

Departmental Management

Within Departmental Management (DM), the Salaries and Expenses (S&E) account provides funding for the Office of the Secretary, Deputy Secretary, and support staff. DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch and Congressional and private sector groups, and acts as the management and administrative control point for the Department. The S&E account contains two activities: Executive Direction, which develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Department's mission; and Departmental Staff Services, which develops and implements the Department's internal policies, procedures, and other administrative guidelines.

For FY 2012, the Department seeks an increase in the S&E account to fund the CommerceConnect initiative. CommerceConnect links American businesses to a portfolio of DOC and other Federal, state and local partner resources that enable client companies to become globally competitive. These services are provided, faster and more comprehensively, through a coordinated one-stop Federal assistance framework consisting of a web-based portal, a call center, one dedicated field office in Michigan, existing bureau field offices, a customer relationship management (CRM) system and program knowledgebase. In addition, the headquarters office will be responsible for ensuring the resource coordinator network is established and providing the necessary program content to support the initiative.

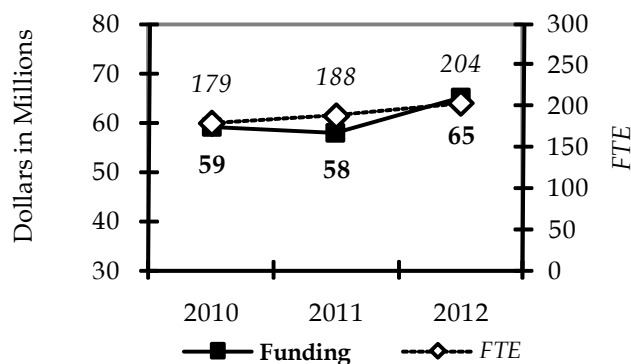
DM seeks an increase in funding to establish an Enterprise Cybersecurity Monitoring and Operations capability. Currently, the Department lacks centralized enterprise-wide cybersecurity capabilities necessary to provide Department-level situational awareness, a single, common operating picture of security for the Department's systems, remediation and response, and other centralized functions necessary to monitor and manage the Department's cybersecurity posture. Commerce plans to establish a multifunction cybersecurity center that will be responsible for security operations, assisting in incident handling and reporting, intelligence gathering, and threat/risk assessment/analysis to ensure confidentiality, integrity, and availability of Commerce data and information systems.

The Herbert C. Hoover Building (HCHB) Renovation and Modernization account will continue activities that focus on the most critical systems to address major building infrastructure deficiencies and security weaknesses. The account will also fund the installation of new IT/Telecommunications networks and the build out of special use spaces for Phase 3.

DM also includes the non-appropriated Advances and Reimbursements (A&R), Working Capital Fund (WCF), and Franchise Fund accounts. The A&R account provides a centralized collection and payment point for special short-term tasks or pass-through costs that encompass several of the Department's bureaus. The WCF finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis, such as legal, security, building management, IT, and procurement services. The Franchise Fund is a fee-for-service organization and recently closed its IT hosting facility. The Department is currently considering the advisability of retaining the Franchise Fund, its operations and the location of the services.

DM also includes the Emergency Steel and Emergency Oil & Gas Guaranteed Loan Programs, enacted in FY 1999 to assist companies in the steel, oil, and gas industries. While loan subsidy for the Steel Program is available, the steel industry has experienced a recovery since the program was created and only three loans have been made through the program – none since 2003. There are no outstanding loans. As a result, the President's Budget proposes to rescind \$43 million of the remaining balance and leave \$5 million in the account to cover any unlikely potential future requirements. Authority for the Emergency Steel Loan Guarantee Board expires on December 31, 2011.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	<u>2010 Actual</u>	<u>2011 CR (Annualized)</u>	<u>2012 Estimate</u>	<u>Increase (Decrease)</u>
Salaries and Expenses	\$58,000	\$58,000	\$64,871	\$6,871
Enterprise Cybersecurity Monitoring and Operations	0	0	22,612	22,612
HCHB Renovation and Modernization	22,500	22,500	16,150	(6,350)
Emergency Steel Guar. Loan Program	0	0	(43,000)	(43,000)
TOTAL APPROPRIATION	80,500	80,500	60,633	(19,867)

