

# ANALYSIS

## NOAA Budget Request • Fiscal Year 1988

February, 1987

WASHU-0-87-002

### EXECUTIVE SUMMARY

#### NOAA's Request

NOAA's requested budget for FY 1988 would cut nearly \$225 million, or approximately 20%, from currently appropriated activities in the agency. The deepest proposed cuts are in the agency's ocean activities (-53%) and in its research program (-56%). These program cuts would be partially replaced by capital expenditures for atmospheric and satellite activities, by inflationary allowances, and by return of the FY 1987 deobligation windfall to the base budget.

#### Budget Recommendation

The Sea Grant Association recommends that NOAA's total ORF account be set at \$1.289 billion for FY 1988. This is the amount necessary in order to maintain a reasonable level of current program, add needed capital items, allow for high priority congressional initiatives, and replace the windfall deobligations and carryover funds that rescued NOAA's program in FY 1987. An account at this level would require an appropriation for ORF of approximately \$1.218 billion, assuming additional trust fund activities of \$39 million.

#### Policy Recommendations

The nature of the proposed decreases; the continuing disagreement between the Administration and Congress on the proper direction of NOAA; the fierce squeeze on program activities due to hardware, personnel and inflationary costs; and the inability of the agency to carry out its mission all raise questions about NOAA's

future. These and related problems need to be addressed. In addition, the Association recommends that NOAA be designated an independent agency.

Another proposition that deserves serious consideration is the concept of an Ocean Policy Commission. The purview of such a commission should be far broader than the problems of NOAA. It should examine developments since the time of the Stratton Commission two decades ago; help define priorities in light of changing conditions, new knowledge and restricted budgets; and look at the welter of ocean, nearshore, coastal and estuarine activities at the federal level, in order to determine how these programs should proceed, how they should be better related to one another, and how gaps in activity and knowledge could be increased. There are several variations to the commission approach, and these should be considered in the same light.

#### Sea Grant

The Sea Grant program continues to be one of NOAA's most productive activities. As the program is reauthorized this year, funding should be adjusted to reflect Sea Grant's contribution to national economic growth and competitiveness; and a new strategic research initiative, with related activities, should be established to help address identified national needs and opportunities that require increased attention.

### ABOUT THIS PAPER

This paper is the third annual analysis of the NOAA budget prepared by the Sea Grant Association and the Marine Division of the National Association of State Universities and Land Grant Colleges. The first analysis of this series was contained in the testimony of President John Toll of the University of Maryland before a budget oversight hearing of the House Merchant Marine and Fisheries Committee's Subcommittee on Oceanography in February of 1985. The two subsequent documents have built on President Toll's framework, but have been published as separate documents.

There are three different official documents that outline the proposed NOAA budget. National Oceanic and Atmospheric Administration, "Budget Estimates, Fiscal Year 1988" (referenced hereafter as BUDGET), is the most complete, but is not the best place to start. More accessible are NOAA, U.S. Department of Commerce, FY 1988 BUDGET SUMMARY (hereafter SUMMARY), a document with 24 pages of text plus 10 appendices, and a document of the same title, with a further subhead, BUDGET ACTIVITIES (hereafter TABLES), a collection of one-page printouts from overhead slides, which is a useful introduction. SUMMARY is probably the best place to start, with the other two documents used to amplify and elucidate.

It should be noted that there are some differences in figures and presentations in these various documents. The bottom lines seem to be the same, but there are variations in how some of these figures are reached.

This analysis of the FY 1988 budget request for the National Oceanic and Atmospheric Administration (NOAA) examines the budgetary and policy implications of this request and recommends some responses to the issues raised. The analysis concentrates on the operations, research and facilities (ORF) account in the budget. Some attention is necessarily given to the financing aspects, particularly since the necessity to replace the windfall financing provided by deobligations in the FY 1987 appropriation is now so urgent. Within the ORF account, this paper is focused primarily on the Ocean and Research sections, with a lesser degree of attention devoted to other aspects.

Because of the complexity of the budget, the assumptions with which it is laden, and the large number of changes proposed, it has been necessary to prepare new tables and approaches to the figures in order to describe the situation adequately. In particular, our analysis does not rely on any figures that are listed in the official budget documents under the rubric of "FY 1988 Base." These figures are so completely founded on assumptions--many clearly mistaken--that they should be approached with great care.

It should be noted further that the NOAA budget format has been changed again this year, for the second time in the past five years. While the budget organization by line component makes sense in many ways, it also makes it harder to track items from year to year. It also tends to obscure the extent of cuts being proposed for the ocean programs in NOAA, and it makes it much more difficult to track, compare, and integrate related activities among NOAA's five line components. Additionally, the budget documents have been produced under even greater time pressure than usual this year, thus leading to some inconsistencies, omissions and other errata, as could easily be expected under the circumstances.

## THE FY 1988 REQUEST

### The Request in Brief

There are many different ways to approach the proposed budget, but the simplest is to start with broad programmatic functions. Because of the new budget format, the closest one can come is through the various line components of NOAA.

If one looks only at the bottom line, the change from FY 1987 does not appear very great. However, the "Percent Change" column shows that within the ORF account there are proposed some very major changes indeed. Three components are cut by approximately 40%, one is increased by nearly 10%, another by nearly 25%, and program support stays approximately even. The two largest line components, the Weather Service and the Satellite unit, are proposed to be increased from a combined total of \$620,135 or 54% of NOAA in FY 1987, to \$719,788 or 66% of NOAA in FY 1988.

Table 1 does not begin to tell the whole story, however. The proposed changes are in fact much more dramatic.

### Changes from FY 1987 Base

To understand the significance of the cuts proposed, it is essential to compare like to like. This requires looking at what is proposed in FY

1988 for the existing NOAA programs approved by Congress. Table 2 does this, by taking the current base and subtracting the aggregated total of the rescissions proposed for this fiscal year and the additional seventy-seven proposed decreases for FY 1988.

Instead of a 6% decrease, there is, in fact, a 19% decrease proposed for NOAA programs. It is proposed that the decrease be offset by ten increases, mostly in hardware, totalling nearly \$126 million, and by approximately \$30 million in proposed net base increases (excess of various inflationary increases over non-recurring items). (For these additional figures, see SUMMARY, pp.27 and 32, as supplemented by TABLES, p.4.) When these two items are added to the remaining \$935 million shown in Table 2, there remains a total for FY 1988 of \$1.091 billion, which tallies with the request shown in Table 1. It is apparent that this total disguises deep cuts in program activities, for which no amount of hardware can compensate.

