

DEPARTMENT OF COMMERCE

DEPARTMENTAL MANAGEMENT



FY 2010

CONGRESSIONAL SUBMISSION

Department of Commerce
 Departmental Management
 Budget Estimates, Fiscal Year 2010
 Congressional Submission

Exhibit 1

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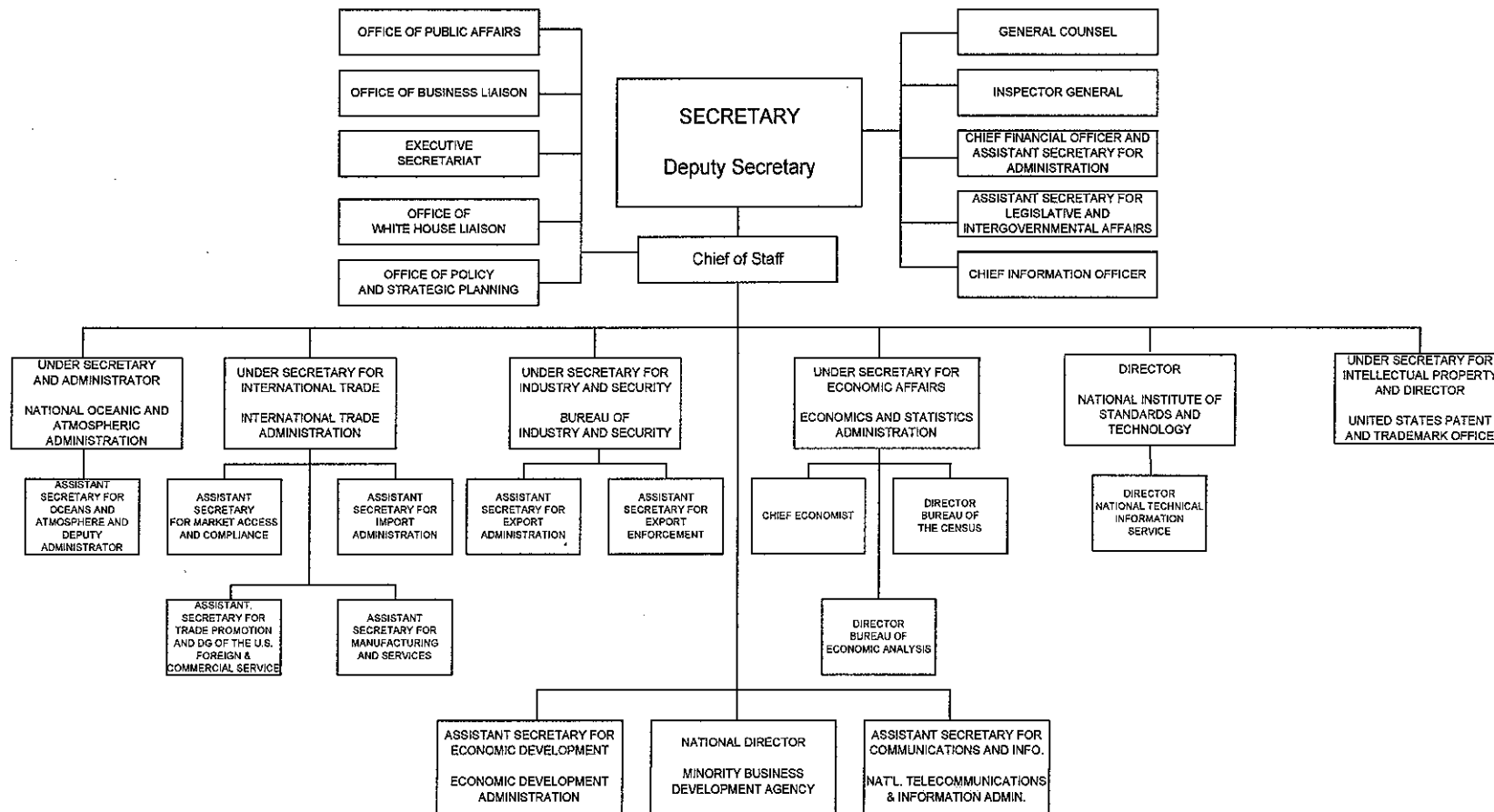
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U.S. DEPARTMENT OF COMMERCE



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Department of Commerce
Departmental Management

EXECUTIVE SUMMARY

The Department of Commerce's mission is to promote job creation, economic growth, sustainable development, and improved living standards for all Americans by working in partnership with businesses, universities, communities and workers to: 1) Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the Nation's economic infrastructure; 2) Keep America competitive with cutting-edge science and technology and an unrivaled information base; and, 3) Provide effective management and stewardship of our Nation's resources and assets to ensure sustainable economic opportunities. Commerce's business and industry-related programs can help realize the priority goals of the President in the areas of trade, technology, telecommunications networks and infrastructure, environmental infrastructure, economic development, and minority business.

Departmental Management's (DM) objective is to develop and provide policies and procedures for administrative planning, oversight, coordination, direction, and guidance to ensure implementation of the Department's mission.

Departmental Management is comprised of the following:

- The **Salaries and Expenses** appropriation provides funding for two program activities; Executive Direction and Departmental Staff Services. Executive Direction funds the development and implementation of Departmental policies and coordinates the Bureaus' program activities to accomplish the Departmental mission. Departmental Staff Services funds the development and implementation of the Department's internal policies, procedures, and other administrative guidelines.
- The **Working Capital Fund** is a reimbursable fund, providing necessary centralized services to the client Bureaus. These services fall under two program activities; Executive Direction and Departmental Staff Services. Executive Direction funds the General Counsel, the Chief Information Officer, and Public Affairs. The Departmental Staff Services funds the Security Office, Human Resource Management, Civil Rights, Financial Management, Administrative Services, Acquisition Management, and the Office of Management and Organization.
- The **Franchise Fund** promotes entrepreneurial business activities in common administrative services across the Federal Government. It is currently composed of one service provider, the Office of Computer Services (OCS). OCS provides information technology services to the Department and to other federal entities on a fee-for-service basis.
- The **Emergency Steel Guaranteed Loan Program and the Emergency Oil and Gas Guaranteed Loan Program** are subsidized loan programs that were enacted in 1999 to assist the steel and the oil and gas industries. Authorization for issuing guarantees of loans under the Emergency Steel Loan Program originally expired December 31, 2003, but has since been reauthorized through December 31, 2009, per P.L. 110-161, the Consolidated Appropriations Act, 2008. Rescissions of \$114.8 million, \$5.2 million, and \$.9 million, in FY 2001, FY 2002, and FY 2003 respectively, removed all subsidy funds from the Emergency Oil and Gas Loan Program.

• The **Herbert C. Hoover Building Renovation and Modernization** account provides no year funding, for the expenses associated with the modernization of the Herbert C. Hoover Building (HCHB). The planned renovation of the Department's 76-year old headquarters by the General Services Administration (GSA) will extend the building's useful life through infrastructure upgrades, major security upgrades, and historic preservation of some features. The FY 2010 request reflects the Department's continued focus to improve major building infrastructure components including information technology/telecommunications, emergency power requirements, and fire and life safety improvements that are operating beyond their useful life and deteriorating.

Overall policy direction of the operating bureaus is exercised through the function of the Secretary, the Deputy Secretary and the various Secretarial Officers. The specific functions and programs of the Department that make up these broad activities are authorized by the Department's Organic Act (Act of February 14, 1903 Stat 825) and by other legislation. They also include responsibilities transferred from other agencies by Presidential Reorganization Plans, as well as responsibilities assigned to the Secretary of Commerce by Executive Order or other actions of the President. The general administration of the functions and authorities of the Department is vested in the Secretary of Commerce.

The Department will continue effectively managing its human capital such by developing human capital plans, conduct workforce analyses, restructuring organizations to provide faster decisions and more frontline resources to citizens, developing and managing organizational succession strategies for leadership and mission critical occupations, managing performance to distinguish high and low performers and drive organizational results, developing and implementing strategies to reduce under representation, closing skill gaps, implementing accountability systems, and using technology to support achievement of these initiatives Department-wide.

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 Departmental Management
 Budget Estimates for Fiscal Year 2010

EXECUTIVE SUMMARY

Departmental Management - SUMMARY OF REQUESTED APPROPRIATIONS
 (Dollar amounts in thousands)

Appropriation		2009 Appropriation		2010 Estimate		Increase (+) Decrease (-)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Salaries and Expenses	Pos./Approp.	204	53,000	226	64,000	22	11,000
	FTE	180		202		22	
Emergency Steel Guaranteed Loan Program	Pos./Approp.	0	0	0	0	0	0
	FTE	0		0		0	
HCHB Renovation and Modernization	Pos./Approp.	0	5,000	5	22,500	5	17,500
	FTE	0		5		5	
Total Budget Authority		204	58,000	231	86,500	27	28,500
		FTE	180	207		27	

FY 2010 Annual Performance Plan
Departmental Management

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Section 1. Mission

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The organizations that make up Departmental Management support the Office of the Secretary and support and monitor the activities of bureaus and operating units.

Section 2. Corresponding DOC Strategic Goal, Objective/Outcome

DoC Strategic Goal

Management Integration Goal: Achieve organizational and management excellence

Performance Outcomes

1. Ensure effective resource stewardship in support of the Department's programs.
2. Ensure retention of highly qualified staff in mission-critical positions.
3. Acquire and manage the technology resources to support program goals.

Departmental Management (DM) furthers the Department's strategic management integration goal by supporting the management infrastructure needed to carry out the Department's mission. DM is the central source for development of policies and procedures that guide the administrative management of the Department. The DM budget includes funding to support policy development and centralized services in the areas of security, information management, human resources, civil rights, financial management, administrative services, acquisitions, legal matters, and organizational management. DM's oversight of this

infrastructure serves the interests of the American public by assuring judicious acquisition, oversight, and management of the resources that are essential to the accomplishment of the Department's varied missions, and by enhancing the efficiency with which the operating units administer their programs.

Section 3. Impact of Recovery Act

Not applicable.

Section 4. Priorities/Management Challenges

The Department continues to strengthen leadership skills through enhanced leadership development programs and to work towards comprehensive identification of competencies for mission-critical occupations, including occupations that are considered important to implementation of the American Recovery and Reinvestment Act of 2009. The results of these efforts will be used to implement and evaluate workable succession plans to maintain appropriate levels of critical workforce skill sets. These products will enable us to expeditiously fill mission-critical positions and close existing competency gaps. Another important priority is applying the Federal Equal Opportunity Recruitment Program and Disabled Veterans Affirmative Action Program plans that the Department has developed in order to sustain existing diversity in the Commerce workforce and to continue our progress towards increasing applicant pools with minority and disabled candidates. Information security is also a critical issue, as the Department continues its focus on implementing effective certification and accreditation practices for the information technology systems that support our work. The Department's efforts are likewise focused on the effective use of competitive sourcing and on furthering the public's electronic access to the Department's products and services. The measures associated with the DM performance goals, noted above, reflect these challenges and priorities.

Section 5. Target and Performance Summary Table

Outcome 1 – Ensure effective resource stewardship in support of the Department’s programs.						
Measure 1a: Provide accurate and timely financial information to conform to federal standards, laws, and regulations governing accounting and financial management.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	Reportable condition not eliminated	Reportable condition not eliminated	Completed migration of Commerce Business System; completed assessment of internal controls; significant deficiency was not eliminated.	Closed 70% of prior year financial systems audit findings. Completed A-123 assessment of financial controls; significant deficiency was not eliminated.	Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2009 A-123 assessment of internal controls.	Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2010 A-123 assessment of internal controls.
<p>Description: This measure ensures that the Department of Commerce is accountable to the American people, and that no Significant Deficiencies, formerly known as "Reportable Conditions," (i.e., deficiencies in the design or operation of internal controls) remain unaddressed. To determine if financial information is being provided in a timely and accurate manner, the Department will assess whether those individuals who can best use the information are receiving it within timeframes that render it relevant and useful in their day-to-day decisions.</p>						

Comments on Changes to Targets: No change to targets.

Relevant Program Change(s):		Title:			Exhibit 13 Page #:
Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Consolidated financial statements and Office of Inspector General (OIG) reports	Annual	Bureau or department financial systems	OIG Audits	None	Continue to comply with Federal Financial Management Improvement Act of 1996 (FFMIA)

Outcome 1 – Ensure effective resource stewardship in support of the Department’s programs.

Measure 1b: Effectively use competitive sourcing.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	Feasibility studies nominated for 168 FTE.	Green Plan submitted to OMB on 9/28/2006.	Bureaus identified FY 2008 feasibility studies which were submitted as part of the Green Plan.	Completed several feasibility studies and planned for more in FY 2009.	Use business process reengineering, feasibility studies, and/or similar initiatives to identify operational efficiency and	Use business process reengineering, feasibility studies, and/or similar initiatives to identify operational efficiency and

					effectiveness opportunities.	effectiveness opportunities.
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Description: The Federal Activities Inventory Reform (FAIR) Act requires each agency to prepare an inventory of its activities that “are not inherently governmental functions” (i.e., are “commercial”). The FAIR Act defines an “inherently governmental function” as one that is so intimately related to the public interest as to require performance by Federal Government employees. This element measures the Department’s success in competing commercial activities between government’s most efficient organizations and the private sector in accordance with the FAIR Act. Success on this measure was gauged according to development, approval and implementation of the Green Plan to conduct feasibility studies of major commercial and available functions, through FY 2007. For FY 2008 implementation of business process reengineering and/or feasibility studies to identify opportunities for operational efficiencies served as our measure of success, and this approach continues in FY 2009 and FY 2010.

Comments on Changes to Targets: No changes to targets.

Relevant Program Change(s):	Title:	Exhibit 13 Page #:
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Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
FAIR Act inventory and Competitive Sourcing Management Plan	Annual	DM chronology files	Executive Secretariat	None	Request updates quarterly

Outcome 1 – Ensure effective resource stewardship in support of the Department’s programs.

Measure 1c: Obligate funds through performance-based contracting.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
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	< 50% of eligible service contracting dollars	30% of eligible service contracting dollars	28% of eligible service contracting dollars	*28% of eligible service contracting dollars	**50% of eligible service contracting dollars	50% of eligible service contracting dollars
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Description: To ensure that the government achieves the highest return on its procurement activities, Federal agencies are using performance-based contracting—a method of procurement in which the Federal Government defines the results it is seeking rather than the process by which those results are to be attained. With performance-based contracting, the government also defines the standards against which contractor performance will be measured and identifies the incentives that may be used.

Comments on Changes to Targets: *DOC's FY 2008 target was changed from 40% to 50% based on OFPP/OMB's FY 2008 government-wide performance goal established December 5, 2007 (see http://caoc.gov/documents/2008_Performance-Based_Acq.pdf). **DOC's FY 2009 target was changed from 40% to 50% so it was no lower than OMB's FY 2008 goal.

Relevant Program Change(s):	Title:	Exhibit 13 Page #:
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Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
DOC procurement data system	Annual	DOC procurement data system	Supervisory audit	None	None

Outcome 2 – Ensure retention of highly qualified staff in mission-critical positions.

Measure 2a: Acquire and maintain diverse and highly qualified staff in mission-critical occupations.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	Improved representation in underreported	Marketed job vacancies via Automated Hiring System;	Trained post-secondary internship	Delivered 4 competency models for the economist,	Have new competency models in place for 3	Have new competency models in place for 3 mission-

	groups from 28% to 29%; maintained 30-day fill time.	participated in career fairs and special programs; conducted training of managers and employees.	program applicants to increase applicant pools; trained managers to make better hiring decisions; trained employees in project management to close skill gaps.	mathematical statistician, acquisition, and chemist series. Exceeded the 45-day hiring goal mandated by OPM with an average fill time of 31 days for non-SES positions.	mission-critical occupations for use in workforce recruitment, training, and development activities Meet or exceed the 45-day hiring goals mandated by OPM. Train 50-60 participants in leadership development programs via the ALDP, ELDP, and APCP. Open the ALDP to DOC employees nationwide.	critical occupations for use in workforce recruitment, training, and development activities. Meet or exceed the 45-day hiring goals mandated by OPM. Train 50-70 participants in leadership development programs via the ALDP, ELDP and APCP. Train 180-200 participants via Careers in Motion. Integrate Commerce Learning Center in program administration to enhance progress monitoring.
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Description: This measure represents a combination of indicators focusing on strategic recruitment, training and development, and the Department's efforts to achieve and maintain a diverse workforce. These indicators permit a comprehensive assessment of the Department's efforts to strategically manage its human capital. Such an assessment is critical to ensure that each hire brings the necessary skill sets to carry out the Department's mission.

