are an agency whose products form a critical part of the daily decisions made by Americans across the Nation and have economic impacts which affect our Nation's Gross Domestic Product. From our climate predictions that impact farming and financial decisions, to our hydrological products that affect public utilities and energy consumption, NOAA is a critical part of our Nation's economic security.

We are experts in climate, with its cooling and warming trends. We are an agency that manages fluctuating fisheries and marine mammal populations. We observe, forecast and warn the public about the rapidly changing atmosphere and especially severe weather. We monitor currents and tides, and beach erosion. We survey the ocean bottom and provide mariners with products to maintain safe navigation. We operate the Nation's most important constellation of earth-observing satellites. Lastly, we provide all this knowledge and exploration to citizens everywhere, especially to schools and young people across our Nation through our website www.noaa.gov. We provide this as a result of our mission to advance environmental assessment, environmental prediction, and natural resource stewardship for our great Nation.

This budget supports products that are essential for decision makers in every part of our economy. NOAA's budget will continue to fund products that assist in protecting the health and safety of this Nation's citizens from both routine and severe environmental changes. This budget supports our research, science and services from the local weather forecast offices around the Nation to our Fisheries Research Vessels that

ensure sustainable stocks of our Nation's fisheries. It provides for technology infusion and critical infrastructure protection to reduce single points of failure for our satellite and weather prediction programs; continues our special partnerships with universities, states, and local governments around the Nation; and invests in education and human resources. This budget also supports our vast infrastructure, which will allow NOAA to continue its mission in years to come.

In a period of strongly competing Presidential priorities for our national defense, and economic security, the President's FY 2003 Budget Request for NOAA is $3,330.5 million in total budget authority, and represents a decrease of $45.4 million below the FY 2002 Enacted level. Within this funding level, NOAA proposes essential realignments that allow for a total of $148.8 million in program increases, and $129.0 million in base adjustments. NOAA's request highlights critical areas such as People and Infrastructure, Improving Extreme Weather Warnings and Forecasts, Climate Services, Modernization of NOAA Fisheries, and other key NOAA programs such as Energy, Homeland Security, Ocean Exploration, and Coastal Conservation.

People and Infrastructure: $129.0 million adjustment - to - base

NOAA's people and infrastructure are at the heart of what NOAA is and does. From our National Marine Sanctuary in the Florida Keys to NOAA's fisheries offices in Juneau, these are the underlying and interconnecting threads that hold NOAA and its programs together. Investments in NOAA's scientific and technical workforce as well as NOAA's facilities and equipment is essential for us to carry out our mission into the 21st Century.

Modernization of NOAA Fisheries: $90.9 Million Increase

The FY 2003 President's Budget Request for NOAA, invests in core programs needed for our National Marine Fisheries Service (NMFS) to meet its mission to manage fisheries, rebuild stocks, and protect endangered species such as sea turtles and whales. NMFS modernization funds will be allocated to ensure that existing statutory and regulatory requirements are met for fisheries and protected species management programs (including the Magnuson-Stevens Act, National Environmental Protection Act, Endangered Species Act, Marine Mammal Protection Act, and other statutory requirements). This budget request continues NOAA's effort to modernize NOAA's Fisheries. The Modernization of NMFS encompasses a long-term commitment to improve the NMFS structure, processes, and business approaches. In addition to this budget request, the Administration will propose that any reauthorization of the Magnuson-Stevens Fisheries Conservation and Management Act include authority for fishing quota systems within regional fisheries, including transferable quotas, where appropriate. This initiative focuses on improving NMFS' science, management, and enforcement programs and begins to rebuild its aging infrastructure. These improvements will result in measurable progress in the biological and economic sustainability of fisheries and protected resources. To continue this modernization program, NOAA's FY 2003 President's Budget Request includes the following program investments in Science, Management, and Enforcement.

Science: $74.8 Million Increase

Fisheries Research Vessel: NOAA requests an increase of $45.5 million for a total of $50.9 million for NOAA's second Fisheries Research Vessel (FRV2). This vessel will replace the 39-year old ALBATROSS IV in the North Atlantic. Costs of maintaining the aging ALBATROSS IV for the five years needed to construct the replacement FRV and to allow side-by-side missions for calibration purposes are escalating. Moreover, replacing the aging fleet is required to provide research platforms capable of meeting increasingly sophisticated data requirements for marine resource management.