Transfer from U.S. AID, 22USC2392(a) 1,300

Budget Authority

Salaries and Expenses	59,300	58,000	64,871	6,871
Enterprise Cybersecurity Monitoring and Operations	0	0	22,612	22,612
HCHB Renovation and Modernization	22,500	22,500	16,150	(6,350)
Emergency Steel Guar. Loan Program	0	0	(43,000)	(43,000)
TOTAL DISCRETIONARY BUDGET AUTHORITY	81,800	80,500	60,633	(19,867)

Mandatory Appropriation

Gifts & Bequests Trust Fund	1,241	900	900	0
TOTAL MANDATORY	1,241	900	900	0

FTE

Salaries and Expenses	179	188	204	16
Reimbursable	58	60	60	0
Enterprise Cybersecurity Monitoring and Operations	0	0	12	12
HCHB Renovation and Modernization	0	5	5	0
Working Capital Fund	615	610	612	2
Franchise Fund	11	0	0	0
Total FTE	863	863	893	30

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			188	\$58,000
Adjustments to Base				
<u>Adjustments</u>				
Restoration of base				404
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$43)		
Federal Employees Retirement System (FERS)		71		
Thrift Savings Plan		25		
Federal Insurance Contributions Act (FICA) - OASDI		(17)		
Health insurance		120		
Employees' Compensation Fund		(3)		
Travel				
Per Diem		11		
Mileage		(1)		
Rent payments to GSA		69		
Printing and reproduction		1		
Other services:				
Working Capital Fund		345		
NARA		(1)		
Utilities (Electricity & Water)		218		
General Pricing Level Adjustments:				
Communications and miscellaneous charges		25		
Other services		119		
Supplies and materials		4		
Equipment		23		
Subtotal, other cost changes		<hr/>	0	966
Less Amount Absorbed			<hr/> 0	(653)
TOTAL, ADJUSTMENTS TO BASE			<hr/> 0	717
2012 Base			188	58,717
Administrative Savings			(3)	(1,846)
Program Changes			19	8,000
2012 APPROPRIATION			<hr/> 204	64,871

Note: The distribution of administrative savings reflected in this table are based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Executive Direction	95	\$32,295	95	\$31,337	104	\$37,469	9	\$6,132
Departmental Staff Services	93	27,045	93	27,380	100	27,402	7	22
TOTAL DIRECT OBLIGATIONS	188	59,340	188	58,717	204	64,871	16	6,154
ADVANCES & REIMBURSEMENTS								
COMMITTS	0	4,000		4,000		4,000	0	0
GSA Rent	0	34,080		34,200		34,200	0	0
Other	60	49,900	60	48,800	60	48,800	0	0
Total Reimbursable Obligations	60	87,980	60	87,000	60	87,000	0	0
TOTAL OBLIGATIONS	248	147,320	248	145,717	264	151,871	16	6,154
FINANCING								
Unobligated balance, start of year (Direct)		(1,340)						
Unobligated balance, start of year (Reimbursable)		(1,980)						
Offsetting collections from:								
Federal funds	(60)	(86,000)			(60)	(87,000)		
Subtotal, financing	(60)	(89,320)			(60)	(87,000)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	188	58,000			204	64,871		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Administrative Savings	0	\$0	-3	-\$1,846

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, DM has identified \$1,846,000 in administrative savings, with an additional \$982,000 in savings identified through the Department’s Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). The DM reductions include downgrades of personnel, vacancies left unfilled, eliminating FTE, and reducing non-critical contracts such as administrative support and technical support. Other reductions include discontinuation of subscriptions and eliminating intern programs. The Department continues to find alternative solutions to work smarter with less while increasing efficiency with existing resources. The \$2,828,000 in administrative savings identified above represent real reductions to DM’s funding level and will help reduce overall spending by the Federal government.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Management Efficiencies	0	\$0	-4	-\$840

Departmental Management requests this decrease as part of the consolidated savings effort to reduce cost and increase efficiencies. In an effort to support the objective to reduce non-security discretionary spending, Departmental Management assessed the priorities and programs within the organization to identify areas for reduction. The reductions include eliminating FTE, travel expenses, and reducing non-critical contracts.