In some ways, this budget may seem less draconian than some previous ones, which proposed base cuts on the order of 25%. This presumed change may result from a slightly more generous treatment of inflation, deobligations and non-recurring expenses. However, the change is largely illusory, for it

Table 1. NOAA Operations, Research and Facilities account request for FY 1988

|  | Dollars in Thousands |                |                |
|--|----------------------|----------------|----------------|
|  | FY 87 Available      | FY 88 Proposed | Percent Change |
| National Ocean Service   | \$ 117,014           | \$ 74,863      | - 36.0         |
| National Marine Fisheries Service                                | 162,409              | 99,508         | - 38.7         |
| Oceanic and Atmospheric Research                                 | 145,143              | 82,335         | - 43.3         |
| National Weather Service   | 331,178              | 360,315        | + 8.8          |
| National Environmental Satellite, Data, and Information Services | 288,957              | 359,473        | + 24.4         |
| Program Support  | 113,685              | 114,057        | + 0.3          |
| Total  | 1,158,261            | 1,090,551      | - 5.8          |

Source: SUMMARY, p. 3 and Appendix D on p. 29.

ignores the cuts in the NOAA ORF account over the past two years. The FY 1985 actual figure for ORF was \$1.279 billion. For FY 1986, the figure was \$1.180 billion, before the across-the-board cuts of March 1986. The ORF figure for FY 1987, as we have seen, is \$1.158 billion. The total existing program proposed to carry forward into FY 1988 is approximately \$935 million. Thus the proposed drop in existing programs, when added to the previous actual drop, equals \$344 million, or a total decrease of 27%. Again, increases in hardware and inflationary offsets cannot begin to make up for program cuts of this nature.

### Ocean Programs

As in previous years, the greatest proportion of cuts falls on NOAA's ocean programs. Because of the changes in budget format this year, the previous budget category of "Ocean and Coastal Programs" no longer appears in the budget, but is subsumed under the various line components. This is the major change caused by the new budget format. However, it is still possible to pull out most of the figures and present them in the same form as was done in last year's budget.

Thus the ocean and scientific activities of NOAA are reduced to the point of becoming secondary or even residual functions.

In addition to the proposed decreases shown in Table 3, all the cuts proposed for the Program Support segment within ORF (see Table 2) would come from marine support items. Thus the total proposed cuts in ocean programs would exceed \$100 million. If the total cuts proposed for the National Marine Fisheries Service (NMFS) are added to this total, it is clear that the total marine program area in NOAA, which comprises 34% of the agency (adding ocean and coastal programs, NMFS, and the marine services part of program support), is designated to take 77% of the total cuts proposed for the agency.

### NESDIS and NMFS

This paper does not treat any functional areas of the budget proposal in detail except for research. The focus is on the main budget trends and their policy implications. Most of the specific cuts proposed are familiar since they have been proposed before, and each can be dealt with on its own terms. However, a few aspects of the budget subsections need comment.

The decision to transfer some of NASA's satellite activities to NOAA and then to accelerate NOAA's overall satellite role has been a windfall for NASA during the 1980s and a disaster for NOAA. A large part of the increase in the NOAA budget over the past five years has been in satellite expenses. In other words, program has suffered at the expense of hardware, as we have seen above. This situation is true not only with respect to NESDIS vis-a-vis the rest of NOAA, but within NESDIS itself. There is great concern that the data analysis and information function of NESDIS has been and is being squeezed by the unremitting capital costs. This affects NOAA's legitimate national responsibilities in such areas as satellite oceanography,

climate studies, research applications, and public information. NOAA's job with respect to satellites should be analysis, information packaging and dissemination, and research--not the management of hardware.

Though most of the proposed NMFS budget is familiar, there is a new twist this year. Though cuts of some \$63 million are proposed for NMFS, there is indication that a later budget submission will propose restoration of fifteen items totalling \$29 million, contingent upon congressional enactment of a "Marine Fisheries Conservation Assurance Program" involving a set of marine fishing license proposals. These potential fees should be dealt with on their own merits. At this time, it is not clear how most of the proposed restorations, such as U.S. treaty obligations, are related to fishing licenses. It may be necessary to decouple consideration of the licenses and fees on the one hand and the program items on the other.

### Research

The specific proposals for research highlight many of the

Table 2. Proposed decreases from FY 1987 NOAA program

|   | Dollars in Thousands |                                |                   |                |
|---|----------------------|--------------------------------|-------------------|----------------|
|   | Current              | Proposed Decrease <sup>1</sup> | Remaining Program | Percent Change |
| National Ocean Service  | \$ 117,014           | - 48,453                       | \$ 68,561         | - 41.4         |
| National Marine Fisheries Service                               | 162,409              | - 70,058                       | 92,351            | - 43.1         |
| Oceanic and Atmospheric Research                                | 145,143              | - 62,185                       | 82,958            | - 42.8         |
| National Weather Service  | 331,178              | - 9,953                        | 321,225           | - 3.0          |
| National Environmental Satellite, Data and Information Services | 288,957              | - 24,259                       | 264,698           | - 8.4          |
| Program Support   | 113,685              | - 8,926                        | 104,759           | - 7.9          |
| Total   | 1,158,261            | - 223,834                      |                   |                |
| Program Carry Forward   |                      |                                | 934,552           | - 19.3         |

Sources: SUMMARY, p. 3, plus p. 5 for rescissions and Appendix H on pp. 33-35 for decreases.

<sup>1</sup> Combined total of proposed rescissions for FY 1987 and the 77 additional decreases proposed for FY 1988.

Table 3. Ocean and coastal programs

|   | Dollars in Thousands |               |                 |                |
|---|----------------------|---------------|-----------------|----------------|
|   | FY 1987              | Proposed      | Dollar Change   | Percent Change |
| Non-living Marine Resources <sup>1</sup>      |                      |               |                 |                |
| Ocean and Great Lakes Research <sup>2,3</sup> | \$ 23,353            | \$ 10,390     | - 12,963        | - 55.5         |
| Sea Grant <sup>2</sup>                        | 39,000               | 000           | - 39,000        | - 100.0        |
| Ocean Services <sup>4</sup>                   | 31,660               | 22,195        | - 9,465         | - 29.9         |
| National Coastal Institute <sup>2</sup>       | 1,250                | 000           | - 1,250         | - 100.0        |
| Coastal Zone Management <sup>4</sup>          | 42,452               | 7,581         | - 34,871        | - 82.1         |
| Mapping, Charting, Geodesy <sup>4</sup>       | 42,902               | 45,087        | + 2,185         | + 5.1          |
| <b>Total</b>                                  | <b>180,617</b>       | <b>85,253</b> | <b>- 95,364</b> | <b>- 52.7</b>  |

Sources: SUMMARY, pp. 6-7, 12-14; BUDGET, pp. NOAA 4-57.

<sup>1</sup>This item has been subsumed in the "Ocean and Coastal Management" figures in National Ocean Service for FY 87, and is included in the Coastal Zone Management figures in this table.

<sup>2</sup>Split out from Ocean and Atmospheric Research budget.

<sup>3</sup>The Ocean and Great Lakes Research total appears to be the main item that cannot be accurately equated to last year's program, since the new presentation has Ocean Climate Research redistributed in OAR's climate program in a way that cannot be reassembled totally from the data available. From past trends, it is likely that this total is in the range of \$13 million, of which \$3 million for TOGA is proposed for cuts. This would give Ocean and Great Lakes Research an FY 1987 total of \$36+ million, of which \$16 million is slated for decreases, or a 44% cut, still somewhat greater than last year's - 40% proposal.