Modernize Annual Stock Assessments: NOAA requests an increase of $9.9 million to modernize annual stock assessments. Funding will allow NMFS to conform to new national stock assessment standards of data quality, assessment frequency, and advanced modeling. An increase of $5.1 million is requested to provide for the recruitment and training of stock assessment biologists and supporting staff to produce annual stock assessments that meet the new standard for Federally managed stocks. This request would also add an increment of 260 Fisheries vessel/charter days at sea toward the balance of 3,000 days identified in the NOAA Fisheries Data Acquisition Plan at a cost of $2.4 million. The initiative includes $0.9 million for advanced sampling technologies. This element targets improvements and innovative uses of existing technologies, including the application of new and advanced sampling systems and approaches. Also, included in this request is $1.5 million to enhance fisheries oceanography studies, principally, the Fisheries and the Environment program (FATE).

Endangered Species Act Sea Turtle Research: NOAA requests an increase of $2.0 million for a total of $6.5 million to continue the recovery of highly endangered sea turtles. Of the $2.0 million increase, $1.4 million is to provide the necessary research to recover highly endangered marine turtles. This program is designed to help us collect information on biology and habitats and share that information with other range countries. The remaining $0.6 million is requested to implement management strategies to reverse population declines, implementation of multi-lateral international agreements, and building capacity through domestic and international educational and outreach programs.

Columbia River Biological Opinion (BiOp) Implementation: NOAA requests an increase of $12.0 million to provide for the research, monitoring, and evaluation (RM&E) necessary to continue implementation of measures included in the Columbia River Biological Opinion. The RM&E program will provide the scientific information necessary to assess whether BiOp performance measures are being achieved at 2003, 2005, and 2008 check-ins. This funding also provides for the research needed to address key uncertainties identified in the BiOp in the areas of estuary and near-shore ocean survival, delayed effects related to dam passage, and the effects of hatchery programs on the productivity of naturally spawning fish.

Recovery of Endangered Large Whales: NOAA requests an increase of $1.0 million to provide resources to scientifically determine whether two key endangered whales - humpbacks and bowheads - have recovered and are candidates for delisting. This information will enable NOAA to detect changes in the status of large whales and prevent any long-term irreversible damage to these populations.

Socioeconomics: NOAA requests an increase of $1.5 million for a total of $4.0 million to support the on-going development of a multi-year comprehensive social sciences program to support NMFS policy decisions. The approach is 3-tiered, augmenting the integral components of a successful social sciences program that includes staffing ($0.6 million and 7 FTE); data collection ($0.5 million); and research activities ($0.4 million). In combination, the funding will be used to continue addressing shortcomings in economic and social assessments of policy alternatives by improving the economic and social science staff capability, and initiation of data and applied research programs.

National Observer Program: NOAA requests an increase of $2.9 million for a total of $17.0 million for the National Observer Program. Funding will be used to expand the collection of high quality fisheries and environmental data from commercial and recreational fishing vessels to assess impacts on marine resources and fishing communities and to monitor compliance with marine resource laws and regulations. This request will primarily provide for approximately 4,000 observer sea days spread over 11 fisheries, most of

which are currently unobserved.

Management: $6.4 Million Increase

NMFS National Environmental Policy Act (NEPA) Implementation: NOAA requests an increase of $3.0 million for a total of $8.0 million to continue striving to enhance its management of the NEPA process. This funding will provide NMFS with the necessary resources to continue to support agency-wide NEPA activities and will allow NMFS to strengthen its decision-making and documentation process to more fully take advantage of the decision making tools provided by NEPA.

Regional Fishery Management Councils: NOAA requests an increase of $1.9 million for a total of $16.0 million for the Regional Fishery Management Councils. This request will provide needed resources for the Councils to respond to increased workload in developing, implementing, and supporting management measures to eliminate overfishing and rebuild overfished stocks; identify and protect essential fish habitats; reduce fisheries' bycatch to the maximum extent practicable; minimize the impacts of fishing regulations on fishing communities; and to implement programs that result from the next reauthorization of the Sustainable Fisheries Act. These results will be achieved through the development of amendments to and creation of new Fishery Management Plans and regulations and corresponding and supporting international management measures to control fishing activities.

