



U.S. DEPARTMENT OF COMMERCE

FISCAL YEAR

2010

PERFORMANCE &
ACCOUNTABILITY
REPORT





DEPARTMENT OF COMMERCE WEB ADDRESSES

FOR PLANNING AND PERFORMANCE

Department of Commerce
<http://www.commerce.gov/>

Department of Commerce Strategic Plan, Performance Reports and Performance Plans
http://www.osec.doc.gov/bmi/budget/budgetsub_perf_strategicplans.htm

Economic Development Administration Annual Reports
<http://www.eda.gov/AboutEDA/Annualreport.xml>

International Trade Administration Strategic Plan
http://trade.gov/ITA_stratplan2007.pdf

Minority Business Development Agency
Portal/Annual Report
<http://www.mbda.gov>

Bureau of Industry and Security Annual Report
<http://www.bis.doc.gov/>

Census Bureau
<http://www.census.gov>

Economics and Statistics Administration
<http://www.esa.doc.gov/>

Bureau of Economic Analysis
<http://www.bea.gov>

- ◆ BEA's Mission, Vision, Values, and Role
<http://bea.gov/about/mission.htm>
- ◆ BEA Strategic Plan for FY 2010-FY 2014
http://bea.gov/about/pdf/strategic_plan_matrix_2010-2014.pdf
- ◆ Release Dates for 2010
<http://www.bea.gov/newsreleases/2010rd.htm>

National Institute of Standards and Technology

- ◆ NIST Performance Evaluation
http://www.nist.gov/director/planning/impact_assessment.cfm
- ◆ NIST Technology Innovation Program
<http://www.nist.gov/tip/>
- ◆ NIST Manufacturing Extension Partnership – MEP Impacts
<http://www.nist.gov/mep/impacts-reports-research.cfm>
- ◆ NIST Baldrige National Quality Program – Program Information and Award Statistics
<http://www.quality.nist.gov/>

National Technical Information Service
<http://www.ntis.gov/>

- ◆ Annual Report
<http://www.ntis.gov/pdf/FinRpt2009.pdf>

U.S. Patent and Trademark Office
<http://www.uspto.gov>

- ◆ Performance and Accountability Report
<http://www.uspto.gov/web/offices/com/annual/>
- ◆ President's Budget and Strategic Plan
<http://www.uspto.gov/web/offices/ac/comp/budg/index.html>

National Telecommunications and Information Administration
Annual Reports
<http://www.ntia.doc.gov/>

National Oceanic and Atmospheric Administration
Budget and Performance
<http://www.noaa.gov/budget/>

Office of Inspector General
<http://www.oig.doc.gov/>

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THE DEPARTMENT AT A GLANCE

HISTORY AND ENABLING LEGISLATION

The Department of Commerce was originally established by Congressional Act on February 14, 1903 as the Department of Commerce and Labor (32 Stat. 826; 5 U.S.C. 591) and was subsequently renamed the U.S. Department of Commerce by President William H. Taft on March 4, 1913 (15 U.S.C. 1512). The defined role of the new Department was “to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, and fishery industries of the United States.”

MISSION

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

Program Bureaus

- Economic Development Administration (EDA)
- Economics and Statistics Administration (ESA)
 - Bureau of Economic Analysis (BEA)
 - Census Bureau
- International Trade Administration (ITA)
- Bureau of Industry and Security (BIS)
- Minority Business Development Agency (MBDA)
- U.S. Patent and Trademark Office (USPTO)
- National Institute of Standards and Technology (NIST)
- National Technical Information Service (NTIS)
- National Telecommunications and Information Administration (NTIA)
- National Oceanic and Atmospheric Administration (NOAA)

STRATEGIC GOALS

Goal 1: Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

Goal 2: Promote U.S. innovation and industrial competitiveness

Goal 3: Promote environmental stewardship

Management Integration Goal: Achieve organizational and management excellence

LOCATION

The Department is headquartered in Washington, D.C., at the Herbert Clark Hoover Building, which is located on eight acres of land covering three city blocks. The Department also has field offices in all states and territories and maintains offices in more than 70 countries worldwide.

EMPLOYEES

During FY 2010, the Department expanded to over 120,000 employees to cover the Decennial Census. Apart from the Decennial Census, the Department has approximately 40,000 employees.

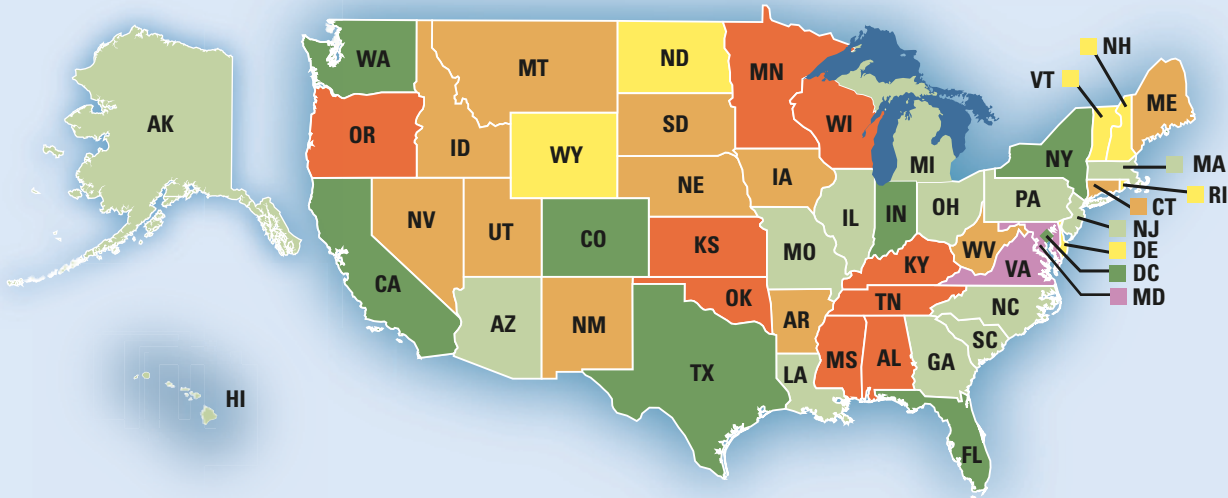
FINANCIAL RESOURCES

The Department’s FY 2009 and FY 2010 budgets were approximately \$25.7 billion and \$13.9 billion (budget authority), respectively.

INTERNET

The Department’s Internet address is www.commerce.gov.

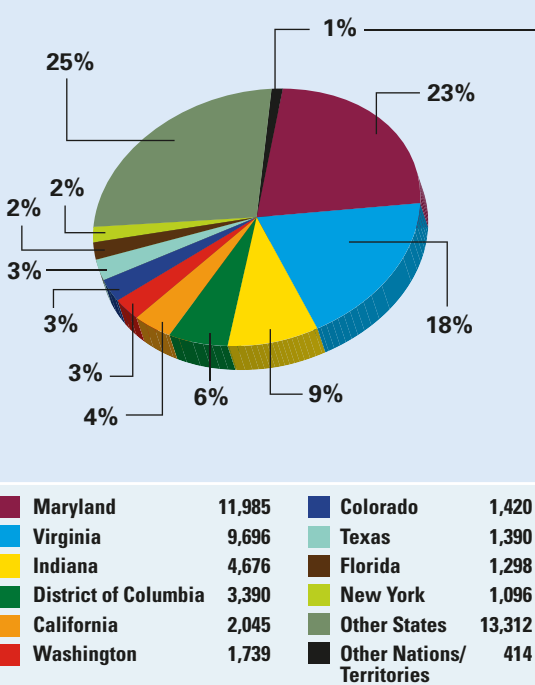
DEPARTMENT OF COMMERCE EMPLOYEES



NUMBER OF EMPLOYEES



DEPARTMENT OF COMMERCE EMPLOYEES BY LOCATION



Other Nations/Territories in which Department of Commerce has Staff

Algeria	Guatemala	Portugal
American Samoa	Hong Kong	Puerto Rico
Argentina	Hungary	Qatar
Australia	India	Romania
Austria	Indonesia	Russia
Belgium	Iraq	Saudi Arabia
Brazil	Ireland	Senegal
Bulgaria	Israel	Serbia
Canada	Italy	Singapore
Chile	Japan	South Africa
China	Jordan	South Korea
Columbia	Kazakhstan	Slovakia
Costa Rica	Kenya	Spain
Croatia	Kuwait	Sweden
Czech Republic	Libya	Switzerland
Dominican Republic	Malaysia	Taiwan
Ecuador	Mexico	Thailand
Egypt	Morocco	Turkey
El Salvador	Netherlands	Tunisia
Finland	Nigeria	United Arab Emirates
France	Pakistan	United Kingdom
Germany	Panama	Ukraine
Ghana	Peru	Venezuela
Greece	Philippines	Vietnam
Guam	Poland	

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STATEMENT FROM THE SECRETARY

I am pleased to present the Department of Commerce's fiscal year (FY) 2010 Performance and Accountability Report (PAR). The PAR describes our accomplishments and challenges in maximizing U.S. competitiveness, enabling economic growth, fostering U.S. leadership in science and technology, and promoting environmental stewardship. It also provides information on our financial management and performance.