<sup>4</sup>Split out from National Ocean Service budget. "Observation and Assessment" in the FY 88 budget was "Ocean Services" in FY 87.

problems with the FY 1988 request and provide useful background for the later sections of this paper.

The budget documents no longer contain a table which gives an overview of NOAA's total R&D effort. This is one of the casualties of the new format and of time pressure. In some ways, this change is not a loss, since many of the items contained in the table were actually routine monitoring activities, and too much of the remainder was short term and overly narrow contract research--not activities that can sustain a scientific agency. On the other hand, the table did offer an opportunity to look across NOAA and develop a sense of total agency activity. We need

more of this cross-agency analysis, not less.

This section will concentrate on the Oceanic and Atmospheric Research (OAR) budget, while also looking at several related items in other parts of the agency. The situation in OAR is very clear. The overall budget for this line component is proposed for a 43% decrease. In addition to the destructive cut in TOGA, the main brunt of the proposed decrease would lie with the ocean research activities, which are proposed for a 56% decrease, exclusive of Sea Grant, which is again proposed for termination. These cuts are harbingers for the future, for when the research base of a scientific agency drifts into decline, the remainder of the

agency must soon follow.

In recent years, NOAA has lost or abandoned its leadership role in aquaculture R&D. It appears to be the only federal agency with a significant level of biological research that is not participating in a government-wide biotechnology initiative. In both of these cases, Sea Grant remains as an exception, but Sea Grant continues to be treated as a peripheral activity within the agency. There are now disturbing signs that NOAA's estuarine and toxic substance research activities will be allowed to slip away. If this trend continues, then priority research activities will either be terminated, or they will have to be transferred to other agencies.

The new Chief Scientist position in NOAA was designed to address some of the problems that are raised in this paper. Unfortunately the position has not been filled.

Several specific items deserve comment:

1. The proposed \$3 million decrease in the budget for the Tropical Oceans and Global Atmosphere Research Program (TOGA) would eviscerate one of the best and most important research efforts in which NOAA has ever been engaged. This effort to understand the dynamics of the El Nino phenomenon, with its implications for climate, for ocean circulation, and for the fisheries and shoreline economy, is an international, multi-agency activity. If NOAA defaults on its agreed-upon role, the whole study will be jeopardized. This decrease should not be approved.

2. Once again, a decrease of \$1.8 million is proposed for research on ridge processes and polymetallic sulfides. This work is essential to understand chemical dispersion in the ocean, the impact of vast quantities of heated water on ocean circulation and ultimately on climate, and the process of mineral formation. All these items are fundamental to NOAA's mission, and are integral to the national initiative in the Exclusive Economic Zone.

3. The NOAA Underwater Research Program (NURP) is proposed again for elimination, despite recommendations in a major report on

underwater research, prepared by a distinguished NOAA-appointed panel, which is being ignored. Congress should review this report, which has implications for the entire U.S. underwater research effort, including NURP and Sea Grant.<sup>1</sup>

4. As one looks at the NOS and NMFS budgets, it becomes clear that research on critical marine habitat, estuaries, and toxic substances is proposed for a deep cut--in addition to the losses that would be incurred through the proposed elimination of Sea Grant. These areas are clearly national priorities--areas in which NOAA should be taking the lead role. If there are needs for redirection of effort or for better cross-agency activity, these activities should be redesigned, but no case can be made for the elimination of these critical agency functions.

5. NOAA has taken an increasingly restrictive view of its role and thus of what research is appropriate. More disturbing, there are signs that the Department of Commerce and the Office of Management and Budget are taking an even more restrictive view and opting for a research effort which is narrowly focused on short-term responses to immediate problems. If these trends continue, NOAA's role as a scientific agency and ultimately the quality of its services will be undermined.

6. As noted, most of the proposed decreases are on the ocean side of the research program, following the overall trend proposed for the agency's ocean programs. However, the philosophy noted above has implications for NOAA's meteorological research and other programs as well. If programs as critical as TOGA go, other climate work will follow, whether it is located on the "ocean" or the "atmospheric" side of the agency. If the focus of research is to be narrowed still further to include only the short-term, atmospheric research will face serious overhauling. Congress should be alert to the implications of this approach. The *New York Times*<sup>2</sup> recently reported that U.S. weather prediction capabilities have fallen considerably behind those of the Europeans. There

are many reasons for this situation, but clearly cutbacks and narrowing of the research effort will not improve matters.

7. The deep cuts in NOAA's science budget come at a time when the overall national scientific effort is scheduled for an increase and when the National Science Foundation is slated for a 17% increase in FY 1988 and a doubling in budget over the next five years.<sup>3</sup> The rationale for the proposed increases is primarily based on the need for education and research that will improve the nation's industrial and economic base and its international competitiveness. It is ironic that NOAA's research base is being decreased at the same time, and particularly that the program in the agency that contributes most to industrial and economic competitiveness is targeted for elimination.

#### Sea Grant

Sea Grant is due for reauthorization this year, and considerable information on the program is being provided to the Congress. As a result, the review in this paper will be brief.

Sea Grant has a distinguished record of contributions to the national economic well-being. A 1981 survey found that the results of Sea Grant efforts contributed \$230 million to the economy in one year alone, or nearly as much as had been spent on the program during the previous thirteen years of its existence. Three subsequent reports--the most complete documentation available on any activity in NOAA--have documented subsequent achievements. The most recent of these reports<sup>4</sup> is now available to Congress and other interested parties and is available from the Sea Grant Association.

Further, Sea Grant is a model for multidisciplinary research and for the kind of university/industry/government cooperation that is now being widely heralded in the wake of the White House sponsored Packard-Bromley report<sup>5</sup> as a necessity for industrial and economic development.<sup>6</sup> The program is one of the few national activities which have a considerable technology

transfer and education capacity linked to research. Many observers have noted that the National Science Foundation's accelerated program of designating a series of national science and technology centers--one of the offshoots of the Packard-Bromley report--bears an uncanny resemblance to Sea Grant: multidisciplinary, problem oriented, industry and government-backed, and with a technology transfer component.<sup>7</sup> NSF's effort deserves support. So does Sea Grant.

Sea Grant is the nation's principal source of university research in the coastal ocean and the nation's estuaries, and is a primary national resource in the areas of water quality, aquaculture, biotechnology, seafood and marine products, fisheries recruitment and production, ocean and coastal engineering, and marine policy. It has a critical role to play in the emerging national plan for the ocean sciences. Sea Grant is also NOAA's--and the Department of Commerce's--primary link to the university scientific community, which is the backbone of our nation's scientific capacity.

