

# CRS Report for Congress

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## **FY2004 Appropriations: Commerce, Justice, State, the Judiciary, and Related Agencies**

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Commerce, Justice, State Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity, and will be updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

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# FY2004 Appropriations: Commerce, Justice, State, the Judiciary, and Related Agencies

## Summary

The Administration submitted its FY2004 budget request in February 2004. The request for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies (commonly referred to as CJS) totaled \$41.220 billion. The major components of the request included: Justice Department—\$19.005 billion; Commerce Department—\$5.814 billion; the Judiciary—\$5.430 billion; State Department—\$8.644 billion; and Related Agencies—\$2.424 billion. On July 16, 2003, the House Appropriations Committee reported its CJS bill (H.R. 2799), which totals \$41.23 billion.

*Department of Justice.* The FY2004 request of \$19.005 billion is roughly \$643 million below the FY2003 funding level of \$19.648 billion. Most of the Administration's proposed reductions would come in state and local law enforcement assistance programs in the Office of Justice Programs.

*Department of Commerce.* The FY2004 request of \$5.814 billion is about \$18 million more than the FY2003 appropriation of \$5.796. The Administration proposes a moderate increase for most agencies, but reductions for some information and technology programs, including the National Institute of Standards and Technology and National Telecommunications and Information Administration.

*The Judiciary.* The Judiciary's FY2004 request comes to \$5.430 billion, which is roughly \$540 million above the FY2003 appropriation of \$4.890 billion. The Judiciary request emphasized costs for the Supreme Court, court security, and defender services.

*Department of State and International Broadcasting.* The FY2004 request comes to \$8.644 billion, which would be about \$465 million more than the FY2003 amount of \$8.179 billion. The majority of this proposed increase would go toward the Administration of Foreign Affairs account, which covers diplomatic and consular operations and embassy security.

FY2003 regular appropriations for CJS was enacted on Feb. 20, 2003 (P.L. 108-7), five months into the budget year. The CJS bill was included in a consolidated appropriations package (H.J.Res. 2), which incorporated 11 out of the 13 usual appropriations bills. The package included a 0.65% across-the-board rescission. The Senate had passed its omnibus appropriation on Jan. 23, 2003. Although the House did not pass a CJS appropriation for FY2003, on Jan. 8, Representative Frank Wolf, Chairman of the House Appropriations Subcommittee on CJS, introduced H.R. 247 as a point of reference for CJS accounts during the conference on the consolidated appropriations.

This report will be updated as Congress acts on the CJS appropriations bill.

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# Contents

CRS Key Policy Staff .....	4
Most Recent Developments .....	1
Background Information .....	2
Structure of the CJS Bill .....	2
Synopsis of FY2003 Appropriations .....	2
Departmental Funding Trends .....	2
CJS Overall Funding Trends .....	3
Survey of Possible High-Profile Issues .....	3
Department of Justice .....	4
Background .....	4
GPRA .....	6
Administration FY2004 Request .....	7
FY2004 Funding Issues .....	7
General Administration .....	7
U.S. Parole Commission .....	8
Legal Activities .....	8
Interagency Law Enforcement .....	9
Federal Bureau of Investigation .....	10
Drug Enforcement Agency .....	10
Bureau of Alcohol, Tobacco, Firearms and Explosives .....	11
Federal Prison System .....	11
Office of Justice Programs .....	11
Related Legislation .....	16
Related CRS Products .....	17
Commerce and Related Agencies .....	17
FY2004 Funding Issues .....	19
International Trade Administration .....	19
Bureau of Industry and Security .....	21
Economic Development Administration .....	21
Minority Business Development Agency .....	22
Economic and Statistical Analysis .....	22
Bureau of The Census .....	22
National Telecommunications and Information Administration .....	22
U.S. Patent and Trademark Office .....	23
National Institute of Standards and Technology .....	24
National Oceanic and Atmospheric Administration .....	25
Departmental Management .....	27
Related Legislation .....	28
Related CRS Products .....	29

The Judiciary .....	29
Background .....	29
The Judiciary's FY2004 Request .....	30
FY2004 Funding Issues .....	31
Supreme Court .....	31
Defender Services .....	32
Court Security .....	32
Pay Increases for Judges and Justices .....	32
Related CRS Products .....	33
State and International Broadcasting .....	34
Background .....	34
FY2004 Funding Issues .....	35
Administration of Foreign Affairs .....	35
International Organizations and Conferences .....	36
International Commissions .....	37
Related Appropriations .....	37
International Broadcasting .....	38
Related Legislation .....	38
Related CRS Products .....	39
Related Agencies .....	39
Equal Employment Opportunity Commission (EEOC) .....	39
Federal Communications Commission (FCC) .....	40
Federal Trade Commission (FTC) .....	41
Legal Services Corporation (LSC) .....	41
Securities and Exchange Commission (SEC) .....	42
Small Business Administration (SBA) .....	42
State Justice Institute (SJI) .....	43
Commission on Civil Rights .....	43
U.S. Commission on International Religious Freedom .....	43
Appendix: Appropriations for the CJS Bill .....	45

## List of Tables

Table 1. Legislative Status of CJS Appropriations, FY2004 .....	1
Table 2. Funding for Departments of Commerce, Justice, and State, and the Judiciary .....	3
Table 3. Funding CJS Appropriations .....	3
Table 4. Department of Justice Funding Accounts .....	15
NOAA: FY2003 Appropriations and President's Request for FY2004 .....	26
Table 6. FY2004 Funding for the Department of Commerce and Related Agencies .....	28
Table 7. FY2004 Funding for the Judiciary .....	33
Table 8. FY2004 Funding for the Department of State and International Broadcasting .....	38
Table 9. FY2004 Funding for CJS Related Agencies .....	44

# FY2004 Appropriations: Commerce, Justice, State, the Judiciary, and Related Agencies

## Most Recent Developments

In February 2003, the Bush Administration submitted its budget for fiscal year 2004. During the months of March and April, the CJS appropriations subcommittees in the House and Senate held a series of hearings on the request. On July 9, 2003, the House Appropriations Subcommittee on CJS reported its funding to the full committee. The House Appropriations Committee reported the CJS appropriations bill (H.R. 2799, H.Rept. 108-221) on July 16, 2003.

The Administration request for CJS totals roughly \$41.22 billion. This includes \$19.005 billion for Justice, \$5.814 billion for Commerce, \$5.43 billion for the Judiciary, \$8.644 billion for State, and \$2.424 billion for the Independent Agencies. The House Appropriations Committee recommends roughly \$41.23 billion, including \$20.154 billion for Justice, \$5.256 billion for Commerce, \$5.194 billion for the Judiciary, and \$2.237 for the Independent Agencies.

**Table 1. Legislative Status of CJS Appropriations, FY2004**

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conf. Report Approval		Public Law
House	Senate						House	Senate	
7/9/03	--	7/16/03 Hrept. 108-221	--	--	--	--	--	--	--

*Completion of FY2003 Appropriations.* Congress passed the conference report (H.Rept. 108-10) for H.J.Res. 2, the omnibus funding bill, on February 12, 2003, including funding for CJS accounts. The President signed it into law February 20, 2003 (P.L. 108-7) — five months into the budget year. The consolidated funding package included a 0.65% across-the-board rescission. The Senate had passed its omnibus appropriation on January 23. Although the House did not pass a CJS appropriation for FY2003, on January 8 Congressman Frank Wolf, Chairman of the House Appropriations Subcommittee on Commerce, Justice, State, introduced H.R. 247 as a point of reference for CJS accounts during the conference on the omnibus appropriation package.

## Background Information

### Structure of the CJS Bill

Traditionally, the appropriations bill for the Departments of Commerce, Justice, State, the Judiciary, and Related Agencies is known as the “CJS” bill. It typically uses five titles to fund these departments and agencies:

- Title I. Justice
- Title II. Commerce and Related Agencies
- Title III. The Judiciary
- Title IV. State and International Broadcasting
- Title V. Independent Agencies

As needed, additional titles including general provisions or rescissions may be added to the CJS bill during the legislative process. The related agencies in Title II are the U.S. Trade Representative and the International Trade Commission. The Independent Agencies in Title V include the Federal Communications Commission, Securities and Exchange Commission, and Small Business Administration.

### Synopsis of FY2003 Appropriations

The Administration’s CJS request for FY2003 totaled \$44.019 billion. The 107th Congress did not complete CJS FY2003 appropriations but passed numerous continuing resolutions authorizing short-term funding into the 108th congressional term.

During the 108th Congress, the Senate passed an omnibus FY2003 spending package which included the CJS appropriations. The total CJS Senate level amounted to \$44.940 billion. The House bill (H.R. 247) set total CJS appropriations at \$44.353 billion. Neither House nor Senate numbers included rescissions. The 108th Congress passed the consolidated FY2003 appropriation package on February 20, 2003 (P.L. 108-7), which included 11 out of the 13 appropriations bills. In April 2003, Congress passed an emergency supplemental appropriations bill (P.L. 108-11) providing further funding to selected entities within CJS. The total FY2003 appropriation for CJS comes to roughly \$44.498 billion.

### Departmental Funding Trends

The table below shows funding trends for the major agencies included in CJS appropriations over the five-year period FY1998-FY2003, including supplemental appropriations. Over the five-year period, current-dollar funding increased for the Department of Justice by \$1.241 billion (7.0%); for the Department of Commerce by \$1.563 billion (36.8%); for the Judiciary by \$1.996 billion (56.8%); and for the Department of State by \$4.607 billion (114.1%).

The Justice Department’s budget rose steadily until FY2003, when it was decreased by nearly \$4.7 billion below the FY2002 amount due to the relocation of some activities to the Department of Homeland Security. The Commerce



Department budget has generally increased over the five-year span, including a greater than \$3.5 billion increase in FY2000, largely due to the cost of the 2000 decennial census. Its FY2001 level, however, was comparable to its pre-census level. The State Department and Judiciary Branch had significant increases in its funding level every year from FY1998 to FY2003. The State Department's increases reflect the increase in costs associated with the FY1999 reorganization and terrorism. Of the four primary departments within the CJS appropriations bill, the Department of State has received the greatest nominal increase of about \$4.607 billion from FY1998 to FY2003.

**Table 2. Funding for Departments of Commerce, Justice, and State, and the Judiciary**  
(in billions of current dollars)

Department or Agency	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003
Justice	17.764	18.207	18.647	21.049	23.707	19.005
Commerce	4.251	5.098	8.649	5.153	5.804	5.814
Judiciary	3.464	3.652	3.959	4.255	4.740	5.430
State	4.037	4.359	5.880	6.601	7.841	8.644

**Sources:** Funding totals provided by Budget Offices of CJS and Judiciary agencies, and U.S. House of Representatives, Committee on Appropriations.

## CJS Overall Funding Trends

Appropriations for the CJS bill have risen steadily in recent fiscal years. Selected departments funded through the bill received significant increases in funding following the terrorist attacks of September 2001. Overall funding for the bill decreased in FY2003, however, as some agencies and functions were transferred to the new Department of Homeland Security.

**Table 3. Funding CJS Appropriations**  
(discretionary budget authority in billions of current and constant FY2004 dollars)

	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004 Admin. Request
Nominal \$s	30,182.0	32,086.0	33,693.3	39,601.0	39,786.7	44,058.4	40,497.8	41,220.0

**Note:** Nominal \$s represent the actual amount of the appropriation in the year it was appropriated.

## Survey of Possible High-Profile Issues

### Department of Justice

- The adequacy of the Administration's request for an additional \$699 million to bolster the Department of Justice's counterterrorism and counterintelligence missions.

- The proposed “performance-based” realignment of assistance grants administered by the Office of Justice Programs, including the elimination of some current programs that are providing over \$1 billion in FY2003 funding for state and local law enforcement assistance programs.

### **Department of Commerce and Related Agencies**

- Appropriations measures that limit the use by the U.S. Patent and Trademark Office of the full amount of fees collected in the current fiscal year.
- The extent to which federal funds should be used to support industrial technology development programs at the National Institute of Standards and Technology, particularly the Advanced Technology Program and the Manufacturing Extension Partnership.

### **The Judiciary**

- Whether to increase the hourly rate of pay to court-appointed “panel attorneys” representing indigent defendants in federal criminal cases.
- Whether, as the Judiciary Branch contended, federal judges and justices should receive a cost-of-living salary increase.
- The level of funding for court security.

### **Department of State and International Broadcasting**

- Visa issuance policies and the Homeland Security proposals.
- Expanded public diplomacy activities focusing on Muslim/Arab populations.
- Increased hiring of foreign, civil service, and security experts.
- Improved information/communication technology.

## **Department of Justice**

### **Background**

Title I of the CJS bill typically covers appropriations for the Department of Justice (DOJ). Established by an Act of 1870 (28 U.S.C. 501) with the Attorney General at its head, DOJ provides counsel for citizens and protects them through law enforcement. It represents the federal government in all proceedings, civil and criminal, before the Supreme Court. And in legal matters generally, the Department

provides legal advice and opinions, upon request, to the President and executive branch department heads. The major Department of Justice agencies and offices include:

- *United States Attorneys* prosecute criminal offenses against the United States, represent the federal government in civil actions, and initiate proceedings for the collection of fines, penalties, and forfeitures owed to the United States.
- *United States Marshals Service* provides security for the federal judiciary, protects witnesses, executes warrants and court orders, manages seized assets, detains and transports unsentenced prisoners, and apprehends fugitives.
- *Federal Bureau of Investigation (FBI)* investigates violations of federal criminal law; helps protect the United States from terrorism and hostile intelligence efforts; provides assistance to other federal, state and local law enforcement agencies; and shares jurisdiction with Drug Enforcement Administration (DEA) over federal drug violations.
- *Drug Enforcement Administration (DEA)* investigates federal drug law violations; coordinates its efforts with state, local, and other federal law enforcement agencies; develops and maintains drug intelligence systems; regulates legitimate controlled substances activities, and conducts joint intelligence-gathering activities with foreign governments.
- *Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)* enforces federal law related to the manufacture, importation, and distribution of alcohol, tobacco, firearms, and explosives. It was transferred from the Department of the Treasury to the Department of Justice by the Homeland Security Act of 2002 (P.L. 107-296).
- *Federal Prison System* provides for the custody and care of the federal prison population, the maintenance of prison-related facilities, and the boarding of sentenced federal prisoners incarcerated in state and local institutions.
- *Office of Justice Programs (OJP)* manages and coordinates the activities of the Bureau of Justice Assistance, Bureau of Justice Statistics, National Institute of Justice, Office of Juvenile Justice and Delinquency Prevention, Community Oriented Policing Services (COPS), and the Office of Victims of Crime.

Defending the nation against future terrorist attacks is currently the principal focus of the Department of Justice. To this end, the Department is continuing its efforts to disrupt and dismantle terrorist networks wherever they exist, prevent terrorist attacks before they occur, and bring to justice those persons who carry out terrorist attacks against American interests at home and abroad. The Department of

Justice is working closely with the newly established Department of Homeland Security (DHS) to facilitate the transfer of the Immigration and Naturalization Service enforcement and service programs and the Justice Department's Office of Domestic Preparedness to that new department. Justice is also working with the intelligence community, along with DHS, to establish new partnerships and reforge old ones in the areas of intelligence sharing and interoperable systems. With the support of the Attorney General, the Federal Bureau of Investigation Director continues to reorganize by realigning and centralizing FBI assets to more effectively counter terrorism and foreign intelligence services, and provide greater internal security.

Most crime control, meanwhile, has traditionally been viewed as a state and local responsibility. Beginning with the passage of the Crime Control Act of 1968 (P.L. 90-351), the federal role in the administration of criminal justice has increased incrementally. Since 1984, Congress has enacted five major omnibus crime control bills, designating new federal crimes, penalties, and additional law enforcement assistance programs for state and local governments. Crime control is one of the few areas of the federal budget where discretionary spending has increased over the past two decades. Nevertheless, during the FY2004 budget cycle, tensions are likely to arise as Congress seeks to fund Homeland Security initiatives, while continuing to adequately fund criminal justice programs.