Statutory and Regulatory Requirements: NOAA requests an increase of $1.5 million to provide for thorough, complete, and timely environmental and economic analyses to NOAA customers and for its recovery programs. Funds will support personnel in all NMFS regions, science centers and headquarters to conduct required data gathering, analysis, and document preparation to assess the impacts of human activities that affect protected species. These include the range of Federal actions, including management of marine fisheries. This funding will also support assessments of the environmental and socioeconomic impacts, costs and benefits of implementing conservation programs for protected species.

Enforcement: $9.7 Million Increase

Enforcement and Surveillance: NOAA requests an increase of $4.3 million for a total of $39.3 million to expand and modernize NMFS' fisheries and protected species enforcement programs. These programs include Alaska and west coast groundfish enforcement, protected species enforcement, state and local partnerships, specialized Magnuson-Stevens investigatory functions, community oriented policing and problem solving, and swordfish/Patagonian toothfish import investigations.

Vessel Monitoring System (VMS): NOAA requests an increase of $5.4 million for a total of $7.4 million for additional support and continued modernization and expansion of the vessel monitoring system (VMS) program. These resources will create a program which will monitor approximately 1,500 vessels and is readily expandible. VMS technology is an invaluable tool for modern fisheries management. It provides outstanding compliance without intrusive at-sea boardings, enhances safety at sea, and provides new tools to managers for real time catch reporting.

Climate Services: $36.2 Million Increase

NOAA maintains a balanced program of focused research, large-scale observational programs, modeling on seasonal-centennial time scales, and data management. In addition to its responsibilities in weather prediction, NOAA has pioneered in the research and operational prediction of climate variability associated

with the El Niño Southern Oscillation (ENSO). With agency and international partners, NOAA has also been a leader in the assessments of climate change, stratospheric ozone depletion, and the global carbon cycle. Our confidence in our recent El Nino prediction is based upon a suite of robust observing systems that are a critical component in any forecast.

The agency-wide Climate Services activity represents a partnership that allows NOAA to facilitate the transition of research observing and data systems, and knowledge into operational systems and products. During recent years, there has been a growing demand from emergency managers, the private sector, the research community, and decision-makers in the United States and international governmental agencies for timely data and information about climate variability, climate change, and trends in extreme weather events. The economic and social need for continuous, reliable climate data and longer-range climate forecasts has been clearly demonstrated. NOAA's Climate Services Initiative responds to these needs. The following are a few efforts supported by this initiative:

Climate Change Research Initiative: NOAA request a total of $18M to study areas of scientific uncertainty and to identify priority areas where investments can make a difference. In line with recent recommendations by the National Academy of Sciences, the CCRI promotes a vision focused on the effective use of scientific knowledge in policy and management decision, and continual evaluation of management strategies and choices. Included in the CCRI, NOAA requests $4.0 million to work towards the establishment of an Global Ocean Observing System that can accurately document climate scale changes in ocean heat, carbon, and sea level changes.

Arctic Research: NOAA requests a total of $2.0 million in support of the Study of Environmental Arctic Change (SEARCH) to improve monitoring of the elements of the Arctic environment. NOAA's SEARCH activities are part of a coordinated interagency and international program, begun in response to evidence of an alarming rate of environmental change occurring in the Arctic. The SEARCH initiative will substantially increase understanding of long-term trends in temperature, precipitation and storminess across the U.S., with potential improvements in forecasting and planning for energy needs, growth seasons, hazardous storm seasons and water resources.

University-National Oceanographic Laboratory System (UNOLS): NOAA requests a total of $2.5 million to outsource with UNOLS and other sources for ships in the Pacific to support long-time series research for Fisheries-Oceanographic Coordination Investigations (FOCI), VENTS, Oregon/Washington Groundfish Habitat and maintenance of the Tsunami moorings in the Gulf of Alaska and Pacific Ocean. The increase will enable NOAA to continue to meet research requirements in the Pacific Ocean, Gulf of Alaska, and Bering Sea utilizing time aboard UNOLS and other vessels.

Climate Monitoring and Ocean Observations: NOAA requests an increase of $5.4 million for a total of $54.6 million to upgrade the laboratories that conduct climate research, which includes $0.6 million for purchasing equipment and improving the scientific activities that contribute to the long-term observing systems that directly support the President's Climate Change Research Initiative (CCRI) initiative. These observing systems are the Global Ocean Observing System (GOOS); the Global Air Sampling Network; and the Tropical Atmosphere Ocean (TAO) array which is the cornerstone of the El Niño/Southern Oscillation (ENSO) Observing System and other ocean observing systems.