Economic Growth

On January 27, 2010, in his first State of the Union address, President Obama announced the creation of a new National Export Initiative (NEI). Since that time, the Department's Advocacy Center has assisted U.S. companies competing for export opportunities, supporting \$11.4 billion in exports and an estimated 70,000 jobs. The Department's Commercial Service officers stationed around the world have helped more than 2,000 companies generate \$3.8 billion worth of exports. Two recent trade agreements with China and Russia involving pork and poultry products are valued at more than \$1 billion. We have coordinated 18 trade missions to 24 countries that involved more than 160 companies. Lastly, the Department has continued to join forces with other agencies and organizations to further the NEI. For example, in July 2010, the Department and the U.S. Postal Service announced the launch of a new partnership to identify current U.S. Postal Service customers who are already exporting their goods and help them expand to additional international markets.

The Department, through the International Trade Administration (ITA), has made strong progress toward improving trade, particularly in the area of ensuring a level playing field. During FY 2009, 56 percent of market access and compliance cases, totaling over \$25 billion in value, were successfully resolved, compared with 39 percent in FY 2008. Similarly, 30 percent of industry-specific trade barriers addressed by ITA during FY 2009 were removed or prevented. We are focused on achieving further progress in trade and other critical economic growth outcomes for U.S. businesses and workers.

The Economics and Statistics Administration's (ESA) Bureau of Economic Analysis (BEA) and Census Bureau continued to upgrade the quality and availability of critical economic and demographic information for policymakers, business leaders, and the public. The Census Bureau successfully completed the field operations for the 2010 Decennial Census, the largest non-military activity undertaken by the U.S. government. The Census Bureau is now compiling the data to determine the final population counts of each state and the Nation. The Census Bureau will release this data no later than December 31, 2010. Population data from the Decennial Census, which is mandated by the Constitution, supports the reapportionment of Congress as well as state and local legislative bodies, and is also used to allocate over \$400 billion in annual federal program funds. The Census Bureau received \$1 billion in American Recovery and Reinvestment Act (ARRA) funding to hire new personnel for partnership and outreach efforts to minority communities and hard-to-reach populations, increase targeted media purchases, and conduct field operations. By focusing on effectively managing risk as the Decennial Census operations proceeded, the Census Bureau completed the 2010 Census more than \$1.7 billion under budget. This was largely due to exceeding the estimated mail-back response rate and higher worker productivity.

One of BEA's primary goals in 2010 was to maintain and improve the relevance and usefulness of its economic accounts. It continued to explore the development of new statistics such as quarterly gross domestic product (GDP) by industry, state personal consumption expenditures, and industry-level production accounts. It also began work to develop new estimation models for service sector statistics that will allow a quicker and more flexible response to current and future changes in the economy. At the same time, BEA continued its progress on satellite accounts, publishing an update of the account for research and development, and proceeding with research into prices and spending measures for the health satellite account.

The Department, through the Economic Development Administration (EDA), assists U.S. industries, communities, and workers through investments in public infrastructure and technology, which in turn attract private capital investment and create new jobs. As of FY 2010, EDA investments made in FY 2007, FY 2004, and FY 2001 generated nearly \$6.6 billion in private investment and created or retained 102,000 jobs. In addition, EDA funded 68 ARRA grants through its existing program structure in FY 2009 which are projected to create or retain 25,635 long-term jobs based on grantee estimates. Consistent with the intent of the ARRA, EDA's ARRA investments focused on infrastructure projects that will promote immediate job growth and retention. To help advance President Obama's innovation agenda, EDA successfully led two major, multi-department funding competitions in FY 2010: the Energy Regional Innovation Cluster (e-RIC) initiative, a pilot initiative to spur regional economic growth while developing innovative energy-efficient building technologies; and the i6 Challenge to accelerate the commercialization of university and federal research to take ideas from the lab to the marketplace, producing the small businesses that are the engine of job creation in the United States.

The Minority Business Development Agency (MBDA) promotes the ability of minority businesses to succeed in the local, national, and global economies by providing direct client services through a nationwide network of minority business centers. MBDA continued its upward trend of increasing the dollar value of contract and financial awards secured by minority firms, from \$2.0 billion in FY 2008 to \$3.0 billion in FY 2009 to \$3.3 billion in FY 2010. More than 5,800 new jobs were created in FY 2010 as a result of MBDA's work with minority-owned companies.

The Bureau of Industry and Security (BIS) administers and enforces the dual-use export control system, which regulates exports of sensitive goods and technology that have legitimate civilian uses, but could also have military or terrorism-related uses. In FY 2010, the Department took the first step in the President's effort to reform U.S. encryption controls by eliminating the review of readily available encryption items such as cell phones and household appliances. The United States will now be able to focus its resources on more sensitive encryption items. BIS was also heavily engaged with other agencies in developing plans to effectively implement the President's Export Control Reform Initiative.

Finally, the National Institute of Standards and Technology's (NIST) Hollings Manufacturing Extension Partnership (MEP) supported its clients, primarily small manufacturers, in generating an estimated \$2.1 billion in increased sales, \$1.6 billion in capital investment, and \$1.1 billion in cost savings during FY 2009 (MEP results have a one-year time lag).

Our new CommerceConnect office near Detroit, MI made significant strides in helping local businesses to access multiple federal programs from one location. CommerceConnect is a single stop shop to access the Department's 70+ programs, services, and partner resources. We plan on expanding the CommerceConnect program to the Gulf Coast using a regional approach and to 16 other cities using current Department facilities.

Science and Information

A vigorous, flexible, and efficient intellectual property (IP) protection system is critical to encouraging investments that build our industries, businesses, and jobs. The Department is committed to ensuring that the United States has a first-class IP protection system to support innovation throughout the 21st century.

In FY 2010, the U.S. Patent and Trademark Office (USPTO) identified and implemented tools and policies that increased patent quality and timeliness. We are committed to further efforts to address the many challenges that remain to achieving significant sustainable reductions in patent pendency—now averaging over 25 months for first action and 35 months for total pendency—to levels that fully enable and reward entrepreneurship and innovation.

USPTO found efficiencies by redesigning systems and procedures, including the analysis of examiner workflow so that it could remove redundant processes. USPTO closely studied patent processing systems to determine where improvements would provide the greatest increase in efficiency or increase in examination capacity. USPTO introduced a multi-track application pathway that gives applicants control over prioritizing their applications and assists management in balancing workload. USPTO's improved processes will create a streamlined examination process to improve patent quality and timeliness.

The Patent Organization maintained a strong focus on quality in FY 2010, with a final rejection/allowance compliance rate of 96.3 percent. The final rejection/allowance compliance rate gives the percentage of utility, plant, reissue, and design allowances and final rejections reviewed that were found to be compliant with applicable rules and laws regarding final patentability determination.

Over the last five years, the Trademark Organization has met nearly all its performance targets. The examination quality of office actions in the Trademark Organization has met and exceeded goals, ranging above 95 percent accuracy in recent years. Approximately 97 percent of all first actions and final decisions (approvals and rejections) met statutory and compliance rates for quality of decision-making and writing. The Trademark organization's total pendency improved from 11.2 months in FY 2009 to 10.5 months in FY 2010.

NIST supports the Nation's innovative capacity and expands markets for new technological applications through its sound, science-based measurements and standards. For example, NIST is coordinating the development of interoperability standards for the Smart Grid and issued an initial set of cyber security guidelines and other elements of a Smart Grid Interoperability Standards Framework after significant stakeholder engagement. In the area of healthcare, NIST and the Department of Health and Human Services are working to develop a suite of software tools to support a health information technology (IT) testing infrastructure in close collaboration with a broad array of public and private stakeholders. NIST also continued to conduct innovative scientific measurement research as part of the President's Plan for Science and Innovation.

The NIST Technology Innovation Program (TIP) supports high-risk, high-reward innovative research in areas of critical national need at U.S. businesses, universities, national laboratories, and non-profit research institutions. TIP announced in January 2009 nine projects for award to address critical national needs in civil infrastructure, representing up to \$88.2 million in new research, \$42.5 million of it funded by TIP. In December 2009, TIP announced another 20 projects for award—12 that address manufacturing and eight in civil infrastructure—representing up to \$146 million in new research with up to \$71 million in TIP funding. Awarded projects demonstrate TIP's commitment to multi-disciplinary approaches and to encouraging teaming arrangements. Seventy-three participants are involved in 29 projects. Seventeen of the 29 projects are joint ventures. TIP offers a unique opportunity for funding collaborative cutting-edge research.

NIST has successfully obligated \$580 million in ARRA funds directed at projects intended to stimulate technological innovation and strengthen U.S. scientific and technological capabilities. Highlights of NIST ARRA efforts include \$180 million in cost-shared grants that are supporting the construction of 16 new research facilities at 15 universities and one non-profit research organization; \$34.5 million to support 27 cutting-edge research efforts at companies, universities, and non-profit research organizations across 18 states; and \$180 million in upgrades to NIST facilities that will enable new research capabilities (e.g., Structural Fire Resistance Laboratory) and improve the energy efficiency of NIST operations through extensive installation of solar panels across campus.

The National Telecommunications and Information Administration's (NTIA) responsibilities have increased considerably with the enactment of the ARRA. NTIA and the U.S. Department of Agriculture's Rural Utilities Service are administering a \$7 billion initiative to expand broadband access and adoption. Specifically, NTIA awarded over \$4.2 billion in grants to expand the availability and adoption of broadband services. These projects will extend broadband access to unserved and underserved areas of the country and to vulnerable populations, including minorities, low income residents, the aged, the unemployed, and people with disabilities. Specifically, these projects will deploy broadband infrastructure, enhance capacity at public computing centers, and support projects to encourage non-users to subscribe to broadband services. The objectives of the Broadband Technology Opportunities Program (BTOP) include:

- Broadband access in unserved and underserved areas;
- Broadband education, awareness, training, access, equipment, and support;
- Broadband access and use by public safety agencies; and,
- Stimulation of broadband demand, economic growth, and job creation.