CommerceConnect Coordination	0	\$0	+3	+\$2,410
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CommerceConnect assists American businesses by efficiently and effectively connecting them with Department of Commerce programs, products, and services. This funding increase will be used to setup the headquarters office which will provide oversight to the overall program, and work to formalize the CommerceConnect work plan, establish metrics, and develop policy parameters. In addition, the headquarters office will be responsible for ensuring the resource coordinator network is established and providing the necessary program content to support the initiative, including the web-based portal, the call center, and the customer relationship management system. This office will provide oversight and coordination as new offices are established across the U.S. to help address local and regional economic challenges. This funding increase also includes the establishment of Virtual CommerceConnect, which provides the information technology infrastructure to fully integrate all the components of the CommerceConnect initiative and captures, maintains, and shares client and program information through a cloud computing solution. The funding will be used to support: an interactive virtual assistance center to intuitively direct businesses to services that meet their needs; the customer relationship management (CRM) system for tracking services to business clients and performance metrics; and the development and maintenance of a robust program knowledgebase for knowledge sharing and cross-training of bureau staff. CommerceConnect and the U.S. Small Business Administration (SBA) will explore opportunities for collaboration to enhance responsiveness to the business community through integrated service delivery. CommerceConnect and the Small Business Administration are interested in accelerating their efforts to assist businesses by providing a true one-stop shopping experience for businesses and a no wrong door approach to getting information.

IT Cyber Security	11	\$6,900	+14	+\$5,052
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Increased malicious activities targeting government information systems have caused OMB, the Department of Homeland Security (DHS), and the national intelligence community to mandate that Federal agencies, including the Department of Commerce, implement enhancements to ensure stringent continuous monitoring and reporting of network activity with enhanced incident response capability. This funding requested through the appropriated Salaries and Expenses account will be used to augment enterprise-level forensics support and security, invest in additional IT security capabilities, and reduce the number of external internet connections to reduce the risk of internet based cyber attacks. Without the additional funds, the Department could not extend these services to protect sensitive agency information adequately.

Acquisition Initiative	14	\$2,117	+6	+\$1,378
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During the last decade, the federal government increased its reliance on obtaining needed goods and services from contractors. However, as the acquisition workload has increased, the number of acquisition specialists within the federal government has continued to decrease. The Administration identifies acquisition workforce development as a pillar for strengthened agency acquisition practices and improved government performance. Funds will be used to hire contract specialists and provide training, analytical tools, and increased oversight of the bureaus' acquisition activities.

Appropriation: Enterprise Cybersecurity Monitoring and Operations

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$0
Adjustments to Base	0	0
2012 Base	0	0
Program Changes	12	22,612
2012 APPROPRIATION	12	22,612

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Cybersecurity Monitoring & Operations	0	\$0	0	\$0	12	\$22,612	12	\$22,612
TOTAL DIRECT OBLIGATIONS	0	0	0	0	12	22,612	12	22,612
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	0	0	0	0	12	22,612	12	22,612
FINANCING								
Unobligated balance, start of year	0	0			0	0		
Subtotal, financing	0	0			0	0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			12	22,612		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Enterprise Cybersecurity Monitoring and Operations	0	\$0	+12	+\$22,612

DM seeks an increase in funding to establish an Enterprise Cybersecurity Monitoring and Operations capability. The Department lacks centralized enterprise-wide cybersecurity capabilities necessary to provide Department-level situational awareness, a single common operating picture of security for the Department’s systems, remediation and response, and other centralized functions necessary to monitor and manage the Department’s cybersecurity posture. Commerce plans to establish a multifunction cybersecurity center that will be responsible for security operations, assisting in incident handling and reporting, intelligence gathering, and threat/risk assessment/analysis to ensure confidentiality, integrity, and availability of Commerce data and information systems.