Comments on Changes to Targets: An increase in funding has resulted in addition of enhanced professional development activities to FY 2009-2010 targets, with a particular focus on the Aspiring Leaders Development Program, Executive Leadership Development Program, the Administrative Professionals Certificate Program, and Careers in Motion.

Relevant Program Change(s):	Title: Leadership Development Succession Planning Program	Exhibit 13 Page #: DM- 68
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Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Inventory transmittal letters; Department plan for strategic employee training and development; National Finance Center automated reports	Annual	Office chronology files; OHRM, bureaus	Executive Secretariat	None	Measure trends over time, such as number of days to fill jobs

Outcome 3 – Acquire and manage the technology resources to support program goals.

Measure 3a: Improve the management of information technology.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	Cost overruns and performance	Cost overruns and performance	Cost/ schedule overruns and	Cost/ schedule overruns and	IT investments under	IT investments under development

	shortfalls less than 10%.	shortfalls less than 10%. All national critical and mission critical systems certified and accredited in accordance with the Department's IT security policy. Efforts continue to improve the quality of the C&A processes and documentation.	performance shortfalls less than 10%. All national critical and mission critical systems are certified and accredited.	performance shortfalls less than 10%. All national critical and mission critical systems are certified and accredited. with acceptable quality documentation in place.	development have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place.	have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place.
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Description: The Department's significant annual investment in information technology (IT) requires careful management and monitoring as part of the overall program to manage IT resources effectively to meet the mission needs of the Department, and to fulfill obligations to the taxpayer. Through the use of Earned Value Management and Operational Analysis, systems in the development, and/or operational phases are monitored to ensure the required functionality is delivered on schedule and at the cost projected. Program offices regularly report on the progress and status of their efforts against the cost, schedule, and performance goals--a process that provides early warning signals for corrective actions. Program managers are required to develop and implement corrective actions to meet program goals.

The successful implementation of each program critical to the Department's missions depends on the adequacy and security of the Department's information technology systems. If systems security were to be compromised, the effective accomplishment of the Department's mission would be in jeopardy. To ensure that these systems are adequately protected, certification and accreditation (C&A) requirements have been established. Certification represents the complete testing of all management, operational, and technical controls that protect a system. These controls are documented in the Department's security plan. By approving the plan, the system owner warrants that the existing controls provide adequate protection for the system. Certification verifies the adequacy of these controls and also validates that the controls are implemented and functioning effectively. Accreditation is the senior program official's acknowledgement of the risk of operating the system. It provides official approval to run the system in the operational environment. Recertification and re-accreditation follow risk assessments and security plans every three years or upon major system modification. A process for ongoing control monitoring, vulnerability identification and remediation, and configuration management maintain security at adequate levels.

For FY 2010, the program will require an additional \$8.9M total funding on federal salaries (\$3.3M), support contractors (\$2.6M), and an estimated \$3.0M to support operating unit IT security functions that implement IT security program requirements at the system-level.

Comments on Changes to Targets: No changes to targets.

Relevant Program Change(s):	Title: IT Cyber Security, Program Management Office	Exhibit 13 Page #: DM- 29, DM-63
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Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Bureau IT offices	Annual	Bureau IT offices, Bureau files, and DM CIO files	Departmental and outside reviews by GAO, OMB, contractors, IT research organizations (e.g., Gartner), and various universities	None	Review bureau processes to assess need for action; review security certification and accreditation packages for completeness and conformance with National Institute of Standards and Technology SP 800-53.

Section 6. Recovery Act – new metrics

DM did not receive any Recovery Act funding.

Section 7. FY 2010 Program Changes

FY 2010 Program Changes

Program Change	Accompanying GPRA		Base		Increase/Decrease		Page of Exhibit 13 Discussion
	APP Page #	Performance Measure # Support	FTE	Amount	FTE	Amount	
Salaries and Expenses:							
IT Cyber Security	DM-15	3a	3	14,388	22	8,901	DM-29
Total Salaries and Expenses			3	14,388	22	8,901	
Working Capital Fund:							
Office of General Counsel			0	19,062	3	2,402	DM-56
Program Management Office	DM-15	3a	0	0	4	1,090	DM-63
Leadership Development Succession Planning	DM-13	2a	0	475	0	252	DM-68
Corporate Database			0	63	0	453	DM-74
Guard Services			0	2,686	0	530	DM-77
Support Contracts			0	3,492	0	384	DM-80
Travel Management System			0	0	0	2,371	DM-83
Total Working Capital Fund			0	25,778	7	7,482	
HCHB Renovation and Modernization Program			0	0	5	22,500	DM-114
Grand Total			3	45,166	34	33,883	

Section 8. Resource Requirements Summary

**Departmental Management
SUMMARY OF TARGETS AND RESOURCE REQUIREMENTS**

Departmental Management: Total Funding									
	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Base	Increase / Decrease	FY 2010 Request	
DM Performance Outcome 1: Ensure effective resource stewardship in support of the Department's programs.									
Salaries and Expenses	39.9	40.4	40.2	40.5	45.4	47.5	-0.4	47.1	
National Intellectual Property Enforcement Coordination Council	0.1	1.8	0.1	0.0	0.0	0.0	0.0	0.0	
HCHB Renovation	0.0	0.0	0.0	1.2	5.0	5.0	17.5	22.5	
Advances and Reimbursements	4.9	5.2	5.9	6.6	8.2	8.2	0.0	8.2	
Recovery Act funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Funds	44.9	47.4	46.2	48.3	58.6	60.7	17.1	77.8	
DM Performance Outcome 2: Ensure retention of highly qualified staff in mission critical positions.									
Salaries and Expenses	3.5	3.1	3.3	1.6	2.1	2.1	0.4	2.5	
Recovery Act funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Funds	3.5	3.1	3.3	1.6	2.1	2.1	0.4	2.5	
DM Performance Outcome 3: Acquire and manage the technology resources to support program goals.									
Salaries and Expenses	6.1	5.8	6.1	4.7	5.5	5.5	8.9	14.4	
Recovery Act funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Funds	6.1	5.8	6.1	4.7	5.5	5.5	8.9	14.4	
Grand Total	54.5	56.3	55.6	54.6	66.2	68.3	26.4	94.7	
Direct	49.6	51.1	49.7	48.0	58.0	60.1	26.4	86.5	
Reimbursable ¹	4.9	5.2	5.9	6.6	8.2	8.2	0.0	8.2	
IT Funding ²	6.1	5.8	6.1	4.7	5.5	5.5	8.9	14.4	
FTE	176	176	178	173	180	180	27	207	

¹ Reimbursable funding reflects external sources only.

² IT funding included in total funding

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Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
FY 2009 Enacted	204	180	53,000	53,406
less: Obligations from prior years			0	(406)
plus: Transfers of unobligated balances			0	0
plus: 2010 Adjustments to base	0	0	2,099	2,099
2010 Base	204	180	55,099	55,099
plus: program increase	22	22	8,901	8,901
2010 Estimate	226	202	64,000	64,000

Comparison by activity:	2008 Actual		2009 Enacted		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Executive Direction	Pos./BA	99	20,499	101	25,892	101	26,917	123	35,818	22	8,901
	FTE/Obl.	85	20,633	87	26,298	87		109		22	
Departmental Staff Services	Pos./BA	103	23,295	103	27,108	103	28,182	103	28,182	0	0
	FTE/Obl.	88	24,558	93	27,108	93		93		0	
TOTALS	Pos./BA	202	43,794	204	53,000	204	55,099	226	64,000	22	8,901
	FTE/Obl.	173	45,191	180	53,406	180		202		22	

Adjustments to Obligations:

Recoveries		
Unobligated balance, start of year (CLDP)	(1,675)	(406)
Unobligated balance, transferred	(300)	
Unobligated balance, rescission		
Unobligated balance, end of year	406	
Unobligated balance, expiring	172	

Financing from Transfers:

Transfer from other accounts (-) ^{1/}	(1,000)
Transfer to other accounts (+) ^{2/}	1,500

Appropriation	44,294	53,000	55,099	64,000	8,901
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1/ Transfer from PTO for NIPLECC

2/ Transfer to BIS

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Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
Total Obligations	149,950	183,658	174,351	183,252	8,901
Offsetting collections from:					
Federal funds	(104,211)	(125,543)	(119,252)	(119,252)	0
Trust funds					
Non-Federal sources					
Recoveries	(972)				
Unobligated balance, start of year	(5,961)	(5,115)			
Unobligated balance, transferred	(300)				
Unobligated balance, end of year	5,115				
Unobligated balance, expiring	172				
Budget Authority	<u>43,793</u>	<u>53,000</u>	<u>55,099</u>	<u>64,000</u>	<u>8,901</u>
Financing:					
Transfer from other accounts (-)	(1,000)	0	0	0	0
Transfer to other accounts (+)	1,500	0	0	0	0
Appropriation	<u>44,293</u>	<u>53,000</u>	<u>55,099</u>	<u>64,000</u>	<u>8,901</u>

Department of Commerce
 Departmental Management
 Salaries and Expenses
 ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

Exhibit 8

	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Subtotal, Adjustments	0	0
Other Changes:		
Annualization of FY 2009 pay raise		508
FY 2010 pay raise		487
Civil Service Retirement System (CSRS)		(35)
Federal Employees' Retirement System (FERS)		56
Thrift Savings Plan (TSP)		20
Federal Insurance Contribution Act (FICA) - OASDI		32
Health Insurance		1
Employee Compensation Fund		30
Travel Per Diem		8
Travel Mileage		2
Rental Payments to GSA		78
GSA Steam		344
Postage		1
Printing and Reproduction		0
Other Services:		
National Archives & Records Admin. Storage		(2)
Working Capital Fund		(261)
Utilities (Electricity)		694
General Pricing Level Adjustments:		
Communications & misc.		2
Other Services		125
Supplies		2
Equipment		7
Subtotal, Other Changes		<u>2,099</u>
Less Amount Absorbed	0	0
Total, Adjustments to Base	<u>0</u>	<u>2,099</u>

Department of Commerce
 Departmental Management
 Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
Pay Raises.....	...	995
Annualization of FY 2009 Pay Raise Pay raise of 3.9% was effective January 1, 2009.		
Total cost in FY 2010 of the FY 2009 pay increase		1,147,586
Less amount requested in FY 2009		<u>(640,000)</u>
Amount requested in FY 2010 for FY 2009 pay increase		507,586
FY 2009 Pay Raise A general pay raise of 2% is assumed to be effective January 1, 2010.		
Total cost in FY 2010 of pay increase		320,000
Payment to Working Capital Fund		<u>167,000</u>
Amount requested in FY 2010 for FY 2010 pay increase		487,000
Civil Service Retirement System (CSRS).....	...	(35)
The cost of agency contributions for CSRS will decrease slightly due to the decrease in the number of employees covered by CSRS from 20.2% in FY 2009 to 17.4% in FY 2010. The contribution rate will remain the same at 7.00% for FY 2009 and FY 2010.		
FY 2010 (\$17,780,400 x .174 x .0700)		216,565
FY 2009 (\$17,780,400 x .202 x .0700)		<u>251,415</u>
Total adjustment to base		(34,850)
Federal Employees' Retirement System (FERS).....	...	56
The cost of agency contributions for FERS will increase slightly due to the increase in the number of employees covered by FERS from 79.8% in FY 2009 to 82.6% in FY 2010. The contribution rate is 11.2% for both fiscal years.		
FY 2010 (\$17,780,400 x .826 x .112)		1,644,900
FY 2009 (\$17,780,400 x .798 x .112)		<u>1,589,141</u>
Total adjustment to base		55,759
Thrift Savings Plan (TSP).....	...	20

Department of Commerce
 Departmental Management
 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
<p>The cost of agency contributions to the Thrift Savings Plan will increase slightly due to the number of employees covered increasing from 79.8% in FY 2009 to 82.6% in FY 2010. The contribution rate will remain the same at 4.11%.</p>		
FY 2010 (\$17,780,400 x .826 x .0411)		603,620
FY 2009 (\$17,780,400 x .798 x .0411)		583,158
Total adjustment to base		20,462
Federal Insurance Contributions Act (FICA) - OASDI	32
<p>The OASDI tax rate will remain constant at 6.2%. The annual salary subject to the OASDI tax will rise from \$106,425 in FY 2009 to \$110,400 in FY 2010. The percent of salaries below the cap will increase from 89.5% in FY 2009 to 89.9% in FY 2010. The total salaries taxable by OASDI will increase from 79.8% in FY 2009 to 82.6% in FY 2010. The combination of the above adjustments results in a net increase of \$31,675.</p>		
FERS payroll subject to FICA tax in FY 2010 (\$17,780,400 x .826 x .899 x .062)		818,602
FERS payroll subject to FICA tax in FY 2009 (\$17,780,400 x .798 x .895 x .062)		787,334
Subtotal		31,268
Other payroll subject to FICA tax in FY 2010 (\$231,700 x .826 x .899 x .062)		10,667
Other payroll subject to FICA tax in FY 2009 (\$231,700 x .798 x .895 x .062)		10,260
Subtotal		407
Total adjustment to base		31,675
Health Insurance	1
<p>Effective January 2009, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by .1%. Applied against the FY 2009 estimate of \$951,000, the additional amount required is \$951.</p>		
Employee Compensation	30
<p>The Employees Compensation Fund is based on an actual billing from the Department of Labor.</p>		
Travel, Per Diem	8
<p>General Services Administration has issued revised travel per diem rates, effective October 1, 2008, resulting in a 7.2% increase. This percentage applied against the FY 2009 estimate of \$108,500 results in an increase of \$7,812.</p>		
Travel, Mileage	2
<p>The mileage reimbursement rate for privately-owned automobiles increased from 48.5 cents to 58.5 cents, or 20.6% on August 1, 2008. This percentage applied against the FY 2009 estimate of \$11,300 results in an increase of \$2,328</p>		

Department of Commerce
 Departmental Management
 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
Rental Payments to GSA. GSA rates are projected to increase in FY 2010. An additional \$78,395 over the FY 2009 estimate of \$3,135,800 is required to fund this increase.	...	78
GSA Steam. The projected cost of steam to heat the Herbert C. Hoover Building is projected to increase \$344,000 from FY2009 to FY 2010.		344
Postage. Effective May 11, 2009, the Governors of the Postal Service will implement a rate increase for first-class mail from 42 cents to 44 cents. The percentage applied against the FY 2009 estimate of \$40,800 results in an increase of \$979.	...	1
Other Services: National Archives and Records Administration Storage Costs The National Archives and Records Administration (NARA) costs are expected to increase from \$32,946 in FY 2009 to \$30,946 in FY 2010 for a decrease of \$2,000.	...	(2)
Working Capital Fund. The Departmental Management's Working Capital Fund is expected to decrease \$261,000 in FY 2010.		(261)
Utilities The cost of electricity for the Herbert C. Hoover Building is expected to rise an estimated \$694,000 in FY 2010.		694
General Pricing Level Adjustment. This request applies OMB economic assumptions for FY 2010 of .8% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to communications, utilities, and miscellaneous charges (excluding postage & FTS) (\$2,117); other services (\$125,368); supplies and materials (\$1,986); and equipment (\$6,656).	...	136
Total FY 2010 Adjustments to Base.	0	2,099

Department of Commerce
 Departmental Management
 Salaries and Expenses
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Compare by activity:		2008 Actual		2009 Enacted		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos./BA	99	20,499	101	25,892	101	26,917	123	35,818	22	8,901
	FTE/Obl.	85	20,633	87	26,298	87		109	0	22	0
Departmental Staff Services	Pos./BA	103	23,295	103	27,108	103	28,182	103	28,182	0	0
	FTE/Obl.	88	24,558	93	27,108	93		93		0	0
TOTALS	Pos./BA	202	43,794	204	53,000	204	55,099	226	64,000	22	8,901
	FTE/Obl.	173	45,191	180	53,406	180		202		22	0

Department of Commerce
 Departmental Management
 Salaries and Expenses
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity:		2008 Actual		2009 Enacted		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Reimbursable Program	Pos./BA	53	0	86	0	86	0	86	0	0	0
	FTE/Obl.	53	65,536	86	75,252	86	75,252	86	75,252	0	0
1/ COMMITS	Pos./BA	8	0	0	0	0	0	0	0	0	0
	FTE/Obl.	8	39,223	0	54,709	0	44,000	0	44,000	0	0
TOTALS	Pos./BA	61	0	86	0	86	0	86	0	0	0
	FTE/Obl.	61	104,759	86	129,961		119,252	86	119,252	0	0

1/ Commerce Information Technology Solutions

Department of Commerce
Departmental Management
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goals:
Provide Departmental policies, planning, and administrative guidance to ensure the efficient and effective implementation of the Department's mission statement.