**GPRA.** The Government Performance and Results Act (GPRA) required the Department of Justice, along with other federal agencies, to prepare a 5-year strategic plan, including a mission statement, long-range goals, and program assessment measures. In September 2000, the Department submitted its Strategic Plan for 2000-2005 to Congress. Building upon the strategic plan, the Department's FY2003 performance plan includes eight goals:

- protect the United States from the threat of terrorism;
- enforce federal criminal laws;
- prevent and reduce crime and violence by assisting state, tribal, local, and community-based programs;
- defend and protect the rights and interests of the American people by providing legal representation and enforcement of federal laws;
- administer immigration and naturalization laws fairly and effectively;
- protect American society by providing for the safe, secure, and humane confinement of persons in federal custody;
- protect the federal judiciary and support the federal justice system;
- and
- ensure professionalism, excellence, accountability, and integrity in the management and conduct of the Department of Justice.

Detailed performance plans for individual activities, agency, and program accounts were included in the departmental budget submission to Congress as well.

## Administration FY2004 Request

For the Department of Justice (DOJ), the Administration's FY2004 request includes \$19 billion, or nearly \$643 million less than the amount appropriated by Congress for FY2003. According to the Administration, the FY2004 request includes the following major budget increases: \$669 million and 2,170 positions for counterterrorism and counterintelligence, with the lion's share of this funding going to the FBI. The request includes an additional \$177 million for a DNA initiative to reduce the backlog of both suspect and convicted offender DNA samples, and increase the capacities of state and local crime labs to process DNA evidence.

These and other smaller proposed increases would be offset by crosscutting efficiencies, program reductions, offsets, and the elimination of several grant programs. The eliminated grant programs, with the corresponding FY2003 funding included in parentheses, include the Community Oriented Policing Services (COPS) hiring and overtime program (\$200 million), the Juvenile Justice Accountability Block Grant (\$190 million), and the State Criminal Alien Assistance Program (\$248 million). Furthermore, as part of a wider "performance-based" program realignment of the Office of Justice Programs, the Administration's request includes a proposal to eliminate the Local Law Enforcement Block Grants (LLBGs) and the Byrne Grants, replacing those grant programs with a Justice Assistance Grant (JAG) program. The Administration's request includes \$600 million for the proposed JAG program, \$437 million less than the amounts appropriated for the LLBG and Byrne grant programs for FY2003.

The House Committee's recommendation, by comparison, would provide DOJ with \$20 billion for FY2004. This amount includes \$683 million for various COPS programs, but it does not include funding for COPS hiring or overtime. The recommendation would also fund a number of programs for which the Administration requested no funding. Those programs and corresponding funding in parentheses include the Juvenile Justice Accountability Block Grant (\$100 million), the State Criminal Alien Assistance Program (\$400 million), the Local Law Enforcement Block Grants (\$400 million), and the Byrne Grants (\$615 million). As the House Committee included funding for these programs in its recommendation, funding was not included for the proposed Justice Assistance Grant.

## FY2004 Funding Issues

**General Administration.** For General Administration, the Administration's FY2004 request for Justice programs includes \$1.378 billion, \$112 million more than the amount appropriated by Congress for FY2003. Of the requested amount, \$810 million would go to the Detention Trustee account to better manage departmental acquisition of contracted detention space. Besides the Detention Trustee, the General Administration account funds the Attorney General's office, senior departmental management, the Inspector General's office, efforts to integrate identification systems (e.g., IAFIS and IDENT), and narrowband communications, among other things.

For the *Federal Detention Trustee's Office*, the FY2004 request includes \$810 million, a nearly \$42 million increase over the amount appropriated by Congress for

FY2003. The Detention Trustee's Office was established in FY2001, with a \$1 million appropriation, to manage contractual detention funding for the Department, which is, for the most part, for the Marshals Service, since the immigration detention and removal program has been transferred to DHS. The *Office of the Inspector General (OIG)* is responsible for investigating possible departmental misconduct. In FY2001, the Attorney General ordered the OIG to investigate allegations of misconduct at the Federal Bureau of Investigation and the Drug Enforcement Administration. The Administration's FY2004 request includes \$62 million for the OIG, which represents a \$10 million increase as compared to the FY2003 appropriation. The House Committee's recommendation would provide \$1.322 billion for general administration, about \$56 million less than the Administration's request.

**U.S. Parole Commission.** The U.S. Parole Commission adjudicates parole requests by federal and District of Columbia Code prisoners who are serving felony sentences. For the commission, the FY2003 request was \$11 million. The authorization for the parole commission was due to expire in November 2002, but the 21st Century Department of Justice Appropriations Authorization Act (P.L. 107-273) has authorized to be appropriated \$10 and \$11 million for the commission for FY2002 and FY2003, respectively. For FY2004, the Administration's request includes \$11 million for the parole commission, a \$631 thousand increase over the Commission's FY2003 appropriation. The House Committee's recommendation would provide \$11 million for the parole commission.

**Legal Activities.** The Legal Activities account includes several accounts: (1) general legal activities, (2) U.S. Attorneys, (3) U.S. Marshals Service, (4) prisoner detention, and (5) other legal activities. For FY2004, the Administration's request includes nearly \$3.2 billion for legal activities, an increase of \$172 million over the FY2003 enacted budget for these purposes. The House Committee's recommendation for FY2004 is \$3.0 billion, a \$22 million increase from FY2003. The *general legal activities* account funds the Solicitor General's supervision of the department's conduct in proceedings before the Supreme Court. It also funds several departmental divisions (tax, criminal, civil, environment and natural resources, legal counsel, civil rights, and antitrust). For FY2004, the Administration's request includes \$665 million, an increase of nearly \$58 million over the FY2003 enacted budget for these purposes. The House Committee's recommendation is \$620.5 million. For FY2004, both the Administration and the House Committee would provide nearly \$2 million for the Radiation Exposure Compensation Act (RECA) program under this account.

The *U.S. Attorneys* and the *U.S. Marshals Service* are present in all of the 94 federal judicial districts. The U.S. Attorneys prosecute criminal cases and represent the federal government in civil actions. For the U.S. Attorneys Office, the Administration's FY2004 request includes \$1.557 billion, including an increase of nearly \$63 million over the enacted FY2003 budget for this office. The Administration's request assumes \$16 million in savings due to crosscutting efficiencies and program reductions, and includes \$18 million in budget increases for additional activities in FY2004. The latter amount includes \$8 million for the Corporate Fraud Task Force, \$6 million for Civil Defensive Litigation (In civil defensive litigation, the United States Attorneys defend the interests of the

government in law suits filed against the United States), and \$5 million for additional attorneys and support staff. In addition, the request anticipates that \$6 million will be available from Justice's Working Capital Fund for information technology enhancements. For the U.S. Attorneys Office, the House Committee's recommendation includes \$1.526 billion for FY2004, which is \$31 million less than the Administration's request.

The U.S. Marshals are responsible for the protection of the Federal Judiciary, protection of witnesses, execution of warrants and court orders, custody and transportation of unsentenced federal prisoners, and fugitive apprehension. The FY2004 request includes \$721 million for the Marshals, an increase of nearly \$22 million over the service's FY2003 enacted budget. For FY2004, the House Committee's recommendation is for \$679 million, \$42 million less than the Administration's request and \$20 million less than the service's FY2003 enacted budget. The Committee, however, would provide \$41 million under the Community Oriented Policing Services account for U.S. Marshals-related activities.

For *other legal activities*. e.g., the Community Relations Service, the Independent Counsel, the U.S. Trustee Fund (The U.S. Trustee's office is responsible for maintaining the integrity of the U.S. bankruptcy system by, among other things, prosecuting criminal bankruptcy violations.), and the Asset Forfeiture program, the FY2004 request includes \$257 million, which includes about \$29 million more than the amount appropriated for these purposes for FY2003. The request assumes \$11 million in base reductions and \$14 million in savings due to crosscutting efficiencies that offset an increase of \$26 million for additional protection for the Judiciary. The request also anticipates that \$2 million will be available from Justice's Working Capital Fund for courthouse security equipment. The House Committee's recommendation is for \$209 million, nearly \$48 million less than the Administration's request. A large portion of the difference can be explained by a \$33 million request for office automation that the Committee does not recommend.

**Interagency Law Enforcement.** The Interagency Law Enforcement account reimburses departmental agencies for their participation in the *Organized Crime Drug Enforcement Task Force (OCDETF)* program. Organized into nine regional task forces, this program combines the expertise of federal agencies with the efforts of state and local law enforcement to disrupt and dismantle major narcotics trafficking and money laundering organizations. The federal agencies that participate in OCDETF are the Drug Enforcement Administration; Federal Bureau of Investigation; Internal Revenue Service; Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Coast Guard; U.S. Marshals Service; the Justice, Tax and Criminal Divisions; and the U.S. Attorneys. In addition, it is likely that the Department of Homeland Security's Bureau of Customs and Border Protection and Bureau of Immigration and Customs Enforcement will also participate in OCDETF, as these Bureaus are composed of former elements of the U.S. Customs Service and the Immigration and Naturalization Service.

The FY2004 request includes \$542 million for OCDETF, which represents an increase of \$172 million over the amount appropriated for FY2003. For new activities in FY2004, the request includes \$22 million for automated technology, \$26 million to target 53 major drug trafficking organizations, and \$10 million to expand

money laundering investigations. The House Committee's recommendation includes \$556.5 million for the Interagency Drug Enforcement program, and proposes that the Drug Enforcement Administration manage this account.

**Federal Bureau of Investigation.** The Federal Bureau of Investigation (FBI), as the lead federal investigative agency, continues to reorganize to focus more sharply on counterterrorism. For FY2004, the Administration requests, and the House Committee recommends, nearly \$4.64 billion for the FBI, as compared to the Bureau's FY2003 enacted level of \$4.583 billion. Unlike the request, the House recommendation breaks out amounts for foreign counterterrorism (\$62 million) and construction (\$1.2 million). The FY2004 request assumes \$26 million in savings due to crosscutting efficiencies. For new activities in FY2004, the request includes \$539 million, which includes the following budget increases: \$267 million for counterterrorism, \$70 million for counterintelligence, \$64 million for cybercrime, \$37 million for background checks and other security enhancements, \$82 million for Trilogy and other information technology improvements, \$16 million for other corporate fraud investigations, and \$3 million for the forensic DNA program.

NOTE: The Homeland Security Act of 2002 (P.L. 107-296) transferred the National Infrastructure Protection Center (NIPC), the National Domestic Preparedness Office (NDPO), and the Domestic Emergency Support Teams (DEST) from the FBI to the DHS. NIPC was formed to detect, deter, assess, and warn computer users as to cyber threats and to investigate and prosecute unlawful computer intrusions. For a time, NDPO served as a single point of contact for state and local authorities seeking interagency assistance in the areas of planning, training, equipment, and exercises to prepare for domestic terrorist incidents, but NDPO activities were largely absorbed by the OJP's Office of Domestic Preparedness. DEST was an interagency team of experts that could be quickly assembled by the FBI to provide an on-scene commander (Special Agent in Charge) with advice and guidance in situations involving weapons of mass effect (WME). According the DOJ FY2004 Budget Summary, NIPC's transfer to DHS's Information Analysis and Infrastructure Protection Directorate included about \$51 million and 307 positions. The NDPO and DEST transfers to DHS's Emergency Preparedness and Response Directorate include neither dollars nor positions.

**Drug Enforcement Agency.** The Drug Enforcement Administration (DEA) is the lead federal agency tasked with reducing the illicit supply and abuse of dangerous narcotics and drugs. For FY2004, the Administration requests nearly \$1.559 billion for the DEA, as compared to the agency's FY2003 enacted budget of \$1.551 billion, an increase of about \$8 million. The FY2004 request assumes \$63 million in savings due to crosscutting efficiencies, program reductions, and other offsets. For new activities, the Administration's request includes \$38 million for better targeting major drug trafficking organizations, \$2 million for international training, and \$3 million for financial audit improvements.

For FY2004, the House Committee's recommendation for the DEA is \$1.6 billion, about \$43 million more than the request. In addition, the House Committee recommends that the DEA manage the Interagency Drug Enforcement program, for which the House recommends \$556.5 million for FY2004.



**Bureau of Alcohol, Tobacco, Firearms and Explosives.** The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) enforces federal law related to the manufacture, importation, and distribution of alcohol, tobacco, firearms, and explosives. The FY2004 request includes \$852 million for ATF, an increase of nearly \$51 million over the Bureau's FY2003 enacted budget. The FY2004 request assumes \$5 million in savings due to program offsets; and, for new activities, it includes \$13 million for the Youth Crime Gun Interdiction Initiative and \$10 million to implement the Safe Explosives Act (Title XI, Subtitle C, of the Homeland Security Act of 2002 (P.L. 107-296; 116 STAT. 2280)). The House Committee's recommendation includes \$831 million for ATF, about \$21 million less than the request. In addition, the bill was amended in markup. One amendment would prohibit ATF from publishing statistics regarding crime gun traces without qualifying the limitations of such statistics. Another amendment, which narrowly passed, would limit ATF as to certain things that could be required from firearm licensees regarding their firearms inventory, and would prevent ATF from revoking a firearms license if a dealer's inventory fell below a certain level, among other things.

**Federal Prison System.** The Federal Prison System maintains 106 penal institutions nationwide, and contracts with state, local, and private concerns for additional detention space. The Administration projected that this system would house an average daily population of 143,197 sentenced offenders in federal institutions, and another 28,043 in contract facilities, in FY2003. For FY2004, the Administration's request includes \$4.493 billion for the Federal Prison System, an increase of nearly \$48 million over the FY2003 enacted budget. The House Committee's recommendation is \$4.668 billion, about \$175 million more than the request.

For new activities in FY2004, the Administration's request includes \$252 million to activate new facilities, \$23 million for a counterterrorism project, \$13 million for contract confinement, and \$427 thousand for a transitional drug treatment program. The Administration intends to offset these budget increases with savings from \$17 million in crosscutting efficiencies, \$28 million in no longer needed criminal alien detention, and \$188 million rescinded from new construction funding. The House Committee, however, recommends \$203 million for the construction, modernization, and repair of prison facilities and does not include the requested rescission.

**Office of Justice Programs.** The Office of Justice Programs (OJP) manages and coordinates the National Institute of Justice, Bureau of Justice Statistics, Office of Juvenile Justice and Delinquency Prevention, Office of Victims of Crimes, Bureau of Justice Assistance, and related grant programs. For the Office of Justice Programs and related offices, bureaus and programs, the Administration's revised FY2004 request is \$2.331 billion. For FY2003, Congress appropriated \$3.594 billion for OJP programs. Several things account for the difference in funding for FY2003, as compared to the FY2004 request. First, the Office of Domestic Preparedness was transferred from DOJ to DHS (\$1 billion in FY2003 funding). Second, the Administration's FY2004 request includes no funding for the State Criminal Alien Assistance program (\$248 million in FY2003 funding). Third, the FY2004 request includes no funding for COPS hiring and overtime (\$200 million in FY2003 funding). Fourth, the FY2004 request includes no funding for either

Local Law Enforcement Block Grants or Byrne Grants – effectively eliminating about \$437 million provided for FY2003.

The House Committee’s recommendation would provide \$3.491 billion for OJP, including \$209 million for Justice Assistance, \$1.641 billion for state and local law enforcement assistance, \$388 million for Violence Against Women, \$52 million for Weed and Seed, \$462 million for Juvenile Justice, \$57 million for Public Safety Officer Benefits, and \$683 million for Community Oriented Policing Services (COPS). It does not include funding for COPS hiring and overtime.

The Administration’s request includes a proposed “performance-based” program realignment that includes a restructured OJP budget account structure. Among other things, the Administration would consolidate and realign the bulk of grant programs to assist state and local law enforcement administered by OJP’s various offices under the Justice Assistance account (described below). Under this account, for example, Local Law Enforcement Block Grants (LLBGs) and Byrne Grants would be merged into a single Justice Assistance Grant (JAG). For the JAG grant program, the Administration’s FY2004 request includes \$600 million, as compared to over \$1.037 billion appropriated for LLBGs and Byrne Grants for FY2003. Moreover, most of the remaining programs previously funded under the State and Local Law Enforcement Assistance, Weed and Seed, Juvenile Justice, and several programs previously funded under COPS would be funded under the Justice Assistance account. Amounts included in the House Committee’s recommendation, however, are provided under the existing budget structure. Nevertheless, for the sake of comparison, amounts given below for the House Committee’s recommendation have been reconfigured to correspond with the Administration’s proposed budget restructuring.