Commerce requests an increase of \$22.6 million and 12 FTEs to establish: an enterprise management system to generate compliance violation alerts; an end-point protection system; a vulnerability scanning system; a remote system deployment; and security event correlation. With this funding, several critical cybersecurity objectives can be met by establishing an initial level of operating capability for enterprise-wide information assurance to receive near real-time cybersecurity monitoring, situational awareness and staffing to support security operations.

Appropriation: HCHB Renovation and Modernization

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	5	\$22,500
Adjustments to Base	(5)	(22,500)
2012 Base	0	0
Program Changes	5	16,150
2012 APPROPRIATION	5	16,150

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
HCHB Renovation & Modernization	5	\$30,693	0	\$0	5	\$16,150	5	\$16,150
TOTAL DIRECT OBLIGATIONS	5	30,693	0	0	5	16,150	5	16,150
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	5	30,693	0	0	5	16,150	5	16,150
FINANCING								
Unobligated balance, start of year	0	(8,193)			0	0		
Subtotal, financing	0	(8,193)			0	0		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	5	22,500			5	16,150		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
HCHB Renovation and Modernization Project	0	\$0	5	+\$16,150

The Department has worked with the General Services Administration (GSA) to develop an eight-phase solution to address major deficiencies in the building's infrastructure (mechanical, electrical, plumbing, fire and life safety, and security). Funds are requested to complete Phase 2 and prepare for Phase 3. The Department's funding will directly impact GSA's construction schedule, which is now funded through the completion of Phase 3. This request reflects the Department's focus on its most critical systems and provides a secure space to move employees during each phase while GSA updates, replaces, and renovates HCHB's major systems. This investment will also allow the Department to address high priority security, information technology/ telecommunications, and emergency power requirements to improve services to employees and contractors by improving their quality of life. The replacement of the antiquated mechanical, electrical, and plumbing systems will result in increased energy and environmental efficiencies. Additionally, the installation of blast resistant windows will not only improve building security, but will further insulate existing windows and thereby increase energy efficiencies as well.

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 Operating Level			610	\$148,661
Adjustments to Base				
<u>Adjustments</u>				
Restoration of base				1,688
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$119)		
Federal Employees' Retirement System (FERS)		199		
Thrift Savings Plan		34		
Federal Insurance Contributions Act (FICA) - OASDI		4		
Health insurance		349		
Travel:				
Mileage		(2)		
Per Diem		22		
Rent payments to GSA		65		
Commerce Business System		194		
General Pricing Level Adjustment:				
Communications and miscellaneous		21		
Printing and reproduction		4		
Other services		609		
Supplies and materials		20		
Equipment		30		
Subtotal, other cost changes			0	1,430
TOTAL, ADJUSTMENTS TO BASE			0	3,118
2012 Base			610	151,779
Administrative Savings			(17)	(6,384)
Program Changes			19	20,335
2012 OPERATING LEVEL			612	165,730

Comparison by Activity

REIMBURSABLE OBLIGATIONS	2011 Operating Level		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Executive Direction	225	\$55,384	225	\$56,313	222	\$61,060	(3)	\$4,747
Departmental Staff Services	385	93,277	385	95,466	390	104,670	5	9,204
TOTAL REIMBURSABLE OBLIGATIONS	610	148,661	610	151,779	612	165,730	2	13,951
FINANCING								
Unobligated balance, start of year		(2,704)						
Offsetting collections from:								
Federal funds	(610)	(145,957)			(612)	(165,730)		
Subtotal, financing	(610)	(148,661)			(612)	(165,730)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Administrative Savings

Administrative Savings	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Administrative Savings	0	\$0	-17	-\$6,384

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing administrative costs, \$6,384,000 in administrative savings have been identified in the WCF. The WCF reductions include eliminating FTE, filling positions at lower grades, reducing contracts, supplies and overtime. The benefits of these reductions reside with the bureaus that will be able to use these costs savings as part of their administrative savings and apply the funds toward the highest priority programs in the Department. The \$6,384,000 in administrative savings identified above represent real reductions to DM's WCF funding level.