Other KEY NOAA Programs

NOAA is constantly pursuing areas where the expertise of our researchers, scientists, and staff can

contribute to solving problems. Therefore, NOAA has other key programs that respond to these challenges. They are Energy, Homeland Security, Ocean Exploration, and Coastal Conservation.

Energy: $8.7 million Increase

Energy Initiative:

As part of this initiative, NOAA requests a total of $2.0 million to support the establishment and implementation of a streamlined energy permit review process. This proposal responds to an Executive Order directing Federal agencies to expedite permits and coordinate Federal, state, and local actions needed for energy-related project approvals on a national basis and in an environmentally sound manner. The goal of this request is to reduce, by 25%, the time required to adjust the permits of licensed energy projects/facilities. Currently, re-licensing of existing facilities takes 6-10 years. It is anticipated that the combination of regular re-licensing and permit adjustments to implement the new National Energy Policy will result in thousands of new actions for NOAA nationally.

Homeland Security: $23.1 million Increase

On September 11, 2001, the Nation experienced an unprecedented attack on the World Trade Center and the Pentagon. NOAA immediately implemented its agency-wide Incident Response Plan, and was able to rapidly deploy critical assets, capabilities, and expertise to support response and recovery efforts. NOAA personnel in weather offices, satellite and remote sensing teams, hazardous materials units, marine transportation and geodesy offices, and fisheries enforcement teams provided a wide range of products and services.

NOAA's response to the September 11 attacks was rapid and focused. However, the attack fundamentally altered the context of NOAA's incident response planning. The threats resulting from attacks on the nation may be different in nature, and larger in scale and scope. Thus, NOAA's Homeland Security efforts are focused on enhancing its response capabilities and improving internal safety and preparedness. NOAA is working quickly to improve its ability to coordinate emergency response, to evaluate its existing capabilities, and to identify products and services that will meet the challenge of new response realities. NOAA's Homeland Security activities are dedicated to advancing the coordinated efforts within the Department of Commerce, the Office of Homeland Security and assisting NOAA's many federal, state, and local partners.

In FY 2003, a $23.1 million increase is requested to address the most immediately recognized areas of programmatic vulnerabilities to ensure the continuity of the most critical of NOAA's services and information products in the event of natural or man-made emergencies. Of particular interest to this committee is the increase for a Vessel Lease/Time Charter. NOAA's base resources will allow NOAA to continue assisting DOD in mapping and charting key port areas.

Vessel Lease/Time Charter: NOAA requests a total of $9.9 million for a Vessel Lease/Time Charter. NOAA will initiate a vessel time charter to expand its hydrographic surveying capacity. While having the capability to operate throughout America's Exclusive Economic Zone (EEZ), initial emphasis during FY 2003 will be in the Gulf of Mexico. Ninety five percent of America's non-NAFTA economic trade moves through the marine transportation system. Any interruption in the flow of goods through our nation's marine transport system yields immediate and dire impact to the national economy. Four of the top seven port areas are found on the Gulf of Mexico, including: (1) New Orleans and South Louisiana, (2) Houston/Galveston,

(3) Port Arthur, TX and Lake Charles, LA; and (4) Corpus Christi, TX. The combination of high traffic, hazardous cargos and vessels operating close to the ocean bottom make waterways and ports particularly vulnerable to terrorist activities including those utilizing low technology mines. Requested funding provides critical survey data to directly enhance safety of mariners, passengers, and the national economy from threats both natural or human in origin.

Ocean Exploration: $14.2 Million

NOAA requests a total of 14.2 million for Ocean Exploration. This program seeks to increase our national understanding of ocean systems and processes through partnerships in nine major voyages of discovery in FY 2003. Ocean Exploration is investment in undersea exploration, research, and technology in both the deep ocean and areas of special concern, such as the U.S. Exclusive Economic Zone (EEZ), and National Marine Sanctuaries (NMS). The Ocean Exploration program consists of four key objectives: 1) Mapping the physical, geological, biological, chemical and archaeological aspects of the oceans, 2) Exploring ocean dynamics and interactions at new scales to improve our understanding of the complex interactions in this vital component of the planet's life support system, 3) Developing new sensors and systems for ocean exploration to regain U.S. leadership in marine technology, 4) Reaching out in new ways to stakeholders to improve the literacy of learners of all ages with respect to ocean issues. Ten percent of all Ocean Exploration funds is used for education and outreach to teach America's school children and stimulate their interest on ocean sciences. The data and knowledge is also available to all researchers and the general public quickly so they may be better informed on ocean issues.