*Justice Assistance.* The Justice Assistance account funds the operations of OJP bureaus and offices. Besides funding OJP management and administration, this account also funds research, evaluation, and demonstration programs; technology centers; criminal justice statistical programs; and other cooperative efforts that address missing children, and regional criminal intelligence. For FY2004, the Administration’s request is \$2.125 billion for this account. Congress appropriated nearly \$200 million for this account for FY2003. The larger amount requested for FY2004 reflects the proposed “performance-based” realignment of the bulk of OJP grant programs in the Justice Assistance account under the following program categories:

- Counterterrorism Research and Development,
- Improving the Criminal Justice System,
- Research, Development, Evaluation and Statistics,
- Technology for Crime Identification,
- Strengthening the Juvenile Justice System,
- Substance Abuse: Demand Reduction, and
- Services for Victims of Crime.

COPS would be maintained as an account separate from Justice Assistance, but only 7 programs would continue to be funded in the COPS account. Other COPS

programs would be replaced or eliminated, while at least seven other COPS programs would be funded under the Justice Assistance account.

*Counterterrorism Research and Development.* For *Counterterrorism Research and Development*, the Administration's request includes over \$17 million to improve the ability of federal, state, and local public safety agencies to prevent and respond to terrorist attacks. The House Committee's recommendation includes no funding for these purposes under OJP.

*Improving the Criminal Justice System.* For *Improving the Criminal Justice System*, the Administration's request initially included \$1.22 billion. This amount included \$600 million for the proposed Justice Assistance Grant (JAG), \$182 million to combat violence against women (VAWA), \$64 million to encourage certain domestic violence arrest policies, \$58 million for the Weed and Seed program, \$49 million for Southwest border prosecutions, \$49 million for gun violence prosecutions, \$39 million for reduced rural domestic violence and child abuse, \$37 million for the Regional Information Sharing System, \$30 million for Police Corps, and \$25 million for the Bulletproof Vest Partnership (formerly funded under COPS), among other things. The House Committee's recommendation includes \$2.07 billion for these purposes, as compared to the Administration's revised request of \$1.217 billion. The recommended amount includes \$400 million for Local Law Enforcement Block Grants, \$615 million for Byrne Grants, \$400 million for the State Criminal Alien Assistance Program, \$293 for certain VAWA programs, \$52 million for Weed and Seed, and \$213 million for certain COPS programs. It includes no funding for JAG.

*Research, Development, Evaluation, and Statistics.* For *Research, Development, Evaluation and Statistics*, the Administration's FY2004 request initially included \$129 million: \$48 million for criminal justice statistics, \$78 million for research, evaluation, and demonstration projects, and nearly \$3 million for the VAWA stalker database. The House Committee's recommendation includes \$137 million for these purposes, as compared to the Administration's revised request of \$227 million (the latter amount reflects increased funding requested for management and administration).

*Technology for Crime Identification.* For *Technology for Crime Identification*, the Administration's request initially included \$235 million: \$177 million for a DNA initiative and \$58 million for the National Criminal History Improvement Program (formerly funded under COPS). The House Committee's recommendation includes \$236 million for these purposes, as compared to the Administration's revised request of \$231 million.

*Juvenile Justice.* For *Strengthening the Juvenile Justice System*, the Administration's FY2004 request initially included \$235 million. This amount funds juvenile justice programs reauthorized last year by the 21st Century Department of Justice Appropriations Reauthorization Act (P.L. 107-273), including the making of appropriations in "such sums as may be appropriate" for these programs for fiscal years 2003 through 2007. For FY2003, Congress appropriated about \$264 million for these programs, and \$190 million for the Juvenile Accountability Incentive Block Grant (JAIBG), a program for which the Administration requested no funding for

FY2004. The House Committee's recommendation includes \$386 million for these purposes, including \$100 million for the JAIBG. By comparison, the Administration's revised request is \$214 million.

*Substance Abuse.* For *Substance Abuse: Demand Reduction*, the Administration's FY2004 request initially included \$149 million: \$68 million for drug courts, nearly \$5 million for Indian country alcohol and crime demonstration grants, and \$76 million for residential substance abuse treatment, but includes no funding for drug prevention demonstration grants. The House Committee's recommendation includes \$140 million for these purposes, as compared to the Administration's revised request of \$143 million.

*Victims of Crime.* For *Services for Victims of Crime*, the Administration's FY2004 request initially included \$150 million. Among other things, this amount includes funding authorized under the Violence Against Women Act and Victims of Child Abuse Act. It also includes discretionary funding provided under the Public Safety Officers Benefit program, which provides death benefits to survivors of public safety officers who die in the line of duty, and disability benefits to those officers injured and disabled in the line of duty. Benefits provided by this program were increased by the USA Patriot Act of 2001 (P.L. 107-56). The Administration's FY2004 request included \$4 million in discretionary funding for educational benefits, \$5 million in discretionary funding for disability benefits, and \$49 million in mandatory funding for death benefits under the PSOB program. The House Committee's recommendation includes \$268 million for these purposes, as compared to the Administration's revised request of \$142 million.

*Community Oriented Policing Services.* To enhance public safety, the *Community Oriented Policing Services (COPS)* program provides grants to state, local, and Indian tribal governments to expand community policing and cooperation between law enforcement agencies and members of the community. The authority for the COPS grant program lapsed at the end of FY2000. Congress, however, has continued to appropriate funding for these programs. For FY2004, the Administration's request initially included nearly \$164 million for COPS (not including a proposed \$6.4 million rescission). Congress appropriated nearly \$978 million for COPS in FY2003. This change reflects the Administration's proposal to realign several programs that historically have been funded under COPS to the Justice Assistance account. It also reflects that, for FY2004, the Administration's request includes no funding for law enforcement hiring and overtime. Last year, Congress appropriated \$200 million for these purposes. To support law enforcement, the FY2004 request initially included \$30 million for Indian country crime reduction, \$20 million for methamphetamine enforcement and clandestine lab clean up, and \$50 million for information technology. To advance community policing practices, the request included nearly \$17 million for police integrity and \$21 million for community policing development. For program administration, the request included about \$26 million. The House Committee's recommendation includes no funding for COPS hiring and overtime. For the remaining COPS programs, the recommendation includes \$254 million, as compared to the Administration's revised request of \$157 million.

**Table 4. Department of Justice Funding Accounts**(\$\$ in millions)<sup>a</sup>

Accounts	FY2002 enacted	FY2003 enacted	FY2004 request	House reported	Senate	FY2004
General Administration	\$432.9	\$1,281.4 <sup>b</sup>	\$1,377.5 <sup>b</sup>	\$1,321.5 <sup>b</sup>		
Legal Activities	3,513.5	3,012.4	3,199.9	3,034.3		
<i>General legal activities</i>	561.7	607.4 <sup>c</sup>	665.3 <sup>c</sup>	620.5 <sup>c</sup>		
<i>United States Attorneys</i>	1,403.3	1,494.0	1,556.8	1,526.3		
<i>United States Marshals Service</i>	\$668.0	699.1	720.8	678.7		
<i>Other</i>	\$880.5	211.9	257.0	208.8		
Interagency Law Enforcement	338.6	369.7	541.8	556.5		
Federal Bureau of Investigation	4,279.9	4,583.2	4,639.6	4,639.6		
<i>Salaries and expenses</i>	4,246.1	4,048.1	4,149.5	4,086.6		
<i>Counterintelligence and national security</i>	---	472.2	490.1	490.1		
<i>Foreign terrorist tracking task force</i>	---	61.6	---	61.6		
<i>Construction</i>	33.8	1.2	---	1.2		
Drug Enforcement Administration	1,481.8	1,550.8	1,558.7	1,601.3		
Bureau of Alcohol, Tobacco and Firearms <sup>d</sup>	N/A	801.2	852.0	831.2		
<i>GREAT grants</i>	N/A	[12.9]	[13.0]	---		
Federal Prison System	4,620.6	4,444.8	4,492.7	4,667.5		
Office of Justice Programs	4,943.8	3,593.7	2,331.2	3,491.2		
<i>Justice assistance</i>	836.4	200.0 <sup>e</sup>	2,124.8 <sup>f</sup>	209.1		
<i>Rescission</i>	---	---	[-11.6]	---		
<i>State and local law enforcement assistance</i>	2,654.5	2,031.0	---	1,640.9		
<i>Weed and seed program fund</i>	58.9	58.5	---	51.8		
<i>Community oriented policing services</i>	1,050.4	977.6	157.4	683.0		
<i>Rescission</i>	---	---	[-6.4]	---		
<i>Juvenile justice programs</i>	305.9	273.5	---	462.3		
<i>Violence Against Women Act<sup>g</sup></i>	---	---	---	387.6		
<i>Public safety officers benefits program</i>	37.7	53.0	49.1	56.6		
Other	11.9 <sup>h</sup>	10.4	11.1	10.6		
<b>Total: Department of Justice</b>	<b>\$19,622.9<sup>i</sup></b>	<b>\$19,647.6</b>	<b>\$19,004.6</b>	<b>\$20,153.8</b>		

**Sources:** Amounts for FY2002 enacted were taken from tables published in the *Congressional Record*, February 13, 2003, pp. H572-H576. Amounts for FY2003 enacted and the FY2004 request were taken from tables provided by the House Committee on Appropriations.

a. Amounts may not total due to rounding.

b. The large increase in FY2003 enacted and FY2004 request, as compared to FY2002, reflects funding for the Detention Trustee's Office.

c. Includes \$2.0 million for the Radiation Exposure Compensation Act.

- d. The Homeland Security Act (P.L. 107-296) transferred the Bureau of Alcohol, Tobacco, Firearms and Explosives to the DOJ.
- e. This amount does not include the \$1 million appropriated for the Office of Domestic Preparedness in the FY2003 CJS appropriations act, as this office was transferred to the Department of Homeland Security.
- f. The large increase in the FY2004 request, as compared to the FY2003 enacted budget, reflects the proposed performance-based realignment of the major Office for Domestic Preparedness grant programs in the Justice Assistance account. However, the House Committee's recommendation maintains the existing account structure.
- g. Violence Against Women Act (VAWA) programs have been funded under State and Local Law Enforcement Assistance. The House-reported bill, however, breaks out VAWA programs as a stand-alone account under the Office of Justice Programs.
- h. For FY2002 enacted, includes \$2.0 million for the Radiation Exposure Compensation Act and \$9.9 million for the U.S. Parole Commission. For all other columns, includes funding for the U.S. Parole Commission only.
- i. For FY2002 enacted, the total amount for DOJ does not include funding for the Immigration and Naturalization Service, since that agency was dismantled and its constituent parts were transferred to the Department of Homeland Security by P.L. 107-296.

## Related Legislation

### **P.L. 108-21, H.R. 1104 / S. 151**

Prosecutorial Remedies and Other Tools to End the Exploitation of Children Today Act of 2003 (Protect Act). S. 141 reported in the Senate on February 11, 2003 (S.Rept. 108-2). Passed Senate, amended, on February 24, 2003. H.R. 1104 reported by the House on March 24, 2003 (H.Rept. 108-47). Passed House, amended, on March 27. Conference report filed on April 9, 2003 (H.Rept. 108-66). Passed House and Senate on April 10, 2003. Signed into law April 30, 2003.

### **H.R. 703 (Saxton)**

Law Enforcement Partnership to Combat Terrorism Act. This bill would amend the COPS program to authorize appropriations for hiring and training state and local law enforcement intelligence officers, and improving coordination of federal, state and local counterterrorism intelligence officers. Introduced and referred to Committee on the Judiciary on February 11, 2003. Referred to the Subcommittee on Crime, Terrorism and Homeland Security on March 6, 2003.

### **H.R. 834 (Ose)**

Clean, Learn, Educate, Abolish, Neutralize, and Undermine Production (CLEAN-UP) of Methamphetamines Act. This bill would amend the COPS program to authorize the expanded use of COPS funds to increase enforcement and prosecution of methamphetamine offenses and provide for environmental cleanup of clandestine labs. Introduced and referred to multiple committees, including the Committee on the Judiciary, on February 13, 2003. Referred to the Subcommittee on Crime, Terrorism and Homeland Security on March 6, 2003.

### **H.R. 2260 (Ros-Lehtinen)**

This bill would include Assistant United States Attorneys in the definition of law enforcement officer for the purposes of retirement. Introduced and referred to the Committee on Government Reform on May 22, 2003.

**S. 679 (Biden)**

Providing Reliable Officers, Technology, Education, Community Prosecutors, and Training in Our Neighborhoods Act of 2003 (Protection Act). Reauthorizes the making of appropriations for the Community Oriented Policing Services (COPS) programs for FY2004 through FY2009, among other things. Introduced and referred to the Committee on the Judiciary on March 20, 2003.

**S. 798 (Hatch)**

Sex Offender Apprehension Act of 2003. This bill would amend the COPS program to authorize the use of COPS funds to assist states in enforcing laws that require convicted sex offenders to register their addresses with state or local law enforcement agencies. Introduced and referred to the Committee on the Judiciary on April 7, 2003.

**Related CRS Products**

CRS Report 97-196, *Community Oriented Policing Services (COPS) Program: An Overview*, by JoAnne O'Bryant.

CRS Issue Brief IB10095, *Crime Control: The Federal Response*, by JoAnne O'Bryant.

CRS Report RS20539, *Federal Crime Control Assistance to State and Local Governments*, by JoAnne O'Bryant.

CRS Report RS21400, *FY2003 Appropriations for First Responders: Fact Sheet*, by Ben Canada and Shawn Reese.

CRS Issue Brief IB10012, *Gun Control Legislation in the 108<sup>th</sup> Congress*, by William Krouse.

CRS Report RS20576, *Juvenile Justice: Legislative Activity and Funding Trends for Selected Programs*, by JoAnne O'Bryant, Edith Fairman Cooper, and David Teasley.

**Commerce and Related Agencies**

Title II typically includes the appropriations for the Department of Commerce and related agencies. The origins of the department date back to 1903 with the establishment of the Department of Commerce and Labor (32 Stat. 825). The separate Department of Commerce was established on March 4, 1913 (37 Stat. 7365; 15 U.S.C. 1501).

The department's responsibilities are numerous and quite varied, but its activities center on five basic missions: 1) promoting the development of American business and increasing foreign trade; 2) improving the nation's technological competitiveness; 3) encouraging economic development; 4) fostering environmental

stewardship and assessment; and 5) compiling, analyzing and disseminating statistical information on the U.S. economy and population.

The following agencies within the Commerce Department carry out these missions:

- *Economic Development Administration (EDA)* provides grants for economic development projects in economically distressed communities and regions.
- *Minority Business Development Agency (MBDA)* seeks to promote private and public sector investment in minority businesses.
- *Bureau of the Census* collects, compiles, and publishes a broad range of economic, demographic, and social data.
- *Economic and Statistical Analysis Programs* provide 1) timely information on the state of the economy through preparation, development, and interpretation of economic data; and 2) analytical support to department officials in meeting their policy responsibilities. Much of the analysis is conducted by the Bureau of Economic Analysis (BEA).
- *International Trade Administration (ITA)* seeks to develop the export potential of U.S. firms and to improve the trade performance of U.S. industry.
- *Bureau of Industry and Security* enforces U.S. export control laws consistent with national security, foreign policy, and short-supply objectives (formerly the Bureau of Export Administration).
- *National Oceanic and Atmospheric Administration (NOAA)* provides scientific, technical, and management expertise to 1) promote safe and efficient marine and air navigation; 2) assess the health of coastal and marine resources; 3) monitor and predict the coastal, ocean, and global environments (including weather forecasting); and 4) protect and manage the nation's coastal resources.
- *Patent and Trademark Office (PTO)* examines and approves applications for patents for claimed inventions and registration of trademarks.
- *Technology Administration*, through the Office of Technology Policy, advocates integrated policies that seek to maximize the impact of technology on economic growth, conducts technology development and deployment programs, and disseminates technological information.
- *National Institute of Standards and Technology (NIST)* assists industry in developing technology to improve product quality,



modernize manufacturing processes, ensure product reliability, and facilitate rapid commercialization of products based on new scientific discoveries.