Highlights of Program Changes

Executive Direction

CommerceConnect Field Offices	0	\$0	+5	+\$830
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CommerceConnect aligns American businesses and communities with a portfolio of the Department and other Federal resources that enable client companies to become globally competitive. These services are provided, faster and more comprehensively, through a coordinated one-stop Federal assistance framework consisting of a web-based portal, call centers, and stand alone field office. Funding is being requested for personnel, training, travel, IT support and marketing to operate the CommerceConnect Field Offices. The objective of CommerceConnect is to create American jobs by connecting U.S. businesses with the Department's and other Federal programs, products and services that meet their needs at every point in their life cycle. CommerceConnect plans to expand to other locations across the U.S. to help address local and regional economic challenges.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>

Executive Direction

Paperwork and Regulation Information Management System

0	\$0	0	+\$500
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This increase in funding is requested to integrate the Paperwork and Regulation Information Management Environment (PRIME), which tracks the review and clearance of the Department’s regulatory actions, into the Department’s Electronic Data Management System (EDMS), an enterprise solution that is being developed to support the document management and workflow system needs of all offices within the Office of General Counsel and several offices in other bureaus at the Department. This request also includes funding for the certification and accreditation of the new system, funding for substantive software improvements, and funding for training the new users of this system.

IT Support for Network Operations

0	\$4,443	0	+\$4,118
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This increase in funding is requested to mitigate a series of IT security weaknesses document by the National Security Agency (NSA), to transition from obsolete technologies, stabilize the eroding Operations and Maintenance base and respond to new customer requirements. The requested funding will be used to enhance the security posture of the HCHB network infrastructure, consolidate system administration, and migrate from a Transport Layer Security (TLS)-based network backbone to a more modern Multi-Protocol Label Switching (MPLS)-based network. Without the requested funding increase, network engineering services will continue to operate in a degraded capacity; support for the HCHB Renovation Project, the Department’s financial systems and the human resource systems will be less effective; and implementation of domain name security, network access control, and two factor authentications will be significantly slowed.

IT Customer Service and Help Desk Support

0	\$950	0	+\$957
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This increase in funding is requested to provide the appropriate level of support through the IT Customer Service and Help Desk services contract. This funding request is critical to provide support to the increasing demands for new PC installations, Mobekey installation and support, Blackberry issues, and to answer monthly service telephone calls that have increased by 50% over the past 4 years.

IT Hosting and Relocation

0	\$0	0	+\$700
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This funding is required to cover operation and maintenance costs of the hosting of Office of the Chief Information Officer information systems, required as a result of the migration of the servers from the Springfield VA location.

Departmental Staff Services

Human Resource Management System (HRMS)

0	\$0	0	+\$4,779
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The Office of Human Resource Management (OHRM) is requesting increased funding to implement a Human Resources Management System (HRMS) that complies with the e-gov Human Resources Line of Business (HR LOB) blueprint developed by the Office of Personnel Management (OPM). The manually intensive and non-standardized HR processes that currently exist throughout the Department’s various bureaus result in increased costs, increased risk of loss of privacy data, and inefficient organizational management. The HRMS will provide an agency-wide, modern, cost-effective, standardized, and interoperable HR solution that delivers common, core functionality to support the strategic management of human capital and address the manual and inefficient processing of HR transactions across the Department.