Coastal Conservation: $348.5 Million

NOAA's coastal conservation activities are central to accomplishing the mission of environmental monitoring, and underscore a commitment to coastal, estuarine, and marine ecosystems. NOAA's activities are coordinated by Coastal Zone Programs; Marine Sanctuaries, Estuarine Research Reserves, and Marine Protected Areas; Coral Reefs, Habitat, and Other Coastal Conservation & Restoration Programs; and Pacific Salmon.

Coastal Zone Programs: $85.6 million

Coastal Zone Management: NOAA requests a total of $75.6 million for Coastal Zone Management Activities. The purpose of the national Coastal Zone Management (CZM) Program is to maintain and improve the quality and utility of the Nation's coastal lands and waters through a national network of Federally-approved, coordinated, and supported state management programs that seek to maintain the balance between the needs of resource protection and coastal-dependent economic activity. These programs are state developed and implemented. The plans recognize the significance of coastal resources to our Nation's population and economy, and promote improved management of these important assets. Federal matching funds are provided as cooperative agreements to support state staff and community projects that address the broad spectrum of coastal management issues ranging from habitat conservation and protection of life and property from coastal hazards, to urban waterfront and port revitalization (Section 306/306A CZMA). The $75.6 M includes grants and administration.

Nonpoint Pollution Implementation Grants: NOAA requests a total of $10.0 million for Nonpoint Pollution Implementation Grants. This investment will provide states with resources to reduce nonpoint pollution, the greatest single threat to coastal water quality. Coastal waters are increasingly impacted by polluted runoff. Symptoms include the impacts of Pfiesteria in coastal waters of the eastern seaboard,

nutrient over-enrichment in the Gulf of Mexico, the loss of salmon fisheries in the Pacific Northwest and local closures of shellfish beds and beaches throughout the country. NOAA will provide grants to states with approved plans to address the causes of these and other symptoms of the degradation of our coastal water quality.

National Marine Sanctuary Program, National Estuarine Research Reserves, and Marine Protected Areas: $75.0 million

National Marine Sanctuary Program: NOAA requests a total of $45.6 million for the National Marine Sanctuary Program. This continued investment will allow for upgrading support to the operating and technical capacity in the thirteen national marine sanctuaries. Congress has required NOAA to invest in providing adequate resources for the management and protection of existing sanctuaries prior to designating new sanctuary sites. Congress has called for sufficient resources for operational staff, facilities and equipment, effective implementation of management plans, enforcement, and particularly for site characterization including cultural resources and inventory of existing natural resources. The FY 2003 increase will support implementation of management changes identified through the revisions of sanctuary management plans. These efforts will improve protection of important sanctuary resources, including coral reefs, endangered marine mammals, sensitive habitats, and significant cultural resources. NOAA will be implementing a comprehensive facilities plan that prioritizes needs and opportunities at individual sites for constructing sanctuary visitor centers, collaborative education projects, and operational needs. In order to help establish an appreciation of sanctuary resources by the public, the program will begin to construct a network of regional visitor centers.

National Estuarine Research Reserve System: NOAA requests a total of $26.4 million for the National Estuarine Research Reserve System (NERRS). NERRS (Section 315 CZMA) is a national network of estuarine protected areas representing the diverse biological and physical characteristics of estuarine systems of the United States. Reserves are owned and operated by state governments and serve as local, regional, and national sources of technical information and testing grounds for the improvement of coastal resource management. By the end of FY 2003, it is expected that there will be 26 designated reserves in 21 states and territories covering over one million acres of estuarine lands and waters, with one more site in the designation process. Supplementing or updating facilities at the 26 reserves will be carried out in conjunction with the development of system-wide construction plans. All construction activities are carried out based on the current needs for implementing core NERRS program and external opportunities for partnerships. The facilities and land of the reserves are owned and managed by the states in this Federal-state partnership.

Marine Protected Areas (MPA): NOAA requests a total of $3.0 million for the Marine Protected Areas Program. NOAA's Marine Protected Areas Program, in coordination with the Department of the Interior, coordinates and shares information, tools and strategies, and provides guidance to enable and encourage Federal, state, territorial, tribal and local agencies in the exercise of their respective authorities to enhance the protection of marine protected areas.

