

Committee on Resources

Witness Testimony

Testimony before the U.S. House of Representatives,
Committee on Resources,
Subcommittee on Fisheries Conservation, Wildlife & Oceans
February 27, 1997

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INTRODUCTION

Thank you, Mr. Chairman, and members of the Subcommittee, for this opportunity to testify on the President's FY 1998 Budget Request of the National Oceanic and Atmospheric Administration (NOAA). As America moves into the 21st century, our domestic security and global competitiveness will depend on the types of capabilities, services and products delivered by NOAA. I would like to address how this proposed budget maintains an appropriate balance among the environmental assessment and prediction, and environmental stewardship, needs of the nation. I am accompanied today by Terry Garcia, Acting Assistant Secretary for Oceans and Atmosphere; Diana H. Josephson, Deputy Under Secretary; and Joseph Kammerer, Chief Financial Officer/Chief Administrative Officer. Also, NOAA's Assistant Administrators and Office Directors are present.

THE NOAA ROLE: DOING WHAT'S NEEDED

NOAA's FY 1998 budget continues to reflect this Administration's commitment to meeting the challenges facing America by putting to good and efficient use technology and information, to insure the continued security, prosperity, and vitality of our Nation. NOAA has applied cutting-edge technologies and innovations to provide the U.S. with the most advanced weather and climate prediction systems in the world. NOAA conducts research to improve operations, develop new technologies, and supply the scientific basis for managing natural resources and solving environmental problems. NOAA's comprehensive system for acquiring observations -- from satellites to ships to radars -- provides the quality data and information critical to the safe conduct of daily life and basic functioning of a modern economy.

The FY 1998 NOAA budget represents the right level of investment to protect the environment and assure economic growth. Investment in our Nation's and the world's environmental health is an investment in economic well-being. NOAA plays a key role in a Department whose structure encourages the integration of economic, statistical and environmental information and technology development to assure a future of economic opportunity and prosperity for all Americans.

The mission of the National Oceanic and Atmospheric Administration (NOAA) is to describe and predict changes in the Earth's environment, and conserve and manage the Nation's coastal and marine resources to ensure sustainable economic opportunities. This mission involves basic responsibilities of government for ensuring general public safety, national security and environmental well-being, and promoting economic growth. The successful execution of this mission depends on adequate funding for, and synergism among component activities of NOAA. Common end products and services include weather warnings and forecasts, environmental technologies, marine fisheries statistics and regulations, nautical charts, assessments of environmental changes, and hazardous materials response information. These capabilities, products and services support the domestic security and global competitiveness of the United States, and affect the lives of nearly every citizen every day.

In a period of strongly competing government priorities, the President's FY 1998 Budget Request for NOAA affirms the agency's role by providing the resources to maintain essential services, facilitate continuing progress in critical

investment areas, and address statutory obligations. This proposed budget ensures an appropriate balance among the environmental assessment, prediction and stewardship needs of the Nation.

NOAA's services typically require highly concentrated investments but yield widely dispersed benefits. These services affect the lives of nearly every citizen every day, thus NOAA's work represents a wise and appropriate investment by the taxpayer.

NOAA's strategic planning process defines and validates its business activities, guides the development of operating plans, and forms the basis for management decisions. The Strategic Plan provides the framework for articulating and organizing the agency's goals and work objectives. NOAA's goals for the future will enhance opportunities for our citizens, the health of the U.S. economy, the protection of our environment, and the

sustainable use of our national resources.

The challenge of investing strategically in the Nation's future is accompanied by the requirement to be more effective, to identify and realize opportunities for savings and to focus the efforts of Government on what matters to people. Performance is what counts, and the FY 1998 budget includes measures which track results to the level of investment. Success in this changing world increasingly will depend on partnerships with business and industry, universities, state and local governments, and international parties. NOAA will continue to develop partnerships to leverage resources and talent, and provide the means for meeting program requirements more effectively.