Objectives:
Within the Salaries and Expenses Appropriation, two budgetary line activities fund the senior officials and support staff responsible for providing leadership in ensuring the accomplishment of the Department's mission.

Executive Direction:
Executive Direction develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Departmental mission. This includes the oversight, direction and coordination of the Department's many activities and the representation of the Administration before the public, the business community, the Congress and other executive agencies and departments.

Departmental Staff Services:
Departmental Staff Services develops and implements the Department's internal policies, procedures, and other administrative guidelines. This includes both assisting the Secretary to plan, supervise and direct the resources and programs of the Department and execute his obligations under law, providing consistency in the bureaus' administrative operations.

Activities of Departmental Management's Salaries and Expenses relate to DOC's Performance Goal of identifying and effectively managing human and material resources critical to the success of the Department's strategic goals.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 INCREASE FOR 2010

Exhibit 13

		2010 Base		2010 Estimate		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos/BA	3	5,487	25	14,388	22	8,901
	FTE/Obl.	0		0		0	

IT Cyber Security

The purpose of the Department of Commerce Information Technology (IT) Cyber Security Program is to ensure that adequate controls are in place to protect the confidentiality, integrity, and availability of non-national security and national security IT systems and the data that is processed, transmitted, and stored within the systems. To fulfill the Department's requirements under the Federal Information Security Management Act (FISMA) of 2002, the IT Security Program establishes a framework of policies and procedures consistent with government-wide laws and regulations, ensures systems are categorized and assessed for risk of harm, conducts periodic monitoring of control effectiveness, monitors tracking and completion of corrective actions, and trains personnel with IT security responsibilities.

The Department has had a material weakness in the area of IT Security for the past six (6) years. Recent independent IT Security oversight audits and reviews have cited several deficiencies and the lack of depth and thoroughness in the area of IT Security compliance. Findings and weaknesses have pointed directly to the OCIO and system owners as needing to apply additional resources in the management and application of IT security in the areas of oversight, standardized processes, testing and compliance review.

Increases over the FY 2009 request are required to address these weaknesses in the Department's IT Security, as well as, to comply with OMB requirements that call for enhancements in the area of enterprise-level forensics support and security augmentation, cyber security, and risk exposure reduction.

Enhancement 1. Enterprise-level forensics support and security augmentation.

This enhancement is designed to reduce the Department's vulnerability to cyber attacks by quickly and effectively isolating and correcting IT security incidents and providing real-time, enhanced monitoring of critical network segments. Funds are requested to acquire experienced and capable IT Security expertise to develop improved IT forensics capabilities.

Providing Commerce-wide automated security tools will improve the quality of Certification and Accreditation (C&A) packages and reduce deficiencies in continuous monitoring as indicated by the Office of Inspector General reports. Other benefits include more accurate IT security plans and risk assessments, realistic continuity of operations and disaster recovery plans, enforceable system-specific policies and procedures, up to date system environment drawings and descriptions, and recoverable supporting documentation for certification testing. The tools will ensure better consistency and uniformity of operating units' compliance with management, operational, and technical system-level controls required by the DOC IT Security Program Policy and Minimum Implementation Standards.

Department of Commerce
Departmental Management
Salaries and Expenses
INCREASE FOR 2010

Exhibit 13

Staff increases are required to provide resources to adequately staff our DOC Computer Incident Response Team (CIRT) and to implement a IT Security Operations Center (SOC) as they support a 24/7 operation which includes the OMB mandate for personal identifiable information (PII) reporting within 1-hour of loss. The CIRT must perform computer forensics examination, perform investigations into PII loss and data breaches, interface with the Department of Homeland Security (DHS) Computer Emergency Response Team (CERT) and perform CIRT responsibilities for Bureaus without a CIRT. The increase in funding is also needed to purchase tools to improve the quality and thoroughness of computer forensics investigation. Deploying state of the art automated tool will help the Department develop standard forensics practices and provide investigative packages that are consistent in format, structure and depth of content.

Enhancement 2: Cyber Security.

Several national level cyber security initiatives sponsored by the National Security Council, Homeland Security Council, DHS, and the intelligence community necessitate that the Department invests in additional IT Cyber-security related capabilities. Due to the nature of this initiative, the Department is prepared to provide an in-person briefing to discuss the details of this program. Multiple mandates cover this initiative and the requirements continue to evolve at the national level.

Enhancement 3: Risk Exposure Reduction.

Under OMB Memorandum 08-05, Federal agencies are required to reduce their risk of exposure to Internet based cyber attacks by reducing the number of external connections used by these agencies. The Department of Commerce is developing a plan that will reduce its direct Internet connections from hundreds to a controlled suite of trusted internet connection providers.

Performance Measures

IT Security continues to be a priority across the department as we seek to ensure implementation of the fullest protections for our systems, hardware, software and telecommunications. Requested increases shall enable the Department to:

- Increase the quality and timelessness, and consistency of the C&A Packages to 90 % using the automated tools.
- Increase the thoroughness of vulnerability scanning by 80 % by scanning more systems and performing more in-depth scanning.
- Review and provide comments to Bureau C&A packages in half the turnaround time.
- Establish DOC CIRT/PII monitoring and reporting operation.

IT Cyber Security, DM - 13		FY 2009 Target	FY 2010 Target	FY 2011 Target	FY 2012 Target	FY 2013 Target
<p>3a. Improve the management of information technology.</p>	<p>With Increase</p>	<p>IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place.</p>	<p>IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%.</p> <p>Reduce C&A review cycle times by 20% below baseline (FY 2007).</p> <p>Perform FISMA compliance review of 75% of NSI rated systems.</p> <p>Increase security training completion rate to 70% for privileged users.</p>	<p>IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%.</p> <p>Reduce C&A review cycle times by 30% below baseline (FY 2007).</p> <p>Perform FISMA compliance review of 90% of NSI rated systems.</p> <p>Increase security training completion rate to 80% for privileged users.</p>	<p>IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%.</p> <p>Reduce C&A review cycle times by 50% below baseline (FY 2007).</p> <p>Perform FISMA compliance review of 100% of NSI rated systems.</p> <p>Increase security training completion rate to 90% for privileged users.</p>	<p>IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%.</p> <p>Maintain C&A review cycle at FY 2011 baseline.</p> <p>100% FISMA compliance of NSI rated systems</p> <p>Increase security training completion rate to 100% for privileged users.</p>

IT Cyber Security, DM - 13		FY 2009 Target	FY 2010 Target	FY 2011 Target	FY 2012 Target	FY 2013 Target
3a. Improve the management of information technology.	Without Increase	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%. Reduce C&A review cycle times by 5% below baseline (FY 2007). Perform FISMA compliance review for 20% of NSI rated systems.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%. Reduce C&A review cycle times by 10% below baseline (FY 2007). Perform FISMA compliance review for 30% of NSI rated systems.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%. Reduce C&A review cycle times by 20% below baseline (FY 2007). Perform FISMA compliance review for 40% of NSI rated systems.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10%. Maintain C&A review cycle at or below FY 2011 baseline. Maintain FISMA compliance review at FY 2011 levels for NSI rated systems.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 PROGRAM CHANGE PERSONNEL DETAIL

Activity: Executive Direction
 Program Change: IT Cyber Security

Title	Grade	Number	Annual Salary	Annual Salary
Information Technology Program Mgmt. Specialist	GS-14	22	114,136	2,510,992
Subtotal		22		2,510,992
Less Lapse		0		0
Total Full-time Permanent (FTE)		22		2,510,992
FY 2010 Pay Raise	2.0%			50,220
Total Salaries w/ Pay Raise and Locality				2,561,212

Personnel Data

Full time Equivalent Employment				
Full-time permanent		22		
Other than full-time permanent		0		
Total		22		
Authorized Positions		22		
Full-time permanent		0		
Other than full-time permanent		22		
Total				

Department of Commerce
 Departmental Management
 Salaries and Expenses
 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Executive Direction
 Program change: IT Cyber Security

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	2,561
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	128
11.9 Total personnel compensation	<u>2,689</u>
12.1 Civilian personnel benefits	640
21 Travel and transportation of persons	22
22 Transportation of things	0
23.1 Rental payments to GSA	286
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	2,500
24 Printing and reproduction	11
25.1 Consulting services	0
25.2 Other services	1,577
25.3 Purchase of goods and services from Government accounts	522
26 Supplies and materials	22
31 Equipment	632
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 8,901

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2009 Base
11 Personnel compensation:					
11.1 Full-time permanent	18,544	19,578	20,361	22,922	2,561
11.3 Other than full-time permanent	2	0	20	20	0
11.5 Other personnel compensation	1,175	736	402	530	128
11.9 Total personnel compensation	19,721	20,314	20,783	23,472	2,689
12.1 Civilian personnel benefits	4,707	5,776	5,919	6,559	640
13 Benefits for former personnel	63	204	204	204	0
21 Travel and transportation of persons	1,216	816	527	549	22
22 Transportation of things	23	5	0	0	0
23.1 Rental payments to GSA	3,198	3,397	3,528	3,814	286
23.2 Rental payments to others	19	18	19	19	0
23.3 Communication, utilities and miscellaneous charges	244	333	533	3,033	2,500
24 Printing and reproduction	46	56	57	68	11
25.1 Consulting services	0	0	0	0	0
25.2 Other services	5,687	8,643	10,773	12,350	1,577
25.3 Purchase of goods and services from Gov't accounts	8,974	11,922	11,511	12,033	522
26 Supplies and materials	474	290	286	308	22
31 Equipment	818	1,632	959	1,591	632
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	45,191	53,406 1/	55,099	64,000	8,901
Unobligated balance, start of year (CLDP)	(1,675)	(406)	0	0	0
Unobligated balance, transferred	(300)				
Unobligated balance, end of year	406				
Unobligated balance, expiring	172				
TOTAL BUDGET AUTHORITY	43,794	53,000	55,099	64,000	8,901

1/ Total obligations includes Commercial Law Development Program carryover.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Personnel Data	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
Full-Time Equivalent Employment:					
Full-time Permanent	134	141	141	163	22
Other than full-time permanent	39	39	39	39	0
Total	173	180	180	202	22
Authorized Positions:					
Full-time permanent	155	157	157	179	22
Other than full-time permanent	47	47	47	47	0
Total	202	204	204	226	22

Note: Other than full-time permanent FTE and positions include political appointees classified as full-time temporary.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
11 Personnel compensation:				
11.1 Full-time Permanent				
Executive level	0	618	618	0
Senior executive service	228	4,248	4,248	0
General schedule	767	15,495	18,056	2,561
Subtotal	995	20,361	22,922	2,561
11.3 Other than full-time permanent:				
General schedule	0	20	20	0
11.5 Other personnel compensation:				
Overtime	0	0	0	0
SES performance awards	0	135	135	0
Cash awards	0	267	395	128
Subtotal	0	402	530	128
11.9 Total personnel compensation	995	20,783	23,472	2,689
12.1 Civilian personnel benefits:				
Civil service retirement system	(35)	647	718	71
Federal employees' retirement system	56	1,898	2,181	283
Thrift savings plan	20	614	682	68
Federal insurance contribution act (FICA) - OASDI	32	1,105	1,226	121
Health insurance	1	1,090	1,183	93
Life Insurance	0	41	45	4
Employees' compensation fund	30	524	524	0
Subtotal	104	5,919	6,559	640
13 Benefits for former personnel	0	204	204	0

Department of Commerce
 Departmental Management
 Salaries and Expenses
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
21				
Travel and transportation of persons:				
Common carrier	0	148	158	10
Foreign	0	0	0	0
Mileage	2	12	14	2
Per diem/actual	8	120	125	5
Vehicular	0	20	20	0
Other	0	227	232	5
Subtotal	10	527	549	22
22				
Transportation of things	0	0	0	0
23.1				
Rental payments to GSA	78	3,528	3,814	286
23.2				
Rental payments to others	0	19	19	0
23.3				
Communication, utilities and miscellaneous charges:				
Rental of ADP equipment	0	0	0	0
Rental of office copying equipment	0	0	0	0
Other equipment rental	0	0	0	0
Federal telecommunications system	0	181	181	0
Other telecommunications services	2	304	2,804	2,500
Postal service by USPS	1	47	47	0
Other	0	1	1	0
Subtotal	3	533	3,033	2,500
24				
Printing and reproduction:				
Publications	0	44	44	0
Other	0	13	24	11
Subtotal	0	57	68	11

Department of Commerce
 Departmental Management
 Salaries and Expenses
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
25.1 Consulting services:				
Management and professional support services	0	0	0	0
Studies, analyses and evaluations	0	0	0	0
Engineering and technical services	0	0	0	0
Subtotal	0	0	0	0
25.2 Other services:				
Training University	0	16	16	0
Other	0	130	130	0
Maintenance of equipment	0	56	56	0
ADP services	0	15	15	0
Telecommunications services	0	120	120	0
Other non-government contracts	125	10,412	11,989	1,577
Other	0	24	24	0
Subtotal	125	10,773	12,350	1,577
25.3 Purchase of Goods and services from Gov't accounts:				
Office of personnel management	0	14	14	0
GSA reimbursable services (Steam)	344	0	0	0
Other (NARA)	(2)	33	33	0
CBS (Bureau Shared)	0	130	630	500
Other (incl Bldg. Del.)	694	1,525	1,547	22
Payments to DM's WCF	(261)	9,809	9,809	0
Subtotal	775	11,511	12,033	522
26 Supplies and materials:				
Office supplies	2	255	277	22
ADP supplies	0	31	31	0
Other	0	0	0	0
Subtotal	2	286	308	22

Department of Commerce
 Departmental Management
 Salaries and Expenses
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
31 Equipment:				
Office machines and equipment	0	196	696	500
ADP hardware	0	204	336	132
ADP software	0	24	24	0
Other	7	535	535	0
Subtotal	7	959	1,591	632
41 Grants, subsidies and contributions	0	0	0	0
43 Interest and dividends	0	0	0	0
99 Total obligations	2,099	55,099	64,000	8,901
Less prior year recoveries				
TOTAL BUDGET AUTHORITY	2,099	55,099	64,000	8,901

Department of Commerce
Departmental Management
Salaries and Expenses
Appropriation Summary Statement

Appropriation: Salaries and Expenses

The Appropriation "Salaries and Expenses" provides funding for the Secretary, Deputy Secretary and support staff. Responsibilities include policy development and implementation affecting U.S. and international activities as well as establishing internal goals and objectives for the operation of the Department. The functions include primary liaison with the Executive Branch, Congressional and private sector groups, and acting as the management and administrative control point for the Department.