Coral Reefs, Habitat, and Other Coastal Conservation & Restoration

Programs: $60.6 million

Coral Reef Programs: $28.2 million

NOAA requests $28.2 million for its Coral Reef programs that impact the conservation, research, and monitoring of coral reefs. The NOAA Coral Reef Program implements priority actions identified by the U.S. Coral Reef Task Force's National Action Plan to Conserve Coral Reefs. NOAA is undertaking a series of activities to reduce human impacts on coral reefs and restore reef environments. We work closely with many external partners to ensure that resources and capabilities are utilized to improve coral reef management and protection, including mapping, monitoring, education and designation of marine protected areas. NOAA is also engaged in improving the understanding of coral reef ecosystems through environmental monitoring and predicting future change. Long-term in situ coral reef monitoring stations will provide information essential for sound management decisions, long-term planning, and important research. The data collected will allow for improved understanding of coral reef ecosystem response to changes in the physical environment, and prediction of coral bleaching. Lastly, NOAA has developed a Coral Reef Watch Program. The programs focus is to (1) transition existing experimental satellite reef health monitoring capabilities into a viable operational capability, to (2) formalize the existing U.S. leadership in the emerging global "Virtual Coral Reef Ecosystem Monitoring Laboratory," and, (3) provide for a solid scientific basis for future monitoring and assessment products/capabilities.

Habitat Conservation: $22.4 million

NOAA requests a total of $22.4 million for fisheries, and other habitat restoration programs. These funds will continue to support NOAA Restoration Center activities and the community-based restoration programs which provides seed money and links NOAA technical expertise to grass-roots restoration projects. This highly successful national effort encourages partnerships with groups outside of NOAA and regularly has leveraged appropriated funds by factors of five to six, and by as much as 10 to 1. These activities are a part of NOAA's strategic goal for sustaining healthy coasts.

Other Coastal Conservation & Restoration Programs: $10.0 million

South Florida: NOAA requests $2.1 million for South Florida. The South Florida Initiative is an integrated effort among federal, tribal, state and non-governmental partners to halt the degradation and restore the function of the South Florida ecosystem. Funding will support scientific investigations in the South Florida coastal ecosystem to better understand and restore the coastal areas as part of the overall restoration effort. When coupled with monitoring efforts, these investigations show the interactions between restoration efforts and oceanographic, atmospheric, geologic, hydrologic, and fisheries processes.

Response and Restoration: NOAA requests a total of $3.7 million for response and restoration. NOAA fulfills the natural resource stewardship mandate of the Secretary of Commerce to protect and restore coastal resources by countering and responding to environmental threats and promoting sound coastal decisions. Environmental threats addressed include oil and hazardous material spills, hazardous waste sites, and contaminated sediments. NOAA also addresses activities that affect coastal environmental quality such as vessel groundings, coastal storms that mobilize contaminants, and port infrastructure development and maintenance to promote safe navigation.

Estuarine Restoration Program: NOAA requests $1.2 million for the Estuarine Restoration Program. NOAA works with other partners to implement a national estuary habitat restoration strategy designed to ensure a comprehensive approach towards habitat restoration projects. NOAA's activities include the development of scientifically sound monitoring protocols and standards for coastal habitat restoration projects. In addition, NOAA is developing restoration databases that provide quick and easy access to accurate and up-to-date information regarding all projects funded under the Estuary Restoration Act of

2000, as well as information on projects throughout the country that meet the standards established as a part of the Act for monitoring and data collection. This effort will provide scientists and resource mangers with information critical to successful estuary habitat restoration efforts.

Cooperative Conservation and Recovery with States: NOAA requests a total of $1.0 million to provide funds to state partners under the Endangered Species Act Section 6 cooperative conservation program. These agreements will provide the means for states and local communities to undertake local initiatives in the management and recovery of ESA-listed and candidate species by providing the legal authority to make the decisions about how best to protect species at risk of extinction. The agreements would provide funding on a matching basis to accomplish conservation activities. Funding provided to the states would support local researchers, non-governmental organizations and volunteers to accomplish monitoring, restoration, science and conservation activities.

Pacific Salmon: $127.4 million

Pacific Salmon Recovery: NOAA requests a total of $17.4 million for this program. This investment will provide for continued investment for the recovery of these species because the threats of extinction come from a variety of activities including fishing, hatchery operations, grazing, irrigation, and timber harvest.