The Sea Grant Association is proposing strategic research initiatives in marine biotechnology and in coastal ocean science problems and opportunities that have been identified as areas of national priority: estuarine processes, fisheries production/recruitment/oceanography, toxic substances, and ocean technology for the exploration and development of the EEZ. Coupled with a program of postdoctoral research awards, these initiatives will substantially advance our understanding, use and enhancement of the nation's ocean resources.

#### Rescissions

As in the past two years, Coastal Zone Management and Sea Grant current year appropriations are proposed for rescission. No CZM funds have been transferred to the state programs so far this fiscal year, so all of the state and interstate funds (\$36.7 million) are offered for rescission, leaving \$7 million for administration. The uncommitted Sea Grant funds

equal \$22.2 million, making possible a total rescission of \$58.9. The appropriations committees once again have indicated that they have no intention of approving the rescission request, and it should be turned down.

## **FY 1988 BUDGET DECISION ITEMS**

Because of the Budget Committees' need to have figures soon regarding NOAA's requirements for FY 1988, the broad outlines must be developed quickly, though specific item decisions will come later. Because the NOAA budget has been under intense pressure, the assumptions underlying the proposed budget must be analyzed carefully, and Congress must determine its own broad outlines of NOAA's future directions. Later sections of this paper will concentrate on the broad budget and policy considerations which need to be addressed. This section outlines NOAA's budget requirements if current programs efforts are to be maintained, if the financing base is to be restored, and if some of the hardware and inflationary request is to be met.<sup>8</sup>

### **A. FY 1987 program \$1,158,261,000**

Last year's level is the starting point for any budget decision. In the case of NOAA, nearly all the cuts proposed have been proposed and rejected before. It is unlikely that Congress will reject NOAA activities repeatedly affirmed in the past, although some may be cut back depending on Congressional reaction to the proposed increases and on Congressional interest in new program initiatives.

A(1) Restore \$58,200,000, the FY 1987 deobligations, to program base? The 1987 deobligations were a one-shot affair. Either they must be restored, or new ones must be found, or the program cuts will have to be made. This is a critical decision item.

A(2) Allow the CZM carryover of \$5,310,000 from previous year to return to base?

The CZM appropriation for 1987 includes \$5,310,000 carried over from previous year unspent funds. It must either be restored to base, or offsetting cuts found. It is likely to be restored,

so long as it is used for CZM purposes. (These items are listed among the adjustments to base in the appropriation request.) In this presentation, they are already included in the FY 1987 base for carry forward. Nevertheless, a specific decision will have to be made.

### **B. FY 1988 proposed increases \$125,903,000**

This is the administration request, primarily for satellites, NEXRAD and other hardware. Congress is likely to be interested, but may require offsets within a strictly prescribed range of options.

### **C. Excess of inflationary increases over proposed decreases \$25,349,000**

NOAA is requesting base adjustments of \$43,757,000, to be offset by just over \$18,000,000 in savings. The increases are mostly for inflationary increases, largely but not totally involving personnel costs. In the past, NOAA has received some inflationary increases, but not always across-the-board and not always at a full-cost level. Extramural programs have been cut below FY 82 levels and have received no inflationary increases.

C(1) Accept inflationary increases? (Pay raises, retirement, previous deficit reduction savings, "inflationary items" and two small items: total of \$43,757,000). Congress is usually sympathetic to this kind of request, which is reasonable if the 1987 program is carried forward. However, total NOAA personnel expenditures must be watched carefully, to insure that they don't overwhelm other program costs. The two small base increases are likely to be approved, but the deficit reduction restoration and the other "inflationary costs" may be received less enthusiastically in the current funding environment.

C(2) Accept deletion of non-recurring items from base (-\$14,110,000)?  
These reductions are likely to

be approved in the first instance, but Congress will undoubtedly wish to consider other savings under D below.

C(3) Accept management savings [-\$3,380,000 composed of A-76 savings (-\$1,000,000), GS 11-15 reduction (-\$2,380,000), and savings due to audits and rent payments (-\$918,000)]? These are programmed savings which should be examined, but are likely to be approved.

### **D. Congressional increases/decreases?**

Total ORF: (+ Congressional items)  
\$1,309,513,000 plus

Congress will undoubtedly have its own preferences, both for program increases and decreases. There should be consideration of inflationary increases for extramural programs. Sea Grant is requesting an increase for strategic research and related items, and undoubtedly there are other items that will require similar careful attention. Almost certainly, Congress will be interested in items that help improve U.S. competitiveness, the balance of trade, and the enhancement of estuarine habitat and water quality.

### **E. CEIP and S/K offsets at FY 1987 level? \$-61,473,000**

The level included is the offset for financing in 1987. It is likely to be continued.

### **F. Increase CEIP and S/K offsets?**

Increased financing offsets are requested using CEIP and S/K funds. From past experience, the CEIP request (additional offset of \$6,227,000) is likely to be approved, but not the S/K request--as noted below in item 1.

### **G. Deobligations? \$-4,000,000**

-\$4,000,000 in deobligations is listed under financing. We are not clear on the nature of this item, but it needs consideration.

### **H. Fishermen's contingency, observer fund, aviation trust as proposed. \$32,750,000**

These trust funds have been treated routinely in the past. The only difference from 1987 is a \$1 million

programmed increase in the Aviation Weather Trust Fund.

**I. Promote and develop fishery products?**

Elimination of S/K grants is again requested, with a transfer of the FY 1987 funding level to the financing offset noted in item F above. S/K funds have been squeezed in recent years, but to date Congress has not wished to eliminate the program.

**J. NMFS restorations?**

As noted previously, this item is the \$29 million request contingent upon marine license fee financing. For the purpose of this paper, the \$29 million is already included in the base program in item A above. It is assumed that Congress will wish to treat the financing question separately.

It is hard to foresee what will happen on all of these items. Table 4 is based on our recommendations for items A and D and our expectations for how Congress will approach the other items.

Item A assumes that good management can find savings equal to 10% of the proposed cuts, or \$24 million. This item would include the return of previous year deobligations (\$63 million) to base, as requested. Item B assumes that most, but not all of the hardware increases will be approved, while item C assumes that the personnel-related increases will be accepted, but not the other inflationary requests. Item D is a recommendation that Congress maintain some flexibility to support high priority programmatic items to address national economic and resource needs and opportunities.

Items E, F, and G assume that the current level of CEIP and S/K offsets will continue, plus an increased CEIP offset and plus the requested deobligation--if it can be found and explained. H follows the recent pattern for those trust funds, while I assumes further S/K cuts will be denied, with the program continuing. The activities in item J are already included in A above.