The "Salaries and Expenses" budget request for FY 2010 is \$64,000,000, including not to exceed \$5,000 for official entertainment.

Department of Commerce
Departmental Management
Salaries and Expenses
Appropriation Language and Code Citation

FY 2010:

Salaries and Expenses

1. For expenses necessary for the Departmental Management of the Department of Commerce provided for by law.

15 U.S.C. 1501

15 U.S.C. 1501 provides that: "There shall be...the Department of Commerce, and a Secretary of Commerce, who shall be the head thereof..." The sections which follow 15 U.S.C. 1501 establish various Assistant Secretaries and define general powers and duties of the Department.

2. Including not to exceed \$5,000 for official entertainment.

No Specific Authority

5 U.S.C. 5536 prohibits additional pay or allowance to employees unless the appropriation therefore specifically states that it is for the additional pay or allowance.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Consulting and Related Services
 (Dollar amounts in thousands)

	2008 <u>Actual</u>	2009 <u>Enacted</u>	2010 <u>Estimate</u>
Consulting services	0	0	0
Management and professional services	0	0	0
Special studies and analyses	0	0	0
Management and support services for research and development.	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>

The Department of Commerce has established a comprehensive system for identifying and reviewing all proposed contracts and personnel appointments for consulting and advisory and assistance services. The Deputy Secretary is responsible for the overall control and approval of these services throughout the Department. Human Resources Management experts and consultants may be hired on a temporary basis to perform highly specialized services that cannot be performed by available personnel, such as: Providing advice and assistance for a wide range of speech writing and media related activities.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Periodicals, Pamphlets, and Audiovisual Products
 (Dollar amounts in thousands)

	2007 Actual	2008 Actual	2009 Enacted	2010 Estimate
Periodicals	0	0	0	0
Pamphlets	0	0	0	0
Audiovisuals	0	0	0	0
Total	0	0	0	0

Pamphlets

Pursuant to 15 U.S.C. 1519, the Secretary of Commerce must make a report in writing to Congress giving an account of all monies received and disbursed by the Department. The Secretary must also describe the work done by the Department in fostering, promoting and developing the foreign and domestic commerce, the mining, manufacturing and fishery industries of the U.S., and make such recommendations as he shall deem necessary for the effective performance of the duties and purposes of the Department. In addition to the description and accomplishments of the Department and its various units, this report includes a directory of key officials, and a summary of employment and financing for the past year.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Average Grade and Salaries

	<u>2008</u> Actual	<u>2009</u> Enacted	<u>2010</u> Estimate
Average ES Grade.....	0.00	0.00	0.00
Average GS/GM Grade.....	12.45	12.31	12.50
Average GS/GM Salary.....	94,180	93,681	97,850

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Department of Commerce
 Departmental Management
 Working Capital Fund
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Reimbursable Obligations
Operating Budget, FY 2009	714	610		135,895
less: Obligations from prior years				0
less: Transfer of utilities				(7,394)
plus: 2010 Adjustments to base	0	0		7,808
2010 Base	714	610		136,309
plus: Program increases	7	7		7,482
2010 Estimate	721	617		143,791

		2008		2009		2010		2010		Increase/(Decrease)	
		Actuals		Operating Plan		Base		Estimate		Over 2010 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity:											
Executive Direction	Pos./BA	260		266		266		273		7	
	FTE/Obl.	208	44,267	217	54,104	217	50,500	224	53,992	7	3,492
Departmental Staff Services	Pos./BA	414		448		448		448		0	
	FTE/Obl.	342	81,801	393	86,602	393	85,809	393	89,799	0	3,990
TOTALS	Pos./BA	674		714		714		721		7	
	FTE/Obl.	550	126,068	610	140,706	610	136,309	617	143,791	7	7,482
Adjustments & Recoveries											
	Unobligated balance, start of year		(5,153)		(4,811)						
	Unobligated balance, end of year		4,811								
Total Reimbursable Authority			125,726		135,895		136,309		143,791		7,482

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Departmental Management
 Working Capital Fund
 ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Adjustments: Transfer of utilities to Advance and Reimbursement		(7,394)
Other Changes:		
Annualization of FY 2009 pay raise		1,185
FY 2010 pay raise		1,131
Change in Compensable Day		0
Civil Service Retirement System (CSRS)		(125)
Federal Employees' Retirement System (FERS)		200
Thrift Savings Plan (TSP)		36
Federal Insurance Contribution Act (FICA) - OASDI		75
Health Insurance		90
Travel, Per Diem		48
Travel, Mileage		3
Rental Payments to GSA		148
Commerce Business System		199
Realignment for Human Resources Operation Center		4,457
Postage		15
General Pricing Level Adjustments:		
Communications & misc.		0
Printing and reproduction		2
Other Services		311
Supplies		12
Equipment		21
Subtotal, Other Changes	<u>0</u>	<u>7,808</u>
Total, Adjustments to Base	<u>0</u>	<u>0</u>
	0	414

Department of Commerce
 Departmental Management
 Working Capital Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Adjustments		
Transfer of utilities to Advance and Reimbursement		(7,394)
Other Changes:		
Pay Raises		2,316
Annualization of FY 2009 Pay Raise		
Pay raise of 3.9% was effective January 1, 2009.		
Total cost in FY 2010 of the FY 2009 pay increase	2,678,897	
Less amount requested in FY 2009	<u>(1,494,000)</u>	
Amount requested in FY 2010 for FY 2009 pay increase	1,184,897	
FY 2010 Pay Raise		
A general pay raise of 2.0% is assumed to be effective January 1, 2010.		
Total cost in FY 2010 of pay increase	1,131,000	
Payment to Working Capital Fund	<u>0</u>	
Amount requested in FY 2010 for FY 2010 pay increase	1,131,000	
Civil Service Retirement System (CSRS)		(125)
The cost of agency contributions for CSRS will decrease slightly due to the decrease in the number of employees covered by CSRS from 20.2% in FY 2009 to 17.4% in FY 2010. The contribution rate will remain the same at 7.00% for FY 2009 and FY 2010.		
FY 2010 (\$63,621,000 x .174 x .0700)	774,904	
FY 2009 (\$63,621,000 x .202 x .0700)	<u>899,601</u>	
Total adjustment to base	(124,697)	

Department of Commerce
 Departmental Management
 Working Capital Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Federal Employees' Retirement System (FERS).....	...	200
<p>The cost of agency contributions for FERS will increase due to the increase in the number of employees covered by FERS from 79.8% in FY 2009 to 82.6% in FY 2010. The contribution rate remains 11.2% in FY 2010.</p>		
FY 2010 (\$63,621,000 x .826 x .112)	5,885,703	
FY 2009 (\$63,621,000 x .798 x .112)	<u>5,686,190</u>	
Total adjustment to base	199,513	
Thrift Savings Plan (TSP).....	...	36
<p>The cost of agency contributions to the Thrift Savings Plan will increase slightly due to the number of employees covered increasing from 79.8% in FY 2009 to 82.6% in FY 2010. The contribution rate will remain the same at 2%.</p>		
FY 2010 (\$63,621,000 x .826 x .02)	1,051,019	
FY 2009 (\$63,621,000 x .798 x .02)	<u>1,015,391</u>	
Total adjustment to base	35,628	
Federal Insurance Contributions Act (FICA) - OASDI.....	...	75
<p>The OASDI tax rate will remain constant at 6.2%. The annual salary subject to the OASDI tax will rise from \$106,425 in FY 2009 to \$110,400 in FY 2010. The percent of salaries below the cap will decrease from 94.1% in FY 2009 to 93.1% in FY 2010. The total salaries taxable by OASDI will increase from 79.8% in FY 2009 to 82.6% in FY 2010. The combination of the above adjustments results in a net increase of \$74,502.</p>		
FERS payroll subject to FICA tax in FY 2010 (\$63,621,000 x .826 x .931 x .062)	3,033,346	
FERS payroll subject to FICA tax in FY 2009 (\$63,621,000 x .798 x .941 x .062)	<u>2,961,998</u>	
Subtotal	71,348	
Other payroll subject to FICA tax in FY 2010 (\$2,813,000 x .826 x .931 x .062)	134,119	
Other payroll subject to FICA tax in FY 2009 (\$2,813,000 x .798 x .941 x .062)	<u>130,965</u>	
Subtotal	3,154	
Total adjustment to base	<u>74,502</u>	

Department of Commerce
 Departmental Management
 Working Capital Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Health Insurance.	90
Effective January 2007, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 2.3%. Applied against the FY 2009 estimate of \$3,912,480, the additional amount required is \$89,897.		
Travel, Per Diem.	48
General Services Administration has issued revised travel per diem rates, effective as of October 1, 2006, resulting in a 7.2% increase. This percentage applied against the FY 2009 estimate of \$670,023 results in an increase of \$48,242.		
Mileage.	3
The mileage reimbursement rate for privately-owned automobiles increased from 48.5 cents to 58.5 cents, or 20.6% on August 1, 2008. An additional increase of \$2,673 is required to fund this increase.		
Rental Payments to GSA.	148
GSA rates are projected to increase in FY 2010. An additional increase of \$148,000 is required to fund this increase.		
Realignment for Human Resources Operation Center.	4,457
The Working Capital will be receiving cost from the Bureaus as a result of the reprogramming of HROC from ITA to OS. This increase to the WCF will effect the Bureau's budget since cost are be realigned from ITA to OS. Bureaus will make payments through the WCF account.		
Commerce Business System.	199
Costs associated with the Commerce Business System will increase from \$11,608,000 in FY 2009 to \$11,807,000 in FY 2010. This results in an increase of \$199,000.		
Postage.	15
Effective May 12, 2008, the Governors of the Postal Service implemented a rate increase for first class mail from 41 cents to 42 cents, or 2.4%. This percentage applied against the FY 2010 estimate of \$621,376 results in an increase of \$14,913.		

Department of Commerce
 Departmental Management
 Working Capital Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Other Services:		
General Pricing Level Adjustment	346
This request applies OMB economic assumptions for FY 2009 of 0.8% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to printing (\$2,168); other services (\$310,896); supplies and materials (\$12,032); and equipment (\$21,240).		
Subtotal, Other Changes	0	7,808
Total FY 2010 Adjustments to Base	0	414

DEPARTMENT OF COMMERCE
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goals and Objectives

Goal: To provide necessary centralized services to clients in the most efficient and effective manner possible consistent with Government-wide and Departmental policy. These services include the Security Office, Human Resources Management, Civil Rights, Financial Management, Administrative Services, Acquisition Management, Management and Organization, General Counsel, Chief Information Office and Public Affairs.

Objectives:

Executive Direction:

- | | |
|---|---|
| General Counsel | Provides legal advice, guidance and services on matters involving Departmental programs and components. Supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs. |
| Public Affairs | Promotes public understanding and support of DOC programs, services and consumer issues. Ensures continuity and cost-effective management of Departmental Public Affairs programs. Acts as the primary point of contact on Department of Commerce issues for the White House and Federal departments and agencies. |
| Office of the Chief Information Officer | Leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of information technology (IT). Implements Government-wide and Departmental policies, programs and activities in all aspects of information technology management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for Administration. Provides Department-wide coordination and technical support for the development and operation of information technology resources, including telecommunications. Manages the Department's IT security and critical IT infrastructure programs. |

Departmental Staff Services:

- | | |
|--------------------|---|
| Office of Security | Plans, develops, and implements policies and procedures for managing and delivering security services for the Department. Provides counterespionage, anti-terrorism, and emergency management program support, puts forth guidance to Departmental offices and operating units regarding security matters as they relate to the protection of personnel, facilities, property and information. Specifically, establishes and enforces policies and procedures for conducting background investigations and granting security clearances; safeguarding classified and sensitive documents and information; assessing threats and determining risks to Departmental assets; and ensuring proper communications security for classified information. |
|--------------------|---|

DEPARTMENT OF COMMERCE
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF PROGRAM AND PERFORMANCE

Director for Human Resources Management	Implements Government-wide and Departmental policies, programs and activities in all aspects of human resources management and administration including recruitment and placement, classification, payroll support and administration, incentive awards, training and development, employee and labor relations, department-wide oversight and evaluation of human resources management activities, unemployment and workers' compensation, employee health and safety, employee benefits and drug testing.
Director of Civil Rights	Conducts discrimination complaint investigations and adjudications, provides equal employment program support and affirmative action program support to selected operating units.
Director for Financial Management	Implements policies and procedures for Departmental financial management, provides consolidated financial reporting, and develops the Commerce Business System (formerly Commerce Administrative Management System). Provides complete financial stewardship for all activities included in Departmental Management. Oversees and administers all budget functions for the Department's Working Capital Fund and provides financial support and guidance Department-wide.
Director for Administrative Services	Provides Department-level management of travel, personal property, fleet motor vehicles, real property, energy and environmental programs. Provides management of the following Herbert C. Hoover Building programs and services: publications; printing; library services; mail; messenger and distribution services; space management and use; building management including operations, maintenance, repairs, and major and minor renovations; labor services; historic preservation; and shipping/receiving.
Director for Acquisition Management	Provides contracting technical services, including acquisition strategies and guidance for the procurement of products and services in support of the Office of Secretary (OS), Office of Inspector General (OIG), selected special projects and related administrative support. Performs policy and oversight functions for the Department's acquisition and financial assistance programs. Performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures. Manages Competitive Sourcing A-76/FAIR Act Program.
Director for Management and Organization	Provides office management and organization support, including maintaining the Department-wide directive management system.

Department of Commerce
 Departmental Management
 Working Capital Fund
 INCREASE FOR 2010
 (Dollar amounts in thousands)

	2010 Base		2010 Estimate		Increase/(Decrease) Over 2009 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction Pos/BA	0	19,062	0	21,464	3	2,402
FTE/Obl.	0	19,062	0	21,464	3	2,402

Office of General Counsel

The Office of General Counsel (OGC) is the Department of Commerce's (DoC) chief legal office. The OGC serves as the legal advisor to the Secretary, the Under Secretaries, the Assistant Secretaries, and other officers of the Department, including bureau heads. The OGC is requesting an additional \$2,402,000 above the base funding to address the erosion of base funding that is undermining the ability of this office to provide all necessary legal services to its clients. The program increase will provide resources for 11 existing authorized positions that are not currently funded and 3 additional FTEs required for the increased workload. The FY 2010 request includes increased funding for each of the three Assistant General Counsel's offices as follows:

OGC Office	Unfunded FTE Requested	New FTE Requested	Total FTE Requested	FY 2010 Increase (000)
Legislation & Regulation	1	-	1	184
General Counsel for Administration	6	-	6	1,105
Finance & Litigation	4	3	7	1,113
TOTAL	11	3	14	2,402

Department of Commerce
Departmental Management
Working Capital Fund
INCREASE FOR 2010
(Dollar amounts in thousands)

Program: Legislation & Regulation

The Regulatory Division of the Office of Assistant General Counsel for Legislation and Regulation serves as the primary contact for all regulatory matters concerning the Department of Commerce. This office advises the diverse bureaus within Commerce on administrative law requirements and procedures involved in the rulemaking process, and provide legal counsel on other related laws and Executive Orders. It also serves as the Department's liaison with the Office of Management and Budget (OMB) and other federal agencies during interagency review and clearance of regulations issued by the Department, and provide Secretarial-level clearance for all Federal Register publications. The requirements applicable to federal agency regulations and information quality have increased dramatically over the past several years. In FY 2008, this office reviewed over 300 regulatory actions. Contributing to the substantial increase in the office's workload is that in January 2007, OMB amended Executive Order 12,866 to require that agencies provide advance notification to and an opportunity for OMB to review significant guidance documents. OMB also directed agencies to establish written clearance procedures for significant guidance. This greatly expanded the universe of documents that must be reviewed for compliance with applicable law and policy. The existing regulatory attorneys (three on staff and one detailee) have had to invest a great deal of time informing affected offices of these new requirements and assisting with compliance. OGC is also working on designing systems to track the review and clearance of guidance documents.