Environmental Stewardship

The National Oceanic and Atmospheric Administration (NOAA) continued to improve the fish stock sustainability index (FSSI), its comprehensive measure for sustainability of 230 U.S. fish stocks selected for their importance to commercial and recreational fisheries. During FY 2010, NOAA rebuilt the following five fish stocks, important to commercial and recreational fisheries, to optimal population levels: North Atlantic swordfish, Georges Bank haddock, George's Bank/Gulf of Maine Pollock, Atlantic coast spiny dogfish, and St. Matthews Island blue king crab. These stocks had been under rebuilding plans due to low population levels caused by overfishing and other factors. To help rebuild fisheries and sustain fishermen, communities, vibrant working waterfronts, and culturally important fishing traditions, NOAA also released a national catch share policy to encourage the consideration and use of catch shares. Catch share programs, which include limited access privilege programs and individual fishing quotas, dedicate a secure share of fish to individual fishermen, cooperatives or fishing communities. Catch shares are used in 14 fisheries managed by six fishery management councils from Alaska to Florida and are being developed in additional fisheries. Both here and in other countries, catch shares are helping eliminate overfishing and achieve annual catch limits, improve fishermen's safety and profits, and reduce the negative biological and economic effects of the race for fish that develops with some traditional fishery management.

The Deepwater Horizon oil spill was one of the worst man-made environmental disasters our country has ever experienced. NOAA was integrally involved in the response and will continue to play a pivotal role in the months and years ahead, assessing and resolving restoration issues. NOAA scientific advice and management was critical to ensuring the safety of seafood and saving, assessing, and rehabilitating Gulf wildlife, including endangered sea turtles, and protecting critical habitat through response strategies and the publication of the Environmental Sensitivity Index. Aerial oil mapping teams fed detailed observations to NOAA modeling experts for daily publication of oil trajectories—forecasts of oil amount and movement—critical to responders and local communities. The modeling team generated the Loop Current Diagram that helped indicate the probability of longer term flow toward the Florida peninsula and/or East Coast, the Long Term Forecast that showed oil distribution probabilities, and 3D subsea models to help determine the fate of oil dispersed in the water column. These products have been vital decision-making tools for the federal on-scene coordinator, small businesses, state governments, local authorities, fisheries managers, responders, and homeowners. National Incident Command relied on and gave special praise to NOAA's Environmental Response Management Application (ERMA) that showed response assets and information as layers on a map, becoming the primary image for the Deepwater Horizon response.

Individuals, business leaders, and decisionmakers across widely diverse sectors—from agriculture to energy to transportation—are increasingly asking NOAA for information about climate variability and change in order to make the best choices for their families, communities, and businesses. The Department and NOAA unveiled a new Web site, www.climate.gov, which serves as a single point of entry for NOAA's climate information, data, products, and services. The site is in response to growing user demand for useful climate information and will continue to develop based on user demand, comments, and feedback. One feature is the new Web-based climate science magazine, *ClimateWatch*, featuring videos, images, and articles of scientists in their own words, discussing their recent work in the field. Known as the NOAA Climate Services Portal, the site addresses the needs of four key audiences: educators, decisionmakers and policy leaders, scientists and applications-oriented data users, and business users and the public. NOAA also expanded its Regionally Integrated Science and Assessment (RISA) teams which play a critical role in both climate science and service development by providing integrated assessment in 11 different regions of the United States. RISAs are regional "centers of excellence" that work with users to co-develop climate science and services. In future years, the sustained regional capacity of RISAs can help NOAA address the Nation's priorities for climate service and adaptation.

On March 4, 2010, NOAA successfully launched Geostationary Operational Environmental Satellite Series P (GOES-P) from Cape Canaveral, FL. GOES-P, renamed GOES-15 once it reached final orbit, underwent a series of tests for approximately six months before completing its "check-out" phase. After check-out, GOES-15 was placed into orbital storage mode and remains ready for activation if one of the operational GOES fail. GOES-15 took its first infrared image of Earth on April 26, 2010. GOES-15 is the final spacecraft in the latest series of NOAA geostationary satellites. It joined three other NOAA operational GOES spacecraft that help the Agency's forecasters track life-threatening weather—from tornadoes, floods, and hurricanes to solar activity that can impact the satellite-based electronics and communications industry. GOES-15 will capture higher resolution images of weather patterns and atmospheric measurements than those provided by earlier satellites. The higher resolution imagery allows forecasters to pinpoint the location of

severe weather with greater accuracy. GOES-15 will also provide better data for space and solar weather thanks to its Solar X-Ray Imager (SXI). SXI data will improve forecasts and warnings for solar disturbances, protecting billions of dollars of commercial and government assets in space and on the ground. This vital information will also reduce the effect of power surges for the satellite-based electronics and communications industry.

Program Data, Department-wide Management, and Financial Performance

The Department's financial data and performance results for FY 2010 are provided together in this report in response to the Reports Consolidation Act of 2000. This information is crucial in helping us to effectively administer our programs, determine their success, and make adjustments that may be necessary to improve the quality of program operation and service delivery.

For the 12th year in a row, the independent auditors tasked with reviewing our financial statements have provided an unqualified opinion. Our financial management systems have been found to be in substantial compliance with the Federal Financial Management Improvement Act (FFMIA) of 1996, and, in accordance with Office of Management and Budget (OMB) Circulars A-136 and A-11, the financial and performance data published in this report are substantially complete and reliable.

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) and OMB Circular A-123 provide the framework within which Departmental and operating unit managers may determine whether adequate internal controls are in place and operating as they should. We rely on a wide range of studies conducted by programmatic and administrative managers, the Office of Inspector General (OIG), the Government Accountability Office (GAO), and others to assist in this effort. Based on activities undertaken during FY 2010, the Department's system of internal controls, taken as a whole, is consistent with FMFIA. IT security certification and accreditation had been reported as a material weakness from FY 2001 through FY 2009. Based on progress that has been made in this area as well as a shift in emphasis toward IT security assessments, the Department considers the material weakness to be resolved. Although significant progress has resulted in the closure of the material weakness, we believe that IT security concerns are not fully resolved and that additional enhancements continue to be needed in the future.

To better manage its programs, in FY 2010 the Department incorporated a balanced scorecard approach to management, by not only emphasizing budget and finance, but also customer, internal business process, and learning and growth perspectives into management activities. This approach focuses on themes that reflect the priorities of our Department. The Department also took a more integrated, crosscutting approach with regard to its programs. In the current Departmental Balanced Scorecard, bureaus tend to cross themes, goals, and objectives, giving a greater emphasis to our three programmatic themes of Economic Growth, Science and Information, and Environmental Stewardship, and our three management themes of Customer Service, Organizational Excellence, and Workforce along with a greater integration of programs. The Department plans on having its FY 2011 – FY 2016 strategic plan follow the structure of the Departmental balanced scorecard. Individual bureau scorecards follow the structure of the Departmental scorecard while providing greater detail about their programs.

In Conclusion

Again, I am proud to submit this report on the FY 2010 performance of the Department, and hope it provides a useful summary of the results of the Department and its 47,000 employees.



Gary Locke
Secretary of Commerce
November 15, 2010

HOW TO USE THIS REPORT

This Performance and Accountability Report (PAR) for FY 2010 provides the Department of Commerce's financial and performance information, enabling the President, Congress, and the American people to assess the Department's performance as provided by the requirements of the:

- Reports Consolidation Act of 2000 and other laws
- Government Management Reform Act of 1994
- Government Performance and Results Act (GPRA) of 1993
- Chief Financial Officers (CFO) Act of 1990
- Federal Managers' Financial Integrity Act (FMFIA) of 1982.

The assessment of the Department's performance contained in this report compares performance results to the Department's strategic goals and performance goals. The Department's Strategic Plan, Performance Plan, and annual PARs are available on

the Department's Web site at http://www.osec.doc.gov/bmi/budget/budgetsub_perf_strategicplans.htm. The Department welcomes feedback on the form and content of this report.

This report is organized into the following major components:

STATEMENT FROM THE SECRETARY OF COMMERCE

The Secretary's statement includes an assessment of the reliability and completeness of the financial and performance information presented in the report and a statement of assurance on the Department's management controls as required by the FMFIA.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section provides an overview of the financial and performance information contained in the Performance Section, Financial Section, and Appendices. The MD&A includes an overview of the Department's organization, highlights of the Department's most important performance goals and results, current status of systems and internal control weaknesses, and Department programs under the American Recovery and Reinvestment Act (ARRA) of 2009.

PERFORMANCE SECTION

This section provides the annual performance information as required by Office of Management and Budget (OMB) Circular A-11 and GPRA. Included in this section is a detailed discussion and analysis of the Department's performance in FY 2010. For each service and major office, the results are presented by each performance outcome or objective within the four Department strategic goals.