NOAA has made the Government Performance and Results Act (GPRA) operational following strong participation as a pilot agency. During the pilot period, NOAA was selected by the Office of Management and Budget as one of ten exemplars and was commended by the GPRA review panel of the National Association of Public Administration (NAPA). Currently, NOAA is working with the General Accounting Office to identify best practices for Federal agencies to follow, contributing to National Performance Review (NPR) performance measurement benchmarking studies, and assisting the Department of Commerce with developing a DOC Strategic Plan for submission to OMB by September, 1997. NOAA views the GPRA as a management tool to facilitate decision-making. NOAA has integrated performance measures into its planning, budgeting, and management review cycles, and is designing a program evaluation process to measure agency-wide progress toward meeting goals.

HIGHLIGHTS OF THE FY 1998 BUDGET

The total FY 1998 NOAA request is \$2.1 billion in new budget authority. The request is a net increase of \$112.4 million over the FY 1997 enacted level. Of this total, \$1,540.8 million are in the Operations, Research and Facilities (ORF) account, \$503.5 million are in a new Capital Assets Acquisition account, and \$6.9 million are for fisheries funds and other special accounts.

NOAA's budget is predicated on the need to ensure the continued delivery of essential science, technology and services to the Nation. Highlights of the request are presented, as follows, in the context of the NOAA Strategic Plan and with an emphasis on the major operational units and programs contributing to the strategic goals. The Strategic Plan establishes the seven major goals of the agency, and guides the most effective combined application of the entire suite of agency assets for attaining these goals, which are grouped into two missions, Environmental Stewardship, and Environmental Assessment and Prediction. Resources for program administration, acquisition of data, aircraft services, and supporting infrastructure are included in the total request for each strategic goal.

ACCOUNT STRUCTURE CHANGES

The FY 1998 President's Budget contains a number of proposed changes to the NOAA account structure. First, is the establishment of a Capital Assets Acquisition account which will seek multi-year appropriations for capital projects contained formerly in the Operations Research and Facilities, Construction and Fleet Modernization, Shipbuilding and Conversion accounts. In addition, NOAA proposes to eliminate the Fleet Modernization, Shipbuilding and Conversion and Construction accounts and incorporate the projects not requested in the Capital Assets Acquisition account into two new activities: Facilities and Fleet Maintenance and Planning within the Operation, Research and Facilities account.

The NOAA budget request includes transfers of \$66.4 million from the Department of Agriculture to the Promote and Develop Fishery Products and Research Pertaining to American Fisheries account and \$5.2 million from the Department of Interior to the Damage Assessment and Restoration Revolving Fund.

NOAA also proposes to change the Fishing Vessel Obligation Guarantee account to the Fisheries Finance Program account. This proposed change is the result of a recent amendment to the Magnuson-Stevens Fishery Conservation and Management Act that changed the program from a loan guarantee program to a direct loan program. This program includes accounts for loans previously awarded as loan guarantees and the new direct loans.

The budget also proposes an increase in the financing from the deobligation of prior year recoveries to \$24.0 million to reflect anticipated one time major contract savings of \$10 million. The FY 1998 request reflects scoring of the spending authority for the Coastal Zone Management Fund (CZMF) as discretionary budget authority.

ENVIRONMENTAL STEWARDSHIP

Build Sustainable Fisheries -to greatly increase, over the next decade, the Nation's wealth and quality of life through sustainable fisheries that support fishing industry jobs, safe and wholesome foods, and recreational opportunities.

NOAA requests \$332.0 million to address this strategic goal, a net increase of \$5.1 million over FY 1997. The objectives are to:

assess the status of fishery resources;

advance fishery predictions;

manage for economic growth by developing plans for reducing excessive fishing and capital investment;

ensure adequate compliance with fishery regulations; and

provide research and services for fishery-dependent industries to maximize benefits from marine resources.