The increased funding will allow the Office to recruit and retain the desired expertise and knowledge required for this position. Without the additional funding the operating units that depend on the promulgation of regulations to accomplish their missions would be significantly hampered. In addition, the office will be unable to meet its responsibilities to the public to manage programs in an appropriate and efficient manner and will be exposed to the risk of costly litigation that could otherwise be avoided.

Program: General Counsel for Administration

The Office of the Assistant General Counsel for Administration provides legal advice to the Department's bureaus. This request for additional funding is necessary to recruit and retain replacements to fill vacancies in current authorized positions. During FY 2008 the Office was unable to fund 6 positions due to funding limitations; however, the workload has increased significantly.

Department of Commerce
Departmental Management
Working Capital Fund
INCREASE FOR 2010
(Dollar amounts in thousands)

The Office consists of three divisions: Ethics, Employment and Labor Law, and General Law. In the DoC, unlike the situation in almost all other departments, the ethics function is centralized so that very few costs relating to ethics programs are borne by the Department's operating units. Furthermore, unlike other legal offices, both in the Office of the Secretary and in the bureaus, the Ethics Law and Programs Division is responsible not only for providing advice regarding ethics issues, but also for administering programs mandated by statutes and Government-wide disclosures. The division, unlike other Department components, is also subject to periodic program reviews by an independent agency, the Office of Government Ethics, to ensure Departmental compliance with the legal mandates. Written advisory opinions and assignments handled by the Ethics Law and Programs Division increased more than 40% since 2004; this is unlikely to decrease because there have been added responsibilities placed on agency ethics programs due to greater scrutiny by Congress, the Office of Government Ethics, and the public in matters under the responsibility of the Division, with regard to travel gifts, approvals for invitations, and services provided in connection with nominations to Presidential appointee positions. Both the increasing volume of workload and greater public scrutiny make it imperative that the division have sufficient staff and devoted resources to supply timely services and advice, as well as to perform services required by ethics statutes and regulations.

The Employment and Labor Law Division's work entails providing management with advice and legal representation in the area of personnel law and labor union issues. In this area particularly, lawyers' involvement at an early stage in disciplinary and other personnel or union matters can save significant resources in the long run, obviating the need for costly litigation. As the office's caseload increases, the office is less able to provide preventive counseling that results in a lower number of cases going to hearings.

In the third Division, General Law, the office has developed excellent training models to provide guidance and services to clients to help prepare memoranda of understanding and other agreements with public and private sector partners resulting in more expeditious review and clearances for the transfer of funds in and out of the Department. This workload has increased significantly as bureaus request assistance from the office as they seek avenues for leveraging resources by taking advantage of methods for obtaining support and assistance from outside the Department. In addition, the Division has assumed new responsibilities including increased training with respect to the Freedom of Information Act, document preservations, and privacy issues. The Decennial census workload will continue to increase significantly thereby impacting this offices operation due to important issues that need to be resolved before, during and after the Decennial census' completion.

Department of Commerce
Departmental Management
Working Capital Fund
INCREASE FOR 2010
(Dollar amounts in thousands)

Services provided by the division have the potential for saving a significant amount of resources; however devoted staff and other resources are required. Furthermore, a reduced staff does not allow the office the opportunity to provide services on a proactive basis in order to avoid problems and conserve resources in the long run. A budget that ensures a full staffing level is necessary to meet current needs.

Program: Assistant General Counsel for Finance and Litigation

Staff increases in two of Finance and Litigation's divisions are critically needed to effectively counsel the Department's annual multi-billion-dollar procurement and financial assistance programs. The Contract Law Division's (CLD) mission is to ensure that DoC's procurements of goods, services and interests in real property meet all legal requirements, including the full-and-open competition requirements of the Federal Acquisition Regulation (FAR). CLD counsels the Office of Acquisition Management on policies and strategies; reviews acquisition plans, statement of work and requests for proposals; examines limitations on competition; assists/reviews all significant milestone events leading to contract awards; and staffs selected DoC source selection boards. CLD also plays a prominent role in administering the Department's contracts, reviewing contract modifications, advising on contract interpretation, advocating for DoC's interests when disputes arise and defending DoC's interests in cases before the Government Accountability Office (GAO), Civilian Board of Contract Appeals, and the U.S. Court of Federal Claims. CLD also plays a significant role in assisting and advising its clients and the Office of the Secretary on complex, risky, high-dollar acquisitions such as the NOAA satellite programs and Decennial Census systems. Overall, CLD provides counsel on the Department's procurements which total over \$2 billion dollars. Currently, CLD's enormous workload is managed through large attorney portfolios and routine staff overtime. The consequence is an underserved acquisition staff that is itself understaffed and subject to rapid turnover. This state of affairs results in several unfortunate outcomes:

- increased inefficiencies and delays in the procurement process;
- reduced ability to reliably select contractors best able to perform contract requirements;
- reduced ability to maximize the value obtained in departmental acquisitions;
- reduced ability to ensure departmental and contractor adherence to laws, regulations and solicitation requirements, which in turn tends to increase contractor disputes and claims against the government, as well as government acceptance of inadequate contract performance.

Department of Commerce
Departmental Management
Working Capital Fund
INCREASE FOR 2010
(Dollar amounts in thousands)

The Federal Assistance Law Division (FALD) attorneys advise DoC grants officers and program officials on all award documents, administrative matters, environmental compliance, disputes, suspensions, terminations, cost disallowances, audit resolutions and audit appeals. FALD also represents the Department on all federal assistance matters before GAO; serves as co-counsel to the Department of Justice in litigation involving claims related to all forms of assistance; and defends bureaus from recipient challenges to DoC audit appeal determinations or other disallowances. FALD provide counsel on DoC's \$3 billion federal assistance programs at three locations currently staffed by 8 attorneys. During FY 2007 and FY 2008 DoC's appropriations and budget authority for federal assistance programs substantially increased demands on FALD. Section 3006 of the "Digital Television Transition and Public Safety Act of 2005" (Public Law 109-171, Title III) authorized a new \$1 billion matching grant program to assist public safety agencies in acquiring, deploying and training in the use of interoperable communications systems. It directs NTIA, in consultation with the Department of Homeland Security, to establish the grant program, and to make grant payments through FY 2010. This mandate alone created a heavy demand on FALD resources and will continue to do so through FY 2010. A new grant program for Remote Community Alert Systems authorized by Public Law 109-347, Title VI – The Warning, Alert, and Response Network Act mandates the Under Secretary of Commerce for Oceans and Atmosphere, in consultation with the Secretary of Homeland Security, to establish a grant program to provide outdoor emergency alerting technologies in remote communities effectively unserved by commercial mobile service. This program will also require additional FALD resources to ensure compliance with statutory and regulatory requirements through 2012.

Performance Measure

This request will fund operations of the Office of General Counsel to eliminate earlier erosion to its base budget and provide additional FTE that will allow for the recruitment and retention of the required expertise and knowledge for the positions. This program increase will support the Department's performance measure to acquire and maintain diverse and highly qualified staff in mission-critical occupations.

Department of Commerce
 Departmental Management
 Working Capital Fund
 PROGRAM CHANGE PERSONNEL DETAIL

Activity: Executive Direction
 Program Change: Office of the General Counsel

<u>Title</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Salary</u>
General Attorney	GS-15	1	134,484	134,484
General Attorney	GS-14	1	114,326	114,326
General Attorney	GS-13	1	96,752	96,752
Total		<u>3</u>	<u>345,562</u>	<u>345,562</u>
FY 2010 Pay Raise	2.0%			6,911
Total Salaries w/ Pay Raise				<u>352,473</u>

Personnel Data

Full time Equivalent Employment		
Full-time permanent		3
Other than full-time permanent		0
Total		<u>3</u>
Authorized Positions		
Full-time permanent		3
Other than full-time permanent		0
Total		<u>3</u>

Department of Commerce
 Departmental Management
 Working Capital Fund
 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Executive Direction
 Program change: Office of General Counsel

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	\$1,570
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>1,570</u>
12.1 Civilian personnel benefits	447
21 Travel and transportation of persons	42
23.1 Rental payments to GSA	154
24 Printing and reproduction	7
25.1 Consulting services	0
25.2 Other services	14
25.3 Purchase of goods and services from Government accounts	70
26 Supplies and materials	14
31 Equipment	84
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 <u>\$2,402</u>

Department of Commerce
 Departmental Management
 Working Capital Fund
 INCREASE FOR 2010
 (Dollar amounts in thousands)

	2010 <u>Base</u>		2010 <u>Estimate</u>		Increase/(Decrease) <u>Over 2010 Base</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Executive Direction Pos/BA	0	0	4	1,090	4	1,090
FTE/Obl.	0	0	4	1,090	4	1,090

Program Management Office

The Program Management Office (PMO) establishes the Department's Investment Review Process. This Investment Review Board (IRB) is responsible for reviewing requirements, cost, schedule and technical program performance parameters; and the acquisition strategy. The Investment Review Process will streamline bureau and operating unit reviews and briefings to departmental leadership by consolidating existing review processes. This new process will enhance clear decision making by providing Department leadership appropriate insight into program performance.

New funding is required to promote transparency and efficient use of tax payer dollars through the establishment and implementation of the PMO. The PMO will provide program management standards so that a common methodology is followed and aligned with Departmental strategic objectives. The PMO will provide early identification and quantification of project risks and issues, which will in turn lower the cost and operational impacts of over-budget and behind-schedule project performance. Further, the PMO will promote better decision making through closer scrutiny of lessons learned and trend analyses with sound business metrics. A department-wide PMO will also promote better communication among business areas, thus reducing barriers between related programs and projects.

This request directly supports the Department's Management Integration Goal of achieving organizational and management excellence. This management goal includes the timely and efficient review and approval of performance, funding, cost, schedule, technical requirements, acquisition strategy and budget planning. The management integration goal, applicable with equal importance to all bureaus, ensures more effective organizational management. Specific contributions to this goal will come through lower project costs and more efficient utilization of consistent project management processes.

Department of Commerce
Departmental Management
Working Capital Fund
INCREASE FOR 2010
(Dollar amounts in thousands)

Fully fund these requirements are necessary to improve program oversight, reduce wasted resources, and potentially mismanaged requirements (e.g., scheduling, cost, and deliverable). Mitigating short comings through rework or reengineering will increase overall project costs. Staffing a PMO will enhance communication and departmental oversight of mission programs.

Performance Measure

Establishment of the PMO directly contributes to the Department's Management Integration Goal of achieving organizational and management excellence. The requested increase shall enable the Department to:

- allow early identification of project performance risks and issues;
- lower the costs from rework or reengineering;
- optimize management time and expertise by focusing on program challenges;
- better decision-making through trend analysis of sound business metrics; and
- better communications to eliminate barriers between projects.

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Milestone/Output/Outcome Measure

For FY 2010, the PMO will:

- Develop and document Departmental and operating processes of the PMO.
- Support American Recovery and Reinvestment Act of 2009 (ARRA) workload and investment requirements
- Conduct an assessment of current operating unit project management practices and document best practices for efficiency and effectiveness purposes.
- Document the Department's project management current state.
- Complete a gap analysis with alternatives and recommendations for the promulgation of consistent, best-in-class project management methodologies throughout the Department.
- Develop an executive-level program performance dashboard that summarizes individual program performance and will provide metrics and outcomes of the departments' initiatives.

Department of Commerce
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 PROGRAM CHANGE PERSONNEL DETAIL

Activity: Executive Direction
 Program Change: Office of the Chief Information Officer

<u>Title</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Salary</u>
Program Management Specialist	GS-15	2	141,049	282,098
Program Management Specialist	GS-12	2	85,330	170,661
Subtotal		4	226,380	452,759
FY 2010 Pay Raise	2.0%			9,055
Total Salaries w/ Pay Raise				461,814
<u>Personnel Data</u>				
Full time Equivalent Employment				
Full-time permanent		4		
Other than full-time permanent		0		
Total		4		
Authorized Positions				
Full-time permanent		4		
Other than full-time permanent		0		
Total		4		

Department of Commerce
 Departmental Management
 Working Capital Fund
 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Executive Direction
 Program change: Office of the Chief Information Officer

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	\$440
11.3 Other than full-time permanent	\$0
11.5 Other personnel compensation	\$22
11.9 Total personnel compensation	<u>462</u>
12.1 Civilian personnel benefits	109
21 Travel and transportation of persons	4
23.1 Rental payments to GSA	52
24 Printing and reproduction	2
25.1 Consulting services	385
25.2 Other services	20
25.3 Purchase of goods and services from Government accounts	28
26 Supplies and materials	4
31 Equipment	24
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 <u>\$1,090</u>

Department of Commerce
 Departmental Management
 Working Capital Fund
 INCREASE FOR 2010
 (Dollar amounts in thousands)

		2010		2010		Increase/(Decrease)	
		<u>Base</u>		<u>Estimate</u>		<u>Over 2010 Base</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Departmental Staff Services	Pos/BA	0	475	0	728	0	252
	FTE/Obl.	0	475	0	728	0	252

Leadership Development Succession Planning Program

This program increase will provide funds in support of the Department of Commerce's (DoC) continuing leadership succession planning efforts that are linked to the Administration's goals to enhance the civil service workforce. The additional funding will support five training programs within DoC: Aspiring Leaders Development Program; Administrative Professional Certificate Program; Careers in Motion; Executive Leadership Development Program; and the New and Current Supervisors Training Program. These programs are part of a larger initiative that brings together all of the operating bureaus into a cohesive plan for the management of human capital across DoC. These programs have been benchmarked by other Government agencies for their structure and creativeness.

Program: Aspiring Leaders Development Program

The Aspiring Leaders Development Program prepares high potential GS-7 through GS-12 and equivalent employees for mid-level leadership positions. Graduates of the program are prepared to take on leadership jobs at the GS-9 to GS-13 levels, in all bureaus, through merit promotion as attrition and retirements occur. Program evaluations indicate that nearly 1/3 of the class has received promotions or transfers to new jobs with enhanced challenges and supervisors report satisfaction with improved on-the-job performance. The ALDP was originally established as an 18-month program; however due to Office of Personnel Management (OPM) mandated succession plans, and the requirement to fill leadership roles more rapidly due to an impending retirement bulge, the program has been reduced to 12 months. The majority of the current program funds have been absorbed by the increased cost of the 3-week core training. Additional funding will cover the increased cost of the training contract as well as curriculum enhancements such as reading materials, promotional materials, room use costs and presentation skills training.

Program: Administrative Professionals Certificate Program

The Administrative Professionals Certificate Program is a 12 month developmental and retention program for employees at GS-2 through GS-8 levels, offering blended learning that includes instructional, on-line, and other training opportunities to assist this employee population. Many of these employees are of a high caliber and with some skill enhancement they can become more productive employees in their current or other DoC workplaces. Verbal feedback from the first class indicate that graduates are working on new or extra projects, are participating in enhanced opportunities, and working in areas of more responsibility. The program is only two years old; however, the demand has exceeded our expectations and the program is currently capped at 60 participants. With an expanded budget the program could accommodate a much larger class population and would provide funds to cover the increased training costs. The Department will be able to reach out to more employees to build a cadre of highly skilled and knowledgeable support staff to provide administrative and technical expertise in the accomplishment of the work performed throughout the organization.

Program: Careers in Motion Program

The Department of Commerce, Office of the Secretary has a primary goal to ensure retention of highly qualified staff in mission-critical positions. To support this mission the Department conducts the Careers in Motion Program. The Careers in Motion Program was launched in FY 2007 and serves as a talent retention tool which provides training for employees to navigate their careers. Training is provided on presentation management, resume building, communication, interview skills, mentoring and other areas. The program is popular with employees in the Washington, D.C. area and interest has exceeded expectations. However, with the current budget the level of program participation is limited. To obtain the best costs, contractor competition is conducted; current contractor costs are expected to increase as well as costs for mentoring program participants and materials. This program increase would cover inflationary costs as well as provide funding to increase the participation level.