Table 4. Proposed NOAA base for FY 1988

|  |   | Dollars in Millions |
|--|---|---------------------|
| <b>Operations, Research, Facilities</b>    |   |                     |
| A.   | FY 1987 carry forward, adjusted                 | \$ 1,134            |
| B.   | Proposed increases, adjusted                    | 90                  |
| C.   | Inflation (excess over decreases), adjusted     | 15                  |
| D.   | Congressional increases (excess over decreases) | 50                  |
| Total ORF                                  |   | \$ 1,289            |
| <b>Financing</b>                           |   |                     |
| E.   | Same level CEIP and S/K offset                  | - 61                |
| F.   | Increased CEIP offset                           | - 6                 |
| G.   | Deobligations                                   | - 4                 |
| Total financing                            |   | - 71                |
| <b>Trust Funds</b>                         |   |                     |
| H.   | Fishermen's Contingency, Observer, Aviation     | 33                  |
| I.   | Promote and develop fishery products            | 6                   |
| Total trust funds                          |   | (39) <sup>1</sup>   |
| J. NMFS Supplementary                      |   | . . . . 2           |
| Appropriation (ORF)                        |   | 1,218               |
| Total appropriation, including trust funds |   | 1,257               |

<sup>1</sup>Parentheses denotes that these are trust funds separate from ORF account.

<sup>2</sup>In this table, the program figures are included in item A. The revenue decision will be made separately in any event but may affect final appropriation figure.

The total appropriation including trust funds would represent an apparent increase of \$189 million or 15%. However, \$168 million of that total is new hardware and a return of FY 1987's financing windfall to base, both a scale-down from the budget request--and \$1 million would come from an increase in the Aviation Weather Trust fund. Only \$20 million would be for an increase in program, which is paid for by cutting the hardware, deobligation return and inflation requests from \$215 million to the \$168 million above, or -\$47 million.

**We urge that authorizing and appropriations committees recommend an ORF budget target of \$1.298 billion for NOAA, with an appropriation of \$1.257 billion, including trust funds.**

The separate request for marine fishing license fees, if approved, could be used to reduce the appropriation amount.

## BUDGET ISSUES

The remainder of this paper will be spent discussing the issues which are raised by this proposed budget. For the purpose of discussion, these issues will be divided into budget and policy sections. Obviously these two areas are closely entwined, so a distinction between them cannot be absolute.

1. Though there are some changes in approach, most of the proposals in this budget are not new. They have been seen before, and many have been repeatedly and decisively rejected by Congress. The stage remains set for continued "gridlock" between the Administration and Congress. This situation makes it difficult to improve the agency, either through pruning or through exciting new developments. The most likely effect of the proposed budget will be a continued squeeze on all agency programs, regardless of effectiveness, of needs or of opportunities.

2. It should be noted that there is nothing wrong with the concept of program cuts per se. All of us have had to make hard choices in recent years, due to level or declining budgets in a time of fiscal restraint due to reordered national priorities. We know that cuts can be used to improve programs at times and that sometimes the most appropriate growth can come only after hard pruning. What makes most of the proposed cuts for NOAA so disturbing is that many of them are based on policy choices that are not widely shared, there is no relationship between effectiveness and proposed increases or decreases, and the continued squeeze on the agency penalizes everyone. Across-the-board cuts in programs can not be justified as a pruning exercise at this point. Programs and activities must be analyzed individually on their merits.

3. As a result of the gridlock and the accompanying cuts, NOAA has become increasingly unmanageable. It is an agency in need of improvement, but current conditions deny the opportunity. No NOAA administrator, however able, can manage the agency effectively under the prevailing circumstances. At

one end of Pennsylvania Avenue, the NOAA budget is micromanaged to an unheard-of extent by the Department of Commerce and OMB. The result is a series of proposals that infuriate the Congress and create a level of distrust such that Congress finds itself having to micromanage the budget in a reverse manner to counteract the unpalatable proposals which have been made. It is as though the NOAA administrator is in the situation of a football coach whose team is allowed to play only between the two forty-yard lines, with eighty percent of the field cut off by various opponents. Worse, it means that there is little opportunity for careful consideration of policy choices and of the most appropriate direction for the future.

4. In the best of conditions, the NOAA budget is extremely complex and difficult to understand. In the current situation, it is almost impossible to understand. Many of the choices that have to be made simply are not explained. Nor are many of the assumptions, such as the rescissions, the assumed inflationary increases, and the need for financing to replace the deobligations--i.e., most of the so-called FY 1988 base. Further, because many of the cuts are so unrealistic, much of the data in the proposed budget is not useful--it was obsolete before it was printed. It is difficult to make realistic assessments on the basis of unrealistic data. In addition, NOAA needs more cross-cut analyses of agency functional activities, not fewer. While the new format for the budget makes some operational sense, there is a compelling need for information that looks at agency activities in a holistic way, rather than along rigidly defined, separate, hierarchical lines. The budget process should help remedy this problem, not obscure it.

5. It must also be said that the proposed cuts simply are not possible, even if there were to be agreement on them. Bluntly, it is not possible to fire civil servants fast enough to implement all of the cuts proposed during FY 1988. Even though extramural programs account for a large proportion of the proposed

decrease--and federal civil service rules do not apply to personnel in these programs--many of them could only be implemented by laying off personnel. Such layoffs require notice, the opportunity for bumping, and often considerable severance pay. All this takes time and money. Deep personnel cuts would have to be phased in over a period of years. Given this situation, the proposed cuts need to be examined in a more realistic light.

6. As has been noted, a heavy share of the proposed cuts would be borne by NOAA's extramural programs, involving activities with universities, states, and fishery groups, which virtually would be eliminated. This has been the pattern since 1981, when these programs accounted for nearly the whole total of the revised FY 1982 budget decreases. Though these cuts have since become enshrined in policy, they were originally proposed due to a longstanding federal agency ploy, the so-called "Washington monument" strategy: if forced to offer up cuts, offer up those things Congress is most likely to want to save, so that Congress will concentrate on the restorations, not on the most likely places to cut. Sea Grant people have long been told that they are one of NOAA's Washington monuments. However, what may be understandable as an occasional ploy becomes cynical and misleading when applied over a long period of time.

Perhaps nowhere is the cynicism more apparent than in the Coastal Zone Management budget, where the state grant program--the rationale for the whole program subcategory--is proposed for elimination, while 52 people would be maintained in NOAA headquarters to "coordinate" state activities. The Office of Coastal Resources Management includes a number of people who have labored hard under difficult circumstances to carry out their duties, but that is not the point. How can "coordination" be justified when what is supposed to be coordinated is proposed for extinction? Clearly the purpose here is to focus Congressional attention on the state grants and to let those grants bear the



brunt of any cuts or elimination, while preserving the bureaucracy.

7. Generally, there appears to be an intent to preserve and even extend administration, even while the level of program activity is being cut. We can see this in the Department of Commerce overall budget, where DOC administration is proposed for a \$6.3 million increase, or 15%, while overall program level is cut. The same holds true for the NOAA Program Support budget, where \$8 million in cuts for marine support activities would be replaced by a comparable increase in administrative expenses. There is evidence that administrative expenses for extramural programs have continued to rise while the programs themselves have been cut. This is not a healthy trend.