These objectives will be accomplished primarily through the efforts of the National Marine Fisheries Service (NMFS), OAR and NOAA's Coastal Ocean Program (COP). For NMFS, the request is \$256.3 million (this includes \$19.4 million for Acquisition of Data previously funded in the Marine Services line item), a net increase of \$7.6 million over 1997 to: collect, evaluate and disseminate fisheries data including developing strategies for bycatch reduction; conduct conservation and management operations including funding of Regional Fishery Management Councils for developing and amending fishery management plans; execute provisions of the recently-passed Magnuson-Stevens Fishery Conservation and Management Act including providing for new national standards and implementing essential fish habitat requirements; improve at-sea and shoreside compliance; and provide grants and other assistance for fisheries development programs. NOAA also requests an increase of \$23.0 million to address new facilities needs, including the replacement of the Tiburon, California fisheries laboratory at Santa Cruz, and to maintain existing laboratories. For OAR, funding of \$23.5 million in the Sea Grant Program, National Undersea Research Program (NURP), and marine prediction research subactivities is needed to: improve technologies for tracking and estimating aquatic biomass; advance aquaculture and economic growth initiatives; apply new computing techniques; and provide for other research activities including in-situ undersea research. For COP, \$7.4 million is requested to strengthen abilities to assess and predict natural and human-induced changes and their impact on fisheries health.

There is a strong consensus among lawmakers, fishery managers, the fishing industry and the public, that depleted fishery resources must be restored and healthy fisheries must be maintained and managed for greater efficiency. Of the fishery stock groups under the purview of NOAA for which population status is known, 36 percent are overutilized. Even fisheries that are producing a large catch are doing so with unnecessary cost and waste. Well-managed fisheries produce significant and continuous benefits, such as the \$1 billion Alaskan groundfish fishery. Controlled access measures implemented in the \$180 million Alaskan halibut/sablefish fishery have resulted in reduced accidents and property loss, increased economic value of the resource, and reduced bycatch. Since 1994, NOAA has increased the

number of fishery management plans with access controls implemented by 41 percent. NOAA estimates that restoring fisheries will have a potential \$25 billion total positive impact on the national economy.

NOAA is providing the federal leadership and support to make this happen. Accurate and timely resource assessments are being used to guide management decisions. NMFS, the Coastal Ocean Program, the National Sea Grant College Program, OAR's Environmental Technology Laboratory, and other parts of NOAA, are conducting research to advance fishery predictions, reduce costs of conventional stock assessments, develop advanced remote sensing techniques, improve fishery habitat and mitigate harmful algal blooms. The recently reauthorized Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA) strengthens the ability of NMFS and the eight Regional Fisheries Management Councils to apply the results of research in adopting management measures that will ensure sustainable fisheries for the Nation. Enforcement is carried out to ensure compliance with regulations, and NOAA is working with state and international partners to develop policies for managing fisheries that occupy multiple geopolitical zones. In addition, NOAA continues to design and implement harvest capacity reduction programs, and programs to provide fishermen with economic and technical support during stock rebuilding efforts.

Recover Protected Species -to conserve marine species and to recover those in danger of extinction. By 2005, NOAA will be on the road to recovering every marine species at risk and maintaining the healthy marine ecosystems upon which they depend.

NOAA requests \$ 69.7 million to address this strategic goal, a net increase of \$7.0 million over FY 1997.

The objectives are to:

assess the status of, and impacts to, protected species; and

develop and implement conservation and recovery plans for depleted marine mammals and endangered and threatened species.

These objectives will be accomplished primarily through the efforts of NMFS. The request includes: \$37.8 million for status reviews and stock assessments; and \$25.8 million, an increase of \$7.4 million over 1997, for developing recovery, conservation and take reduction plans for the management of protected and depleted species. The majority of the requested increase will ensure that NMFS can address major responsibilities for responding to West Coast salmon listings and steelhead species under the Endangered Species Act (ESA). Increases are also requested to expand recovery actions for endangered Kemp's ridley turtles, strengthen Atlantic right whale recovery efforts, and establish cooperative conservation program agreements under the ESA with additional states, including Alaska, California and Washington.

The existence of the Marine Mammal Protection Act, the Endangered Species Act and other legislation provide a clear indication of public support for strong efforts to conserve living marine resources. The desired outcome of this effort is to recover species in danger of extinction in a manner compatible with the sustainable use of marine resources. During 1996, NMFS initiated four marine mammal take reduction plans and updated fifty marine mammal stock assessments, strengthened turtle excluder device requirements and increased cooperation with Mexico to maximize hatchling production of turtles, and conducted hundreds of ESA 7 and 10 consultations. These and other accomplishments have improved the status of species while minimizing the impact of conservation measures on economic and social activities.