Program: The Executive Leadership Development Program

The Executive Leadership Program is an 18 month program that is designed to identify and develop emerging leaders for higher level positions. This program is part of the OPM approved and Office of Management and Budget (OMB) monitored Human Capital Management Plan and the Department's succession strategy. The program is composed of core training, developmental assignments, speaker events, action learning projects, and a mentoring component. In a typical year, there are two ELDP classes running at the same time requiring two core training sessions and two program management contracts per year to support both programs. The current funding level limits the quality of training. The program increase would provide for enhanced core training, speaker events, graduation events, materials, follow-up training and assessments and other activities that would allow staff to produce a program of the caliber that the Department deserves.

Program: New and Current Supervisors Training Program

The New and Current Supervisors Training Program meets probationary training requirements for new supervisors in their first year and meets OPM human capital management requirements to continue to train current supervisors. The program was established as a quarterly training program for new supervisors. Since then, it was determined that training is required for current supervisors that have been in the position for at least 5 years. As directed by the Office of Personnel Management, which affects 5 CFR Part 412, more intensive and frequent supervisory training is now required. Additional funding is required to ensure that incoming new supervisors are trained in a new supervisor course (2 each year) and that current onboard supervisors are trained in a refresher course at least 2 times a year. The current budget only covers 3 quarters of the new supervisors' training; consequently funds are reallocated from other programs to fund the remaining training. This program increase will provide funding for the escalation of training costs and will cover all of the required training.

Performance Measure

This program will support the Department's performance measure to acquire and maintain a diverse and highly qualified staff in mission-critical occupations. Success is defined as having the participants in the program obtain promotions and movement to higher level jobs including executive positions. Extensive evaluations are conducted that involve the collection of information using the Kirkpatrick 4-level model, which includes Level – I through Level IV. This evaluation model focuses on four key areas: reaction, learning, behavior and results — with each successive level representing a more precise measure of the effectiveness of a training program. Additionally, the use of the Kirkpatrick 4-level model is now considered an industry gold standard across the HR and training communities. These programs are critical elements in the retention strategy for the Department.

Leadership Development Succession Planning Program, DM - 13		FY 2009 Target	FY 2010 Target	FY 2011 Target	FY 2012 Target	FY 2013 Target
2a. Acquire and maintain diverse and highly qualified staff in mission-critical occupations.	With Increase	<p>Train between 50-60 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Open the ALDP to DOC employees nationwide.</p>	<p>Train between 50 to 70 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 180-200 participants via Careers in Motion.</p> <p>Integrate Commerce Learning Center in program administration to enhance tracking and progress monitoring.</p> <p>Employ enhanced instructional strategies.</p>	<p>Train between 50-80 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 180-210 participants via Careers in Motion.</p> <p>Integrate Commerce Learning Center in program administration to enhance tracking and progress monitoring.</p> <p>Employ enhanced instructional strategies.</p>	<p>Train between 50-90 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 180-220 participants via Careers in Motion.</p> <p>Integrate Commerce Learning Center in program administration to enhance tracking and progress monitoring.</p> <p>Employ enhanced instructional strategies.</p>	<p>Train between 50-100 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 180-230 participants via Careers in Motion.</p> <p>Integrate Commerce Learning Center in program administration to enhance tracking and progress monitoring.</p> <p>Employ enhanced instructional strategies.</p>

<p>2a. Acquire and maintain diverse and highly qualified staff in mission-critical occupations.</p>	<p>Without Increase</p>	<p>Train between 50-60 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Open the ALDP to DOC employees nationwide.</p>	<p>Train between 30-40 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 100-120 participants via Careers in Motion.</p> <p>Would not allow ALDP to go nation-wide.</p> <p>Limit program administrative support from the Commerce Learning Center.</p> <p>Limited instructional strategy enhancement.</p>	<p>Train between 30-50 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 100-130 participants via Careers in Motion.</p> <p>Would not allow ALDP to go nation-wide.</p> <p>Limit program administrative support from the Commerce Learning Center.</p> <p>Limited instructional strategy enhancement.</p>	<p>Train between 30-60 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 100-140 participants via Careers in Motion.</p> <p>Would not allow ALDP to go nation-wide.</p> <p>Limit program administrative support from the Commerce Learning Center.</p> <p>Limited instructional strategy enhancement.</p>	<p>Train between 30-70 participants on leadership development programs via ALDP, ELDP, and APCP.</p> <p>Train between 100-150 participants via Careers in Motion.</p> <p>Would not allow ALDP to go nation-wide.</p> <p>Limit program administrative support from the Commerce Learning Center.</p> <p>Limited instructional strategy enhancement.</p>
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Department of Commerce
 Departmental Management
 Working Capital Fund
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Departmental Staff Services
 Program change: Leadership Development Succession Planning Program

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>0</u>
12.1 Civilian personnel benefits	0
21 Travel and transportation of persons	0
24 Printing and reproduction	0
25.1 Consulting services	0
25.2 Other services	252
25.3 Purchase of goods and services from Government accounts	0
26 Supplies and materials	0
31 Equipment	0
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 \$252

Department of Commerce
 Departmental Management
 Working Capital Fund
 INCREASE FOR 2010
 (Dollar amounts in thousands)

		2010 <u>Base</u>		2010 <u>Estimate</u>		Increase/(Decrease) <u>Over 2010 Base</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Departmental Staff Services	Pos/BA	0	63	0	516	0	453
	FTE/Obl.	0	63	0	516	0	453

Corporate Database - Office of Financial Management

This program increase will provide funding necessary for the upgrade of the Consolidated Financial Statement Corporate database. The Consolidated Financial Statement Corporate database is the reporting system used by the Department of Commerce (DoC), Office of Financial Management to report required consolidated financial reports to the Office of Management and Budget (OMB) and the Department of Treasury. The upgraded version of the corporate database will provide numerous benefits to the Department. The newer version includes web based entity and account manipulation, the ability to drill down on reports, the ability to incorporate A-123 requirements, web-based analysis, and enhanced viewing capabilities. Enhanced viewing allows you to view, import, manipulate, distribute and share data in Microsoft Excel, Word and PowerPoint interfaces. As part of the upgrade, the vendor also offers a system that provides an audit trail and stores current and historical crosswalks.

The current version of the corporate database will no longer be supported by the vendor, other than for current customer support. Since September 2008, no new enhancements have been provided and limited patches are available to resolve any issues. The Department also maintains the application link that enables the corporate database to automatically produce reports for the Department's FACTS1 process. With the current version of the corporate database, support, other than phone support for the maintenance of the application link, will no longer be provided. The approval of this increase is significant in that the Consolidated Financial Statement Corporate database is the major system supporting the preparation of the Department's financial statements. Failure to fund these requirements will negatively impact the preparation of the Department's financial statements, delay the submission of required statements, and affect the Department's ability to maintain its clean audited opinion on the consolidated financial statements. If the funding for the upgrade is

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not received, the potential for a total failure is great thus requiring DoC to revert back to producing the information, manually.

Performance Measure

DoC plans to continue the effective resource stewardship in support of the Department's programs by preparing accurate consolidated financial statements in compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA). The Department's goal is to maintain a clean audited opinion on its financial statements. This program increase will support the Department's performance measure to provide accurate and timely financial information to conform to federal standards, laws and regulations governing accounting and financial management.

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 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Departmental Staff Services
 Program change: Leadership Development Succession Planning Program

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>0</u>
12.1 Civilian personnel benefits	0
21 Travel and transportation of persons	0
24 Printing and reproduction	0
25.1 Consulting services	0
25.2 Other services	252
25.3 Purchase of goods and services from Government accounts	0
26 Supplies and materials	0
31 Equipment	0
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 <u>\$252</u>

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 Working Capital Fund
 INCREASE FOR 2010
 (Dollar amounts in thousands)

		<u>2010 Base</u>		<u>2010 Estimate</u>		<u>Increase/(Decrease) Over 2010 Base</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Departmental Staff Services	Pos/BA	0	2,686	0	3,216	0	530
	FTE/Obl.	0	2,686	0	3,216	0	530

Guard Services – Office of Security

The FY 2010 program increase is necessary to support continued contract guard services in the Department of Commerce (DoC) Herbert C. Hoover Building, (HCHB). The DoC has experienced large annual increases to wage rates attributable to the Department of Labor (DOL) wage determinations and the costs associated with the unionization of security guard contracts. The additional funds will support the increase in wage rates as well as the historical cost of living increases associated with the award of a new contract.

This request would support a secure work environment while protecting critical assets. The Department of Homeland Security requires specific protective measures when an increased or predictable threat of terrorist activity exists. Failure to fully fund this requirement will reduce the protective measures necessary for sustaining a safe environment in and around HCHB. Continuation of services with the current funding level will require significant reductions in the number of guard posts, impacting current security capabilities and impeding both egress and traffic flow. Contract security guard services provide safeguards for all employees and serve as a deterrent against unauthorized or illegal activities directed toward DoC employees, visitors, information, programs and Government property. The increase for this requirement cannot be accommodated from existing resources.

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INCREASE FOR 2010
(Dollar amounts in thousands)

Performance Measure

The Office of Security is responsible for security services to safeguard DoC personnel, assets and critical information by measuring the reduction of counterespionage and anti-terrorism risks as well as increased emergency management effectiveness. Contract guard services control personnel and vehicular access to the building, thereby reducing the risk of terrorist attacks.

Department of Commerce
 Departmental Management
 Working Capital Fund
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Departmental Staff Services
 Program change: Guard Services

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>0</u>
12.1 Civilian personnel benefits	0
21 Travel and transportation of persons	0
24 Printing and reproduction	0
25.1 Consulting services	0
25.2 Other services	530
25.3 Purchase of goods and services from Government accounts	0
26 Supplies and materials	0
31 Equipment	0
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 \$530

Department of Commerce
Departmental Management
Working Capital Fund
INCREASE FOR 2010
(Dollar amounts in thousands)

		2010 <u>Base</u>		2010 <u>Estimate</u>		Increase/(Decrease) <u>Over 2010 Base</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Departmental Staff Services	Pos/BA	0	3,492	0	3,876	0	384
	FTE/Obl.	0	3,492	0	3,876	0	384

Support Contracts – Office of Administrative Services

The FY 2010 program increase for the Office of Space and Building Management, Facilities Services Division contracts is required to continue the delivery of basic sanitary, safety, habitable and operational support services to the tenants, including executive officials, of the Herbert C. Hoover Building (HCHB). The HCHB is the third largest federal building where approximately 3,500 employees and contractors work. In order for these employees to maximize their efficiency and effectiveness, their work environment must be safe and sanitary. Basic facility services including trash removal and anticipated debris removal in conjunction with the HCHB renovation, pest control, elevator maintenance, and landscaping services must be provided. The cost of these contracts will increase in accordance with U.S. Department of Labor mandated prices. Current funding is not sufficient to keep up with the price escalation for these contracts.

If additional funds are not provided for these services there will be a negative impact on the employees at HCHB including:

- Significant reduction in the internal cleanliness of the building and possible health issues for employees.
- Reduction or elimination of HCHB elevator services and safety for over 4,000 patrons daily within the eight primary floors of the building.
- Possibility of significant rodent and insect infestation with potential health consequences to employees.
- Elimination of major portions of exterior landscaping, obvious to regular visitors to the National Aquarium and White House Visitors' Center as well as employees, affecting the efficiency and attractiveness of the building.

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INCREASE FOR 2010
(Dollar amounts in thousands)

Performance Measure

This program will support the Department's performance measure to acquire and maintain a diverse and highly qualified staff in mission-critical occupations by providing a clean and safe environment for employees. Outcome performance measures include continued maintenance of a safe and sanitary working environment for Department of Commerce staff and visitors.

Department of Commerce
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PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Departmental Staff Services
 Program change: Support Contracts

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>0</u>
12.1 Civilian personnel benefits	0
21 Travel and transportation of persons	0
24 Printing and reproduction	0
25.1 Consulting services	0
25.2 Other services	384
25.3 Purchase of goods and services from Government accounts	0
26 Supplies and materials	0
31 Equipment	0
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 <u>\$384</u>

Department of Commerce
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 INCREASE FOR 2010
 (Dollar amounts in thousands)

		<u>2010 Base</u>		<u>2010 Estimate</u>		<u>Increase/(Decrease) Over 2010 Base</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Departmental Staff Services	Pos/BA	0	0	0	2,371	0	2,371
	FTE/Obl.	0	0	0	2,371	0	2,371

Travel Management System – Office of Administrative Services

Federal Travel Regulation 301-73.101 requires implementation and full deployment of eTravel Service (eTS) for all Federal agencies. The DOC is fully committed to this initiative and anxious to take advantage of the many benefits that eTS promises to provide. We are working diligently toward full deployment across the Department; and, contingent upon funding, anticipate completing this initiative by FY 2011. It is critical that DOC receive the requested program increase which will provide the resources necessary to fully integrate Travel Authorization and Voucher Services; and an Online Booking Engine (OBE) integrated with financial service capability. Specifically, the increase will allow the Department to build an interface that will connect the OBE to the financial system. This integration will, in turn, allow for the electronic processing of vouchers to include direct payment to travelers and to the travelers' travel card, if applicable.

Further, we will provide comprehensive training to users, administrators, approvers, etc, to facilitate the most efficient use FedTraveler.com. The requested program increase will allow us to continue the implementation of all bureaus and provide customer support services to this end-to-end travel solution; thereby, maximizing the benefit and value of travel management services to the Government and the taxpayer.

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INCREASE FOR 2010
(Dollar amounts in thousands)

Performance Measure

This program will support the Department's travel management program and provide an automated system that will streamline and facilitate efficient travel services. Outcome performance measures include system availability, accuracy of travel authorization, approval chains/routing, travel management provider communications, on-line booking engine toll fulfillment, travel plan populated with reservation data, ability to view itinerary and change or cancel reservations, accuracy of voucher, e-mail notifications, ability to modify financial details, and to approve or reject travel documents for Department of Commerce staff.

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PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Departmental Staff Services
 Program change: Travel Management System

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>0</u>
12.1 Civilian personnel benefits	0
21 Travel and transportation of persons	0
24 Printing and reproduction	0
25.1 Consulting services	0
25.2 Other services	2,371
25.3 Purchase of goods and services from Government accounts	0
26 Supplies and materials	0
31 Equipment	0
32 Land and structures	<u>0</u>
 TOTAL OBLIGATIONS	 \$2,371

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 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2008 Actuals	2009 Operating Plan	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
11 Personnel compensation:					
11.1 Full-time permanent	50,763	62,950	68,150	70,160	2,010
11.3 Other than full-time permanent	797	671	753	775	22
11.5 Other personnel compensation	2,450	2,516	2,584	2,584	0
11.9 Total personnel compensation	54,009	66,137	71,487	73,519	2,032
12.1 Civilian personnel benefits	13,942	17,016	18,094	18,650	556
13 Benefits for former personnel	25	0	0	0	0
21 Travel and transportation of persons	654	683	743	789	46
22 Transportation of things	142	47	47	47	0
23.1 Rental payments to GSA	5,502	5,911	6,296	6,502	206
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	809	2,128	-5,151	-5,151	0
24 Printing and reproduction	218	271	277	286	9
25.1 Consulting services	0	0	0	385	385
25.2 Other services	30,619	29,192	29,941	33,965	4,024
25.3 Purchase of goods and services from Gov't accounts	11,793	10,351	10,351	10,449	98
26 Supplies and materials	3,434	1,504	1,534	1,552	18
31 Equipment	4,921	2,655	2,690	2,798	108
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	126,068	135,895 1/	136,309	143,791 2/	7,482

1/ Does not include carryover of 2008 unobligated balances.

2/ The object class are not the same as reflected in the MAX PresBud database because better estimate are now available.