8. Inflation has become a problem across NOAA. Though the rate of inflation has slowed in a heartening fashion, the past six years have seen an increase in costs. Most of NOAA has received some corresponding inflationary increase in response, but such increases have not been even, nor in most cases apparently have they actually kept up with costs. Like cuts, some cost increase can be eaten, but not over time indefinitely. The effect, particularly when increases are concentrated in personnel--which accounts for a very high percentage of NOAA's total budget--is to decrease program activity while maintaining personnel. The impact of inflation on NOAA's program activities needs to be examined, along with various policy options which are available.

At the same time, the extramural programs, which account for the only major portion of the NOAA budget which has received no inflationary offset, should be considered for an inflationary upward adjustment in base. For example, between FY 1981 and FY 1987, NOAA's ORF account has grown from \$828 million to \$1.158 billion, or 40%. Much of this growth is illusory because of meteorological satellite costs, LANDSAT, and other hardware items. However, there still remains some real increase. By contrast, Sea Grant has dropped in this same period from \$42

million to \$39 million, or -7%, and obviously has not received any adjustment for inflation, despite the program's effectiveness.

9. Serious thought should be given to splitting the NOAA budget into two parts, one for program and one for capital. This would facilitate long-range planning, and it would enable better comparison of program activities from year to year. As it is, the cost of capital items, even though some have been badly needed, has been allowed to erode the very activities that should be using the new capabilities provided by these items. It makes sense to treat investment expenses and operating expenses separately.

10. In view of the continued attempts to cut and/or eliminate NOAA's ocean programs, it would be useful to have a multiagency ocean program crosscut of the budget. Not only would this make it possible to understand the myriad of programs, but it would allow more rational decision making in laying out directions, in coordinating complementary activities, and in assigning decreases. Such a crosscut will not be easy to put together, but there is a genuine need to be able to compare like to like. A similar look at atmospheric programs would also be useful. Perhaps as a first attempt, such an analysis could confine itself to government (and government-supported) marine science activities (or estuarine programs, or some similar broad, but manageable category).

#### POLICY ISSUES

Once again, the sweeping nature of the proposed decreases in the NOAA budget carries some broad policy implications. Cuts of this magnitude and with these broad implications need careful oversight and attention, and probably would require statutory changes. Even though it is unlikely that all of the cuts will be approved, or that they could be implemented if they were, the cumulative effect of years of ratcheting down is being felt, and the ability of the agency to carry out its mission in a number of areas has been reduced.<sup>9</sup>

1. The effect of the budget cuts, if implemented, would be to remove

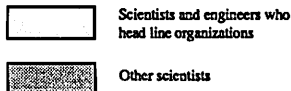
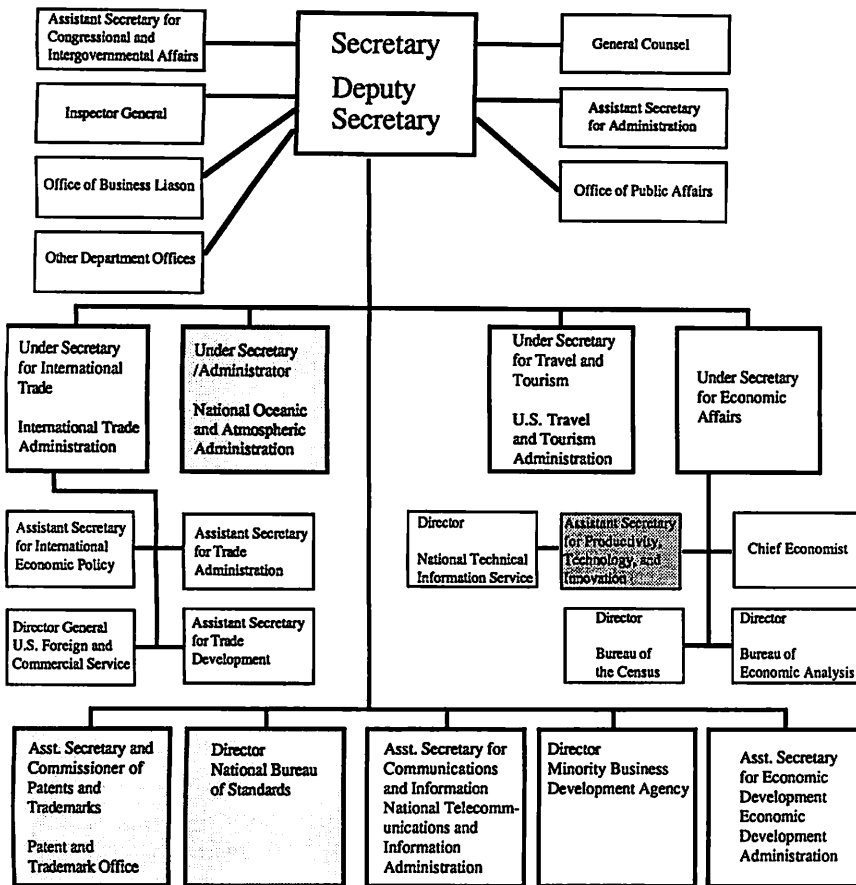
the "O" from NOAA. Even though NOAA has never met the expectations once held for a "lead civilian ocean agency," it holds an important place among the nation's ocean programs. Eradication of NOAA's ocean programs would leave a large gap in our national capabilities. NOAA's inability to meet its responsibilities is already a problem. Further diminution of effort would create a situation in which other agencies would have to take over NOAA's responsibilities. There are signs that this process has begun already. If this is the best way to go, the decision should be made in a straightforward manner, the rationale should be developed and agreed upon, and an orderly transfer of functions should be implemented. Until such time as a decision on this point is made, the agency and its overseers should be held accountable for carrying out their duties.

2. Every effort needs to be made to break the existing gridlock between the administration and Congress. The present situation is not satisfactory to anyone. Unfortunately, it is not clear that any solution is available at this time.

3. It has been pointed out above how NOAA, and, even more, DOC and OMB, are taking a very narrow view of NOAA's research role. The fundamental problem lies even deeper. Reorganization No. 4 of 1970, which created the agency, envisioned broad research, service and management roles for NOAA. (See Appendix, containing President Nixon's message which accompanied the reorganization order.) Subsequent statutory enactments built upon this broad view. Currently, however, the agency views itself as a research and service organization. OMB increasingly views it as a service agency with a very narrow, short-term research role--and it appears to view even the service role in a very restrictive manner. These differences are fundamental and should be examined very carefully.

4. Disturbingly, there are indications that NOAA's efforts to plan and to participate in planning initiatives with others is being choked off. Apparently attempts at planning,

# U.S. Department of Commerce



Derived from U.S. Department of Commerce, *The Commerce Budget in Brief: Fiscal Year 1987*, inside front cover. The Under Secretary title has been added to the NOAA Administrator box, to reflect late 1986 legislation.

such as the underwater study mentioned above, are viewed with disfavor. There are other examples, such as government-wide marine science planning efforts, where participants have noted NOAA's lack of participation, or at least the muted quality of this participation. Planning connotes that there is a future. Apparently, NOAA is not intended to have a future. At the very least, the effect of this approach will be to further isolate NOAA from the scientific mainstream.