- *National Telecommunications and Information Administration (NTIA)* advises the President on domestic and international communications policy, manages the federal government's use of the radio frequency spectrum, and performs research in telecommunications sciences.

For FY2004 appropriations, the Administration requests roughly \$5.814 billion for Title II, including the Commerce Department and related agencies. In FY2003, the enacted appropriation was roughly \$5.796 billion.

## FY2004 Funding Issues

**International Trade Administration.** The President's FY2004 request for the International Trade Administration (ITA) is \$382.1 million, a \$19.9 million increase over the FY2003 appropriation of \$362.2 million and a \$4.9 million increase over the FY2003 request of \$377.2 million. The House Appropriations Committee also recommends \$382.1 million, but it also proposes the reorganization of the agency. The President's request and the Committee's recommendations both envision \$13 million in fee collections, raising the total resources of the agency to \$395.1 million. ITA provides export promotion services, works to assure compliance with trade agreements, administers trade remedies such as antidumping and countervailing duties, and provides analytical support for ongoing trade negotiations. The agency is divided into four policy units and an Executive and Administrative Directorate, with a total full time staff of 2,550.

*Trade Development Unit (TD).* The Administration requests \$57.1 million for the Trade Development Unit. In FY2003, Congress appropriated \$67.7 million, including several textile related initiatives not incorporated into the President's FY2003 request of \$58.3 million. The House Committee recommends \$46.7 million for this entity which it renames the Manufacturing and Services Unit (MSU). The Committee envisions the MSU carrying on certain functions of TD such as the provision of industry analysis, but the Committee intends that the new Unit will place concentrate more resources on promoting the competitiveness and expansion of U.S. industry. The Committee's recommendation transfers the trade promotion activities of TD- the Advocacy Center, the Trade Information Center, and Office of Export Assistance- to the new Trade Promotion Unit. Funds for the textile initiatives, the National Textile Center, and the Textile/Clothing Technology Corporation have not been requested in the President's FY2004 budget, but the House Appropriation Committee provides funding for these initiatives at 2003 levels.

*Market Access and Compliance Unit (MAC).* The Administration requests \$37.4 million for the Market Access and Compliance Unit (MAC). In FY2003, Congress appropriated \$31.2 million. The House Appropriations Committee recommends \$38.2 million and directs the establishment of an Office of Enforcement within the Unit.

**Import Administration Unit (IA).** The President's FY2004 budget requests \$53.6 million for the Import Administration (IA) unit; Congress appropriated \$44.2 million in FY2003. The House Appropriations Committee recommends \$68.2 million and directs the reorganization of the Unit into separate anti-dumping and countervailing duty case processing divisions and a policy and negotiation division. The House Committee's version also provides \$3 million for the establishment of an Office of China Compliance to focus on trade remedy issues pertinent to small and medium sized domestic industry.

**Commercial Service.** The Administration requests \$204.5 million for this Unit, formerly known as the U.S. and Foreign Commercial Service, an increase of \$2.5 million from the \$202 million appropriated in FY2003. The House Appropriations Committee proposes the reorganization of this entity, renaming it the Trade Promotion Unit (TPU), and recommends the appropriation of \$217 million. The Committee proposes the transfer of the trade promotion functions of the current TD Unit (the Trade Information Center, the Advocacy Center, and the Office of Export Assistance) to the TPU. It directs the TPU to establish a Middle East Business Information Center and a China Business Information Center. The Committee also proposes the creation of American Trading Centers in China to promote the importation of U.S. goods and services into China.

**Office of the U.S. Trade Representative (USTR).** USTR is the chief trade negotiator for the United States and is located in the Executive Office of the President (EOP). It is responsible for developing and coordinating U.S. international trade and direct investment policies. The Office had about 209 FTEs in FY2003. The President's FY2004 request is \$37 million, \$2 million above the amount approved by Congress in FY2003. The House Appropriations Committee recommends \$42 million. Part of the increase in this request is to fund the negotiation of addition bilateral and regional free trade agreements. Since the FY2003 request, the President has announced the beginning of free trade negotiations with the 5 nations of the Central American Common Market, the Southern African Customs Union, Australia, Morocco, and has expressed interest in commencing negotiations with Bahrain. The Committee also expressed concern about the degree of responsiveness of USTR to complaints by U.S. small and medium sized business about the agency's enforcement of U.S. trade laws and agreements with China. The Committee provides \$2 million in additional funding for 9 positions to monitor and enforce trade commitments made by China. The Committee also cautions U.S. trade negotiators against using U.S. Treasury funds to resolve trade disputes, and it refused to capitalize a fund set up by the Trade Act of 2002 (P.L. 107-210) to settle monetary fines resulting from adverse decisions at the WTO.

**U.S. International Trade Commission (ITC).** ITC is an independent, quasi-judicial agency that advises the President and Congress on the impact of U.S. foreign economic policies on U.S. industries and is charged with administering various U.S. trade remedy laws. Its six commissioners are appointed by the President for 9-year terms. As a matter of policy, its budget request is submitted to Congress by the President without revision. For FY2004, ITC requested \$58.3 million, an approximately \$4.3 million increase over the FY2003 appropriation (\$54 million). The increase is intended to be used to fund a mandatory 3.1% pay increase, to fund several information technology projects to increase public access to trade

information, to improve electronic transaction capability, and to develop more accurate trade information for affected constituents. The House Appropriation Committee recommends \$57 million.

**Bureau of Industry and Security.** The President's FY2004 request for the Bureau of Industry and Security (BIS) (formerly the Bureau of Export Administration) is \$78.2 million. Congress appropriated \$74.7 million in FY2003. In FY2003, the President requested \$103.3 million, however, that request included funds for the Critical Infrastructure Assurance Office which was transferred to the Department of Homeland Security. The House Appropriations Committee recommends \$70.2 million: \$33.4 million for export administration and licensing activities, \$30.4 million for enforcement and \$7.2 million for enforcement of the Chemical Weapons Convention. BIS administers export controls on dual-use goods and technology through its licensing and enforcement functions. It facilitates cooperation with other nations on export control policy, and provides assistance to the U.S. business community to comply with U.S. and multilateral export controls. It administers the anti-boycott statutes of the United States, and it is also charged with monitoring the U.S. defense industrial base. The agency had 459 full-time employees in FY2003.

BIS seeks to create a new Office of Technology Evaluation to enable the Bureau to identify sensitive new technologies for inclusion on the Commerce Control List (CCL), to conduct systematic reviews of items on the CCL including foreign availability and mass market determinations, and to review multilateral export control regimes and national control regimes of regime partners. This Office is proposed in response to criticism leveled by the GAO that BIS has failed to conduct regular foreign availability assessments and has failed to analyze the cumulative effects of certain technology transfers. (See GAO Report 02-620, *Export Controls: Rapid Advances in China's Semiconductor Industry Underscore Need for Fundamental U.S. Policy Review*, May 8, 2002) The House Appropriations Committee did not provide funding for this initiative.

**Economic Development Administration.** For FY2004, the Administration has requested a total appropriation of \$364.4 million. Of this amount, \$331 million is for the agency's Economic Development Assistance Programs (EDAP), and \$33.4 million for Salaries and Expenses (S&E). The House Appropriations Committee recommends a total of \$318.7 million for the Economic Development Administration, including \$288.1 billion for EDAP and \$30.6 million for S&E.

For FY2003, the Administration had requested a total appropriation of \$349.9 million for EDA. More specifically, it requested \$317.2 million for EDAP, representing a net \$17.8 million decrease from FY2002. The Consolidated Appropriations Resolution for FY2003 (P.L. 108-7) provided EDA with a total appropriation of \$320.8 million—\$290 million for EDAP and \$30.8 million for S&E.

The agency's current authorization expires at the end of this fiscal year. Hearings on the Administration's proposal for reauthorizing EDA were held on June 4 by the House Subcommittee on Economic Development, Public Buildings & Emergency Management. A bill (H.R. 2454) to reauthorize EDA for five years was

introduced on June 12. Among a number of important changes, the legislation would create a performance-based incentive bonus program for grant recipients that would reward high performance, as determined by criteria established in regulation, with a bonus of up to 10% of the project cost that can be used on other eligible activities.

**Minority Business Development Agency.** For the Minority Business Development Agency (MBDA) in FY2004, the Bush Administration requests \$29.49 million. This amount is \$770,000 below the FY2003 funding level of \$28.72 million. The House Appropriations Committee recommends \$29 million for MBDA, which is about \$487,000 below the requested amount.

**Economic and Statistical Analysis.** The department's Economic and Statistical Analysis programs are conducted by the Bureau of Economic Analysis (BEA) and the Bureau of the Census. In FY2004, the President requests \$84.76 million for these programs, which is \$13.08 million (18.2%) above the FY2003 funding level. The Administration believes that the BEA's timely and accurate statistical reports are essential for providing reliable data to policymakers, industry, and consumers. The House Appropriations Committee recommends \$75 million, which is roughly \$9.76 million below the Administration request, but \$3.31 million above the FY203 amount.

**Bureau of The Census.** To fund the Bureau of the Census in FY2004, President Bush has requested a total of \$662 million: \$220.9 million for salaries and expenses and \$441.1 million for periodic programs, including the decennial census. The total request, which exceeds the FY2003 enacted amount by \$111.1 million, asks an additional \$39.1 million for salaries and expenses, and an extra \$72 million for periodic programs.

In approving the President's request, the House Appropriations Committee directed the Bureau "to continue to streamline and prioritize programs to ensure the highest priority core activities are supported" in the areas of current economic and demographic statistics. Concerning the 2010 decennial census, the committee stated its support for the Administration's efforts to design and test a "simplified, streamlined short-form census." The committee also expressed support for the American Community Survey (ACS), which will collect long-form census data on an on-going basis rather than once a decade, and recommended the full \$64.8 million request for the ACS.

**National Telecommunications and Information Administration.** The National Telecommunications and Information Administration (NTIA) is the executive branch's principal advisory office on domestic and international telecommunications and information technology issues and policies. It has as its mandate to provide greater access for all Americans to telecommunications services; to support for U.S. attempts to open foreign markets; to advise on international telecommunications negotiations; to fund research grants for new technologies and their applications; and to assist non-profit organizations converting to digital transmission in the 21st century.

The NTIA overall budget has three components: Salaries and Expenses, the Technology Opportunity Program (TOP), and the Public Telecommunications

Facilities, Planning and Construction (PTFPC) program. Salaries and Expenses largely relate to administrative functions, maintaining domestic and international policy development, and spectrum management. The TOP is a competitive, merit-based matching grant program to develop information and telecommunications infrastructure. The PTFPC program assists public broadcast stations, state and local governments, Indian tribes, and non-profit organizations in constructing facilities and bringing educational and cultural programs to the U.S. public, and is a competitive, merit-based grant program.

For FY2004, the Bush Administration has requested an NTIA budget of \$21.4 million, down from \$73.6 million in FY2003. For Salaries and Expenses, the Bush Administration has requested \$18.6 million, up from \$14.7 million in FY2003. This increase would be used to further develop basic research, analytical, and management topics of interest to the U.S. telecommunications and information sectors of the economy. For the TOP, the Bush Administration has requested zero funding in FY2004; in FY2003, TOP receives \$15.5 million. The Bush Administration contends that the TOP program has by its very successes achieved its objectives. For the PTFPC, the Bush Administration has requested \$2.5 million in FY2004 to close out this program's activities. Public broadcast transmission and digital conversion would be taken over completely by the Corporation for Public Broadcasting. In FY2003, the PTFPC receives \$43.6 million. The House Committee on Appropriations agreed to the following FY 2004 funding figures for NTIA: \$14.6 million in Salaries and Expenses; \$15.4 million for TOP; \$2.5 million for PTFPC; and a total appropriations of \$32.5 million.

**U.S. Patent and Trademark Office.** The U.S. Patent and Trademark Office (USPTO) is funded by user fees collected from customers that are designated as "offsetting collections" and subject to spending limits established by the Appropriations Committee. For FY2004, the Administration's budget would provide the USPTO with the authority to spend \$1.203 billion from fees generated in that fiscal year. In addition, the Administration proposes to support legislation to change the statutory fee structure to raise an additional \$201 million for the Office. This \$1.404 billion in budget authority is almost 19% more than FY2003, yet is \$100 million less than the \$1.504 billion the USPTO estimates it will collect in fees during FY2004.

The bill reported from the House Committee on Appropriations recommends \$1.239 billion in budget authority for the USPTO. Of this amount, \$1.139 billion is derived from fees to be collected in FY2004 and \$100 million is from fees generated in prior fiscal years. The House figure is almost 5% above the FY2003 budget authority, but approximately 12% below the President's budget request. The recommended budget authority is \$265 million less than the expected FY2003 fee collection.

Under the Omnibus Budget Act (P.L. 108-7), the USPTO has the budget authority to spend \$1.182 billion for FY2003. Of this amount, \$1.015 billion is to be derived from offsetting collections and \$167 million is from fees collected in previous years. While the budget authority is 5% more than the prior fiscal year, it is \$345 million less than the \$1.527 billion expected to be generated in fees by the USPTO during FY2003.

Since 1990, appropriation measures have limited the ability of the U.S. Patent and Trademark Office to utilize the full amount of fees collected in each fiscal year. This is an area of controversy. Opponents of this approach argue that agency operations are supported by payments for services that must be financed in the year the expenses are incurred. Proponents of current methods maintain that the fees are necessary to help balance the budget and the amount of fees appropriated back to the USPTO are sufficient to cover operating costs.

**National Institute of Standards and Technology.** The Bush Administration's FY2004 budget requests \$496.8 million for the National Institute of Standards and Technology (NIST). This amount is 30% less than the FY2003 appropriation due to significant reductions in support for the Advanced Technology Program (ATP) and the Manufacturing Extension Partnership (MEP), two extramural programs operated by NIST. The \$27 million designated for ATP is to cover on-going commitments; no new projects would be funded. The \$12.6 million for MEP is to finance the operation of centers that have not received 6 years of federal support. In-house research and development performed under the Scientific and Technical Research and Services (STRS) account would be funded at \$387.6 million, an increase of 8% over the previous fiscal year. The construction budget would be \$69.6 million.

The bill reported from the House Committee on Appropriations provides \$462.5 million in FY2004 funding for NIST. This figure is almost 35% below the FY2003 appropriation due primarily to a major reduction in support for MEP and no funding for ATP. Included in the \$462.5 million is \$360.2 million for the core programs in the STRS account (a 3.2% increase over FY2003, but 7% below the President's FY2004 request) and \$39.6 million for the Manufacturing Extension Partnership (a 63% reduction from FY2003, although 68% above the FY2004 budget request). The construction budget would total \$62.6 million.

NIST received \$707.5 million in appropriations for FY2003 (after the 0.65% across the board rescission required by P.L. 108-7), an increase of almost 5% above the previous fiscal year. Included in this figure is \$357.1 million for the STRS account, \$178.8 million for ATP, \$105.9 million for MEP, and \$65.7 million for construction.

Continued support for the Advanced Technology Program has been a major funding issue. ATP provides "seed financing," matched by private sector investment, to businesses or consortia (including universities and government laboratories) for development of generic technologies that have broad applications across industries. Opponents of the program cite it as a prime example of "corporate welfare," whereby the federal government invests in applied research activities that, they emphasize, should be conducted by the private sector. Others defend ATP, arguing it assists businesses (and small manufacturers) develop technologies that, while crucial to industrial competitiveness, would not or could not be developed by the private sector alone. While Congress has maintained support for the Advanced Technology Program, the initial appropriation bills passed by the House since FY2002 failed to provide funding for ATP. The Bush Administration's FY2004 budget proposal once again would eliminate the program.