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 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

<u>Personnel Data</u>	<u>2008 Actuals</u>	<u>2009 Operating Plan</u>	<u>2010 Base</u>	<u>2010 Estimate</u>	<u>Increase/ (Decrease) Over 2010 Base</u>
Full-Time Equivalent Employment:					
Full-time permanent	516	576	576	583	7
Other than full-time permanent	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>0</u>
Total	550	610	610	617	7
Authorized Positions:					
Full-time permanent	613	650	650	657	7
Other than full-time permanent	<u>61</u>	<u>64</u>	<u>64</u>	<u>64</u>	<u>0</u>
Total	674	714	714	721	7

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 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
11 Personnel compensation:				
11.1 Full-time permanent				
Senior executive level	16	2,066	2,766	700
General schedule	5,061	64,011	65,321	1,310
Wage Board	123	2,073	2,073	0
Subtotal	<u>5,200</u>	<u>68,150</u>	<u>70,160</u>	<u>2,010</u>
11.3 Other than full-time permanent:				
General schedule	66	620	641	21
Wage board	16	133	134	1
Experts & consultants	0	0	0	0
Hourly	0	0	0	0
Subtotal	<u>82</u>	<u>753</u>	<u>775</u>	<u>22</u>
11.5 Other personnel compensation:				
Overtime	0	587	587	0
SES performance awards	3	102	102	0
Cash awards	65	1,895	1,895	0
Subtotal	<u>68</u>	<u>2,584</u>	<u>2,584</u>	<u>0</u>
11.9 Total personnel compensation	<u>5,350</u>	<u>71,487</u>	<u>73,519</u>	<u>2,032</u>
12.1 Civilian personnel benefits:				
Civil service retirement system	(47)	1,675	1,732	57
Federal employees' retirement system	416	5,148	5,305	157
Thrift savings plan	116	1,872	1,930	58
Federal insurance contribution act (FICA) - OASDI	202	2,994	3,087	93
Medicare	55	1,259	1,299	40
Health insurance	268	4,180	4,310	130
Life Insurance	5	122	126	4
Employees' compensation fund	14	315	325	10
Other	49	529	536	7
Subtotal	<u>1,078</u>	<u>18,094</u>	<u>18,650</u>	<u>556</u>
13 Benefits for former personnel	0	0	0	0

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 Departmental Management
 Working Capital Fund
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
21 Travel and transportation of persons:				
Common carrier	0	270	270	0
Mileage	4	17	18	1
Per diem	56	378	423	45
Subsistence	0	0	0	0
Commercially-rented vehicles	0	0	0	0
Other	0	78	78	0
Subtotal	<u>60</u>	<u>743</u>	<u>789</u>	<u>46</u>
22 Transportation of things	0	47	47	0
23.1 Rental payments to GSA	385	6,296	6,502	206
23.2 Rental payments to others	0	0	0	0
23.3 Communication, utilities and miscellaneous charges:				
Rental of ADP equipment	0	0	0	0
Rental of office copying equipment	0	0	0	0
Utilities	-7,394	-7,394	-7,394	0
Federal telecommunications system	100	350	350	0
Other telecommunications services	0	1,257	1,257	0
Postal service by USPS	15	636	636	0
Other	0	0	0	0
Subtotal	<u>-7,279</u>	<u>-5,151</u>	<u>-5,151</u>	<u>0</u>
24 Printing and reproduction:				
In-house printing	6	249	257	8
Publications	0	3	4	1
Other	0	25	25	0
Subtotal	<u>6</u>	<u>277</u>	<u>286</u>	<u>9</u>

Department of Commerce
 Departmental Management
 Working Capital Fund
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
25.1 Consulting services:				
Management and professional support services	0	0	385	385
Studies, analyses and evaluations	0	0	0	0
Engineering and technical services	0	0	0	0
Subtotal	0	0	385	385
25.2 Other services:				
Training: University	142	1,088	1,088	0
Other	0	0	0	0
Maintenance of equipment	0	0	0	0
ADP services	0	0	0	0
Contract services	233	19,342	23,366	4,024
Other non-government contracts (CBS)	199	5,976	5,976	0
Other non-government contracts (Security Guards)		3,360	3,360	0
Charges from other agencies	175	175	175	0
Subtotal	749	29,941	33,965	4,024
25.3 Purchase of Goods and services from Gov't accounts:				
Training	0	0	0	0
Office of Personnel Management	0	0	0	0
GSA reimbursable services	0	0	0	0
Payments to OCS	0	23	23	0
Misc Svcs provided by other Federal (incl. Bldg. Del.)	0	10,328	10,426	98
Subtotal	0	10,351	10,449	98
26 Supplies and materials:				
Office supplies	26	129	146	17
ADP supplies	4	84	85	1
Other	0	1,321	1,321	0
Subtotal	30	1,534	1,552	18

Department of Commerce
 Departmental Management
 Working Capital Fund
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
31 Equipment:	35	2,690	2,798	108
41 Grants, subsidies and contributions	0	0	0	0
43 Interest and dividends	0	0	0	0
99 Total obligations	414	136,309	143,791	7,482
TOTAL OBLIGATIONS	414	136,309	143,791	7,482

Department of Commerce
Departmental Management
Working Capital Fund
Justification of Proposed Language Change

FY 2010:

Working Capital Fund - General Provisions

Notwithstanding any other law, the Secretary may furnish services (including but not limited to utilities, telecommunications, and security services) necessary to support the operation, maintenance, and improvement of space that persons, firms or organizations are authorized pursuant to the Public Buildings Cooperative Use Act of 1976 or other authority to use or occupy in the Herbert C. Hoover Building, Washington, D.C., or other buildings the maintenance, operation, and protection of which has been delegated to the Secretary from the Administrator of General Services pursuant to the Federal Property and Administrative Services Act of 1949, as amended, on a reimbursable or non-reimbursable basis. Amounts received as reimbursement for services provided under this section or the authority under which the use or occupancy of the space is authorized, up to \$200,000, shall be credited to the appropriation or fund which initially bears the costs of such services.

Department of Commerce
 Departmental Management
 Working Capital Fund
 DIRECT COST BY OFFICE
 (Dollar amounts in thousands)

	2008 Actuals			2009 Operating Plan			FY 2010 Estimate		
	POS	FTE	Amount	POS	FTE	Amount	POS	FTE	Amount
Offices:									
Human Resources Management	53	46	\$18,321	95	83	\$17,115	95	83	\$22,225
Civil Rights	23	13	1,980	23	13	2,981	23	13	3,055
Financial Management	61	44	14,008	57	46	14,694	57	46	15,653
Security	135	115	19,838	133	121	21,337	133	121	22,382
Administrative Services	114	97	21,385	111	101	24,221	111	101	20,091
Acquisition Management	25	26	6,020	26	27	5,932	26	27	6,062
Management and Organization	3	2	249	3	2	322	3	2	331
Subtotal, Departmental Staff Services	414	342	81,801	448	393	86,602	448	393	89,799
General Counsel	209	168	28,743	213	176	32,062	216	179	35,387
Chief Information Officer	38	29	14,077	40	30	15,322	44	34	16,647
Public Affairs	13	11	1,447	13	11	1,909	13	11	1,958
Total Working Capital Fund	674	550	\$126,068	714	610	\$135,895	721	617	\$143,791

1/ Does not include carryover of 2008 unobligated balances.

Department of Commerce
 Departmental Management
 Working Capital Fund
 DISTRIBUTION BY BUREAU
 (Dollar amounts in thousands)

	2008 Actuals	2009 Estimate	2010 Estimate
Office of the Secretary	\$9,695	\$10,067	\$10,149
International Trade Administration	29,067	30,897	32,119
Economic Development Administration	2,112	2,112	2,338
National Telecommunications and Information Administration	3,536	4,176	4,262
National Technical Information Service	527	390	388
Bureau of the Census	22,279	21,960	23,871
Economic and Statistics Administration	3,072	2,790	2,751
National Oceanic and Atmospheric Administration	35,670	38,901	41,944
National Institute of Standards and Technology	8,959	8,471	9,383
Patent and Trademark Office	3,824	3,439	3,439
Minority Business Development Agency	1,430	1,187	1,334
Bureau of Industry and Security	7,605	9,106	9,605
Technology Administration	-	-	-
Office of Inspector General	1,611	1,554	1,350
Office of Computer Services	380	368	381
Total Commerce Bureaus	<u>\$129,767</u>	<u>\$135,417</u>	<u>\$143,313</u>
Other Agencies	<u>395</u>	<u>478</u>	<u>478</u>
Total	\$130,162	\$135,895	\$143,791

Department of Commerce
 Departmental Management
 Franchise Fund
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Reimbursable Obligations
Estimate, 2009	21	21		12,480
less: Obligations from prior years				(2,718)
plus: Change in reimbursable activity				1,638
2010 Base	21	21	0	11,400
plus: program increase				0
2010 Estimate	21	21	0	11,400

	2008 Actuals		2009 Estimate		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Computer Services Pos./BA	21		21		21		21		0	
FTE/Obl.	16	8,304	21	12,480	21	11,400	21	11,400	0	0
TOTALS	21		21		21		21		0	
FTE/Obl.	16	8,304	21	12,480	21	11,400	21	11,400	0	0
Adjustments to Obligations:										
Recoveries		(8)								
Unobligated balance, start of year		(3,012)		(2,718)						
Unobligated balance, end of year		2,718		1,638						
Unobligated balance, expiring										
Financing from Transfers:										
Transfer from other accounts (-)										
Transfer to other accounts (+)										
Reimbursable Authority		8,002		11,400		11,400		11,400	0	0

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Department of Commerce
Departmental Management
Franchise Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goals

The goal of the Commerce Franchise Fund is to promote entrepreneurial business activities in common administrative services across the Federal Government. Congress established the Franchise Fund Pilot Program in the Government Management Reform Act (GMRA) of 1994 to allow market forces to improve the delivery of common administrative services. Under GMRA, Commerce participated in the Franchise Fund Pilot Program in FY 1997; however, in FY 2004 Commerce appropriation language established a permanent Franchise Fund.

The Department's Franchise Fund is composed of one service provider, the Office of Computer Services (OCS). OCS provides information technology services to the Department and to other federal entities, including the Department of Homeland Security and the Department of Energy.

Objectives

The objectives of OCS' business activities are to:

- create business-like operations that are:
 - self sustaining and capable of achieving full cost recovery,
 - completely competitive with no subsidies,
 - encouraging competition and allowing customers to take their business elsewhere.
- inject competition and market forces into the delivery of administrative services to lower costs as well as provide better services, and
- create a customer-oriented workforce that is capable of providing quality services and products.

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Exhibit 5

Department of Commerce
 Departmental Management
 Emergency Steel Guaranteed Loan Program
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

		Positions	FTE	Budget Authority	Direct Obligations
Currently Available, 2009		0	0	0	610
less: Obligations from prior years				0	(48,064)
less: Mandatory appropriations				0	0
plus: Unobligated balances, end of year				0	0
plus: 2010 Adjustments to Base		0	0	0	47,454
2010 Base		0	0	0	0
plus: Program change		0	0	0	0
2010 Estimate		0	0	0	0

		2008 Actuals		2009 Currently Available		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity:											
Guaranteed Loan Limit		0	0	0	0	0	0	0	0	0	0
Loan Subsidy											
	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Administrative Expenses											
	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	467	0	610	0	0	0	0	0	0
Modification Costs											
	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	1,152	0	0	0	0	0	0	0	0
Credit Reestimates											
	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
TOTALS											
	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	1,619	0	610	0	0	0	0	0	0
Adjustments to Obligations:											
	Mandatory Appropriations		0		0		0		0		0
	Recoveries/Refund		(4)		0		0		0		0
	Unobligated balance, start of year		(49,679)		(48,064)		(47,454)		(47,454)		0
	Unobligated balance, lapsing		0		0		0		0		0
	Unobligated balance, end of year		48,064		47,454		47,454		47,454		0
	Unobligated balance, withdrawn		0		0		0		0		0
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Budget Authority (Proposed Rescission)			0		0		0		0		0

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Department of Commerce
 Departmental Management
 Emergency Steel Guaranteed Loan Program
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
Currently Available, 2009	0	0	0	0
less: Obligations from prior years			0	0
less: Mandatory appropriations				0
plus: Unobligated balances, end of year			0	0
plus: 2010 Adjustments to Base	0	0	0	0
2010 Base	0	0	0	0
plus: Program change	0	0	0	0
2010 Estimate	0	0	0	0

Comparison by activity:	2008 Actual		2009 Currently Available		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Guaranteed Loan Limit	0	0	0	0	0	0	0	0	0	0
Loan Subsidy	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Administrative Expenses	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Credit Reestimates	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	2,739	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	2,739	0	0	0	0	0	0	0
Adjustments to Obligations:										
Mandatory Appropriations		(2,739)		0		0		0		0
Recoveries/Refund		0		0		0		0		0
Unobligated balance, start of year		0		0		0		0		0
Unobligated balance, lapsing		0		0		0		0		0
Unobligated balance, end of year		0		0		0		0		0
Unobligated balance, withdrawn		0		0		0		0		0
Financing from Transfers:										
Transfer from other accounts (-)										
Transfer to other accounts (+)										
Budget Authority (Proposed Rescission)		0		0		0		0		0

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Department of Commerce
 Departmental Management
 Emergency Steel Guaranteed Loan Program
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2008 Actuals	2009 Currently Available	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
Total Obligations (includes Discretionary and Mandatory balances)	4,358	610	0	0	0
Offsetting collections from:					
Federal funds					
Trust funds					
Technical Adjustment					
Recoveries/Refund	(4)	0	0	0	0
Mandatory Appropriations	(2,739)	0	0	0	0
Unobligated balance, start of year	(49,679)	(48,064)	(47,454)	(47,454)	0
Unobligated balance, lapsing	0	0	0	0	0
Unobligated balance, end of year	48,064	47,454	47,454	47,454	0
Unobligated balance, withdrawn	0	0	0	0	0
Budget Authority	0	0	0	0	0

Department of Commerce
 Departmental Management
 Emergency Steel Guaranteed Loan Program
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2008 Actuals	2009 Currently Available	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
11 Personnel compensation:					
11.1 Full-time permanent	31	32	0	0	0
11.3 Other than full-time permanent	3	3	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	<u>34</u>	<u>35</u>	<u>0</u>	<u>0</u>	<u>0</u>
12.1 Civilian personnel benefits	9	9	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	1,576	566	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	<u>1,619</u>	<u>610</u>	<u>0</u>	<u>0</u>	<u>0</u>
Mandatory Appropriations	0	0			
Recoveries/Refund	(4)	0	0	0	0
Unobligated balance, start of year	(49,679)	(48,064)	(47,454)	(47,454)	0
Proposed Rescission of Unobligated Balance	0	0	0	0	0
Plus Unobligated Balance End of Year	<u>48,064</u>	<u>47,454</u>	<u>47,454</u>	<u>47,454</u>	<u>0</u>
TOTAL BUDGET AUTHORITY	0	0	0	0	0

Department of Commerce
 Departmental Management
 Emergency Oil and Gas Guaranteed Loan Program
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
Currently Available, 2009	0	0	0	326
less: Obligations from prior years			0	(326)
plus: Mandatory appropriations			0	0
plus: Unobligated balance, withdrawn			0	0
plus: Unobligated balance, end of year			0	0
plus: 2010 Adjustments to base			0	0
2010 Base	0	0	0	0
plus: Program change			0	0
2010 Estimate	0	0	0	0

Comparison by activity:	2008 Actuals		2009 Currently Available		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Guaranteed Loan Limit	0	0	0	0	0	0	0	0	0	0
Loan Subsidy	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Administrative Expenses	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	79	0	326	0	0	0	0	0
Credit Reestimates	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	79	0	326	0	0	0	0	0
Adjustments to Obligations:										
Mandatory Appropriations		0		0						
Recoveries		0								
Unobligated balance, start of year		(405)		(326)		0		0		0
Unobligated balance, transferred		0								
Unobligated balance, end of year		326								
Unobligated balance, withdrawn (unused subsidy)		0		0		0		0		0
Financing from Transfers:										
Transfer from other accounts (-)										
Transfer to other accounts (+)										
Budget Authority		0		0		0		0		0