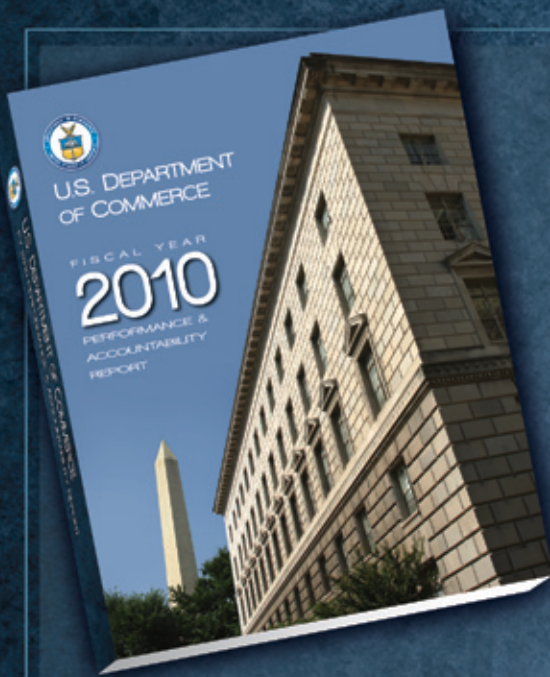
FINANCIAL SECTION

This section contains the details of the Department's finances in FY 2010 including information on the Department's financial management, debt management, payments management, audited financial statements, other supplemental financial information, and the independent auditors' report.

APPENDICES

This section provides summary charts of performance information, a listing of key stakeholders, a discussion of key management challenges identified by the Office of Inspector General (OIG) including actions taken to address them, financial information, and a glossary of acronyms. A discussion of measure and outcome changes from the FY 2009 PAR, and of the data sources of performance measures, appears at the end of the Web site version of the PAR located at <http://www.osec.doc.gov/bmi/budget/FY10PAR.htm>.

For additional copies of this report, please call the Department of Commerce, Office of Budget, at 202-482-4648 or email either Bill Tatter at BTatter@doc.gov or Steve Shapiro at SShapiro@doc.gov. A listing of Web addresses and email addresses of other Departmental and bureau staff appears on the inside front cover.





MANAGEMENT'S DISCUSSION AND ANALYSIS

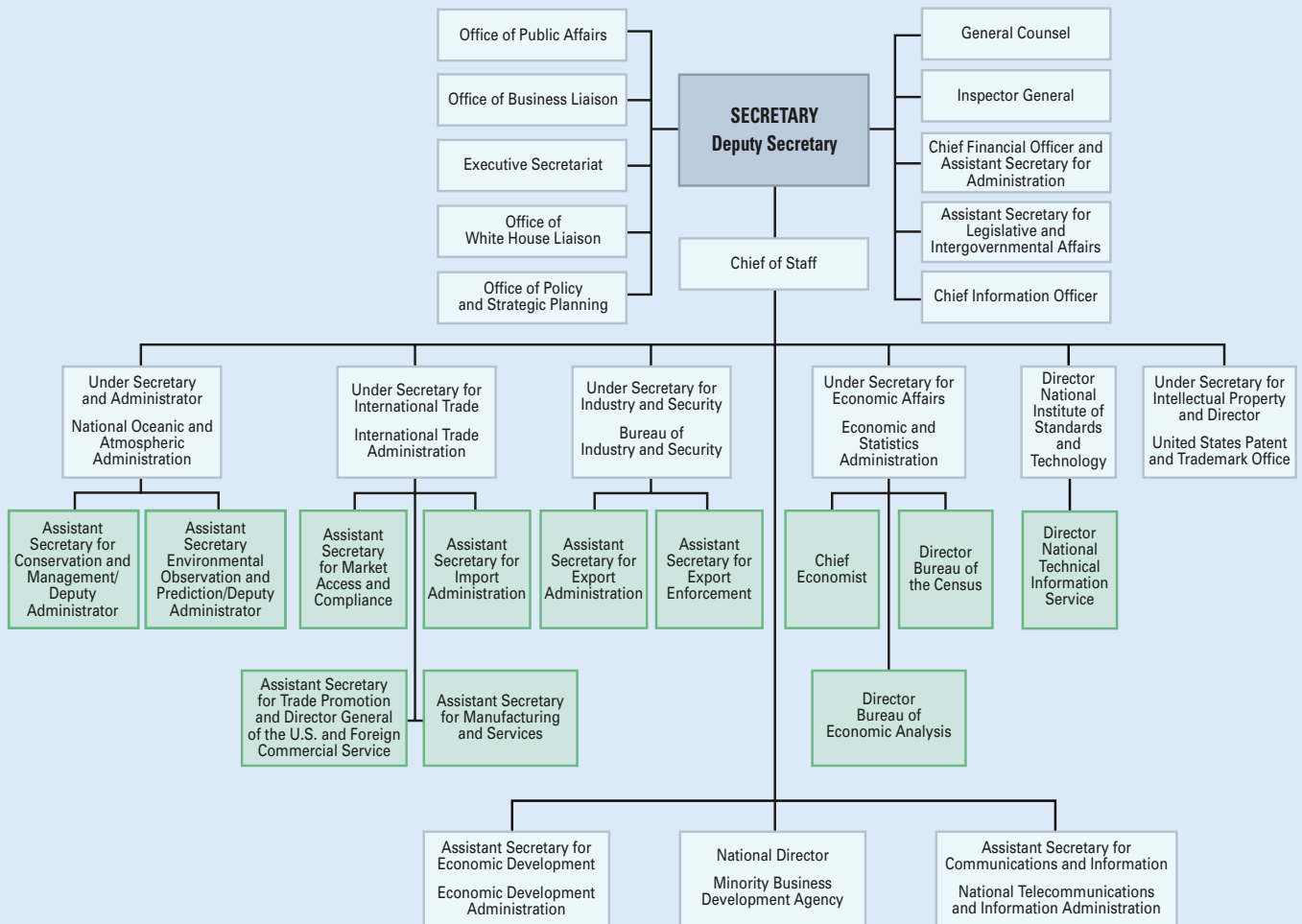


MISSION AND ORGANIZATION

MISSION

THE DEPARTMENT OF COMMERCE CREATES THE CONDITIONS FOR ECONOMIC GROWTH AND OPPORTUNITY BY PROMOTING INNOVATION, ENTREPRENEURSHIP, COMPETITIVENESS, AND STEWARDSHIP.

U.S. DEPARTMENT OF COMMERCE

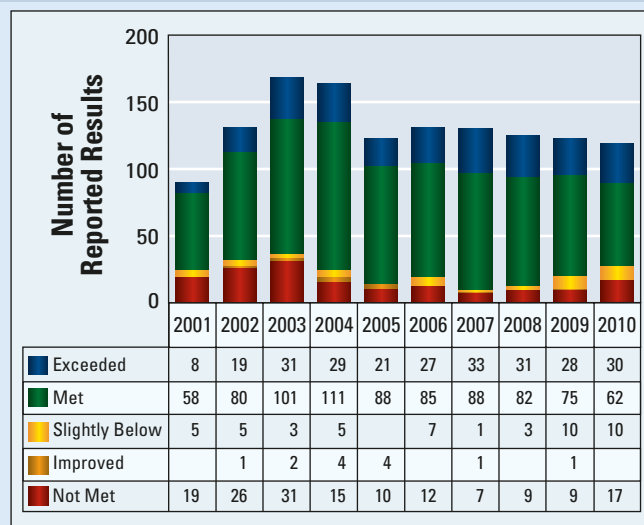


FY 2010 PERFORMANCE AND FINANCIAL HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

Overall performance results for the Department show that of the 119 performance targets, 77 percent were at or above target, nine percent slightly below target, and 14 percent not on target. These results are slightly better than FY 2001 when the Department achieved 73 percent of its targets. To the right is a summary of Departmental performance dating back to FY 2001. Below are the funding and full-time equivalent (FTE) levels by strategic goal and financial highlights. It should be noted that FY 2010 was an unusual year in which the Department conducted the 2010 Decennial Census, resulting in a large increase in FTE and funding for FY 2010. Beginning on page 16 is a summary of the performance results by strategic goal. This summary provides a snapshot of the targeted achievements. Discussions and highlights of successes can be found in the performance discussions of each performance goal.

PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

(Dollars in Millions) ¹	Percentage Change	FY 2010	FY 2009
For the Years Ended September 30, 2010 and 2009			
Obligations by Strategic Goal:			
<i>Strategic Goal 1: Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers, and Consumers²</i>	+57.8%	\$ 7,581.3	\$ 4,804.4
<i>Strategic Goal 2: Promote U.S. Innovation and Industrial Competitiveness²</i>	+87.5%	\$ 7,334.2	\$ 3,912.1
<i>Strategic Goal 3: Promote Environmental Stewardship</i>	+12.1%	\$ 5,781.7	\$ 5,158.0
<i>Management Integration Goal: Achieve Organizational and Management Excellence</i>	+16.2%	\$ 94.0	\$ 80.9
TOTAL OBLIGATIONS	+49.0%	\$20,791.2	\$13,954.4
Full Time Equivalents (FTEs) by Strategic Goal:			
<i>Strategic Goal 1: Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers, and Consumers²</i>	+230.2%	96,720	29,294
<i>Strategic Goal 2: Promote U.S. Innovation and Industrial Competitiveness²</i>	-0.8%	12,664	12,768
<i>Strategic Goal 3: Promote environmental stewardship</i>	-2.7%	11,709	12,031
<i>Management Integration Goal: Achieve Organizational and Management Excellence</i>	+16.0%	341	294
TOTAL FTEs	+123.3%	121,434	54,387

Fiscal Year	Value
FY 2010	\$20,791.2
FY 2009	\$13,954.4

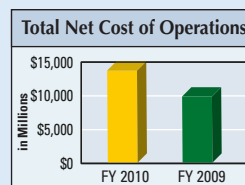
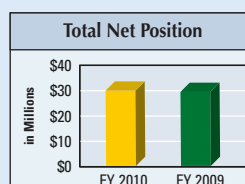
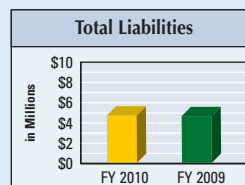
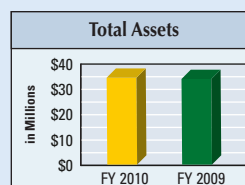
Fiscal Year	Value
FY 2010	121,434
FY 2009	54,387

¹Performance funding may differ from funding shown in financial statements because the performance funds do not include one-time funds for unexpected events (e.g., Hurricane Katrina) or reimbursable work that cannot be planned. In these cases, the funding is not factored into bureau performance amounts. Also funding reflects obligations as opposed to costs. An example of the difference is the NTIA Broadband Technology Opportunities Program where over \$4 billion was obligated in FY 2010, however the costs incurred was significantly less.