The budget for the Manufacturing Extension Partnership, another extramural program administered by NIST, appears to be an issue for the upcoming fiscal year. While in the recent past, congressional support for MEP remained constant, this year the House Appropriations Committee reported a bill that substantially decreased federal funding for this initiative. The Administration's FY2003 and FY2004 budget request also included reduced support for MEP. This reflected the President's recommendation that manufacturing extension centers "...with more than six years experience operate without federal contribution."

### **National Oceanic and Atmospheric Administration.**

*Agency Funding.* On July 16, 2003, the House Subcommittee on CJS Appropriations reported its recommendations for funding of NOAA for FY2004. It recommended a total of \$3.10 billion for the agency, which is \$220 million, or 6.6% less than the President's request for FY2004 of \$3.32 billion. Funding recommended for NOAA's Operations, Research, and Facilities (ORF) account was \$2.18 billion; for the Procurement, Acquisition, and Construction (PAC) account it was \$794.1 million; and, for NOAA's Other accounts, \$80 million. In Other accounts \$90 million was provided for the Pacific Salmon Recovery Fund; however total funding was offset by \$10 million from a \$3 million transfer from the Coastal Zone Management Fund (CZMF) and a reduction of \$7 million from the Fisheries Finance Program account. Additional spending authority would be provided for ORF through a transfer of \$79.3 million from NOAA's Promote and Develop American Fisheries Products (PDAF) and CZMF account.

For FY2004, the President requested a total of \$3.32 billion for NOAA. This amount is \$83.1 million, or 2.6%, greater than FY2003 appropriations of \$3.24 billion. Of that total, the President requested \$2.39 billion for ORF; \$842 million for PAC, and \$84.1 million for NOAA's Other Accounts. Additional spending authority for NOAA of \$93 million was requested by transfer of \$75 million from the transfer of \$3 million from the Coastal Zone Management Fund account, and a request for recovery of \$15 million in budget authority from previous fiscal year deobligations.

*Highlights.* In his FY2004 budget submission, the President requested an increase of \$190 million for NOAA for FY2004, as compared with his FY2003 budget estimations. However, at that time, final congressional appropriations for FY2003 were not completed. As a result, many of NOAA stakeholders have advised congressional appropriators that the President's originally estimated FY2003 funding figures cannot be used for comparison with the President's FY2004 request for the agency, because the FY2004 request assumed full funding of the President's FY2003 request. The FY2004 budget increase for NOAA becomes far less, \$84.1 million, when compared with enacted actual FY2003 congressional appropriations, or \$70 million, when compared with actual FY2002 appropriations. As a result, many NOAA constituents have urged Congress to use FY2003 appropriations as a more accurate baseline for comparison with the FY2004 request, to gain a sense of how NOAA programs would fare under the President's proposed budget.

Some NOAA budget line offices would receive increases in the request for FY2004, compared with enacted FY2003 appropriations according to figures provided by the House Appropriations Committee (see table). For Operations,

Research, and Facilities (ORF), it includes increases of \$40.9 million for NOAA Fisheries, \$22.2 million for the National Weather Service, \$75 million for Program Support, and \$76 million for NOAA Satellites-PAC. ORF reductions include \$26.9 million for National Ocean Service (NOS) and \$8.2 million for NOAA Research. Other reductions include \$68 million for NOS-PAC funds, owing to construction projects completed in FY2003, and \$39 million from the Pacific Coastal Salmon Recovery fund, owing to obligations met in FY2003 under the Pacific Coastal Salmon Treaty.

**NOAA: FY2003 Appropriations and President's Request for FY2004**  
(\$ millions)

NOAA Accounts	FY2002 Actual <sup>a</sup>	FY2003 Request	FY2003 Enacted <sup>b</sup>	FY2004 Request	H. Subcte. Approps. <sup>c</sup>
<b>Operations, Research, and Facilities (ORF)</b>					
NOAA Ocean Service (NOS)	415.8	378.5	417.9	391.0	–
NOAA Fisheries (NMFS)	585.9	587.9	580.1	621.0	–
NOAA Research (OAR)	356.0	290.9	374.7 <sup>d</sup>	366.5	–
National Weather Service (NWS)	672.0	696.8	698.8	721.0	–
NOAA Satellites and Information (NESDIS)	142.3 <sup>e</sup>	146.4	150.6	150.3	–
PS-NOAA Finance & Administration (NFA)	71.7 <sup>f</sup>	79.7	68.8	93.9	–
PS-Office of Marine and Aviation Operations (OMAO)	89.6	102.0	75.5	109.1	–
PS-Facilities	19.1	24.1	13.2	29.5	–
Budget authority derived from deobligations/transfers	(88.1)	(95.0)	(79.0)	(90.0)	(79.3)
<b>ORF Total<sup>g</sup></b>	<b>2,265.0</b>	<b>2,211.3</b>	<b>2,298.5</b>	<b>2,392.3</b>	<b>2,180.5</b>
<b>Non-ORF</b>					
Procurement, Acquisition, and Construction (PAC)	836.2 <sup>h</sup>	810.7	819.1 <sup>i</sup>	842.4	794.1
Other: Pacific Coastal Salmon Recovery, Mandatories	162.1	114.1	118.2 <sup>j</sup>	84.1	80.0
<b>Non-ORF Total</b>	<b>998.3</b>	<b>924.8</b>	<b>937.3</b>	<b>926.5</b>	<b>874.1</b>
<b>NOAA Discretionary Totals<sup>*</sup></b>	<b>3,263.2</b>	<b>3,136.1</b>	<b>3,235.7</b>	<b>3,318.8</b>	<b>3,054.5</b>

**Source:** Table Compiled by CRS from sources noted below. For more information about NOAA's budget for FY2003, see CRS Report RL31567, *The National Oceanic and Atmospheric Administration (NOAA): President's Budget and Congressional Appropriations for FY2003*, last updated December 6, 2002.

\*Numbers may not add due to rounding.

- a. P.L. 107-77. FY2002 enacted amounts from H.Rept. 108-10. FY2003 and FY2004 budget request numbers as reported by the House Appropriations Committee, May 5, 2003. NOAA Line office funding was reported by the U.S. Dept. of Commerce, National Oceanic and Atmospheric Administration, in *FY2004 Budget Summary, February 3, 2003*, at [<http://www.noaa.gov>].
- b. P.L. 108-7, as printed in *Congressional Record*, February 12, 2003: H904-H932, H947, as it relates to FY2003 NOAA appropriations. See also H.Rept. 108-10, Division B.



- c. House CJS Appropriations Subcommittee, July 17, 2002. No details on NOAA Line Offices.
- d. Includes appropriations of \$63.5 million to maintain the Sea Grant Program within NOAA.
- e. For FY2002, the NOAA Satellites total reflects \$2.75 million for NOAA homeland defense-related activities in the Defense Appropriation Act for FY2002 (P.L. 107-117). In addition, on July 19, 2002, Conferees reported out H.R. 4775, the Homeland Security Emergency Supplemental Appropriations Act of FY2002, (H.Rept. 107-593). P.L. 107-206 appropriated \$33.5 million for NOAA, including \$4.8 million for ORF for homeland security expenses incurred by the agency in FY2002, and \$7.2 million for a NWS supercomputer backup. Further, \$8.1 million authorized by § 817 of P.L. 106-78 (Norton Sound Fisheries Agriculture Transfer), was rescinded.
- f. PS (NOAA Program Support). Funding is requested in three subcategories: NOAA Financial Administration (NFA), Facilities (FAC), and Office of Marine and Aviation Operations (OMAO).
- g. Totals for ORF exclude other budget authority such as deobligations and mandatory transfers within NOAA, and funding provided by other federal agencies, all which are subtracted in the previous line.
- h. PAC totals reflects NOAA funding for conservation activities pursuant to Title VIII of the FY2001 Appropriations Bill for the Department of Interior (P.L. 106-291). See *Congressional Record*, September 29, 2000: H472, H528-529.
- i. Deobligations of \$3.2 million for PAC are reflected in this amount.
- j. This amount includes \$40 million for final U.S. payment for two restoration funds under the 1999 Pacific Salmon Treaty.

Concerned about the FY2004 request, many NOAA stakeholders cite new personnel-related mandatory obligations, such as employee retirement benefits, that for FY2004 would be scored against NOAA's budget, rather than the Office of Personnel Management (OPM). They are apprehensive that such new obligations would mean reduced discretionary budget authority for the agency for FY2004, and possibly in out-years.

Still another budgetary concern affects some NOAA employees. The President proposed a 2% raise for members of the NOAA Uniformed Commissioned Officers Corps (and the Public Health Service Corps). The increase is equivalent to that requested for civilian federal employees at the agency. In previous years, NOAA Commissioned Officers have generally received the same amount of pay increase as their counterparts in the uniformed military services. Lobbying groups which represent the 7 Uniformed Services of the United States, including NOAA commissioned officers, have protested the President's cost cutting measure. They assert that the NOAA Corps and the Public Health Service Corps uniformed officers face the same hardships as other military officers, and provided invaluable service to the Nation in the aftermath of the September 11, 2001 terrorist attacks on the United States. Under current law, the NOAA Corps may be called into active military duty by the Secretary of Commerce, at the behest of the President who is Commander and Chief of the U.S. Military Armed Forces.

**Departmental Management.** The President's FY2004 budget request calls for \$80.57 million for Departmental Management. This would be about \$15.4 million above the FY2003 appropriation, a 23.6% increase. The House Appropriations Committee recommends \$66.66 million, an amount nearly \$14 million below the Administration's request, but roughly \$1.5 million above the FY2003 level.

The Commerce Department's Inspector General (IG) is funded through the Departmental Management account. The Administration requests \$23.38 million for the IG, which is roughly \$2.88 (14%) above the FY2003 amount. The Appropriations Committee recommends \$22 million for the IG, which is \$1.38 million below the requested level.

**Table 6. FY2004 Funding for the Department of Commerce and Related Agencies**

Bureau or Agency	FY2002 Enacted	FY2003 Enacted	FY2004 Admin. Request	FY2004 House Reported	FY2004 Senate	FY2004 Enacted
International Trade Administration	\$345.5	\$359.8	\$395.1	\$382.1		
Bureau of Industry and Security	\$70.6	\$66.3	\$78.2	\$68.2		
Economic Development Administration	\$365.6	\$318.7	\$364.4	\$318.7		
Minority Business Development Agency	\$28.4	\$28.7	\$29.5	\$29.0		
Economic and Statistical Analysis	\$62.5	\$71.7	\$84.8	\$75.0		
Bureau of the Census	\$479.5	\$550.9	\$662.0	\$662.0		
National Telecommunications and Information Administration	\$81.3	\$73.3	\$21.4	\$32.5		
Patent and Trademark Office <sup>a</sup>	(\$1,127.5)	(\$1,182.0)	(\$1,395.1)	(\$1,238.7)		
Technology Administration	\$8.2	\$9.8	\$8.0	\$7.8		
National Institute of Standards and Technology	\$684.8	\$707.5	\$496.8	\$460.1		
National Oceanic and Atmospheric Administration	\$3,249.7	\$3,235.7	\$3,318.8	\$3,054.5		
Departmental Management	\$63.0	\$65.2	\$80.6	\$66.7		
Department of Commerce Subtotal:	\$5,739.0	\$5,704.0	\$5,718.6	\$5,156.6		
U.S. Trade Representative	\$30.1	\$37.1	\$37.0	\$42.0		
International Trade Commission	\$51.4	\$53.7	\$58.3	\$57.0		
Related Agencies Subtotal:	\$81.5	\$91.7	\$95.3	\$99.0		
Title II Total:	<b>\$5,804.5</b>	<b>\$5,795.8</b>	<b>\$5,813.8</b>	<b>\$5,255.6</b>		

**Source:** U.S. House of Representatives, Committee on Appropriations.

- a. The Patent and Trademark Office (PTO) is fully funded by user fees. The fees collected, but not obligated *during* the current year, are available for obligation in the following fiscal year, and *do not* count toward the appropriation totals. Only newly appropriated funds count toward the annual appropriation totals.

## Related Legislation

### H.R. 959 (Saxton)

National Oceanic and Atmospheric Administration Oceanography Amendments Act of 2003. Amends federal law to establish as a permanent program (previously conducted in FY1992 and FY1993) a Coastal Ocean Program to augment and integrate existing research capabilities of the National Oceanic and Atmospheric Administration (Administration) with other research capabilities. The bill was introduced on Feb. 27, 2003, and referred to the House Committee on Resources.

### H.R. 2535 (LaTourette)

Economic Development Administration Reauthorization Act of 2003. This bill reauthorizes and seeks to improve the programs authorized by the Public Works and Economic Development Act of 1965. H.R. 2535 was introduced on June 19, 2003, and referred to the House Committees on Transportation and Infrastructure and

Financial Services. The Transportation and Infrastructure Committee approved the bill on June 25, 2003.

**H.R. 1561 (L. Smith)**

United States Patent and Trademark Fee Modernization Act of 2003. This bill would amend federal patent law to lower patent filing and basic national fees; increase excess claims, disclaimer, appeal, extension, revival, and maintenance fees; and add new application examination, patent search, and patent issuance fees. It would also prescribe fees under the Trademark Act of 1946 for electronic and paper applications for trademark registration. H.R. 1561 was referred to the House Committee on The Judiciary on April 3, 2003. On May 22, 2003, the Subcommittee on Courts, the Internet, and Intellectual Property approved the bill and forwarded it to the full committee.

**Related CRS Products**

CRS Report 95-36, *The Advanced Technology Program*, by Wendy H. Schacht.

CRS Report RL31680, *Homeland Security: Standards for State and Local Preparedness*, by Ben Canada.

CRS Report 97-104, *Manufacturing Extension Partnership: An Overview*, by Wendy H. Schacht.

CRS Report 95-30, *The National Institute of Standards and Technology: An Overview*, by Wendy H. Schacht.

CRS Report RS21460, *The National Oceanic and Atmospheric Administration (NOAA): A Brief Review of FY2003 Appropriations and the FY2004 Budget*, by Wayne A. Morrissey.

CRS Report RS20906, *U.S. Patent and Trademark Office Appropriations Process: A Brief Explanation*, by Wendy H. Schacht.

**The Judiciary**

**Background**

Typically, Title III of the CJS appropriation covers funding for the Judiciary. By statute (31 U.S.C. 1105 (b)) the judicial branch's budget is accorded protection from presidential alteration. Thus, when the President transmits a proposed federal budget to Congress, he must forward the judicial branch's proposed budget to Congress unchanged. That process has been in operation since 1939. The total appropriation for the Judiciary in FY2003 was \$4.890 billion.

The Judiciary budget consists of more than 10 separate accounts. Two of these accounts fund the Supreme Court of the United States: one covering the Court's salary and operational expenses and the other covering expenditures for the care of

its building and grounds. Traditionally, in a practice dating back to the 1920s, one or more of the Court's Justices appear before either a House or Senate appropriations subcommittee to address the budget requirements of the Supreme Court for the upcoming fiscal year, focusing primarily on the Court's salary and operational expenses. Subsequent to their testimony, the Architect of the Capitol submits a request for the Court's building and grounds account. Although it is at the apex of the federal judicial system, the Supreme Court represents only a very small share of the Judiciary's overall funding. For FY2003, the total appropriations enacted for the Supreme Court's two accounts, \$88.3 million, were 1.8 % of the Judiciary's overall appropriation of \$4.89 billion.

The rest of the Judiciary's budget provides funding for the "lower" federal courts and for related judicial services. Among the lower court accounts, one dwarfs all others — the Salaries and Expenses account for the U.S. Courts of Appeals and District Courts. The account, however, covers not only the salaries of circuit and district judges (including judges of the territorial courts of the United States), but also those of retired justices and judges; U.S. Court of Federal Claims, bankruptcy and magistrate judges; and all other officers and employees of the federal Judiciary not specifically provided for by other accounts.

Other accounts for the lower courts include Defender Services (for compensation and reimbursement of expenses of attorneys appointed to represent criminal defendants), Fees of Jurors, the U.S. Court of International Trade, the Administrative Office of the U.S. Courts, the Federal Judicial Center (charged with furthering the development of improved judicial administration), and the U.S. Sentencing Commission (an independent commission in the judicial branch, which establishes sentencing policies and practices for the courts).