Sustain Healthy Coasts -in order to maintain the health, productivity, and biodiversity of the Nation's coastal ecosystems.

NOAA requests \$ 212.2 million to address this strategic goal, a net increase of \$18.7 million over FY 1997. The objectives are to:

protect, conserve and restore coastal habitats and their biodiversity;

promote clean coastal waters to sustain living marine resources and ensure safe recreation, healthy seafood and

economic vitality; and

foster well-planned and revitalized coastal communities that sustain coastal economies, are compatible with the natural environment, and minimize the risks from natural hazards.

These objectives will be accomplished primarily through the efforts of NOS, COP, OAR, NMFS and NESDIS. For NOS, the request includes \$128.4 million, an increase of \$26.5 million over 1997 for: pollution response, damage assessment and restoration needs; estuarine and coastal monitoring and assessment activities; support for estuarine reserves and marine sanctuaries; conduct of NOAA's Coastal Zone Management program; and NOAA's continuing work in interagency environmental initiatives, including the President's Clean Water Initiative and restoration of the South Florida ecosystem. For COP, \$7.7 million is needed to support regional-scale modeling and prediction of cumulative impacts of multiple stressors on habitats and living marine resources.

For OAR, \$37.7 million, a decrease of \$7.1 million from 1997, is requested for research, outreach and technology development through Sea Grant, NURP and the ERLs on coastal issues such as: control and prevention of nonindigenous species; monitoring, assessment and restoration of degraded habitat and water quality; reduction of non-point source pollution; fate of toxic chemicals; impacts of harmful algal blooms; and community preparedness for coastal hazards including hurricanes and oil spills.

For NMFS, the request includes \$19.7 million for fisheries habitat protection and restoration activities including providing technical support for improving wetlands, and conducting permit reviews for projects affecting living marine resources including licensing of dams. Of the increase requested for NMFS in FY 1998, much of the effort in FY 1998 will be focused on actions that contribute to the recovery of endangered West Coast salmon and steelhead species. In addition, \$4.9 million is required in NESDIS for data and information services related to improving the understanding of coastal functions and for ocean remote sensing.

Maintaining the health, productivity and biodiversity of coastal ecosystems is essential to the sustainable development of coastal economies and the future welfare of the Nation. This goal addresses the practical needs and concerns of resource managers, as well as strengthening the watershed and regional management frameworks provided by state Coastal Zone Management programs. This is an enormous challenge considering that well over half of the U.S. population lives on the 10 percent of land defined as coastal. Coastal concerns require integrated solutions because problems transcend state and natural boundaries. Successful management of these biologically, geographically and economically complex areas depends strongly on federal guidance and collaboration, such as with the unveiling of the final management plan for the Florida Keys National Marine Sanctuary and the conditional approval of 27 of 29 states coastal non-point pollution programs, during 1996.

In addition to activities stressing planning, prevention and sustainable use, NOAA provides monitoring and rapid response capabilities to limit harm to ecosystems affected by human intervention. During 1996, NOAA completed the first Nationwide assessment of the spatial extent of toxic contaminants in sediments and bivalves in coastal waters, documented the magnitude and extent of contaminants in heavily contaminated Boston Harbor, and provided technical and scientific assistance to the Coast Guard at 70 oil and chemical spills.

ENVIRONMENTAL ASSESSMENT AND PREDICTION

Advancing Short-Term Warning and Forecast Services -to provide significantly improved short-term warning and forecast products and services that enhance public safety and the economic productivity of the Nation.

NOAA requests \$1,178.4 million to address this strategic goal, a net increase of \$39.0 million over FY 1997. The objectives are to:

complete weather service modernization;

maintain operational satellite coverage;

strengthen observing and prediction systems;

improve customer service to the public.

These objectives will be accomplished primarily through the efforts of the National Weather Service (NWS), the National Environmental Satellite, Data and Information Service (NESDIS) and the Office of Oceanic and Atmospheric Research (OAR).