²For Strategic Goal 1, the funding and FTE rose significantly in FY 2010 as a result of the 2010 Decennial Census. For Strategic Goal 2, the funding and FTE rose significantly as a result of the NTIA Broadband Technology Opportunities Program.

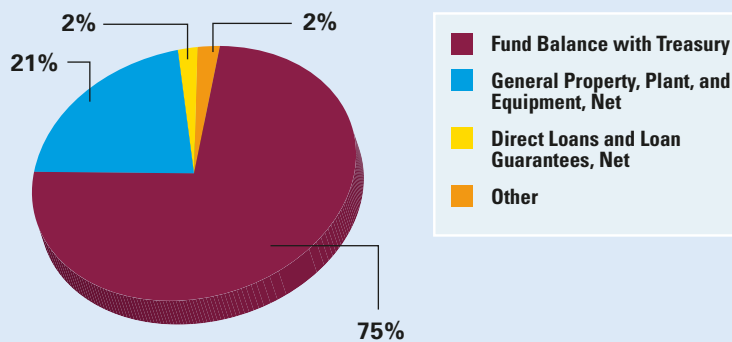
FINANCIAL HIGHLIGHTS

(Dollars in Thousands)	Percentage Change	FY 2010	FY 2009
As of September 30, 2010 and 2009			
Condensed Balance Sheets:			
ASSETS:			
Fund Balance with Treasury	0%	\$ 25,785,547	\$ 25,671,762
General Property, Plant, and Equipment, Net	+9%	7,394,711	6,758,827
Direct Loans and Loan Guarantees, Net	+6%	540,147	511,092
Other	-30%	712,365	1,015,104
TOTAL ASSETS	+1%	\$ 34,432,770	\$ 33,956,785
LIABILITIES:			
Unearned Revenue	+2%	\$ 1,332,395	\$ 1,311,270
Spectrum Auction Proceeds Liability to Federal Communications Commission	-92%	33,838	400,451
Federal Employee Benefits	+12%	769,035	687,434
Accounts Payable	-9%	462,693	505,944
Accrued Grants	+72%	766,204	446,207
Debt to Treasury	+6%	517,930	487,275
Accrued Payroll and Annual Leave	+4%	561,154	540,082
Other	-2%	236,916	242,102
TOTAL LIABILITIES	+1%	\$ 4,680,165	\$ 4,620,765
NET POSITION:			
Unexpended Appropriations	-2%	\$ 12,882,192	\$ 13,136,522
Cumulative Results of Operations	+4%	16,870,413	16,199,498
TOTAL NET POSITION	+1%	\$ 29,752,605	\$ 29,336,020
TOTAL LIABILITIES AND NET POSITION	+1%	\$ 34,432,770	\$ 33,956,785
For the Years Ended September 30, 2010 and 2009			
Condensed Statements of Net Cost:			
<i>Strategic Goal 1: Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers, and Consumers</i>	+108%	\$7,878,604	\$3,794,414
<i>Strategic Goal 2: Promote U.S. Innovation and Industrial Competitiveness</i>	-33%	1,262,005	1,880,001
<i>Strategic Goal 3: Promote Environmental Stewardship</i>	+9%	4,523,471	4,152,324
TOTAL NET COST OF OPERATIONS	+39%	\$13,664,080	\$9,826,739
Total Gross Costs	+32%	\$16,527,409	\$12,540,517
Less: Total Earned Revenue	+6%	(2,863,329)	(2,713,778)
Total Net Cost Of Operations		\$13,664,080	\$9,826,739

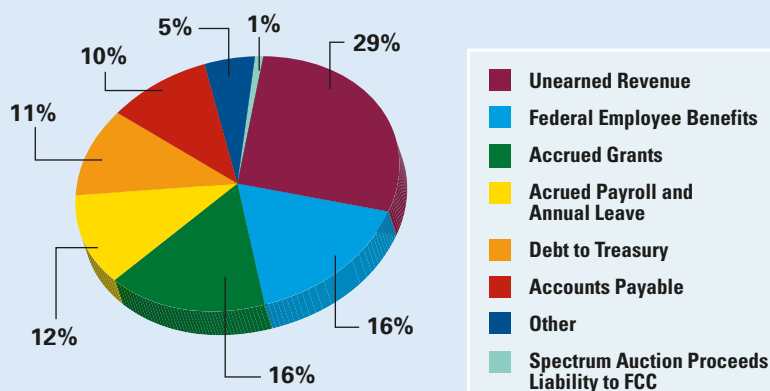


REVIEW OF FINANCIAL POSITION AND RESULTS

COMPOSITION OF THE DEPARTMENT'S FY 2010 ASSETS



COMPOSITION OF THE DEPARTMENT'S FY 2010 LIABILITIES

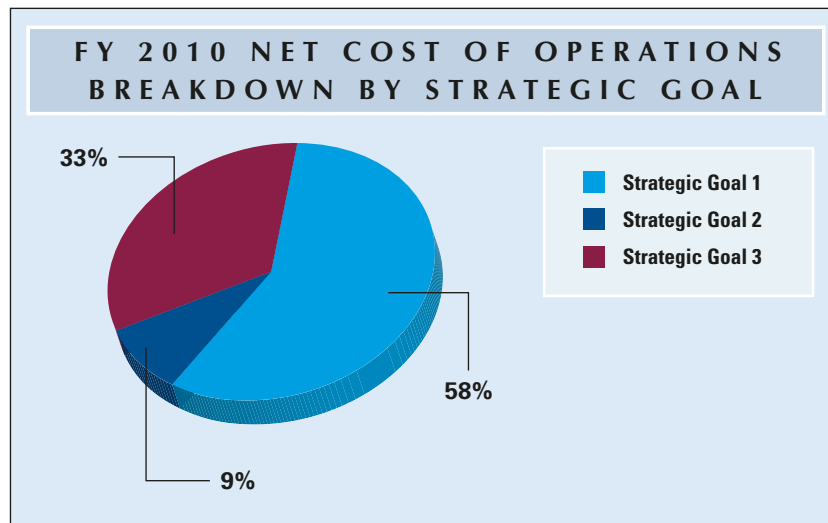


ASSETS

The Department had total assets of \$34.4 billion as of September 30, 2010. This represents an increase of \$476 million or 1 percent over total assets of \$34.0 billion at September 30, 2009. General Property, Plant, and Equipment, Net increased \$636 million or 9 percent, mainly due to an increase in satellites/weather systems of \$558 million. Other Assets decreased by \$303 million or 30 percent, primarily due to a decrease of \$264 million in Advances and Prepayments to another federal agency for the National Telecommunications and Information Administration's (NTIA) Public Safety Interoperable Communications grant program.

LIABILITIES

The Department had total liabilities of \$4.7 billion as of September 30, 2010. This represents an increase of \$59 million or 1 percent as compared to total liabilities of \$4.6 billion at September 30, 2009. Accrued grants increased by \$320 million or 72 percent, primarily resulting from the Economic Development Administration's (EDA) accrued grants increase of \$209 million which resulted from additional funding under the American Recovery and Reinvestment Act (ARRA) of 2009 and a FY 2010 supplemental appropriation for a major storms and flooding disaster that occurred in 2010. NTIA accrued grants also increased by \$90 million, primarily for the Broadband Technology Opportunities Program. Federal Employee Benefits increased by \$82 million or 12 percent, primarily from the effects of changes in economic and other assumptions on the actuarial valuation for the National Oceanic and Atmospheric Administration (NOAA) Corps Retirement System, and also from the effect of increased Decennial Census employees on the valuation of the Department's Actuarial FECA Liability. There was a large decrease of \$367 million or 92 percent in NTIA's Spectrum Auction Proceeds Liability to the Federal Communications Commission (FCC). This liability represents FCC auction proceeds for which licenses have not yet been granted by FCC. During FY 2010, the liability was primarily reduced by net auction proceeds for which licenses have been granted, and by FCC administrative fees.