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Department of Commerce
 Departmental Management
 Emergency Oil and Gas Guaranteed Loan Program
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	<u>2008</u> Actuals	<u>2009</u> Currently Available	<u>2010</u> Base	<u>2010</u> Estimate	Increase/ (Decrease) Over 2010 Base
Total Obligations	79	326	0	0	0
Offsetting collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries	0	0			
Mandatory Appropriations	0	0			
Unobligated balance, start of year	(405)	(326)	0	0	0
Unobligated balance, transferred	0	0			
Unobligated balance, end of year	326	0			
Unobligated balance, withdrawn	0	0			
Budget Authority	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Department of Commerce
 Departmental Management
 Emergency Oil and Gas Guaranteed Loan Program
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2008 Actuals	2009 Currently Available	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
11 Personnel compensation:					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	0	0	0	0	0
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	79	326	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	79	326	0	0	0
Mandatory Appropriation	0	0	0	0	0
Unobligated Balance, start of year	(405)	(326)	0	0	0
Unobligated Balance, end of year	326				
Unobligated Balance, withdrawn		0	0	0	0
Less prior year recoveries		0	0	0	0
TOTAL BUDGET AUTHORITY	0	0	0	0	0

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
President's Budget, 2009	0	0	5,000	7,512
less: Obligations from prior years			0	(2,512)
plus: Transfers of unobligated balances			0	0
less: 2010 Adjustment to Base		0	(5,000)	(5,000)
2010 Base	0	0	0	0
plus: program increase		5	22,500	22,500
2010 Estimate	0	5	22,500	22,500

Comparison by activity:		2008 Enacted		2009 Estimate		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation	Pos./BA	0	3,722	0	5,000	0	0	5	22,500	5	22,500
	FTE/Obl.	0	1,210	0	7,512	0		5		5	
TOTALS	Pos./BA	0	3,722	0	5,000	0	0	5	22,500	5	22,500
	FTE/Obl.	0	1,210	0	7,512	0		5		5	
Adjustments to Obligations:											
Recoveries											
	Unobligated balance, start of year		0		(2,512)						
	Unobligated balance, end of year		2,512								
Financing from Transfers:											
Transfer from other accounts (-)											
Transfer to other accounts (+)											
Appropriation			3,722		5,000		0		22,500		22,500

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Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2008 Actual	2009 Estimate	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
Total Obligations	1,210	7,512	0	22,500	22,500
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	0	0	0	0
Unobligated balance, start of year	0	(2,512)	0	0	0
Unobligated balance, end of year	2,512	0	0	0	0
Budget Authority	<u>3,722</u>	<u>5,000</u>	<u>0</u>	<u>22,500</u>	<u>22,500</u>
Financing:					
Unobligated balance, rescission	0	0	0	0	0
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	<u>3,722</u>	<u>5,000</u>	<u>0</u>	<u>22,500</u>	<u>22,500</u>

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity:		2008 Actual		2009 Estimate		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation and Modernization	Pos./BA	0	3,722	0	5,000	0	0	5	22,500	5	22,500
	FTE/Obl.	0	1,210	0	7,512	0	0	5	0	5	0
TOTALS	Pos./BA	0	3,722	0	5,000	0	0	5	22,500	5	22,500
	FTE/Obl.	0	1,210	0	7,512	0	0	5		5	

Department of Commerce
Departmental Management
HCHB Renovation and Modernization
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goals

The goal of this project is to complement GSA's Systems Replacement Project in which they will provide major upgrades to the existing utilities, electrical, heating, ventilation, air conditioning, and Life Safety Systems that are beyond their useful life and deteriorating. The FY 2010 request will support the Department's focus on its most critical systems.

Objectives

The objective of this thirteen-year project is to replace existing building equipment and systems to extend the HCHB's useful life by:

- Replacing the Heating, Ventilation and Air Conditioning Systems (HVAC);
- Increasing energy efficiency;
- Replacing obsolete, non-repairable building equipment and their components;
- Conforming to current building codes and industry standards;
- Replacing obsolete and unsafe electrical panels, wires and connections;
- Replacing deteriorating piping;
- Improving the workplace environment;
- Improving window security from ballistic attacks

Department of Commerce
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 HCHB Renovation and Modernization
 INCREASE FOR FY 2010
 (Dollar amounts in thousands)

Comparison by Activity:		2010 Base		2010 Estimate		Increase/(Decrease) Over 2010 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Departmental Staff Services	Pos. /BA FTE/Obl.	0 0	\$0	5 5	\$22,500	5 5	\$22,500

Program: HCHB Modernization Project

The HCHB renovation and modernization plan combines Department of Commerce (DoC) and General Services Administration (GSA) solutions to address major building systems (mechanical, electrical, plumbing, heating, ventilation, air conditioning, and life safety systems) that are beyond their useful life and deteriorating. The GSA 8-phase modernization project provides a solution that will target new efficient mechanical, electrical, and plumbing systems; new life safety systems; security improvements and historic restoration. The FY 2010 request reflects the Department's continued focus in supporting the systems and renovation of HCHB. The GSA and Commerce are each responsible for certain aspects of the project's costs. Commerce's request for FY 2010 is needed to complement funding provided by GSA through the American Reinvestment and Recovery Act.

The Department is requesting \$22.5 million (that is available until expended) to complete tenant build out of swing spaces, move employees to temporary swing spaces and disassemble workstations and furniture, consolidate the server rooms into a single data center and re-align and wire numerous LAN/telecommunication closets as well as installing blast windows. The costs associated with this request include:

DOC Construction Cost/Furniture	3,430
Security	144
IT	
-- Consolidated Server Room	8,882
-- Align and Rewiring LAN Closets	2,091
Emergency Power Systems	1,400
FTEs (5)	653
Blast Windows	5,900
Total	\$22,500

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DOC Construction Cost / Furniture

Funds are requested to build-out spaces impacted by Phase 2 of the renovation project and continue onto Phase 3. In preparation for Phase 3 construction, current spaces need to be reconfigured to support the relocation of the DoC maintenance shops; DoC Federal Credit Union; document storage areas for DoC and its bureaus; DoC security guards' locker rooms and virtual shooting range; and supply support areas. This work is required to relocate these tenants out of the Phase 2 area. Funds are also required to purchase and install new bicycle racks to meet Leadership in Energy & Environmental Design (LEED) certification requirements.

In Phase 2, it will be necessary to disassemble and store workstations, and office and conference room furnishings. Funding is requested to move the 440 employees to the swing spaces as a direct result of Phase 2 construction, assist in migration planning, establishing a transition schedule and furniture/equipment inventory management plan, and coordinate and execute the moves. Existing furniture will be disassembled and stored by the GSA construction contractor. Computers, professional office support equipment and furnishings, and limited official files will be moved with the employees to the swing spaces constructed during Phase 1.

Funds are also required to support Phase 2 technical reviews, the test, and evaluation of the systems prior to Government acceptance, and Phase 3 DOC design requirements.

Security

Funding is necessary to cover costs associated with security related wiring and the replacement of cameras and card readers in the Phase 2 area to ensure the security of the HCHB at all times during construction.

Information Technology (IT)/ HCHB Consolidated Server Room

In FY 2010, funds are requested to refurbish and equip sixth floor office spaces to establish a consolidated network operations center (NOC) to support approximately 4,000 Department of Commerce mission critical employees and contractors. This will include providing and installing-fiber optic cables and server support. A consolidated server room will reduce redundancy and improve efficiency. Each of the current server rooms require 24 hours a day power for equipment and cooling; monitoring systems to ensure that equipment is functioning properly; security systems to prevent unauthorized intrusion; and government and contractor staff to maintain equipment and provide computer services. By consolidating all server needs into one location, a monitored environmentally-friendly site will provide dual power and redundancy for fail over operations. This area will house all HCHB server requirements and NTIA classified server requirements.

During Phase 2, the telecommunication services will be migrated to the new NOC as a critical-requirement to maintain services for HCHB occupants. Without a centralized NOC, there is high risk that telecommunications services will be severed during the various demolition phases. By relocating the main telecommunication lines early in the renovation process, it will reduce the risk of widespread outages, which would negatively affect the mission of DOC. During the HCHB Renovation, additional contractor support is needed to re-wire office areas and move telecommunications closets during each phase.

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INCREASE FOR FY 2010
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Emergency Power Systems

To ensure continued emergency operations, DOC requests funds to purchase and install an emergency power distribution system. This system with an emergency generator, wiring, and automatic transfer switches will support the Emergency Operations Center (EOC), Guard Dispatch Center, Server Suite, Security Digital Video Center, telephone closets, Network Operations Centers, and existing air handling units serving these areas. The current power distribution system does not have an emergency power back-up system. If power is lost to the building, these vital functions will be lost until normal power is restored.

FTEs

Additional funding is requested for five FTEs, three Engineering Technicians, one IT Specialist, and one Management Assistant. The Engineering Technicians will:

- Conduct evaluations and advise management on program and operations efficiency and productivity.
- Assist in space planning, facilities and design.
- Assist engineers with the planning and review of building plans.
- Conduct quality control of work being performed.
- Assist with the development of estimated labor cost, equipment, and life cycle maintenance cost.
- Interface with tenants of the building and address concern.

The IT Specialist will oversee the IT aspects of the renovation and act as the Contracting Officer's Representative (COR) for the HCHBNet support contract.

The Assistant will function as the Office Manager responsible for daily routine administrative functions, i. e. control correspondence; maintain records and technical actions or programs as well as preparing status of fund documents; and assisting with the development and reproduction of required briefs and reports.

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 HCHB Renovation and Modernization
 PROGRAM CHANGE PERSONNEL DETAIL

Activity: HCHB Renovation and Modernization
 Program Change: HCHB Renovation and Modernization Project

<u>Title</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Salary</u>
Management Analyst/ IT Specialist	ZA-IV	4	115,000	460,000
Secretary/Clerk	ZS-III	1	50,000	50,000
Subtotal		<u>5</u>	<u>165,000</u>	<u>510,000</u>
		0		0
		<u>5</u>		<u>510,000</u>

Personnel Data

Full time Equivalent Employment				
Full-time permanent		5		
Other than full-time permanent		0		
Total		<u>5</u>		
Authorized Positions				
Full-time permanent		5		
Other than full-time permanent		0		
Total		<u>5</u>		

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 HCHB Renovation and Modernization
 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: HCHB Renovation and Modernization
 Program change: HCHB Renovation and Modernization Project

<u>Object Class</u>	<u>2010 Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	510
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>510</u>
12.1 Civilian personnel benefits	143
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Consulting services	0
25.2 Other services	20,447
25.3 Purchase of goods and services from Government accounts	0
26 Supplies and materials	0
31 Equipment	1,400
32 Land and structures	<u>0</u>
TOTAL OBLIGATIONS	22,500

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 HCHB Renovation and Modernization
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2008 Actuals	2009 Estimate	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
11 Personnel compensation:					
11.1 Full-time permanent	0	0	0	510	510
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>510</u>	<u>510</u>
12.1 Civilian personnel benefits	0	0	0	143	143
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	1,210	7,512	0	20,447	20,447
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	1,400	1,400
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
99 Total obligations	1,210	7,512	0	22,500	22,500
Less prior year recoveries			<u>0</u>	<u>0</u>	<u>0</u>
TOTAL BUDGET AUTHORITY			0	22,500	22,500

Department of Commerce
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 HCHB Renovation and Modernization
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Personnel Data	2008 Actuals	2009 Estimate	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
Full-Time Equivalent Employment:					
Full-time permanent	0	0	0	5	5
Other than full-time permanent	0	0	0	0	0
Total	0	0	0	5	5
Authorized Positions:					
Full-time permanent	0	0	0	5	5
Other than full-time permanent	0	0	0	0	0
Total	0	0	0	5	5

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 HCHB Renovation and Modernization
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
11 Personnel compensation:				
11.1 Full-time permanent				
Executive level	0	0	0	0
Senior executive service	0	0	0	0
General schedule	0	0	510	510
Subtotal	0	0	510	510
11.3 Other than full-time permanent:				
General schedule	0	0	0	0
11.5 Other personnel compensation:				
Overtime	0	0	0	0
SES performance awards	0	0	0	0
Cash awards	0	0	0	0
Subtotal	0	0	0	0
11.9 Total personnel compensation	0	0	510	510
12.1 Civilian personnel benefits:				
Civil service retirement system	0	0	14	14
Federal employees' retirement system	0	0	57	57
Thrift savings plan	0	0	11	11
Federal insurance contribution act (FICA) - OASDI	0	0	30	30
Medicare	0	0	0	0
Health insurance	0	0	30	30
Life Insurance	0	0	1	1
Employees' compensation fund	0	0	0	0
Subtotal	0	0	143	143
13 Benefits for former personnel	0	0	0	0

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 HCHB Renovation and Modernization
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
21 Travel and transportation of persons:				
Common carrier	0	0	0	0
Foreign	0	0	0	0
Mileage	0	0	0	0
Per diem/actual	0	0	0	0
Vehicular	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
22 Transportation of things				0
23.1 Rental payments to GSA	0	0	0	0
23.2 Rental payments to others	0	0	0	0
23.3 Communication, utilities and miscellaneous charges:				
Rental of ADP equipment				
Rental of office copying equipment				
Other equipment rental				
Federal telecommunications system	0	0	0	0
Other telecommunications services	0	0	0	0
Postal service by USPS	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
24 Printing and reproduction:				
Publications	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0

Department of Commerce
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 HCHB Renovation and Modernization
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
25.1 Consulting services:				
Management and professional support services				
Studies, analyses and evaluations				
Engineering and technical services				
Subtotal	0	0	0	0
25.2 Other services:				
Training University	0	0	0	0
Other	0	0	0	0
Maintenance of equipment	0	0	0	0
ADP services	0	0	0	0
Telecommunications services	0	0	0	0
Other non-government contracts	0	0	20,447	20,447
Other	0	0	0	0
Subtotal	0	0	20,447	20,447
25.3 Purchase of Goods and services from Gov't accounts:				
Office of personnel management	0	0	0	0
GSA reimbursable services	0	0	0	0
Other (NARA)	0	0	0	0
CBS (Bureau Shared)	0	0	0	0
Other (incl Bldg. Del.)	0	0	0	0
Payments to DM's WCF	0	0	0	0
Subtotal	0	0	0	0
26 Supplies and materials:				
Office supplies	0	0	0	0
ADP supplies	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0

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 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2010 Adjustments to Base	2010 Base	2010 Estimate	Increase/ (Decrease) Over 2010 Base
31 Equipment:				
Office machines and equipment	0	0	0	0
ADP hardware	0	0	0	0
ADP software	0	0	0	0
Other	0	0	1,400	1,400
Subtotal	<u>0</u>	<u>0</u>	<u>1,400</u>	<u>1,400</u>
41 Grants, subsidies and contributions				
43 Interest and dividends				
99 Total obligations	<u>0</u>	<u>0</u>	<u>22,500</u>	<u>22,500</u>
Less prior year recoveries				
TOTAL BUDGET AUTHORITY	<u>0</u>	<u>0</u>	<u>22,500</u>	<u>22,500</u>

Department of Commerce
Departmental Management
HCHB Renovation and Modernization
Justification of Proposed Language Change

HCHB Renovation and Modernization

For expenses necessary for the renovation and modernization of the Herbert C. Hoover Building and Blast Windows, [\$3,722,000] \$22,500,000, to remain available until expended.

This language proposes \$22,500,000 to finance, on an available until expended basis, the Department's expenses associated with Phase 1 of the Herbert C. Hoover Building (HCHB) renovation and modernization project and the design, planning and installation of Blast Mitigation Windows.

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