For the NWS, the request includes: \$438 million, a net decrease of \$8.1 million from 1997, to support the current operational and research infrastructure and continue planned streamlining activities under the modernization, including critical restoration for NWS base operations of \$10.8 million; and \$191.6 million for major systems acquisition supporting the modernization, a net increase of \$14.4 million. Within the total amount for systems acquisition, the request includes \$116.9 million for continued deployment of the Advanced Weather Interactive Processing System (AWIPS), an increase of \$16.9 million over 1997.

For NESDIS, \$372.1 million is needed to ensure continuous GOES and Polar-orbiting satellite coverage. Of this amount, \$51.5 million is required to meet NOAA's commitment to share development costs with the Department of Defense for the National Polar-orbiting Operational Environmental Satellite System. While this represents an increase of \$22.5 million over the 1997 enacted, this program continues to account for government-wide savings in excess of \$1 billion over the life of the program and remains a major success story of the National Performance Review. In addition, \$51.4 million is requested for the continuation of Environmental Observing Services and the portion of Data and Information Services included within this goal.

For OAR, a total of \$49.6 million is requested to advance the science of weather forecasting over land, sea and space, and to improve weather-related observing technologies, a decrease of \$2.4 million from 1997.

Implementing Seasonal to Interannual Climate Forecasts -to increase society's ability to mitigate economic losses and social disruption by working together with academic and multinational partners, in order to issue monthly and seasonal probability outlooks for temperature and rainfall for up to a year in advance.

NOAA requests \$115.3 million to address this strategic goal, a net increase of \$3.1 million over FY 1997. The objectives are to:

deliver useful climate forecasts and information;

enhance observing and data systems providing input to model predictions;

invest in process and modeling research leading to improved predictions; and

assess the impacts of climate variability on human activity and economic potential.

These objectives will be accomplished primarily through the efforts of the NOAA Climate and Global Change Program, the OAR Environmental Research Laboratories (ERLs), NESDIS, and the NWS National Centers for Environmental Prediction.

For OAR, the request provides \$66.8 million to: develop operational El Nino-Southern Oscillation (ENSO) observations, including an increase of \$4.9 million over 1997 to ensure an operating base for the Tropical Oceans-Global Atmosphere (TOGA) system and reflect the maintenance responsibilities from NOAA's Climate and Global Change program. Funding will also be used to improve dynamical seasonal prediction activities at the National Centers for Environmental Prediction, including automating the production of climate forecasts and delivering forecast and monitoring products; support the International Research Institute for climate prediction; improve climate modeling over North America; and assess socio-economic impacts.

For NESDIS, \$37.2 million is needed for observing and data systems and data management requirements including the National Climatic Data Center, for improvements to the satellite active archive, and for linking NESDIS data centers and other NOAA centers of data via a virtual data system. In addition, \$2.8 million is requested for the National Ocean Service (NOS) to maintain and improve observing and data delivery systems that support climate forecasting

requirements, and \$4.7 million is requested for the NWS to provide operational climate predictions and analyses under central forecast guidance, and update products on delivery systems.

Predict and Assess Decadal to Centennial Changes -in the global environment, specifically for: climate change and greenhouse warming; ozone layer depletion; and air quality improvement.

NOAA requests \$90.6 million to address this strategic goal, a net increase of \$3.2 million over FY 1997. The objectives are to:

characterize the agents and processes that force climate change;

examine the role of the ocean in influencing change;

ensure a long-term climate record;

guide the rehabilitation of the ozone layer;

provide the scientific basis for improved air quality by understanding and monitoring surface ozone; and

develop predictive models scientific assessments, and human impacts information related to long-term change.

These objectives will be accomplished largely through the efforts of the NOAA Climate and Global Change Program and OAR. In OAR, the request includes: \$28.7 million for climate and global change research an increase of \$1.9 million; \$7 million for the Global Learning and Observations to Benefit the Environment (GLOBE) Program, an increase of \$1 million over 1997; \$25.9 million for long-term climate and air quality research, including an increase of \$1 million for NOAA's health of the atmosphere initiative in preparation for the Nation's first scientific air quality assessment; \$1.5 million for advanced computing support; and \$7.7 million for improving our understanding of the role of oceans in influencing climate change. In addition, \$3.2 million is requested in NESDIS for data and information services supporting the long-term climate record; and \$8.2 million is needed in the NWS to continue to provide temperature, precipitation, evaporation and river stage data for climatic and hydrologic monitoring and services.