NET COST OF OPERATIONS

In FY 2010, Net Cost of Operations amounted to \$13.7 billion, which consists of Gross Costs of \$16.5 billion less Earned Revenue of \$2.8 billion. Strategic Goal 1 includes Gross Costs of \$8.1 billion related to maximizing U.S. competitiveness and enabling economic growth for U.S. industries, workers, and consumers. Strategic Goal 2 includes Gross Costs of \$3.6 billion related to promoting U.S. innovation and industrial competitiveness. Strategic Goal 3 includes Gross Costs of \$4.8 billion related to promoting environmental stewardship. The Strategic Goal 1 increase in FY 2010 Net Cost of Operations over FY 2009 of \$4.1 billion or 108 percent is primarily due to an increase in Gross Costs of \$3.6 billion for the Census Bureau's Decennial and Periodic Censuses major program. The Strategic Goal 2 decrease in FY 2010 Net Cost of Operations over FY 2009 of \$618 million or 33 percent is primarily due to a large decrease in Gross Costs for NTIA's Digital-to-Analog Converter Box Program, as the program was substantially completed by mid-November 2009. The Strategic Goal 3 increase in FY 2010 Net Cost of Operations over FY 2009 of \$371 million or 9 percent is primarily due to an increase in gross costs of \$205 million for NOAA's Operations, Research, and Facilities budget account, mainly due to increased depreciation expense for personal property and increased imputed costs from other federal agencies. The Strategic Goal 3 increase in Net Cost of Operations also results from increased NOAA gross costs of \$134 million from funding under ARRA, for its Operations, Research, and Facilities functions, and its Procurement, Acquisition, and Construction functions.

THE DEPARTMENT OF COMMERCE PROCESS FOR STRATEGIC PLANNING AND PERFORMANCE REPORTING

MANAGEMENT STRATEGIC FRAMEWORK, PERFORMANCE PLANNING AND REPORTING AT A GLANCE

The Department's Strategic Plan maps out the Department's Strategic Goals, Objectives, and Outcomes that constitute achievement of its Mission and Vision. It also provides performance measures used to gauge success toward the Outcomes. The plan explains the Department's strategies for success and identifies key challenges. The Department's Annual Performance Plans (APP) provide annual targets for these performance measures, the resources required to achieve them, and a summary of how these resources will be used to achieve results. FY 2010 and FY 2011 APPs can be found at <http://www.osec.doc.gov/bmi/budget/>. This Performance and Accountability Report (PAR) measures actual progress against the projected progress in the FY 2010 APP. The Department's current Strategic Plan covers FY 2007-FY 2012 and can be found at <http://www.osec.doc.gov/bmi/budget/10strplan/DOC07strplan.pdf>. The Department is currently updating its Strategic Plan, which it expects to issue prior to the FY 2012 Congressional Budget.



This PAR provides a public accounting of the Department's FY 2010 performance results and completes the Department's performance management process for the fiscal year. The Web address of the FY 2010 PAR is <http://www.osec.doc.gov/bmi/budget/fy10par.htm>. Appendix A of the FY 2010 PAR provides historical results of the Department's performance, matching targets against actuals.

During FY 2010, the Department began implementation of a balanced scorecard approach to support management and planning activities. The scorecard incorporates the Department's programmatic goals as well as management goals that are critical to the long-term sustainability of its programs. The scorecard supplements the most significant outcome-oriented measures from the Strategic Plan and APP (i.e., the Department's Government Performance and Results Act (GPRA) measures) with leading indicators that closely linked (requisites) to these outcomes. In this manner, the Departmental and bureau scorecards serve as a meaningful tool supporting the Department's senior managers in executing their oversight and management responsibilities.

SUMMARY DESCRIPTION OF BUREAUS

The following are summary descriptions of each bureau in budget appropriation order with applicable strategic goals and objectives listed at the end of each description.

The **Departmental Management (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. Executive Direction

develops and implements Departmental policies and coordinates bureau program activities to accomplish the Department's mission while Departmental Staff Services develops and implements the Department's internal policies, procedures, and other administrative guidelines. **MANAGEMENT INTEGRATION GOAL**

The *Office of Inspector General (OIG)* ensures that the Department's employees and others managing federal resources comply with applicable laws and regulations, and actively work to prevent fraud, waste, and abuse in program operations. The OIG monitors and tracks the use of taxpayer dollars in federally-funded programs with its purpose being to keep Departmental officials and Congress fully and currently informed about issues, problems, and deficiencies relating to the administration of programs and operations and the need for corrective action. **MANAGEMENT INTEGRATION GOAL**

The *Economic Development Administration (EDA)* directly supports the Department's goal to maximize U.S. competitiveness and enable economic growth for U.S. industries, workers, and consumers with the objective to foster domestic economic development as well as export opportunities. To achieve this objective, EDA promotes a favorable business environment through strategic investments in public infrastructure. These investments help attract private capital investment and jobs that address problems of high unemployment, low per capita income, and sudden, severe economic challenges. **STRATEGIC GOAL 1, OBJECTIVE 1.1**

The *Census Bureau* is the leading source of quality data about the Nation's people and economy. The Census Bureau measures those trends and segments of the U.S. population and economy most critical to continued U.S. success and prosperity. The Census Bureau provides benchmark measures of the U.S. population, economy, and governments, and provides current measures of the U.S. population, economy, and governments. The Census Bureau's cyclical programs include the Economic Census and the Census of Governments, conducted every five years, and the Decennial Census program, conducted every 10 years. **STRATEGIC GOAL 1, OBJECTIVE 1.3**

The *Bureau of Economic Analysis (BEA)* produces some of the Nation's most important economic statistics, including GDP and the balance of payments. BEA promotes a better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data in an objective and cost-effective manner. Although a relatively small agency, BEA's economic statistics are among the Nation's most closely watched. BEA's statistics influence critical decisions made by policymakers, business leaders, households, and individuals affecting interest and exchange rates, tax and budget projections, business investment plans, and the allocation of over \$200 billion in federal funds. **STRATEGIC GOAL 1, OBJECTIVE 1.3**

The *International Trade Administration (ITA)* works to create prosperity by promoting trade and investment, ensuring fair trade and compliance with trade laws and agreements, and strengthening the competitiveness of U.S. industry. Within ITA, the *Manufacturing and Services (MAS)* unit analyzes the domestic and international aspects of U.S. competitiveness by working with U.S. industries to evaluate the needs of the MAS sectors, conducting economic and regulatory studies aimed at strengthening U.S. industry, obtaining input and advice from U.S. industries for trade policy setting, and participating, as appropriate, with ITA trade policy and negotiation advancement initiatives. The *Market Access and Compliance (MAC)* unit concentrates on the development of strategies to overcome market access obstacles faced by U.S. businesses. MAC monitors foreign country compliance with numerous trade-related agreements and identifies compliance problems and other market access obstacles. The Import Administration (IA) helps ensure fair trade by administering the U.S. antidumping and countervailing duty (AD/CVD) laws in a manner consistent with U.S. international obligations. IA works extensively with U.S. businesses on a regular basis to educate them about U.S. trade laws related to dumping and foreign government subsidies and how to act if they are injured by those practices. The *U.S. and Foreign Commercial Service (US&FCS)* broadens and deepens the base of U.S. exports by providing U.S. companies with reliable advice on the range of public and private assistance available, and knowledgeably supports all other federal trade promotion services. **STRATEGIC GOAL 1, OBJECTIVES 1.1 AND 1.2**

The **Bureau of Industry and Security (BIS)** advances U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership. BIS (1) regulates the export of sensitive "dual use" goods and technologies in an effective and efficient manner; (2) enforces export control, antiboycott, and public safety laws; (3) cooperates with and assists other countries on export control and strategic trade issues; (4) assists U.S. industry in complying with international arms agreements; (5) monitors the viability of the U.S. defense industrial base; (6) evaluates the effects on national security of foreign investments in U.S. companies; and (7) supports continued U.S. technology leadership in industries that are essential to national security. **STRATEGIC GOAL 1, OBJECTIVE 1.2**

The **Minority Business Development Agency (MBDA)** actively promotes the ability of minority business enterprises (MBE) to grow and to participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services. MBDA (1) fosters the expansion of opportunities for minority-owned businesses in the global marketplace; (2) identifies sources of financial capital for minority-owned firms; (3) develops and upgrades electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities; (4) provides management and technical assistance to minority-owned businesses; and (5) advocates for the increased use of electronic commerce and new technologies by MBEs. **STRATEGIC GOAL 1, OBJECTIVE 1.1**

The **National Oceanic and Atmospheric Administration (NOAA)** promotes environmental stewardship. NOAA encompasses all of Strategic Goal 3. **STRATEGIC GOAL 3**

NOAA is divided into two primary appropriation accounts, Operations, Research, and Facilities; and Procurement, Acquisition, and Construction for both of which the following six programs apply:

- The **National Ocean Service (NOS)** provides scientific, technical, and management expertise to promote safe navigation; protects and restores coastal and marine resources damaged by natural or human-induced threats; and manages and preserves coastal and ocean environments.
- The **National Marine Fisheries Service (NMFS)** manages and conserves the living marine resources within the 200-mile U.S. Exclusive Economic Zone. NMFS is dedicated to the stewardship of living marine resources through science-based conservation and management.
- The **Office of Oceanic and Atmospheric Research (OAR)** provides the research and technology development necessary to improve NOAA climate, weather, coastal, and ocean services. OAR supplies the scientific information to advise national policy decisions in such areas as climate change, air quality, coastal resource management, and stratospheric ozone depletion.
- The **National Weather Service (NWS)** provides weather, hydrologic, and climate forecasts and warnings for the United States, its territories, adjacent waters, and ocean areas, for the protection of life and property and the enhancement of the national economy.
- The **National Environmental Satellite, Data and Information Service (NESDIS)** operates the polar-orbiting and geostationary operational environmental satellites, develops the converged polar-orbiting satellite series with the Department of Defense (DOD) and the National Aeronautics and Space Administration (NASA), and manages NOAA's environmental data collections for use in studying long-term environmental change.
- **Program Support** provides overall NOAA management, planning, and administrative support for NOAA. Program Support promotes environmental literacy and develops and sustains a world-class workforce. Program Support provides for repair, restoration, and other construction efforts, along with NOAA-wide environmental compliance and safety issues. With Program Support, the Office of Marine and Aviation Operations operates and maintains NOAA's ships and aircraft and uses them to collect data to support NOAA's mission.