The annual Judiciary budget request for the courts is presented to the House and Senate appropriations subcommittees after being reviewed and cleared by the Judicial Conference, the federal court system's governing body. These presentations, typically made by the chairman of the conference's budget committee, are separate from subcommittee appearances a Justice makes on behalf of the Supreme Court's budget request.

The Judiciary budget does not appropriate funds for three "special courts" in the U.S. court system: the U.S. Court of Appeals for the Armed Forces (funded in the Department of Defense appropriations bill), the U.S. Tax Court (funded in the Treasury, Postal Service appropriations bill), and the U.S. Court of Appeals for Veterans Claims (funded in the Departments of Veteran Affairs and Housing and Urban Development appropriations bill). Construction of federal courthouses also is not funded within the Judiciary's budget. The usual legislative vehicle for funding federal courthouse construction is the Treasury-General Government appropriations bill (now the Treasury-Transportation appropriations bill).

## **The Judiciary's FY2004 Request**

For FY2004, the Judiciary has requested \$5.43 billion in total funding, an 11.0% increase over \$4.89 billion enacted for FY2003. More than three quarters of the requested amount, \$4.19 billion, is being sought for the Judiciary's largest account,

Salaries and Expenses for the Courts of Appeals, District Courts and Other Judicial Services. The Judiciary has requested increases over FY2003 levels for all of its budget accounts except for two — the Supreme Court's Building and Grounds account (\$4.7 million requested for FY2004, compared with \$41.4 million appropriated for FY2003), and Fees of Jurors and Commissioners (\$53.2 million requested for FY2004, compared with \$54.3 million in FY2004).

At March 27, 2003, hearings before the House Appropriations Subcommittee on CJS, a Judiciary spokesman said that nearly two-thirds of the requested increase is required to maintain current operations with pay and benefit adjustments, inflationary adjustments, increases in General Services Administration space rental costs, an increase in filled Article III judgeships, and continued security measures. The remaining one-third, he said, is primarily to provide for programmatic and workload-related needs such as high-profile terrorist trials, an unprecedented number of bankruptcy filings, and significant increases in the workload for probation and pretrial services officers.

## **FY2004 Funding Issues**

**Supreme Court.** The budget request of the Supreme Court for FY2003, as customary, is in two parts. For its first account, Salaries and Expenses, the Court has requested \$57.5 million — 22.3% over FY2003 budget authority of \$47.0 million. Of the \$4.2 million requested over base adjustments, most is related to technological improvements in automation and security. The request also includes \$675,000 to fund the hiring of 13 additional police officers. The House Appropriations Committee recommends roughly \$66 million for the Supreme Court, including \$55.4 million for Salaries and Expenses.

For the Court's second account, Care of the Building and Grounds, \$4.7 million has been requested for FY2004, an amount only 11.3% of the \$41.4 million appropriated for FY2003. This appropriation, for expenditure by the Architect of the Capitol, provides for the structural and mechanical care of the Supreme Court building and grounds. In its FY2004 request to Congress, the Judiciary noted that adjustments to base to maintain current services included a decrease of \$25.5 million for non-recurring projects, including the Court's building modernization project." In its CJS bill, the House Appropriations Committee recommends \$10.6 million for buildings and grounds.

*Note:* In its FY2003 budget submission, the Court had specified that \$49.8 million of its \$53.6 million request would be carried forward from FY2002 and retained in the budget base on a "No Year" basis for the Supreme Court building modernization project. The request for a decreased appropriation for this account in FY2003 followed the FY2002 enacted appropriation of \$37.5 million and an emergency supplemental of \$30.0 million provided for security. The two separate appropriations, according to the Judiciary, allowed \$63.8 million to be made available for the Court building's modernization project in FY2002. In addition, the Court requested a second emergency FY2002 appropriation of \$10 million for its Building and Grounds account to pay for Court perimeter security enhancements. The \$10 million as requested was included in the supplemental appropriations bill, H.R. 4775, which was signed into law (P.L. 107-206) on August 2, 2002.

**Defender Services.** This account funds the operations of the federal public defender and community defender organizations, and the compensation, reimbursement, and expenses of private practice “panel attorneys” appointed by the courts to serve as defense counsel to indigent individuals accused of federal crimes. The Judiciary has requested \$635.5 million in FY2004 funding for this account, 18.8% above the \$535.0 million enacted for FY2003. The House Appropriations Committee recommends \$613.9 million for Defender Services, an amount roughly \$21.5 million below the requested amount.

The requested amount includes \$2.6 million for an increase in the hourly pay rate for panel attorneys in “capital cases” — cases where the Department of Justice is seeking to impose the death penalty. The funding would increase the maximum hourly pay rate in such cases from \$128 to \$157 effective on April 1, 2004. (The \$125 maximum hourly rate of compensation in capital cases has been in place essentially since 1989, and subsequently was statutorily set as the maximum by the Antiterrorism and Effective Death Penalty Act of 1996, P.L. 104-132.)

The request also includes \$10.4 million for an increase in the hourly pay rate for panel attorneys in non-capital cases from \$92 to \$113, also effective on April 1, 2004. (The \$90 hourly rate was implemented on May 1, 2002.)

**Court Security.** The Judiciary has requested \$311.2 million for this account, a 16.7% increase over \$267.7 million enacted for FY2003. Court Security, conferees for the FY2003 bill (in H.Rept. 108-10) had noted, “is a unique account appropriated to the Judiciary but primarily managed by the Department of Justice.” The conferees said they expected the Director of the U.S. Marshals Service “to provide the same level of budgetary and program oversight to this program as programs appropriated directly to the U.S. Marshals Service.” The House Appropriations Committee recommends \$288.9 million for Court Security, which is roughly \$22.2 million below the requested amount.

Testifying before the House Appropriations Subcommittee on Commerce, Justice, State, the Judiciary on March 27, 2003, a Judiciary spokesman referred to the 106 supervisory deputy marshal positions, approved by Congress in FY2002 and transferred to the Department of Justice in 2003, as a “linchpin to effective security of our courthouses,” and he asked for Congress’s support to “ensure that they will continue to be dedicated to courthouse security.”

**Pay Increases for Judges and Justices.** The Judiciary’s request includes \$4.0 million for a 2.0% cost-of-living increase adjustment for judges and justices, effective January 2004. In February 2003, judges received a 3.1% cost-of-living increase in their salaries, retroactive to January 1, 2003. The FY2003 pay adjustment followed other upward adjustments in judges’ and justices’ salaries, which Congress approved in fiscal years 2002, 2001, 2000, 1998, and 1993. Congress, however, declined to authorize such adjustments for FY1999 or for fiscal years 1994 through 1997. The House Appropriations Committee did not include funding for pay increases.

The Judiciary’s FY2004 request came on the heels of the 2003 Year-End Report on the Federal Judiciary of Chief Justice William H. Rehnquist. In that report, the

Chief Justice maintained that more than a cost-of-living adjustment was needed in the way of a judicial salary increase. “We cannot continue to use an arrangement for setting pay,” the Chief Justice declared, “that simply ignores the need to raise pay until judicial and other high-level government salaries are so skewed that a large (and politically unpopular) increase is necessary.” The Chief Justice explained, that “I am not suggesting that we match the pay of the private sector — but the large and growing disparity must be decreased if we hope to continue to provide our nation a capable and effective federal judicial system.”

On May 7, 2003, in a related legislative development, separate from the appropriations process, Senator Orrin G. Hatch, chair of the Senate Judiciary Committee, introduced legislation, S. 1023, to provide for a 16.5% pay increase to federal judges. On May 9, President George W. Bush announced his support for S. 1023.

**Table 7. FY2004 Funding for the Judiciary**

(all amounts in millions)

Bureau or Agency	FY2002 Enacted	FY2003 Enacted	FY2004 Admin. Request	FY2004 House Reported	FY2004 Senate	FY2004 Enacted
Supreme Court — salaries and expenses	\$40.0	\$47.0	\$57.5	\$55.4		
Supreme Court — building and grounds	\$77.5	\$41.4	\$4.7	\$10.6		
U.S. Court of Appeals for the Federal Circuit	\$19.3	\$21.2	\$22.4	\$20.7		
U.S. Court of International Trade	\$13.1	\$13.7	\$14.2	\$14.7		
Courts of Appeals, District Courts, other judicial services — salaries and expenses	\$3,607.8	\$3,777.0	\$4,188.4	\$4,004.2		
Vaccine Injury Act Trust Fund	\$2.7	\$2.8	\$3.3	\$3.3		
Defender Services	\$500.7	\$535.0	\$635.5	\$613.9		
Fees of Jurors and Commissioners	\$48.1	\$54.3	\$53.2	\$53.2		
Court Security	\$297.9	\$266.7	\$311.2	\$288.9		
Administrative Office of the U.S. Courts	\$64.5	\$63.1	\$71.9	\$67.0		
Federal Judicial Center	\$20.1	\$20.7	\$21.7	\$21.4		
Retirement Funds	\$37.0	\$35.3	\$29.0	\$29.0		
U.S. Sentencing Commission	\$11.6	\$12.0	\$13.2	\$12.7		
General Provisions – Judges’ Pay Raise	—	—	\$4.0	—		
<b>Title III Total:</b>	<b>\$4,740.4</b>	<b>\$4,890.0</b>	<b>\$5,430.0</b>	<b>\$5,194.4</b>		

Source: U.S. House of Representatives, Committee on Appropriations.

## Related CRS Products

CRS Report 98-527, *Federal Courthouse Construction*, by Stephanie Smith.

CRS Report RS20278, *Judicial Salary-Setting Policy*, by Sharon S. Gressle.

## State and International Broadcasting

### Background

The State Department, established July 27, 1789 (1 Stat.28; 22 U.S.C. 2651), has a mission to advance and protect the worldwide interests of the United States and its citizens. Currently, the State Department supports the activities of more than 50 U.S. agencies and organizations operating at 257 posts in 180 countries. As covered in Title IV, the State Department funding categories include *administration of foreign affairs, international operations, international commissions, and related appropriations*. The enacted FY2003 appropriation for Title IV was \$7.645 billion. Typically, more than half of State's budget is for Administration of Foreign Affairs (about 78% in FY2003), which consists of salaries and expenses, diplomatic security, diplomatic and consular programs, technology, and security/maintenance of overseas buildings.

The Foreign Relations Authorization for FY1998-1999 (P.L. 105-277) provided for the consolidation of the foreign policy agencies. As of the end of FY1999, the Arms Control and Disarmament Agency (ACDA) and the United States Information Agency (USIA) were abolished, and their budgets and functions were merged into the Department of State.

Security issues have remained a top priority since the August 7, 1998 terrorist attacks on two U.S. embassies in Africa. An immediate response was a \$1.56 billion supplemental enacted by the end of that year. In November 1999, the Overseas Presence Advisory Panel reported its findings on embassy security needs and recommendations. Also in November 1999, Congress authorized (P.L. 106-113) \$900 million annually for FY2000 through FY2004 for embassy security spending within the **embassy security, construction and maintenance** (ESCM) account, in addition to worldwide security funds in the **diplomatic and consular programs** (D&CP) account.

After the September 11, 2001 terrorist attack, Congress passed emergency supplemental funds (P.L. 107-38 and P.L. 107-117) which included a total of \$254.9 million for counter-terrorist and emergency response activities within the Department of State and \$47.9 million for international broadcasting. In addition, Congress passed an FY2002 supplemental (H.R. 4775; H.Rept. 107-593) which provided \$303 million for the Department of State and \$15.1 million for international broadcasting. (For an account-by-account presentation, see CRS Report RL31370, *State Department and Related Agencies: FY2003 Appropriations and FY2004 Request*.)

The United States contributes in two ways to the United Nations and other international organizations: (1) voluntary payments funded in the Foreign Operations Appropriations bill and (2) assessed contributions included in the Commerce, Justice, and State Appropriations measure. Assessed contributions are provided in two accounts, **international peacekeeping** (CIPA) and **contributions to international**



**organizations** (CIO). Following a period of dramatic growth in the number and costs of U.N. peacekeeping missions during the early 1990s, a trend that peaked in FY1994 with a \$1.1 billion appropriation, funding requirements have declined in recent years. The FY2000 enacted appropriation for CIO was \$885 million, \$500 million for international peacekeeping, and \$351 million for U.S. arrearage payments to the U.N. if certain reform criteria were met. Only \$100 million of the appropriated arrearage payments had been released because the reforms had not been implemented. After the United States lost its seat on the U.N. Human Rights Commission in 2001, the Foreign Relations Authorization bill added a provision (Sec. 601, H.R. 1646) that would have restricted payment of \$244 million of U.S. arrearage payments to the U.N. until the United States regained its seat. After the September 11th attacks, however, Congress passed S. 248 (P.L. 107-46) which authorized arrearage payments to the U.N. (For more detail, see CRS Issue Brief IB86116, *U.N. System Funding: Congressional Issues*, by Vita Bite). The FY2002 funding level included \$850 million for CIO and \$844.1 million for CIPA, while FY2003 enacted levels amounted to \$866 million for CIO and \$673.7 million for CIPA.

**International broadcasting**, which had been a primary function of the USIA prior to 1999, is now carried out by an independent agency referred to as the Broadcasting Board of Governors (BBG). The BBG includes the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Cuba Broadcasting, Radio Free Asia (RFA), Radio Free Iraq, Radio Free Iran and the newly-authorized Radio Free Afghanistan. The BBG's FY2003 appropriation was \$553.8 million. In FY2002 the BBG began a pilot project to create a new Middle East Radio Network (MERN) by reallocating base funds. The emergency supplementals passed in 2001 and 2002 included funding for expanded broadcasting by VOA and RFE/RL to Muslim audiences in and around Afghanistan and the creation of Radio Free Afghanistan.

## FY2004 Funding Issues

**Administration of Foreign Affairs.** The Administration of Foreign Affairs makes up the bulk of the State Department budget — 80% in the FY2004 request. The Administration's State Department request seeks \$6,387.9 million, 6.7% above the FY2003 level. This money would cover Diplomatic & Consular Programs (D&CP), Embassy Security, Construction, and Maintenance (ESCM), Worldwide Security Upgrades in both D&CP and ESCM, Educational and Cultural Exchanges, and the Capital Investment Fund (CIF). The House Appropriations Committee recommends \$6,186.4 million, about \$200 million below the President's request.

*Diplomatic & Consular Programs (D&CP).* D&CP primarily covers salaries and expenses, hiring, diplomatic expenditures, cost of living and foreign inflation, as well as exchange rate changes. The FY2004 request of \$4,163.5 million represents an increase of 6.8% over the \$3,895.8 million funding level in FY2003. This funding level would allow the Department to continue its three-year diplomatic readiness hiring plan begun in FY2001. Within this account is a request for \$646.7 million for worldwide security upgrades, as compared to \$549.4 million in the FY2003 appropriation. The House Appropriations Committee recommends \$3,453.3 million for D&CP's FY2004 funding level.

*Embassy, Security, Construction, and Maintenance (ESCM).* ESCM provides funding for embassy construction, repairs, leasing of property for embassies and housing facilities at overseas posts. The FY2004 request of \$653 million is virtually the same as the combined regular and supplemental funding for FY2003. The House Appropriations Committee recommends \$532.9 million, about \$120 million below the President's request for FY2004.

*Worldwide Security Upgrades.* Ever since the bombings of two U.S. embassies in eastern Africa in August 1998, Congress has appropriated additional money within both D&CP and ESCM for increasing security. The funds in D&CP for worldwide security upgrades are primarily for ongoing expenses due to the upgrades that took place after 1998, such as maintaining computer security, maintaining bullet-proof vehicles, ongoing salaries for perimeter guards, etc. Worldwide security upgrades in ESCM are more on the order of bricks and mortar-type expenses. The FY2004 request for upgrades within D&CP total \$646.7 million, approximately the same as the regular and supplemental funding provided in FY2003. The FY2004 request for worldwide security funding within ESCM amounts to \$861.4 million, about a 4% decline from the FY2003 regular and supplemental appropriation. The House level is identical to the President's request.