Promote Safe Navigation -by building, maintaining, and delivering a digital nautical charting database which integrates satellite positioning, tidal heights and currents, radars and sonars, and navigational aids.

NOAA requests \$84.7 million to address this strategic goal, a net decrease of \$7.2 million from FY 1997. The objectives are to:

deliver a digital nautical charting database to underpin new electronic navigational systems;

update nautical surveys using full-bottom coverage technologies;

install systems to provide mariners with real-time observations and forecasts of water levels, tides and currents, and weather conditions in major ports;

transform the obsolete geodetic reference frame into a Global Positioning System-based system; and

provide for the two-year transition of aeronautical charting to the Federal Aviation Administration (FAA).

These objectives will be accomplished largely through NOS's mapping, charting and geodesy, and observation and prediction subactivities. NOS is requesting \$25.0 million to deliver digital nautical charting databases, including the production of raster nautical charts; \$11.8 million to update nautical surveys; \$23.2 million to acquire oceanographic and hydrographic data and to make available marine predictions and advanced oceanographic observations important to pilots and port authorities and; \$19.2 million to provide a national spatial reference system that utilizes the Global Positioning System (GPS) for navigation and positioning.

This request also reflects a \$14.5 million decrease for the first stage of a two-year transfer of the aeronautical charting program to the Department of Transportation. In FY 1998, the funds will be transferred but the program's employees would remain in NOAA and would continue the processing and delivery of aeronautical information on a reimbursable basis. In FY 1999, the employees would also be transferred and NOAA's involvement with the program would end.

Finally, NOAA is requesting \$12.6 million to replace funds formerly received from the National Imaging and Mapping Agency (NIMA, formerly the Defense Mapping Agency, DMA). This increase will result in the entire compilation cost of both the nautical and aeronautical charts being included in NOAA's budget.

Sea-going commerce has tripled in the last 50 years, and 98 percent of our international trade by weight moves through U.S. ports. Fifty percent of the total tonnage is oil or other hazardous material. Despite the risk that accompanies increasing traffic, and the competitive advantage of modern observations and systems, much of the Nation's charting and geodetic infrastructure is not up to world standards. Accurate charts and modern navigation systems are required for safe and efficient maritime transport. NOAA collects, processes and distributes such information in support of national, commercial and individual needs. NOAA is working to modernize U.S. marine and air navigation, mapping and surveying, and to provide a precise satellite-derived reference system as the basis for the Nation's 21st century positioning needs. For example, during 1996, NOAA's NOS produced 235 new editions of nautical charts and 14,682 new aeronautical charts and associated products; acquired and processed data from 50 hydrographic surveys and two airborne laser surveys; reduced the data-to-chart time from years to six months by implementing a "just-in-time" delivery system for applying new hydrographic data to nautical chart editions; and installed 153 Federal Base Network stations, and 47 continuously operating reference stations, that will form the basic positional framework for the Nation's future spatial data infrastructure.

REDUCING COSTS AND IMPROVING EFFECTIVENESS

In an environment of tightening dollars and increasingly complex challenges, NOAA is reducing costs and improving program effectiveness. NOAA is saving money through streamlining personnel and processes, outsourcing where appropriate, and leveraging external resources and talent. NOAA holds managers accountable for results, and for using performance measures to validate progress. The highest priority continues to be to ensure that critical services are provided well.

COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

Through the National Science and Technology Council's (NSTC) Committee on Environment and Natural Resources (CENR), NOAA works with other federal agencies and non-governmental experts to design and prioritize the government's environment and natural resources research and development agenda. This interagency planning and coordination ensures the effective application of available resources.

The NSTC has identified Improving Environmental Quality as one of its six goals. Improving environmental quality requires supporting a broad and comprehensive research agenda, including: 1) observing, documenting, understanding, assessing and predicting environmental change and its consequences; 2) using natural resources in a sustainable manner; 3) understanding and preserving biodiversity; and 4) developing analytical tools that integrate social, economic and natural sciences to support policy formulation. NOAA's fisheries and protected species programs are embodied in this priority area of concern.