The *U.S. Patent and Trademark Office (USPTO)* fosters innovation and competitiveness by providing high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property (IP) policy, and delivering IP information and education worldwide. Two distinct business lines, Patents and Trademarks, administer the patent and trademark laws which provide protection to inventors and businesses for their inventions and corporate and product identifications, and encourage innovation and scientific and technical advancement of U.S. industry through the preservation, classification, and dissemination of patent and trademark information. **STRATEGIC GOAL 2, OBJECTIVE 2.2**

The *National Institute of Standards and Technology (NIST)* promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that improve economic security and quality of life. NIST develops and disseminates measurement techniques, reference data, test methods, standards, and other technologies and services needed by U.S. industry to compete in the 21st century. The *NIST laboratories* provide the measurement science and physical standards that are essential components of the technology infrastructure underpinning U.S. innovation. NIST's *Technology Innovation Program (TIP)* supports innovative, high-risk, high-reward research in areas of critical national need where the government has a clear interest due to the magnitude of the problems and their importance to society. Through federal-state-local and private sector partnerships, NIST's *Hollings Manufacturing Extension Partnership (MEP)* provides technical and business assistance to manufacturers through a nationwide network of centers in all 50 states and Puerto Rico. The *Baldrige National Quality Program* promotes proven quality and performance management practices to strengthen U.S. companies, educational organizations, and health care providers. Recognized worldwide, the program furthers organizational excellence through education, outreach, and annual awards. **ALL OF NIST'S PROGRAMS APPLY TO STRATEGIC GOAL 2, OBJECTIVE 2.1, EXCEPT THE MEP PROGRAM WHICH APPLIES TO STRATEGIC GOAL 1, OBJECTIVE 1.4**

The *National Technical Information Service (NTIS)* collects and preserves scientific, technical, engineering, and other business-related information from federal and international sources, and disseminates it to the U.S. business and industrial research community. **STRATEGIC GOAL 2, OBJECTIVE 2.1**

The *National Telecommunications and Information Administration (NTIA)* develops domestic and international telecommunications and information policy for the executive branch; ensures the efficient and effective management and use of the federal radio spectrum; and performs state-of-the-art telecommunications research, engineering, and planning. **STRATEGIC GOAL 2, OBJECTIVE 2.3**

On the following pages is a listing of the key measures of each of the bureaus in the Department. This list is not all-inclusive. Further information concerning these and other performance measures can be found in Appendix A. The status of a given measure is either exceeded (more than 125 percent of the target), met (100 to 125 percent of target), slightly below (95 to 99 percent of the target), or not met (below 95 percent of target).

KEY PERFORMANCE MEASURES

STRATEGIC GOAL	PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS ³
Strategic Goal 1: Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers	Private Investment leveraged ¹ (EDA)	\$2,410M	\$2,758M	Met
	Jobs created/retained ¹ (EDA)	72,000	66,527	Not Met
	Commercial diplomacy success (cases) (annual) (ITA)	166	112	Not Met
	Annual cost savings resulting from the adoption of Manufacturing and Services (MAS) recommendations contained in MAS studies and analysis (ITA)	\$350M	\$647M	Exceeded
	Percent of industry-specific trade barriers addressed that were removed or prevented (ITA)	30%	35%	Met
	Dollar value of contract awards obtained (MBDA)	\$1.00B	\$1.50B	Exceeded
	Dollar value of financial awards obtained (MBDA)	\$0.60B	\$1.80B	Exceeded
	Percentage of market access and compliance cases resolved successfully (ITA)	50%	58%	Met
	Value of market access and compliance cases resolved successfully (ITA)	\$2.5B	\$21.4B	Exceeded
	Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge (BIS)	850	806	Slightly Below
	Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public and meet constitutional and legislative mandates (ESA/CENSUS)	At least 90% of key prep activities completed on time	At least 90% of key prep activities completed on time	Met
	Achieve pre-determined collection rates for Census Bureau censuses and surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public (ESA/CENSUS)	At least 90% of key censuses and surveys meet/exceed collection rates/ levels of reliability	Met percentages	Met
	Timeliness: Reliability of delivery of economic data (number of scheduled releases issued on time) (ESA/BEA)	55	61	Met
	Accuracy: Percent of GDP estimates correct (ESA/BEA)	> 85%	88%	Met
	Increased sales attributed to MEP centers receiving federal funding (NIST)	\$2,000M from FY 2009 funding	\$2,085M from FY 2009 funding ²	Met
	Cost savings attributed to MEP centers receiving federal funding (NIST)	\$1,000M from FY 2009 funding	\$1,149M from FY 2009 funding ²	Met
Strategic Goal 2: Promote U.S. innovation and industrial competitiveness	Qualitative assessment and review of technical quality and merit using peer review (NIST)	Complete annual peer review	Completed	Met
	Cumulative number of TIP projects funded (NIST)	25	29	Met
	Final rejection/allowance compliance rate (USPTO)	94.5%	96.3%	Met
	Patent average total pendency (months) (USPTO)	34.8	35.3	Slightly Below
	Trademark final compliance rate (USPTO)	97.0%	96.8%	Slightly Below
	Trademark average total pendency excluding suspended and inter partes proceedings (months) (USPTO)	13.0	10.5	Met
	Support new telecom and information technology by advocating Administration views in number of FCC docket filings, and Congressional and other proceedings (NTIA)	5 dockets and proceedings	17 dockets and proceedings	Exceeded

¹ EDA shows private investment leveraged and jobs created/retained at three, six, and nine year levels. The amounts shown here are for the nine year (long-term totals). Three and six year totals are available in Appendix A.

² Estimate.

³ To be considered "Exceeded," an actual must have been at least 25 percent above the target. Met equaled 100-124 percent of target. Slightly Below equaled 95-99 percent of target.

(continued)

KEY PERFORMANCE MEASURES (continued)

STRATEGIC GOAL	PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS ³
Strategic Goal 3: Promote environmental stewardship	Fish stock sustainability index (FSSI) (NOAA)	580	582.5	Met
	Percentage of living marine resources with adequate population assessments and forecasts (NOAA)	34.3%	34.7%	Met
	Number of habitat acres restored (annual/cumulative) (NOAA)	8,875/67,849	6,907/65,881	Not Met
	Annual number of coastal, marine, and Great Lakes habitat acres acquired or designated for long-term protection (NOAA)	2,000	2,000 ²	Met
	Error in global measurement of sea surface temperature (NOAA)	0.53°C	0.50°C	Met
	Severe weather warnings for tornadoes (storm-based) – Lead time (minutes) (NOAA)	12	14 ²	Met
	Severe weather warnings for tornadoes (storm-based) – Accuracy (%) (NOAA)	70%	74% ²	Met
	Hurricane forecast track error (48 hours) (nautical miles) (NOAA)	107	70	Exceeded
	Hurricane forecast intensity error (48 hours) (difference in knots) (NOAA)	13	18	Not Met
	Reduce the hydrographic survey backlog within navigationally significant areas (square nautical miles surveyed per year) (NOAA)	5,160	4,395	Not Met
	Percentage of U.S. counties rated as fully enabled or substantially enabled with accurate positioning capacity (NOAA)	74.0%	79.0%	Met
Management Integration Goal: Achieve organizational and management excellence	Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management (DM)	<ul style="list-style-type: none"> Eliminate any significant deficiency within 1 year of determination Complete FY 2010 A-123 assessment of internal controls 	<ul style="list-style-type: none"> Significant deficiency not eliminated Completed FY 2010 A-123 assessment of internal controls 	Not Met
	Improve the management of information technology (DM)	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10% 	<ul style="list-style-type: none"> For the year, IT investments have cost/schedule overruns and performance shortfalls averaging less than 10% 	Met
	Dollar value of financial benefits identified by the OIG (OIG)	\$38.0M	\$47.8M	Exceeded

² Estimate.

³ To be considered "Exceeded," an actual must have been at least 25 percent above the target. Met equaled 100-124 percent of target. Slightly Below equaled 95-99 percent of target.

MOST IMPORTANT RESULTS

STRATEGIC GOAL 1

Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

PERFORMANCE SUMMARY

In FY 2010, the Department met or exceeded 78 percent of the targets it had set for the year. As a general rule, the Department has increased slightly in terms of performance from FY 2001 through FY 2010, having met/exceeded 77 percent of the targets in 2001.