		<u>Base</u>		<u>Increase / Decrease</u>
	<u>FTE</u>	<u>Amount</u>		<u>FTE</u> <u>Amount</u>

Departmental Staff Services

Enterprise Application Systems (EAS)	0	\$0		0 +\$3,800
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This program increase is required to cover operation and maintenance costs associated with the maintenance and hosting of Office of the Secretary EAS systems. The Chief Information Officer/ Assistant Secretary for Administration (CFO/ASA) systems were formerly hosted at the Office of Computer Services in Springfield, Virginia, but due to the lease expiration in FY 2010 these systems were migrated to the Department of Transportation, Federal Aviation Administration, Enterprise Services Center (DOT/FAA/ESC) during FY 2010. This initiative provides an efficient and effective solution for infrastructure needs through economies of scale by consolidating infrastructure and application support services to the EAS. The efficiencies are gained through advanced technology, enhanced security and compliance with regulations, and state-of-the art data center services.

Space Management	8	\$1, 154		+2 +\$176
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The increase requested is to fully fund 2 positions in the Space Management Office. The Space Management Analyst (Draftsman) and an entry level technician will assist with maintaining the architectural, mechanical and electrical drawings for the Herbert C. Hoover Building (HCHB) as well as managing the space assignments and drawings with specialized facilities software among other responsibilities. These positions will improve customer service by providing quality support services, reducing task completion times, and providing greater efficiency in responding to tasks related to the modernization of HCHB resulting in increased savings to the Department. They will improve information sharing throughout the Department by integrating technology into the business process.

Elevator Maintenance and Building Management	0	\$328		+1 +\$307
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This funding increase is required to accommodate the proposed higher costs for the HCHB elevator maintenance contract and to upgrade a vacant clerical position to an analyst who can provide the required additional Government oversight. As the elevators age and usage increases, the level of repairs increases and the current level of maintenance is insufficient to adequately perform all the required planned and preventative maintenance, conduct inspections, and attend to defects and emergency calls.

Energy and Environmental Program Execution	7	\$1,902		+1 +\$557
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This increase is requested to execute the Department's Energy and Environmental Programs including management of the National Environmental Policy Act (NEPA) program. The requirements of these programs have dramatically increased due to changing Federal regulations and mandates from the President. The Department must increase funding to comply with these directives. This program increase directly reduces the Department's environmental liability, costs for managing and disposing of hazardous waste, use of toxic and hazardous chemicals, and costs of energy consumption and utilities, and addresses the Department's environmental responsibilities and overall program management capabilities.

Investigative and Intelligence Programs (IIP)	6	\$816		+10 +\$2,720
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This increase is requested to enable the Office of Security to continue detecting, preventing, and/or mitigating persistent, evolving, and rapidly expanding mission-critical threats to the Department of Commerce through a cross-cutting effort that protects all Commerce bureaus and operating units. Without this increase, the Department's ability to effectively execute its mission, achieve important Administration objectives, and support the United States' national security interests in the near, mid, and long-terms is jeopardized.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Departmental Staff Services</u>				
Injury and Illness Reporting System	0	\$0	0	+\$691

Departmental Management requests funds to purchase an Injury and Illness Reporting System (IIRS) that is a single point of entry for reports of work-related injuries and illnesses, workers' compensation, property damage (from motor vehicles, air craft, vessels, etc.) and first aid. The IIRS would make it easier for the Department and the bureaus to track the progress of injured workers so they could be brought back to work as soon as they are able. The IIRS would provide more accurate reporting, speed the workers' compensation claims process, support timely and effective analysis and management decision-making, and provide bureaus the capability to allocate injuries down to their organizational components. In addition, the Department would be able to trend its workers' compensation costs, enabling the Department and/or bureau to take action to reverse the trends.