Agencies are expected to continue strong support of a number of ongoing interagency programs and initiatives that are priorities for FY 1998, and in which NOAA will participate. These include:

The U.S. Global Change Research Program, with increased emphasis on consequences of changes on humans and ecosystems, particularly at regional levels;

The North American Research Strategy for Tropospheric Ozone;

National Environmental Monitoring and Research Initiatives;

Natural disaster reduction (including the Hazard Information and Loss Reduction Initiative), with enhanced international cooperation in science and technology to reduce the damage to communities caused by natural disasters through improved monitoring, mitigation and response;

Environmental technologies, with an emphasis on energy efficiency R&D and lowering carbon dioxide emissions;

Endocrine disrupter research, focusing on understanding how low concentrations of chemicals can affect the growth and reproduction of living marine mammals; and

NOAA R&D as the systematic study to gain knowledge or understanding necessary to determine the means by which a recognized and specific need may be met.

NATIONAL PERFORMANCE REVIEW AND STREAMLINING

In an effort to create a government that works better and costs less, NOAA is reinventing itself by achieving the goals outlined in the National Performance Review (NPR). Weather Service modernization, begun well before the NPR, is re-invention in the making. Owing to the range and effectiveness of new technologies, the NWS is realigning its field structure to reduce the number of offices from over 300 to 119. A National Institute of Standards and Technology study shows that every dollar spent on weather service modernization buys eight dollars in benefits for the taxpayers. The scientific and technological basis for this modernization has been provided by NOAA's own research and development capabilities, which now are being applied to maximize the benefits from the new systems. As a result, the U.S. now enjoys the most modern and efficient weather service in the world. A brief status of other NOAA NPR initiatives follows:

Streamlining personnel and processes. By 1999, NOAA plans to have reduced its workforce by 14 percent from 1993 levels. This will require the elimination of 2,061 full-time equivalents (FTEs) through phased annual reductions in the NOAA Streamlining Plan. NOAA proposes in FY 1998 to begin to transfer to the Department of Transportation(DOT) the production of aeronautical charts. In FY 1998, NOAA will operate the aeronautical charting program on a fully reimbursable basis, with the entire program, including FTEs, being fully transferred to DOT in FY 1999. NOAA has simplified administrative processes, delegated authorities downward, and made progress toward implementing the Commerce Administrative Management System, which will greatly improve financial management and accountability.

Converging satellites. NOAA is working with the Department of Defense to merge civilian and defense weather satellites. NOAA and DOD recently agreed to defer the need for the first satellite in the system. A comprehensive program evaluation, which will include a thorough review of current cost estimates, program content, and acquisition status, will be conducted in the spring of 1997.

Disestablishing the NOAA Corps. The FY 1998 budget request calls for the disestablishment of the NOAA Corps. The Corps, which is a uniformed service, has been downsized significantly in the last two years and pursuant to the Department's FY 1997 appropriations act, will be reduced in size to not more than 299 officers by September 30. The disestablishment legislation is expected to propose that essential NOAA functions be continued through the use of civilian employees. The FY 1998 budget includes an increase of \$6 million over 1997 to fund costs associated with the proposed disestablishment.

Closing NWS field offices. The NWS expects the Secretary of Commerce to be in a position to certify "no degradation of service" in order to automate and close over 100 weather service offices in FY 1997, under the current provisions of P.L. 102-567, the law governing weather service modernization. In order to expedite closure of about 200 NWS field offices, NOAA continues to propose amending P.L. 102-567. The proposed amendments will streamline certification provisions related to the restructuring and closure of weather service offices without compromising the quality of the review. The FY 1998 budget includes \$3.1 million in savings from streamlining activities.

Privatizing specialized weather services. NOAA continues to encourage development of the private weather industry. NOAA has privatized specialized weather services including agriculture, fruit frost, fire weather for non-

Federal non-wildfire land management, and specialized event forecasts. The on-going NWS modernization, resulting in new and expanded data sets, will support continuing opportunities for private companies to provide weather services.