5. The attempts to eliminate all programmatic activities outside the agency, whether with universities, states or others, ultimately serve to isolate an agency which, by the very nature of its mission, should have broad interactions with a whole range of outside institutions and groups.

The result is to make agency efforts more parochial than they need be and to choke off needed new developments.

6. Until recently, NOAA's budget documentation included a table of NOAA's research interaction with the nation's universities. Apparently this information became embarrassing, since it showed that NOAA was lagging far behind other leading science-based mission agencies, such as NASA and the Department of Agriculture, in availing itself of the university talent base. The situation has not improved since the tables were abandoned.

Traditionally NOAA has relied on in-house facilities to meet its scientific needs. These facilities largely have served the agency well. However, in this society the main repository of scientific talent is in the universities.

There are many areas of responsibility where NOAA's in-house capabilities simply are not broad enough to fit its needs. Even in the areas of greatest agency strength--such as the atmospheric sciences and fisheries--the pace of developments and scientific change are requiring increasing reliance on university investigators.

For the most part, there has not been much interaction in the past between NOAA and the universities. Even today, the Sea Grant program represents well over half of the total interaction. Termination of Sea Grant, and of NURP, and cutbacks in many other areas would mean a large backward move. NOAA should be encouraged to increase its ties to the nation's universities.

7. Some contend that the Department of Commerce is unsuited to be the home of a scientific enterprise--and seems uninterested in this role. These conclusions are not pejorative, but simply note that the emphasis of the DOC is on its economic and trade mission. The Department's announced goals refer almost exclusively to those matters, with only passing reference to other departmental missions.<sup>10</sup> The economy and trade are vital activities. However, over half the DOC budget is in scientific and science based units: NOAA, the National Bureau of Standards and the Patent Office. Indeed, as is being pointed out in connection with the NSF and other science budgets, science is fundamental to economic and trade improvement, the heart of ongoing DOC activity.

Nevertheless, a casual glance at the organization chart of DOC shows the low priority given to science activities at the Department level. In addition to the Secretary and Deputy Secretary, with their impressive business and government backgrounds, there are now four undersecretaries and nine assistant secretaries in the Department of Science. Of these only three have scientific backgrounds and/or responsibility. Two of these, the Undersecretary/ Administrator of NOAA and the Assistant Secretary/Commissioner of Patents, are heads of major line units. The third, the Assistant Secretary for

Productivity, Technology, and Innovation operates as a staff adjunct in the economic division, but has no demonstrable interaction with the scientific enterprises of DOC. Thus, with the exception of one person, none of the leading people in the Commerce administrative structure are concerned with scientific matters except those who are responsible for line operations. Indeed the structure seems to operate totally in isolation from the agency's scientific base, except to add to its overhead base and to serve as the source of delays and secondguessing. This disjunction is of a fundamental nature. What it means ultimately is that the Department views over half of its domain as an appendage and a burden. And that half of the domain--particularly NOAA and NBS in recent years--gets short shrift. It is perhaps time to institutionalize this disjunction by separating out the unwanted functions.

#### NEW INSTITUTIONS?

The problems outlined in the previous section have caused widespread concern and have led to a number of proposals. Some are suggesting that NOAA should have a different budget line into OMB, working through the energy and science directorate rather than through the economic and finance division. The Sea Grant Association has suggested the need for a broad outside review of NOAA's science programs and policy. There are other options. Two deserve particular mention at this time.

It is time to reconsider the suggestion that NOAA should become an independent agency. Many observers have questioned this approach in the past, but there is increasing evidence that the current arrangement is not working, and that each year the agency's capacity to handle its responsibilities diminishes. If for no reason other than fixing the locus of accountability, NOAA ought to be put out on its own where it can be observed. More fundamentally, much of the agency needs to be rebuilt, and there is no sign that this is likely to happen within the current institutional setting.

Increased concern with international trade and with economic development policy is likely to create new demands for the sections of the Department of Commerce that deal with these functions. There are signs that a reorganization of DOC into a Department of International Trade and Industry would have broad support. If so, the reorganization would create a logical opportunity to separate NOAA out as an independent agency. Even without such a reorganization, the option of an independent NOAA deserves careful consideration.

We are likely again to see bipartisan support for legislation to create a broadly based Ocean Policy Commission. It has been nearly twenty years since the Stratton Commission issued its influential report. Much has happened since then, including Reorganization Plan No. 4 and a landslide of legislation. There have been successes and failures. There are new problems and opportunities. Equally, the very success of the current Administration in implementing its budget and tax priorities has created a different climate for civilian domestic agencies. All these developments, in addition to the NOAA-specific items mentioned above, make a new policy overview a timely idea. Such a Commission should not be viewed narrowly as a NOAA oversight exercise. Its range should be much broader, and the Commission should be free to recommend whatever changes it believes are necessary--across the whole government. In times of fiscal constraint, more than ever, we need a clear statement of priorities, of needs and of effectiveness. Such a Commission could help address some of the management needs which have been described, but its most critical contribution would be in the articulation of policy priorities.

Since 1982, the Sea Grant Association has urged the creation of a "Stratton II" commission, and once again we urge consideration of the proposed Ocean Policy Commission during the 100th Congress, as well as consideration of alternative measures that might help address the same goals.

#### ACRONYMS

The acronyms used throughout this document refer to the standard designations for the following:

|        |  |
|--------|--|
| CEIP   | Coastal Energy Impact Program (funds)                            |
| DOC    | Department of Commerce   |
| NBS    | National Bureau of Standards                                     |
| NEXRAD | Next Generation Radar System                                     |
| NESDIS | National Environmental Satellite, Data, and Information Services |
| NMFS   | National Marine Fisheries Service                                |
| NOAA   | National Oceanic and Atmospheric Administration                  |
| NOS    | National Ocean Services  |
| NURP   | National Underwater Research Program                             |
| NSF    | National Science Foundation                                      |
| NWS    | National Weather Service   |
| OAR    | Oceanic and Atmospheric Research                                 |
| OMB    | Office of Management and Budget                                  |
| ORF    | Operations, Research and Facilities                              |
| S/K    | Saltonstall/Kennedy Funds  |
| TOGA   | Tropical Oceans and Global Atmosphere Research Program           |