Enterprise Personal Property Management System	0	\$877	0	+\$200
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This funding increase is to acquire a software solution to manage vehicle fleet data. The Office of Administrative Services (OAS) has primary responsibility for managing the fleet inventory across the Department for approximately 2,500 vehicles. OAS has a requirement for a Fleet Management Information System (FMIS) that must be capable of collecting information to manage the fleet, to support internal reporting requirements, to respond to annual budget requests, and conform to the minimum standards identified in the FMR (41 CFR 102-34.347). Additionally, this requirement was cited in a recent OIG audit report, OIG-11-004-A, *Commerce Should Strengthen Accountability and Internal Controls in Its Motor Pool Operations*, in which it recommends the Department develop a centralized FMIS to oversee its fleet inventory and associated costs.

Direct Costs by Office

Offices	2012 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	77	\$22,098
Civil Rights	19	4,126
Financial Management	38	21,576
Security	136	26,282
Administrative Services	92	24,709
Acquisition Management	19	4,384
Office of Privacy and Open Government	2	325
Office of Resource Management	7	1,170
Subtotal, Departmental Staff Services	390	104,670
Chief Information Officer	29	17,682
General Counsel	179	40,290
Chief Financial Officer	5	830
Public Affairs	9	2,258
Total Working Capital Fund	612	165,730

Distribution by Bureau

Bureaus	FY 2012 <u>Amount</u>
Office of the Secretary	\$11,934
International Trade Administration	35,062
Economic Development Administration	3,637
National Telecommunications and Information Administration	5,575
National Technical Information Service	303
Bureau of the Census	29,012
Economic and Statistics Administration	3,168
National Oceanic and Atmospheric Administration	44,478
National Institute of Standards and Technology	12,496
U.S. Patent and Trademark Office	5,512
Minority Business Development Agency	1,916
Bureau of Industry and Security	9,945
Office of the Inspector General	2,176
Office of Computer Services	0
Total Commerce Bureaus	165,214
Other Agencies	516
Total	165,730

Appropriation: Emergency Oil and Gas Guaranteed Loan Program

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	\$0	\$0
Adjustments to Base	0	0
2012 Base	0	0
Program Changes	0	0
2012 APPROPRIATION	0	0

Comparison by Activity

	<u>2011 Currently Avail.</u>		<u>2012 Base</u>		<u>2012 Estimate</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	0	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	0	0	0	0	0	0	0
Credit Re-estimates	0	0			0	0		
TOTAL DIRECT OBLIGATIONS	0	0			0	0		
FINANCING								
Unobligated balance, start of year	0	(521)				(521)		
Unobligated balance, end of year	0	521				521		
Subtotal, financing	0	0			0	0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

	Summary	
	FTE	Amount
2011 CR (Annualized)	0	\$0
Adjustments to Base	0	0
2012 Base	0	0
Program Change	0	(43,000)
2012 APPROPRIATION	0	(43,000)

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	0	0	0	0	0	0	0
SUBTOTAL DISCRETIONARY OBLIGATIONS	0	0	0	0	0	0	0	0
Mandatory, Credit Reestimate	0	0			0	0		
TOTAL, DIRECT OBLIGATIONS	0	0			0	0		
FINANCING								
Unobligated balance, start of year		(48,271)				(48,271)		
Recoveries/Refunds								
Unobligated balance, end of year		48,271				5,271		
Subtotal, financing	0	0			0	(43,000)		
DISCRETIONARY BUDGET AUTHORITY/ APPROPRIATION	0	0			0	(43,000)		