Expanding private sector ship support. NOAA is expanding the use of private contractors and cooperative arrangements with universities for ship support, and collecting information to assess private sector interest, capability and costs for meeting requirements. NOAA has completed contracts for hydrographic surveys, and will continue this effort during FY 1997 with \$6 million in dedicated funding. The National Ocean Service plans to award contracts in FY 1997 for surveys in the Gulf of Mexico to acquire hydrographic data for area approaches to Texas and Louisiana ports. These contracts should include a second year option. Additional smaller contracts are also planned. NOAA is also expanding the use of private sector contractors for data compilation and management services to improve the capability to prepare survey data for application to nautical charts.

Transforming seafood inspection. The National Performance Review and the Administration's FY 1998 budget request identifies the Seafood Inspection Program as one of nine organizations government-wide which, through legislation, will be converted into a performance-based organization. PBO's are discrete units of a department that will operate in a more business-like manner to better serve the needs of its customers while retaining its status as a Federal entity. Once designated, the PBO would be headed by a competitively hired Chief Operating Officer whose continued service would depend on successful achievement of performance goals. The PBO would remain a Federal entity located within the Department of Commerce and report to the Secretary.

Improving fisheries management. In cooperation with the fishing industry, NOAA will implement access controls for 25 of 39 Fishery Management Plans by the end of FY 1997. Under new legislative authorities in the Magnuson-Stevens Act, NOAA will work with stakeholders to establish user fees for individual fishing quotas in certain Alaskan fisheries.

Streamlining regulations. NOAA is revising and streamlining 70 parts of the Code of Federal Regulations and eliminating 400 pages. This will reduce the reporting burden on the public, and reduce by 27 percent the reporting burden hours of the National Marine Fisheries Service.

BENEFITS OF PARTNERSHIP

NOAA builds partnerships with universities; international, federal, state and local entities; industries and businesses; and groups and individuals to address common needs and leverage resources. For example, the Fishery Management Councils and the Interstate Marine Fishery Commissions are examples of innovative partnerships bringing resource managers and fishing interests to the same table to address concerns. International leadership and collaboration helps to ensure the conservation of living marine resources, especially straddling fish stocks and endangered marine species. NOAA continues to work with local communities to formulate and oversee policies and programs to address fishery resource disasters in the Pacific Northwest, the Northeast, and the Gulf of Mexico. Lastly, NOAA provides technical assistance and financial support for the development and implementation of state coastal zone management plans through a unique state-federal partnership with coastal states.

NOAA depends strongly on universities to help accomplish science objectives in its mission areas. NOAA and university scientists collaborate on severe weather, climate, and fisheries research via a network of Joint and Cooperative Institutes at universities. NOAA also funds academic researchers through competitive, peer-reviewed programs, including the Climate and Global Change Program, Coastal Ocean Program, the National Estuarine Research Reserve System, the National Sea Grant College Program, the National Undersea Research Program, the Saltonstall-Kennedy grants program, and the Cooperative Program for Operational Meteorology Education and Training. NOAA has established a NOAA-University partnership to enhance collaboration with universities, and will host a series of workshops during 1997 with a broad range of both academic and other constituents to provide for constituent input and feedback into NOAA's strategic planning and budget formulation process.

Weather and climate services are provided to the public and industry through a unique partnership between the NWS and the private meteorological sector. The NWS provides forecasts and warnings for public safety, and the private sector promotes dissemination of forecasts and the tailoring of basic information for business uses. NOAA generally is seeking to reduce the costs of environmental data collection and to improve access to space-based and other

environmental monitoring technologies by utilizing existing federal and international assets, and planning for the next generation of polar-orbiting satellites.

CONCLUSION

As I have discussed above, NOAA's FY 1998 budget represents the most cost effective means to promote the Nation's environmental and economic advantage, while maintaining an appropriate balance among the environmental assessment and prediction and environmental stewardship needs of the Nation. We welcome the coming discussions on our goals, priorities, and operations with the Congress, our constituents and the public. We believe that our budget will be well received by all these groups because our budget represents appropriate levels of investment to generate major economic returns. Every day, in some way, every person in the U.S. is affected by the mission of NOAA. Our budget enables us to continue this service.

Thank you. If you have any questions, I am prepared to answer them at this time.

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