*Educational and Cultural Exchanges.* This line item includes programs such as the Fulbright, Muskie, and Humphrey academic exchanges, as well as the international visitor exchanges and some Freedom Support Act programs. The Secretary of State has testified that he believes exchange programs are a crucial element in promoting American ideals and democracy abroad. The Administration's FY2004 request of \$345.3 million includes transferring \$100 million for Freedom Support Act and Support for Eastern European Democracy (SEED) programs from the U.S. Agency for International Development budget (within the Foreign Operations appropriation) to the State Department budget. With that in mind, the \$245.3 million remaining in the FY2004 funding request for exchanges represents a straight line request from the previous-year's requested level. The FY2003 enacted level totals \$243.7 million due to the across-the-board rescission. The House Committee recommendation is identical to the President's FY2004 request.

*Capital Investment Fund (CIF).* CIF was established by the Foreign Relations Authorization Act of FY1994/95 (P.L. 103-236) to provide for purchasing information technology and capital equipment which would ensure the efficient management, coordination, operation, and utilization of State's resources. As recently as FY1997 the CIF budget was \$24.6 million. The FY2004 request is for \$157 million, a 13.7% decline from the FY2003 level of \$182.1 million. The Administration states that the requested level will be sufficient when combined with estimated Expedited Passport Fees of \$114 million to be used for information and communications technology in FY2004. The House Appropriations Committee recommends \$142 million—slightly less than the President's request.

**International Organizations and Conferences.** The International Organizations and Conferences account consists of two line items: U.S. Contributions to International Organizations (CIO) and U.S. Contributions for International Peacekeeping Activities (CIPA). The FY2004 request seeks \$1.6 billion for the overall account, up 2% over the FY2003 level of \$1.5 billion. The

House Appropriations Committee recommendation is identical to the President's request.

*Contributions to International Organizations (CIO).* The CIO supports U.S. membership in numerous international and multilateral organizations that transcends bilateral relationships and covers issues such as human rights, environment, trade, and security. The FY2004 request level for this line item is \$1.0 billion, 17.4% above the \$860.4 level of FY2003. According to the Administration, \$71 million of the increase is related to the U.S. rejoining UNESCO after withdrawing from it in 1984, and \$61.4 million represents an increase in regular contributions to the U.N.

*Contributions to International Peacekeeping (CIPA).* The United States supports multilateral peacekeeping efforts around the world through payment of its share of the U.N. assessed peacekeeping budget. The FY2003 enacted level for CIPA is \$669.3 million. The President's FY2004 request of \$550.2 million represents a 17.8% decline. The Administration explains that the request reflects a lower U.N. peacekeeping assessment rate, as well as plans for downsizing peacekeeping missions in Sierra Leone and East Timor.

**International Commissions.** The International Commissions account includes the U.S.-Mexico Boundary and Water Commission, the International Fisheries Commissions, the International Boundary Commission, the International Joint Commission, and the Border Environment Cooperation Commission. The FY2004 funding request of \$71.7 million represents an increase of 25.5% over the \$57.1 million enacted in FY2003. The increase reflects wage and price increases, as well as increased operation and maintenance needs in all commissions. The House Appropriations Committee recommends \$57.1 million—20% below the President's request.

**Related Appropriations.** Related appropriations include those for The Asia Foundation, the National Endowment for Democracy (NED), and East-West and North-South Centers.

*The Asia Foundation.* The Asia foundation is a private, nonprofit organization that supports efforts to strengthen democratic processes and institutions in Asia, open markets, and improve U.S.-Asian cooperation. It receives both government and private sector contributions. Government funds for the Foundation are appropriated, and pass through, the Department of State. The FY2004 request of \$9.3 million is the same as the FY2002 funding level, but an 11% reduction over the FY2003 level of \$10.4 million that Congress enacted. The Asia Foundation expects to increase its private sector contributions in FY2004, according to the Bush Administration. The House Appropriations Committee recommends \$10.4 million—slightly more than the President's request.

*National Endowment for Democracy (NED).* The National Endowment for Democracy is a private, nonprofit organization established during the Reagan Administration that supports programs to strengthen democratic institutions in more than 90 countries around the world. NED proponents assert that many of its accomplishments are possible because it is not a U.S. government agency. NED's critics claim that it duplicates government democracy promotion programs and could

be eliminated, or could be operated entirely through private sector funding. The FY2004 request is \$36 million, up from the FY2002 level of \$33.5 million, but a 14% reduction over the \$41.7 million allocated for FY2003. The House Appropriations Committee recommends \$42 million—\$6 million more than the President’s request for FY2004.

**International Broadcasting.** International Broadcasting, which had been a primary function of the U.S. Information Agency (USIA) prior to 1999, is now carried out by an independent agency referred to as the Broadcasting Board of Governors (BBG). The BBG includes the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Cuba Broadcasting, and Radio Free Asia (RFA). The BBG’s FY2004 funding request amounts to a total of \$563.5 million, 5.6% above the FY2003 level of \$553.8 million. The funding request includes \$525.2 million for broadcasting operations, 11.4 million for capital improvements, and 26.9 million for Broadcasting to Cuba. In addition to the ongoing international broadcasting activities, the Administration is proposing the creation of a new U.S. Middle East Television Network. The House Appropriations Committee recommends the same overall funding level for international broadcasting.

**Table 8. FY2004 Funding for the Department of State and International Broadcasting**

Bureau or Agency	FY2002 Enacted	FY2003 Enacted	FY2004 Admin. Request	FY2004 House Reported	FY2004 Senate	FY2004 Enacted
Administration of Foreign Affairs	\$5,549.2	\$5,987.1	\$6,387.9	\$6,186.4		
International Organizations and Conferences	\$1,694.1	\$1,529.7	\$1,560.7	\$1,560.7		
International Commissions	\$60.5	\$57.1	\$71.7	\$57.1		
Related Appropriations	\$57.7	\$70.9	\$60.4	\$53.2		
<i>Subtotal: State Department</i> <sup>a</sup>	\$7,361.5	\$7,644.8	\$8,080.7	\$7,857.4		
International Broadcasting	\$479.0	\$533.8	\$563.2	\$563.5		
<b>Title IV Total</b>	<b>\$7,840.5</b>	<b>\$8,178.6</b>	<b>\$8,643.9</b>	<b>\$8,420.9</b>		

**Source:** U.S. House of Representatives, Committee on Appropriations.

a. In addition to appropriations, State has authority to spend certain collected fees from machine readable visas, expedited export fees, etc. The amount for such fees for FY2002 is \$516.9 million; for FY2003 the estimate is \$739.6 million.

## Related Legislation

### **H.R. 1950 (Hyde)/S. 925 (Lugar)**

Foreign Relations Authorization, FY2004 and FY2005. To authorize appropriations for the Department of State for the fiscal years 2004 and 2005, to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2004 and 2005, and for other purposes. H.R. 1950 introduced May 5, 2003, and reported (H.Rept. 108-105 part I) by the House International Relations Committee on May 16, 2003. H.Rept 108-105, Part II filed June 12. House floor action

occurred July 15, and 16. House passed by recorded vote (382-42) on July 16, 2003. S. 925 introduced April 24, 2003, and reported (S.Rept. 108-39) to the Senate on the same day. Senate floor action occurred July 9<sup>th</sup> and 10<sup>th</sup>.

### **S. 1161 (Lugar)**

Foreign Assistance Authorization, FY2004. To authorize appropriations for foreign assistance for FY2004. Introduced May 29, 2003, and reported (S.Rept. 108-56) to the Senate the same day.

## **Related CRS Products**

CRS Report RL31046, *Foreign Relations Authorization, FY2003: An Overview*, by Susan B. Epstein.

CRS Report RL31370, *State Department and Related Agencies FY2003 Appropriations and FY2004 Request*, by Susan B. Epstein.

CRS Issue Brief IB86116, *U.N. System Funding: Congressional Issues*, by Vita Bite.

## **Related Agencies**

### **Equal Employment Opportunity Commission (EEOC).**

*FY2004 Appropriations.* The House Appropriations Committee approved a budget of \$328.4 million for the EEOC. This is almost \$21.6 million more than the \$306.8 million Congress approved for the agency in the FY2003 CJS appropriations bill (P.L. 108-7) including the across-the-board rescission. Because of a funding shortfall during the current fiscal year, the Commission received an additional appropriation of \$15 million as part of H.R. 1559, the Emergency Wartime Supplemental Appropriations Act for FY2003 (P.L. 108-11). Accordingly, the Committee's recommended funding level for FY2004 is \$6.6 million above the total appropriated for FY2003.

The Committee noted support for the EEOC's pending restructuring. It mentioned its understanding that investigation and litigation services would continue to be provided in currently existing locations and requested that the agency inform the Committee before taking any restructuring actions. With regard to the agency's financial situation, the Committee instructed the EEOC to continue to submit quarterly reports on projected and actual spending and staffing levels. In addition, it directed the Commission to pay \$33.0 million to state and local Fair Employment Practices Agencies (FEPA), with which the agency has work-sharing agreements. Also as in last year's bill report, the EEOC is encouraged to rely on the FEPA experience with mediation as the Commission goes forward with its alternative dispute resolution (ADR) programs.

For FY2004, President Bush has requested \$334.7 million in appropriations for the EEOC, or about \$6.3 million more than the level the House Appropriations Committee approved. Of the total proposed by the Administration, \$30.0 million would be provided to FEPA. Also included in the total is \$5 million that would be used to begin implementing a

5-year restructuring initiative based upon studies undertaken by the National Academy of Public Administration and by the agency's Inspector General.

*Agency Overview.* The EEOC enforces laws banning employment discrimination based on race, color, national origin, sex, age, or disability. The Commission's workload has increased dramatically since it was created under Title VII of the Civil Rights Act of 1964. Passage of the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991, as well as employees' growing awareness of their rights, have made it difficult for the agency's budget and staffing resources to keep pace with its heightened caseload.

*FY2003 Funding.* The President's budget request of \$323.5 million for the EEOC for FY2003 included \$14.7 million to fund the agency's full share of federal employee retirement costs as part of the Administration's government-wide proposal. Without this expense, the FY2003 budget request was \$308.8 million.

The 108th Congress approved the smaller figure in P.L. 108-7. After taking into account the across-the-board rescission, the FY2003 appropriation was \$306.8 million. This is \$3.4 million less than the FY2002 appropriation of \$310.2 million (including that year's rescission) and \$16.7 million less than the Administration's FY2003 budget request.

As a reflection of the importance Congress places on the work of FEPA, \$33.0 million of the Commission's appropriation was directed toward their funding rather than the \$30.0 million that the Administration had proposed. The higher allocation allowed for a contract rate of \$500 per charge. The conferees encouraged the EEOC to use the FEPA mediation experience as the Commission expands its ADR programs in an effort to reduce the average processing time for charges. (In FY2002, a record number of private sector charge resolutions occurred through the agency's ADR program: 7,858 out of 95,222. The average time to mediate a charge was 82 days compared to an average closure time of 171 days for all other charges.)

The conferees to the CJS appropriations bill expressed concern about the lack of sound managerial and fiscal practices that led to the possibility of a budget shortfall for the year and instructed the Commission to prevent this eventuality through savings in salary expenses and other operational costs. They further required the EEOC to submit to the Appropriations Committees, within 60 days of the bill's enactment in February 2003, a financial plan including steps the Commission would take to stay within its FY2003 appropriation level. Two months later, however, Congress approved an additional \$15 million for the EEOC to avoid furloughs during the fiscal year as part of P.L. 108-11. The funds could be used to pursue employee buyouts. Again expressing concern about the agency's managerial and fiscal practices that allowed this situation to develop, the conferees to the supplemental appropriations bill required the EEOC to submit quarterly reports to the Appropriations Committees (H.Rept. 108-76). The reports are to include projected and actual spending and staffing levels.

**Federal Communications Commission (FCC).** The Federal Communications Commission, created in 1934, is an independent agency charged with regulation and interstate and foreign communication of radio, television, wire, cable, and satellite. Among its responsibilities are licensing of communications operators; interpretation and enforcement of rules, regulations, and authorizations regarding competition; publication and dissemination of consumer information services; and management and allocation of the use

of the electromagnetic spectrum. For FY2004, the Bush Administration has requested an overall budget of \$280.8 million, an increase over the FY2003 budget of \$270 million. Among the increases for FY2004, the Bush Administration is planning to further develop the role of the FCC in broadband deployment, auction and management of spectrum to the private sector, and conversion of public broadcasting to digital transmission. The House Committee on Appropriations has approved funding of \$278.96 million for the FCC in FY2004.

**Federal Trade Commission (FTC).** For FY2004, the Administration has requested a program level of \$191 million for the FTC, an increase of \$14 million over the FY2003 level. The requested program level for FY2004 would be fully funded by a \$14 million direct appropriation and offsetting collections from two sources: \$159 million from fees for Hart-Scott-Rodino premerger notification filings; and \$18 million from fees sufficient to implement and enforce new do-not-call provisions of the Telemarketing Sales Rule. The House Appropriations Committee recommends a program level of \$191 million for the FTC.

The FTC, an independent agency, is responsible for enforcing a number of federal antitrust and consumer protection laws. In recent years the FTC has used pre-merger filing fees collected under the Hart-Scott-Rodino Act to mostly or entirely fund its operations. For FY2000 through FY2002, zero (\$0) direct appropriations were required. For FY2003, the President's budget requested \$171.6 million for the agency, an increase of approximately \$15.6 million more than the FTC received for FY2002. The conference agreement provided the FTC with an FY2003 program level of \$176.6 million; with offsetting fee collections, the agency received a final direct appropriation of \$8.5 million.

**Legal Services Corporation (LSC).** The LSC is a private, non-profit, federally-funded corporation that provides grants to local offices that, in turn, provide legal assistance to low-income people in civil (non-criminal) cases. The LSC has been controversial since its incorporation in the early 1970s, and has been operating without authorizing legislation since 1980. There have been ongoing debates over the adequacy of funding for the agency, and the extent to which certain types of activities are appropriate for federally funded legal aid attorneys to undertake. In annual appropriations laws, Congress traditionally has included legislative provisions restricting the activities of LSC-funded grantees, such as prohibiting representation in certain types of cases or conducting any lobbying activities.

P.L. 108-7, the consolidated appropriations for FY2003, among other things increased the LSC funding by \$9.5 million to \$338.8 million to offset decennial Census funding reallocations. The additional \$9.5 million is to provide supplemental funding for states that were scheduled to receive less funding for FY2003 than the state received in FY2002 because of the use of data from the 2000 Census which showed a shift in state poverty populations. The FY2003 appropriation for the LSC included \$310 million for basic field programs and required independent audits of those programs, \$13.3 million for management and administration, \$3.4 million for client self-help and information technology, and \$2.6 million for the inspector general. The FY2003 appropriation also included prior provisions restricting the activities of LSC grantees. The \$338.8 million LSC appropriation for FY2003 is subject to the mandated 0.65% across-the-board rescission, which reduced the LSC appropriation to \$336.6 million for FY2003. Current funding still remains below the Corporation's highest level of \$400 million in FY1994 and FY1995.

For FY2004, the Bush Administration requested \$329.3 million for the LSC. This is \$7.3 million less than the \$336.6 million (after the rescission) that was appropriated for the LSC for FY2003. The FY2004 budget request for the LSC includes \$310 million for basic field programs and required independent audits, \$14.5 million for management and administration, \$2.2 million for client self-help and information technology, and \$2.6 million for the inspector general. The budget request for the LSC also includes existing provisions restricting the activities of LSC grantees.

The House Appropriations Committee recommended a total of \$338.8 million for the LSC for FY2004. This is \$2.2 million above the FY2003 appropriation for LSC (the same amount as the original FY2003 appropriation before the 0.65% rescission); and \$9.5 million above the Bush Administration's FY2004 budget request for the LSC. The FY2004 House Committee recommendation for the LSC includes \$319.5 million for basic field programs and required independent audits, \$13.3 million for management and administration, \$3.4 million for client self-help and information technology, and \$2.6 million for the inspector general. The Committee recommendation also includes existing provisions restricting the activities of LSC grantees.

