

THE WHITE HOUSE
WASHINGTON

July 12, 2010

Dear Madam Speaker:

I ask the Congress to consider the enclosed amendments to Fiscal Year (FY) 2010 proposals in my FY 2011 Budget for the Department of Commerce.

Included are amendments that would support efforts to reduce backlogs in processing patent applications -- by spurring innovation and reforming U.S. Patent and Trademark Office operations to make them more effective -- and assure the continuation of efforts to administer and oversee grants awarded under the Broadband Technology Opportunity Program. The amounts requested for these amendments would be fully offset by a proposed cancellation of FY 2010 unobligated balances from within the Department of Commerce's Census Bureau. The proposed budget authority totals for FY 2010 in my FY 2011 Budget would not be affected by these amendments.

The details of this request are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

A handwritten signature in black ink, appearing to be 'G. L. ...', written over a circular stamp or mark.

The Honorable Nancy Pelosi
Speaker of the
House of Representatives
Washington, D.C. 20515

Enclosure



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

THE DIRECTOR

July 12, 2010

The President
The White House

Submitted for your consideration are amendments to Fiscal Year (FY) 2010 proposals in your FY 2011 Budget for the Department of Commerce.

Included are amendments that would support efforts to reduce backlogs in processing patent applications and spur innovation and reform U.S. Patent and Trademark Office operations to make them more effective, and to assure the continuation of efforts to administer and oversee grants awarded under the Broadband Technology Opportunity Program. The amounts requested for these amendments would be fully offset by a proposed cancellation of FY 2010 unobligated balances from within the Department of Commerce's Census Bureau. The proposed budget authority totals for FY 2010 in your FY 2011 Budget would not be affected by these amendments.

These amendments are described in more detail in the enclosure.

Recommendation

I have carefully reviewed this request and am satisfied that it is necessary at this time. Therefore, I join the Secretary of Commerce in recommending that you transmit this proposal to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Orszag".

Peter R. Orszag
Director

Enclosure

FY 2010 Supplemental Proposal in the FY 2011 Budget

Agency: DEPARTMENT OF COMMERCE
Bureau: U.S. PATENT AND TRADEMARK OFFICE
Heading: Salaries and Expenses
[House Doc. 111-101](#)
Page: 5
FY 2011 Budget
Appendix Page: 1345
FY 2010 Pending
Supplemental
Request: ---
Proposed Amendment: \$129,000,000
FY 2010 Revised
Supplemental
Request: \$129,000,000

(In the appropriations language, insert the above new agency, bureau and heading, and the following new language just after the heading "Food for Peace Title II Grants" and immediately before the heading "Department of Defense—Military":)

For an additional amount for "Salaries and Expenses" of the United States Patent and Trademark Office, \$129,000,000, to remain available until expended: Provided, That the sum herein appropriated from the general fund shall be reduced as offsetting collections assessed and collected pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376 are received during fiscal year 2010, so as to result in a fiscal year 2010 appropriation from the general fund estimated at \$0: Provided further, That during fiscal year 2010, should the total amount of offsetting fee collections be less than \$2,016,000,000, this amount shall be reduced accordingly: Provided further, That any amount received in excess of \$2,016,000,000 in fiscal year 2010, in an amount up to \$150,000,000, shall remain available until expended.

This amendment would provide \$129 million for U.S. Patent and Trademark Office (USPTO) efforts to reduce backlogs in processing patent applications and spur innovation and reform USPTO operations to make them more effective. The amendment makes available FY 2010 USPTO offsetting fee collections for those activities. If USPTO fee collections for FY 2010 exceed \$2.016 billion (i.e., the \$1.887 billion appropriation provided in the Consolidated Appropriations Act, 2010 (Public Law 111-117) and the additional \$129 million proposed here), USPTO would have spending authority for up to \$150 million of those additional fee collections (up to \$2.166 billion in total).

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The \$129 million proposed increase for the U.S. Patent and Trademark Office in FY 2010 would be fully offset by a corresponding decrease to the 2010 Decennial Census program in the Department of Commerce's Census Bureau, as described in an accompanying amendment. An offset is necessary because the amendment would increase USPTO spending authority to equal its estimated 2010 collections, compared to its current spending limitation that results in surplus fee collections.

FY 2010 Supplemental Proposal in the FY 2011 Budget

Agency: DEPARTMENT OF COMMERCE

Bureau: NATIONAL TELECOMMUNICATIONS AND INFORMATION
ADMINISTRATION

Heading: Salaries and Expenses

[House Doc. 111-101](#)

Page: 5

FY 2011 Budget
Appendix Page: 1345

FY 2010 Pending
Supplemental
Request: ---

Proposed Amendment: \$10,000,000

FY 2010 Revised
Supplemental
Request: \$10,000,000

(In the appropriations language under the above newly inserted agency, insert the above new bureau and heading, and the following new language immediately following the newly inserted entry for "U.S. Patent and Trademark Office, Salaries and Expenses":)

For an additional amount for "Salaries and Expenses" of the National Telecommunications and Information Administration, \$10,000,000, to remain available until expended, for administration of grants authorized by section 6001 of the American Recovery and Reinvestment Act of 2009 (ARRA) (Public Law 111-5) and section 106 of the Broadband Data Improvement Act (Public Law 110-385) and for the development and maintenance of the national broadband map authorized by section 6001 of ARRA.

The amendment would provide \$10 million for the National Telecommunications and Information Administration to administer and oversee grants awarded under the Broadband Technology Opportunity Program (BTOP). The American Recovery and Reinvestment Act of 2009 (ARRA) provided the BTOP \$4.7 billion to increase broadband availability and adoption along with other activities. The ARRA funds will expire at the end of FY 2010 and all funds are expected to be obligated by then. The FY 2011 Budget requests \$24 million to continue administration and oversight of awards after FY 2010. The amendment would provide \$10 million in FY 2010 to assure that administrative activities continue uninterrupted into FY 2011 and to provide more certainty to the program's workforce. A separate budget amendment will be transmitted at a later time to the Congress to reduce the FY 2011 budget by the amount enacted in a supplemental appropriation.

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The \$10 million proposed increase for BTOP in FY 2010 would be fully offset by a corresponding decrease to the 2010 Decennial Census program in the Department of Commerce's Census Bureau, as described in an accompanying amendment.

FY 2010 Supplemental Proposal in the FY 2011 Budget

Agency: DEPARTMENT OF COMMERCE

Bureau: BUREAU OF THE CENSUS

Heading: Periodic Censuses and Programs

[House Doc. 111-101](#)

Page: 5

FY 2011 Budget
Appendix Page: 1345

FY 2010 Pending
Supplemental
Request: ---

Proposed Amendment: - \$139,000,000
FY 2010 Revised
Supplemental
Request: - \$139,000,000

(In the appropriations language under the above agency, insert the above new bureau and heading, and the following new language immediately following the newly inserted entry for "National Telecommunications and Information Administration, Salaries and Expenses":)

Of funds made available under this heading by Public Law 111-117, \$139,000,000 are hereby permanently cancelled.

This amendment would cancel permanently \$139 million of FY 2010 unobligated balances from the 2010 Decennial Census program in the Department of Commerce's Census Bureau. The funds are in excess of the program's needs to complete the 2010 Decennial Census on schedule in 2013.

The \$139 million proposed decrease would fully offset a \$129 million proposed increase to the U.S. Patent and Trademark Office in the Department of Commerce and a \$10 million proposed increase to the Broadband Technology Opportunity Program in the Department of Commerce, as described in the accompanying amendments.