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. The DM performance measures now appear in the three different administrative themes (Customer Service, Organizational Excellence and Workforce Excellence), covering four different objectives, one of which is associated with CommerceConnect. Prior performance measures are included among these objectives along with several new measures. The table below shows the new objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the DM section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
Objective 19: Provide streamlined services and single point of contact assistance to customers through better interaction and communication utilizing CommerceConnect, partnerships, branding, and other means of stakeholder involvement.	\$0	\$0	\$2.4
Number of companies engaged by CommerceConnect	N/A	160	464
Number of referrals made by CommerceConnect	N/A	480	1,392
Objective 21: Provide a high level of customer service to our internal and external customers through effective and efficient Department functions with empowered employees.	\$7.0	\$7.0	\$6.5
Objective 22: Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud and abuse of government resources.	\$30.0	\$30.2	\$29.7
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2011 A-123 assessment of internal controls. 	<ul style="list-style-type: none"> Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2012 A-123 assessment of internal controls.
Effectively use commercial services management/ competitive sourcing.	<ul style="list-style-type: none"> Department met the goal to increase use of competition by 2%, measure by dollars awarded. Actual accomplishment was a 33% decrease in the dollars awarded noncompetitively. The Department decreased dollars awarded on cost-reimbursement, Time and Materials and Labor Hour contracts by 15% 	<ul style="list-style-type: none"> Increase use of competition by 2%, measured by dollars awarded. Decrease dollars awarded on cost-reimbursement, Time and Materials and Labor Hour contracts by 10%. 	<ul style="list-style-type: none"> Increase use of competition by 2%, measured by dollars awarded. Decrease dollars awarded on cost-reimbursement, Time and Materials and Labor Hour contracts by 10%.
Objective 23: Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness.	\$3.5	\$3.6	\$4.8
Obligate funds through performance-based contracting	<ul style="list-style-type: none"> 37.28% of eligible service contracting dollars 	<ul style="list-style-type: none"> 50% of eligible service contracting dollars 	<ul style="list-style-type: none"> 50% of eligible service contracting dollars

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
<p>Objective 24: Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including addressing cyber security threats.</p>	\$11.9	\$11.8	\$38.8
<p>Improved the management of information technology (IT).</p>	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Completed security and vulnerability assessments for all operating units. Submitted findings and recommendations to operating units and OCIO for review. Implemented Cyber Security Development Program and graduated 20 candidates from the Department's first class. Enrolled candidates in the program's second class. More than 8 candidates have obtained or are planning to obtain security related certifications. Deployed National Security and Emergency Network in the development environment. Received official approval to connect from Defense Intelligence Agency. 	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Perform IT Security Compliance review of all operating units, and ten FISMA systems in CSAM. Increase security training completion rate to 80% for privileged users (role-based). Deploy 80% of the required NCSD 3-10 communications capabilities. Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams. 	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Perform IT Security Compliance review of all operating units, and ten FISMA systems in CSAM. Increase security training completion rate to 80% for privileged users (role-based). Deploy 80% of the required NCSD 3-10 communications capabilities. Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams.
<p>Objective 25: Recruit, develop and retain a high-performing, diverse workforce with the critical skills necessary for mission success including growing the next generation of scientists and engineers.</p>	\$5.4	\$5.4	\$5.2
<p>Acquire and maintain diverse and highly qualified staff in mission critical occupations.</p>	<ul style="list-style-type: none"> Competency models in place for four mission critical occupations (Physical Scientists, Electronic Engineer, Computer Scientist, and Fishery Biologist series). Established hiring baseline was 133 days. Trained 98 ALDP, ELDP, and APCP participants via the leadership development programs. Trained 181 employees via Careers in Motion Program Integrated Commerce Learning Center in program administration to enhance measurement of results. 	<ul style="list-style-type: none"> Have new competency models in place for 3 mission-critical occupations for use in workforce recruitment, training, and development activities. Meet or exceed the 80-day hiring goals mandated by OPM. Train 100-120 participants in leadership development programs via the ALDP, ELDP, LEAD, and APCP. Train 180-210* participants via Careers in Motion Program 	<ul style="list-style-type: none"> Have new competency models in place for 3 mission-critical occupations for use in workforce recruitment, training, and development activities. Meet or exceed the 80-day hiring goals mandated by OPM. Train 100-120 participants in leadership development programs via the ALDP, ELDP, LEAD, and APCP. Train 180-210* participants via Careers in Motion Program
Total, Direct Salaries & Expenses	\$57.8	\$58.0	\$64.9
Enterprise Cyber Security	\$0	\$0	\$22.6
Grand Total	\$57.8	\$58.0	\$87.5