**Securities and Exchange Commission (SEC).** The SEC administers and enforces federal securities laws to protect investors and maintain fair and orderly stock and bond markets. The SEC collects fees on various securities market transactions. During the stock market boom of the 1990s, these collections exceeded the agency's budget by a wide margin. Legislation passed by the 107th Congress (H.R. 1088, P.L. 107-123) reduced these fees. For FY2004, the Administration has requested \$842 million. The House Appropriations Committee recommends \$738.5 million, which is \$103 million below the Administration request, but roughly \$22.2 million above the FY2003 funding level.

For FY2003, the Administration requested \$466.9 million for the SEC, an increase of 6.6% over FY2002. In the wake of Enron and other corporate accounting scandals, there was broad support in Congress for a much larger increase in the SEC's budget. The Sarbanes-Oxley accounting reform legislation (P.L. 107-204) authorized FY2003 appropriations of \$775.0 million. The 107th Congress Senate Appropriations Committee approved \$750.5 million, 60% more than the Administration requested. The conference report approved \$716.35 million.

**Small Business Administration (SBA).** For FY2004, the Administration has requested a total appropriation of \$801 million for the SBA, an increase of \$69 million or 9.4% over the agency's FY2003 funding. The FY2004 request includes \$360 million for Salaries and Expenses (S&E), an increase of approximately \$48 million or 13% more than SBA received for FY2003. The House Appropriations Committee recommends \$745.6 million for the SBA, which would be roughly a 1.9% increase over the FY2003 amount. The House Appropriations Committee would fund the S&E account at \$326.6 million, about \$33.6 million below the Administration request.

For FY2003, the President requested a total appropriation of \$783 million for SBA, including \$352 million for S&E. The conference agreement provides SBA with a total appropriation of \$736.5 million, including \$314 million for S&E.

The SBA is an independent federal agency created by the Small Business Act of 1953. Although the agency administers a number of programs intended to assist small firms,



arguably its three most important functions are to guarantee — principally through the agency's Section 7(a) general business loan program — business loans made by banks and other financial institutions; to make long-term, low-interest loans to small businesses that are victims of hurricanes, earthquakes, other physical disasters, and acts of terrorism; and to serve as an advocate for small business within the federal government.

**State Justice Institute (SJI).** The institute is a private, nonprofit corporation that makes grants to state courts and conducts activities to further the development of judicial administration in state courts throughout the United States. Under the terms of its enabling legislation, SJI is authorized to present its request directly to Congress, apart from the President's budget. For FY2004, SJI has requested \$8.0 million, compared with \$3.0 million appropriated to it for FY2003. For its part, the President's FY2004 budget proposed nothing for SJI. The House Appropriations Committee recommends \$3 million for SJI, which would equal its FY2003 funding level.

In the FY2002 annual appropriations cycle, Congress had scaled back the institute's funding significantly, approving \$3.0 million, instead of \$6.835 million and \$6.2 million approved earlier by the House and Senate respectively. The action to reduce SJI funding occurred at the conference committee stage. In their report, the FY2002 conferees stated that the \$3.0 million appropriated for the SJI was "available for fiscal year 2002 only" and that the conferees did not recommend continued federal support for the institute beyond FY2002. "The termination of funding for this program," the report explained, "does not necessarily mean the dissolution of the Institute." The conferees encouraged the institute to solicit private donations and resources from state and local agencies.

Conferees for the FY2003 omnibus funding bill, however, noted (in H.Rept. 108-10) that "SJI has not been successful in its efforts to obtain non-Federal funds" and had therefore included \$3 million "to keep SJI operating." At the same time, the conferees encouraged SJI to continue to solicit donations from state, local, and national bar associations.

In a related development, in November 2002, the Attorney General, as mandated by P.L. 107-179, transmitted to the House and Senate Judiciary Committees a report on the effectiveness of the institute in carrying out its statutory duties. The report concluded by stating, among other things, that SJI appeared "to have been effective in awarding grants to improve the quality of justice in the state courts, facilitating better coordination and information sharing between state and federal courts, and fostering solutions to common problems faced by all courts."

**Commission on Civil Rights.** For FY2004, the Administration requests roughly \$9.1 million. This amount is roughly \$59,000 more than the FY2003 appropriation of 9.04 million. The House Appropriations Committee also recommends \$9.1 million.

**U.S. Commission on International Religious Freedom.** The Administration requests \$3 million for the commission in FY2004. This amount is \$135,000 more than the FY2003 amount of \$2.865 million. The House Appropriations Committee also recommends \$3 million.

**Table 9. FY2004 Funding for CJS Related Agencies**

Bureau or Agency	FY2002 Enacted	FY2003 Enacted	FY2004 Admin. Request	FY2004 House Reported	FY2004 Senate	FY2004 Enacted
Commission on Civil Rights	\$9.1	\$9.0	\$9.1	\$9.1		
U.S. Commission on International Religious Freedom	\$3.0	\$2.9	\$3.0	\$3.0		
Equal Employment Opportunity Commission (EEOC)	\$311.7	\$321.8	\$334.8	\$328.4		
Federal Communications Commission (FCC)	\$26.3	\$2.0	\$28.9	\$10.0		
Federal Trade Commission <sup>a</sup>	\$0.0	\$8.5	\$61.1	\$50.9		
Legal Services Corporation	\$329.3	\$336.6	\$329.3	\$338.8		
National Commission on Terrorist Attacks Upon the United States	—	\$11.0	\$0.0	\$0.0		
Securities and Exchange Commission <sup>b</sup>	\$489.5	\$716.4	\$841.5	\$738.5		
Small Business Administration	\$888.5	\$731.7	\$800.9	\$745.6		
State Justice Institute <sup>c</sup>	\$3.0	\$3.0	\$8.0	\$3.0		
Other <sup>d</sup>	\$15.5	\$10.4	\$7.8	\$9.3		
<b>Total Title V</b>	<b>\$2,075.9</b>	<b>\$2,153.3</b>	<b>\$2,424.3</b>	<b>\$2,236.6</b>		

**Source:** U.S. House of Representatives, Committee on Appropriations.

- a. The FTC is fully funded by the collection of pre-merger filing fees.
- b. The SEC is fully funded by transaction fees and securities registration fees.
- c. Under the terms of its enabling legislation, the State Justice Institute (SJI) is authorized to present its budget request directly to Congress. The President's FY2004 budget has proposed nothing for SJI.
- d. "Other" includes agencies receiving appropriations of \$2.0 million or less in FY2002. These agencies include Commission for the Preservation of American Heritage Abroad; Commission on Security and Cooperation in Europe; Commission on Electronic Commerce; the Marine Mammal Commission, the Commission on Ocean Policy, the Congressional/Executive Commission on China, the National Veterans Business Development Corp, and the Pacific Charter Commission, and the U.S. Canada Alaska Rail Commission.

## Appendix: Appropriations for the CJS Bill

(All amounts in millions of dollars)

Bureau or Agency	FY2002 Enacted	FY2003 Enacted	FY2004 Admin. Request	FY2004 House Reported	FY2004 Senate	FY2004 Enacted
<b>Title I: Department of Justice</b>						
General Administration	\$432.9	\$1,265.6	\$1,377.5	\$1,321.5		
Legal Activities	\$3,513.5	\$3,028.2	\$3,199.9	\$3,034.3		
Interagency Law Enforcement	\$338.6	\$369.7	\$541.8	\$556.5		
Federal Bureau of Investigation	\$4,279.9	\$4,583.2	\$4,639.6	\$4,639.6		
Drug Enforcement Administration	\$1,481.8	\$1,550.8	\$1,558.7	\$1,601.3		
Immigration and Naturalization Service <sup>a</sup>	\$4,084.3	N/A	N/A	N/A	N/A	N/A
Alcohol, Tobacco and Firearms	N/A	\$801.2	\$852.0	\$831.2		
Federal Prison System	\$4,620.6	\$4,444.8	\$4,492.7	\$4,667.5		
Office of Justice Programs	\$4,943.8	\$3,593.7	\$2,331.2	\$3,491.2		
Other	\$11.9	\$10.4	\$11.1	\$10.6		
<b>Title I Total:</b>	<b>\$23,707.2</b>	<b>\$19,647.6</b>	<b>\$19,004.6</b>	<b>\$20,153.8</b>		
<b>Title II: Department of Commerce and Related Agencies</b>						
International Trade Administration	\$345.5	\$359.8	\$395.1	\$382.1		
Bureau of Industry and Security	\$70.6	\$66.3	\$78.2	\$68.2		
Economic Development Administration	\$365.6	\$318.7	\$364.4	\$318.7		
Minority Business Development Agency	\$28.4	\$28.7	\$29.5	\$29.0		
Economic and Statistical Analysis	\$62.5	\$71.7	\$84.8	\$75.0		
Bureau of the Census	\$479.5	\$550.9	\$662.0	\$662.0		
National Telecommunications and Information Administration	\$81.3	\$73.3	\$21.4	\$32.5		
Patent and Trademark Office <sup>b</sup>	(\$1,127.5)	(\$1,182.0)	(\$1,395.1)	(\$1,238.7)		
Technology Administration	\$8.2	\$9.8	\$8.0	\$7.8		
National Institute of Standards and Technology	\$684.8	\$707.5	\$496.8	\$460.1		
National Oceanic and Atmospheric Administration	\$3,249.7	\$3,235.7	\$3,318.8	\$3,054.5		
Departmental Management	\$63.0	\$65.2	\$80.6	\$66.7		
<i>Department of Commerce Subtotal:</i>	\$5,739.0	\$5,704.0	\$5,718.6	\$5,156.6		
U.S. Trade Representative	\$30.1	\$37.1	\$37.0	\$42.0		
International Trade Commission	\$51.4	\$53.7	\$58.3	\$57.0		
Related Agencies Subtotal:	\$81.5	\$91.7	\$95.3	\$99.0		
<b>Title II Total:</b>	<b>\$5,804.5</b>	<b>\$5,795.8</b>	<b>\$5,813.8</b>	<b>\$5,255.6</b>		
<b>Title III: Judiciary</b>						
Supreme Court — salaries and expenses	\$40.0	\$47.0	\$57.5	\$55.4		
Supreme Court — building and grounds	\$77.5	\$41.4	\$4.7	\$10.6		
U.S. Court of Appeals for the Federal Circuit	\$19.3	\$21.2	\$22.4	\$20.7		
U.S. Court of International Trade	\$13.1	\$13.7	\$14.2	\$14.7		
Courts of Appeals, District Courts, other judicial services — salaries and expenses	\$3,607.8	\$3,777.0	\$4,188.4	\$4,004.2		
Vaccine Injury Act Trust Fund	\$2.7	\$2.8	\$3.3	\$3.3		

Bureau or Agency	FY2002 Enacted	FY2003 Enacted	FY2004 Admin. Request	FY2004 House Reported	FY2004 Senate	FY2004 Enacted
Defender Services	\$500.7	\$535.0	\$635.5	\$613.9		
Fees of Jurors and Commissioners	\$48.1	\$54.3	\$53.2	\$53.2		
Court Security	\$297.9	\$266.7	\$311.2	\$288.9		
Administrative Office of the U.S. Courts	\$64.5	\$63.1	\$71.9	\$67.0		
Federal Judicial Center	\$20.1	\$20.7	\$21.7	\$21.4		
Retirement Funds	\$37.0	\$35.3	\$29.0	\$29.0		
U.S. Sentencing Commission	\$11.6	\$12.0	\$13.2	\$12.7		
General Provisions — Judges' Pay Raise	— <sup>c</sup>	—	\$4.0	—		
<b>Title III Total:</b>	<b>\$4,740.4</b>	<b>\$4,890.0</b>	<b>\$5,430.0</b>	<b>\$5,194.4</b>		
<b>Title IV: Department of State</b>						
Administration of Foreign Affairs	\$5,549.2	\$5,987.1	\$6,387.9	\$6,186.4		
International Organizations and Conferences	\$1,694.1	\$1,529.7	\$1,560.7	\$1,560.7		
International Commissions	\$60.5	\$57.1	\$71.7	\$57.1		
Related Appropriations	\$57.7	\$70.9	\$60.4	\$53.2		
<i>Subtotal: State Department<sup>d</sup></i>	<i>\$7,361.5</i>	<i>\$7,644.8</i>	<i>\$8,080.7</i>	<i>\$7,857.4</i>		
International Broadcasting	\$479.0	\$533.8	\$563.2	\$563.5		
<b>Title IV Total</b>	<b>\$7,840.5</b>	<b>\$8,178.6</b>	<b>\$8,643.9</b>	<b>\$8,420.9</b>		
<b>Title V: Independent Agencies</b>						
Commission on Civil Rights	\$9.1	\$9.0	\$9.1	\$9.1		
U.S. Commission on International Religious Freedom	\$3.0	\$2.9	\$3.0	\$3.0		
Equal Employment Opportunity Commission (EEOC)	\$311.7	\$321.8	\$334.8	\$328.4		
Federal Communications Commission (FCC)	\$26.3	\$2.0	\$28.9	\$10.0		
Federal Trade Commission <sup>e</sup>	\$0.0	\$8.5	\$61.1	\$50.9		
Legal Services Corporation	\$329.3	\$336.6	\$329.3	\$338.8		
National Commission on Terrorist Attacks Upon the United States	—	\$11.0	\$0.0	\$0.0		
Securities and Exchange Commission <sup>f</sup>	\$489.5	\$716.4	\$841.5	\$738.5		
Small Business Administration	\$888.5	\$731.7	\$800.9	\$745.6		
State Justice Institute <sup>g</sup>	\$3.0	\$3.0	\$8.0	\$3.0		
Other <sup>h</sup>	\$15.5	\$10.4	\$7.8	\$9.3		
<b>Total Title V</b>	<b>\$2,075.9</b>	<b>\$2,153.3</b>	<b>\$2,424.3</b>	<b>\$2,236.6</b>		
<b>Title VII: Rescissions<sup>i</sup></b>						
Total Title VII Rescissions	(\$110.1)	(\$167.3)	(\$97.0)	(\$30.5)		
<b>Grand Total (in Bill)<sup>j</sup></b>	<b>\$44,058.4</b>	<b>\$40,497.8</b>	<b>\$41,220.0</b>	<b>\$41,230.8</b>		

Source: U.S. House of Representatives, Committee on Appropriations.

**Notes:**

<sup>a</sup> The Homeland Security Act of 2002 (P.L. 107-396) transferred functions of the Justice Department's Immigration and Naturalization Service (INS) to the Department of Homeland Security.

<sup>b</sup> The Patent and Trademark Office (PTO) is fully funded by user fees. The fees collected, but not obligated *during* the current year, are available for obligation in the following fiscal year, and *do not* count toward the appropriation totals. Only newly appropriated funds count toward the annual appropriation totals.

<sup>c</sup> An FY2002 appropriation of \$8.6 million for a cost-of-living increase in judicial salaries was apportioned among various Judiciary accounts.

<sup>d</sup> In addition to appropriations, State has authority to spend certain collected fees from machine readable visas, expedited export fees, etc. The amount for such fees for FY2002 was \$516.9 million; for FY2003 the estimate is \$739.6 million.

<sup>e</sup> The FTC is fully funded by the collection of pre-merger filing fees.

<sup>f</sup> The SEC is fully funded by transaction fees and securities registration fees.

<sup>g</sup> Under the terms of its enabling legislation, the State Justice Institute (SJI) is authorized to present its budget request directly to Congress. The President's FY2004 budget has proposed nothing for SJI.

<sup>h</sup> "Other" includes agencies receiving appropriations of \$2.0 million or less in FY2002. These agencies include Commission for the Preservation of American Heritage Abroad; Commission on Security and Cooperation in Europe; Commission on Electronic Commerce; the Marine Mammal Commission; the Commission on Ocean Policy; the Congressional/Executive Commission on China; the National Veterans Business Development Corp; Pacific Charter Commission; and the U.S. Canada Alaska Rail Commission.

<sup>i</sup> This table only lists line-item rescissions requested in the Administration's FY2004 request.

<sup>j</sup> Grand Total amounts have been adjusted to reflect transfers of agencies and programs (e.g., the transfer of INS functions from DOJ to DHS). Also, the Grand Total does not include an across-the-board cuts or rescissions that have yet to be determined.