## ENDNOTES

- 1 See, for example, the editorial by David M. Graham in *Sea Technology*, December 1986, p. 7.
- 2 *The New York Times*, Sunday, 15 February 1987, National Edition, Section 1, pp. 1 and 21.
- 3 See *Science*, Vol. 235, p. 628 (6 February 1987), and *The Chronicle of Higher Education*, Vol. XXXIII, No. 18, pp. 17-19 (14 January 1987).
- 4 *The National Sea Grant College Program: 1987-1992* (Seattle, The Sea Grant Association, 1987), approx. 150 pp. The previous two reports have the same title, except the dates are 1983 and 1985-1987, respectively.
- 5 "A renewed partnership: An examination of federal government-university-industry interactions in U.S. research and higher education in science and engineering," A Report of the White House Science Council Panel on the Health of U.S. Colleges and Universities to the Office of Science and Technology Policy (Washington, D.C., Executive Office of the President, 1986), 53 pp. This report is usually referred to as the Packard or Packard-Bromley report after the chairman and vice-chairman of the panel.
- 6 For Sea Grant as a model see M. J. Pelczar, Jr., "University, industry, government partnerships for improvement of response to social needs," *MIRCEN Journal*, 1986, 2, 51-59. This article was originally a paper presented to the VII International Conference on the Global Impacts of Applied Microbiology. The author, a leading microbiologist and research administrator, was for many years President of the Council of Graduate Schools.
- 7 For the rationale behind the NSF initiative, see the editorial "NSF's Budget and Economic Competiveness," by the Director of NSF, Erich Bloch, in *Science*, Vol. 235, p. 621 (6 February 1987). Over the past few years the director has written a number of articles on the relationship between science and education--and multidisciplinary, multi-partnership research and technology transfer--and economic and industrial development.
- 8 The sources for this section are Tables 1 and 2 above: SUMMARY, pp. 27-32; TABLES, pp. 2-4. The latter two SUMMARY and TABLES require considerable reworking.
- 9 For additional insight into the NOAA situation, see Robert J. Fleagle, "NOAA's Role and the National Interest," *Science, Technology, and Human Values*, Vol. 11, Issue 2, pp. 51-62 (Spring 1986). This analysis, by a leading meteorologist, differs in a few respects from the approach presented in this current Sea Grant Association paper, but the main lines of argument and the conclusions are compatible, and Fleagle's historical background is invaluable.
- 10 See, U.S. Department of Commerce, *THE COMMERCE BUDGET IN BRIEF: Fiscal Year 1988*, pp. 1-4.

## APPENDIX

President Nixon's Message to the Congress upon Transmitting Reorganization Plans No. 3 and 4 to Establish the Environmental Protection Agency and the National Oceanic and Atmospheric Administration, July 9, 1970\*

### To the Congress of the United States:

As concern with the condition of our physical environment has intensified, it has become increasingly clear that we need to know more about the total environment--land, water and air. It also has become increasingly clear that only by reorganizing our federal efforts can we develop that knowledge, and effectively ensure the protection, development and enhancement of the total environment itself.

The Government's environmentally-related activities have grown up piecemeal over the years. The time has come to organize them rationally and systematically. As a major step in this direction, I am transmitting today two reorganization plans: one to establish an Environmental Protection Agency, and one to establish, with the Department of Commerce, a National Oceanic and Atmospheric Administration....

### National Oceanic and Atmospheric Administration

*The oceans and the atmosphere are interacting parts of the total environmental system upon which we depend not only for the quality of our lives, but for life itself.*

*We face immediate and compelling needs for better protection of life and property from natural hazards, and for a better understanding of the total environment--an understanding which will enable us more effectively to monitor and predict its actions, and ultimately, perhaps to exercise some degree of control over them.*

*We also face a compelling need for exploration and development leading to the intelligent use of our marine resources. The global oceans, which constitute nearly three-fourths of the surface of our planet, are today the least-understood, the least-developed,*

*and the least-protected part of our earth. Food from the oceans will increasingly be a key element in the world's fight against hunger. The mineral resources of the ocean beds and of the oceans themselves, are being increasingly tapped to meet the growing world demand. We must understand the nature of these resources, and assure their development without either contaminating the marine environment or upsetting its balance.*

*Establishment of the National Oceanic and Atmospheric Administration--NOAA--within the Department of Commerce would enable us to approach these tasks in a coordinated way. By employing a unified approach to the problems of the oceans and atmosphere, we can increase our knowledge and expand our opportunities not only in those areas, but in the third major component of our environment, the solid earth, as well.*

*Scattered through various federal departments and agencies, we already have the scientific, technological and administrative resources to make an effective, unified approach possible. What we need is to bring them together. Establishment of NOAA would do so.*

### Components of NOAA

....(hereafter follows a list of units transferred from other agencies.)

### Role of NOAA

*Drawing these activities together into a single agency would make possible a balanced federal program to improve our understanding of the resources of the sea, and permit their development and use while guarding against the sort of thoughtless exploitation that in the past laid waste to so many of our precious natural assets. It would make possible a consolidated program for achieving a more comprehensive understanding of oceanic and atmospheric phenomena, which so greatly affect our lives and activities. It would facilitate the cooperation between public and private interests that can best serve the interests of all.*

*I expect that NOAA would exercise leadership in developing a national oceanic and atmospheric program of research and development. It would coordinate its own scientific and technical resources with the technical and operational capabilities of other government agencies and private institutions. As important, NOAA would continue to provide those services to other agencies of government, industry and private individuals which have become essential to the efficient operation of our transportation systems, our agriculture and our national security. I expect it to maintain continuing and close liaison with the new Environmental Protection Agency and the Council on Environmental Quality as part of an effort to ensure that environmental questions are dealt with in their totality and that they benefit from the full range of the government's technical and human resources.*

Authorities who have studied this matter, including the Commission of Marine Science, Engineering and Resources, strongly recommended the creation of a National Advisory Committee for the Oceans. I agree. Consequently, I will request, upon approval of the plan, that the Secretary of Commerce establish a National Advisory Committee for the Oceans and the Atmosphere to advise him on the progress of governmental and private programs in achieving the nation's oceanic and atmospheric objectives.

### An On-Going Process

*The reorganizations which I am here proposing afford both the Congress and the Executive Branch an opportunity to re-evaluate the adequacy of existing program authorities involved in these consolidations. As these two new organizations come into being, we may well find that supplementary legislation to perfect their authorities will be necessary. I look forward to working with the Congress in this task.*

In formulating these reorganization plans, I have been greatly aided by the work of the President's Advisory Council of Executive Organization

(the Ash Council), the Commission of Marine Science, Engineering and Resources (the Stratton Commission, appointed by President Johnson), my special task force on oceanography headed by Dr. James Wakelin, and by the information developed during both House and Senate hearings on proposed NOAA legislation.

*Many of those who have advised me have proposed additional reorganizations, and it may well be that in the future I shall recommend further changes.* For the present, however, I think the two reorganizations transmitted today represent a sound and significant beginning. I also think that in practical terms, in the sensitive and rapidly developing area, it is better to proceed a step at a time--and thus to be sure that we are not caught up in a form of organizational indigestion from trying to rearrange too much at once. *As we see how these changes work out, we will gain a better understanding of what further changes--in addition to these--might be desirable.*

*Ultimately, our objective should be to insure that the nation's environmental and resource protection activities are so organized as to maximize both the effective coordination of all and the effective functioning of each.*

*The Congress, the Administration and the public all share a profound commitment to the rescue of our natural environment, and the preservation of the Earth as a place both habitable by and hospitable to man.* With its acceptance of these reorganization plans, the Congress will help us fulfill that commitment.

\* Italics added for emphasis

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