Pacific Salmon Recovery Fund and Treaty: $110.0 million

Funding at this level will allow the states and tribes to continue support for habitat restoration and protection, research and enhancement, monitoring and evaluation, and salmon recovery planning and implementation efforts. FY 2003 funding for the Pacific Salmon Treaty at $20.0 million, along with a smaller amount in the State Department, will also capitalize the Northern and Southern transboundary funds at $75.0 million and $65.0 million respectively.

Sea Grant

I have been asked to address the Administration's proposal to transfer funding for the National Sea Grant College Program from NOAA to the National Science Foundation (NSF).

I would like to begin by explaining the Administration's proposal. The Sea Grant program plays an important role in marine and coastal research and is a cost-effective way to address new problems in marine research management. Under the Administration's proposal, the current Sea Grant structure would be replaced with a university-based coastal and ocean program modeled after the NSF centers, with input from researchers, educators and practitioners, through workshops. NSF will retain the Sea Grant College designation for qualified centers. The program will be open to all public and private institutions of higher education through a fully competitive process. NSF also has a lower matching requirement, so state and local funds will be freed up to address outreach and extension needs of local communities. NOAA will have a strong role in setting research objectives for the program. To ensure the program transfer does not adversely affect current awardees, NSF will transfer funds to NOAA to support the current award commitments through the duration of their grant period.

Several studies of the Sea Grant Program have noted its effectiveness, as well as its problems. In 1994, the National Research Council (NRC) found that NOAA's Sea Grant Program has played a significant role in U.S. marine science, education, and outreach. The review's recommendations included better defining the roles of the National Sea Grant Office, the Sea Grant College programs, and the Sea Grant Review Panel,

and streamlining the proposal review and program evaluation processes. Many of the recommendations of the NRC report have been adopted by the program and were also incorporated in the 1998 Amendments to the National Sea Grant College Program Act. In a November 2000 study, entitled "A Mandate to Engage Coastal Users," a committee led by Dr. John Byrne of Oregon State University and the Kellogg Commission indicated Sea Grant has been effective in facilitating the Nation's sustainable development of coastal resources by helping citizens make better informed and wiser decisions. Twenty-two of the 30 state Sea Grant Programs have undergone performance evaluations by teams of outside reviewers and Sea Grant peers. Sixteen were graded "excellent" in achieving significant results. A program was graded "excellent" if it produced significant results, connected Sea Grant with users, and was not found to need improvement in areas such as long-range planning and management. Sea Grant's 1999 Hammer Award-winning program in seafood safety training and the national marina management effort are examples of other successful national programs.

Through the years, a number of successful partnerships have been established between NOAA and the National Science Foundation (NSF)**,** such as the Teacher-at-Sea Program, our partnerships with NSF on the U.S. Global Change Research Program and the U.S. Weather Research Program, as well as the Study of Environmental Arctic Change (SEARCH) program. And, NSF supports some applied research programs, such as the Small Business Innovation Research and Technology Transfer programs.

The Administration's proposal to transfer funding for the Sea Grant Program from NOAA to NSF includes a decrease of 20 Full Time Equivalents (FTE) and $62.4 million in NOAA;$57 million would be requested by NSF. In this proposal, the current Sea Grant structure, which funds centers largely on a formula basis, would be replaced with a university-based coastal and ocean program. Under the proposal, federal funding for the extension component of Sea Grant may be reduced and extension would not be administered by NSF. The details of the partnership proposal have not been finalized at this time, and we are working with NSF to ensure an appropriate role for NOAA. As noted previously, we expect NOAA will have a key role in establishing research priorities.

Conclusion

NOAA's Fiscal Year 2003 Budget request invests in people, climate, energy, homeland security, infrastructure, and high priority research, science, and services. This budget maintains NOAA on its course to realize its full potential as this nation's premier environmental science agency. NOAA is also doing its part to exercise fiscal responsibility as stewards of the Nation's trust as well as America's coastal and ocean resources. And, in the same way that NOAA is responsible for assessing the Nation's climate, we are responsible for assessing and improving our management capabilities. NOAA will continue to respond to key customers and stakeholders, and will continue to leverage its programs and investments by developing those associations that most efficiently and economically leverage resources and talent, and that most effectively provide the means for successfully meeting mission requirements. Thank you for the opportunity to present NOAA's fiscal year 2003 budget.

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