ACCOMPLISHMENTS AND BENEFITS

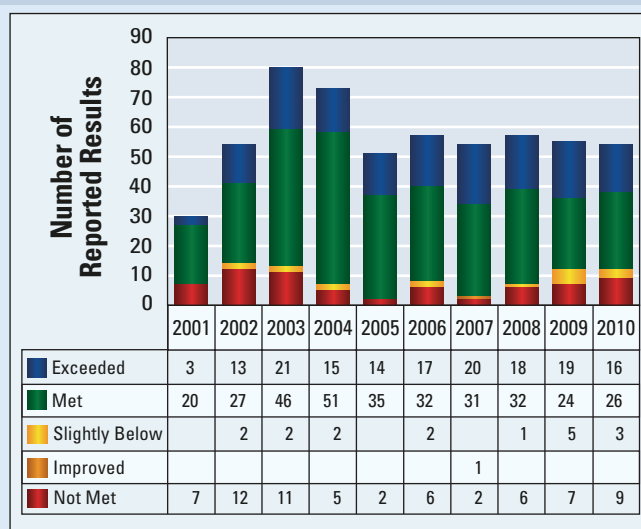
Some of the significant accomplishments, impacts and benefits that the Department had on the U.S. public include the following:

Through programs within the Economic Development Administration (EDA), the Department has helped generate, by FY 2010, approximately \$2.8 billion in private investment and 66,527 jobs as a result of approximately \$411 million in investments made in FY 2001, a 7-to-1 benefit-to-cost ratio. EDA data indicate that investments made in FY 2007, FY 2004, and FY 2001 (three, six, and nine years prior to FY 2010) have helped generate \$6.6 billion in private investment and have helped create or retain 102,000 jobs. EDA anticipates that FY 2010 investments of approximately \$212 million will help generate \$261 million, and then continue to increase to \$652 million by FY 2016, and \$1,303 million by FY 2019. EDA expects that those same investments will help create or retain 6,523 jobs by FY 2013, 16,308 jobs by FY 2016, and 32,616 jobs by FY 2019.

To help advance President Obama's innovation agenda, EDA successfully led two major, multi-department funding competitions in FY 2010: EDA helped to lead the Energy Regional Innovation Cluster (e-RIC) initiative, a pilot initiative to spur regional economic growth while developing innovative, energy-efficient building technologies; and the i6 Challenge to accelerate the commercialization of university and federal research to take ideas from the lab to the marketplace, producing the small businesses that are the engine of job creation in the United States.

Further, EDA led efforts to assist regional economies that have been greatly impacted by transformations in major U.S. industries as well as devastating man-made and natural disasters. EDA spearheaded the effort to implement President Obama's \$100 million, multi-agency initiative to assist communities affected by changes in the space industry; collaborated with the White House Council on Auto Communities and Workers to promote innovative strategies that attract national and global investment

**STRATEGIC GOAL 1
PERFORMANCE RESULTS**



See Appendix A: Performance and Resource Tables for individual reported results.

to auto-impacted communities; and played a pivotal role in federal efforts to advance recovery efforts in the Gulf Coast region following the BP oil spill.

Additionally, EDA participated in the White House Cities in Transition Initiative and led the creation of a Cities in Transition Challenge grant competition to support the development of economic recovery strategies for chronically distressed communities across the Nation.

Likewise, in FY 2010, operations funded by the Minority Business Development Agency (MBDA) supported clients who obtained \$3.3 billion in contract and financial awards.

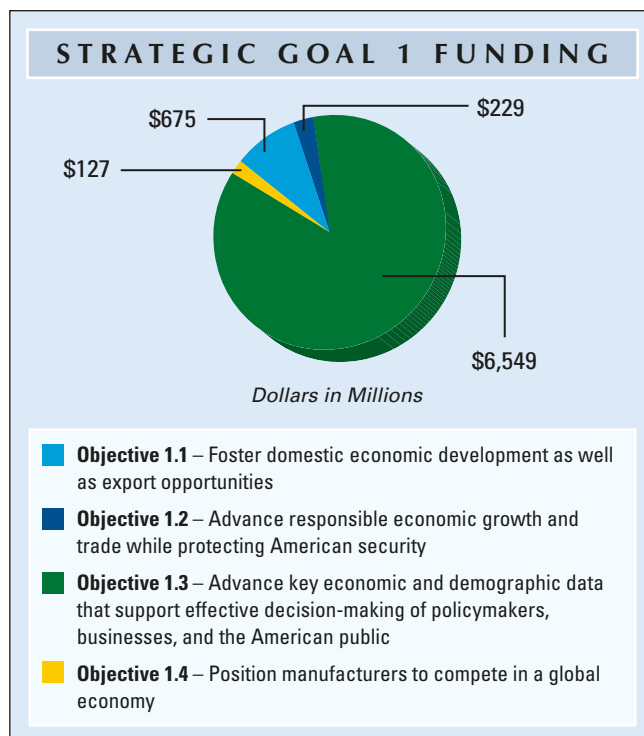
In February 2010, Secretary of Commerce Gary Locke unveiled the details of the Department's efforts to support President Obama's National Export Initiative (NEI) designed to reach President Obama's goal of doubling exports over the next five years and to support two million jobs in the United States. The NEI represents the first time the United States will have a government-wide export-promotion strategy with focused attention from the President and his Cabinet.

The NEI is focused on three key areas: (1) a more robust effort by this administration to expand its trade advocacy in all its forms, especially for small and medium-sized enterprises (SME); (2) improving access to credit with a focus on small and medium-sized businesses that want to export; and (3) continuing the rigorous enforcement of international trade laws to help remove barriers that prevent U.S. companies from getting free and fair access to foreign markets. In addition to improving efforts in those areas, the NEI creates an Export Promotion Cabinet reporting to the President that will consist of top leaders from agencies that can contribute to this effort.

Since President Obama announced the NEI, the Department's Advocacy Center has assisted U.S. companies competing for export opportunities, supporting \$11.4 billion in exports and an estimated 70,000 jobs. The Department's Commercial Service officers stationed around the world have helped more than 2,000 companies generate \$3.8 billion worth of exports. To date, the Department has coordinated 18 trade missions with over 160 companies to 24 countries.

The International Trade Administration (ITA) continued to lower trade barriers through free trade agreements (FTA) during FY 2010. Although countries that the United States has FTAs with only represent 9.4 percent of world gross domestic product (GDP), they represent 41 percent of U.S. trade. These FTAs are helping strengthen the U.S. manufacturing sector. ITA has also maintained a concerted effort to open up large developing markets like China and India.

Often companies encounter difficult hurdles when trying to do business in other countries. ITA has measured itself by "export successes" tied to specific export transactions of client companies. Overseas posts also devote time and resources to "commercial diplomacy," i.e., working behind the scenes to resolve problems, reduce trade barriers, and



cut red tape. Commercial diplomacy benefits not only current ITA clients, but also all U.S. exporters by opening doors and creating paths to success for other exporters to follow.

While the Department seeks to encourage trade, this desire is balanced by the need to control exports, specifically those dual-use exports which have both civilian and military applications.

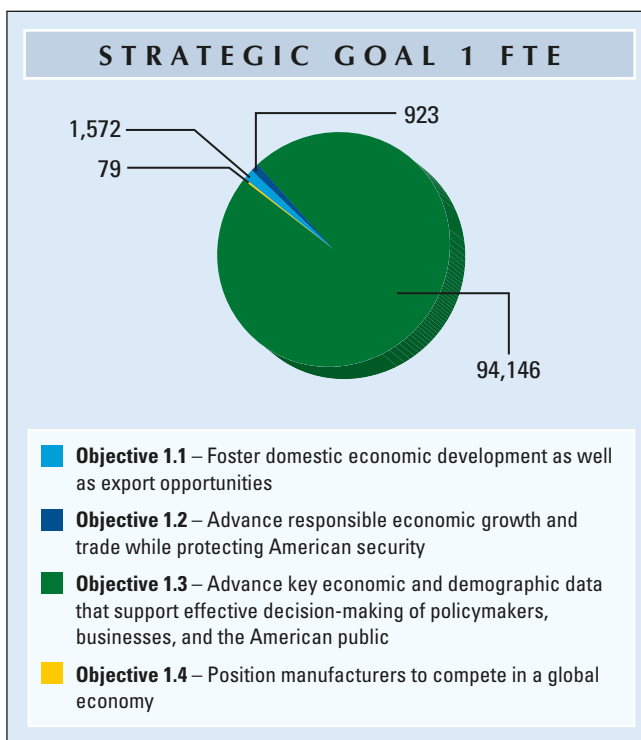
The Department announced a revision to its rules regarding the export of most mass market electronic products that contain encryption functions and other encryption products.

This revised rule enhances U.S. national security and cuts red tape by eliminating the review of readily available encryption items, like cell phones and household appliances, and allows the government to focus its resources on more sensitive encryption items. This new rule ends the U.S. government's 30-day technical review requirement to export most mass market and other types of encryption products. "Mass market" electronic products containing encryption include cell phones, laptops, and disk drives. Exporters and manufacturers of the encryption products may now self-classify the products and then export them without a license if they register online with the Bureau of Industry and Security (BIS). BIS also requires that they submit an annual self-classification report. This rule is expected to decrease technical reviews by approximately 70 percent and semi-annual reporting by up to 85 percent.

The rule also extends the scope of License Exception ENC authorizations to most encryption technology exports, following a technical review. In addition, it adds a decontrol note for items that perform "ancillary" cryptography, which covers items such as games, robotics, business process automation, and other products that contain encryption capabilities but do not have communication, computing, networking, or information security as a primary function.

This rule is the first step in the President's effort to fundamentally reform U.S. encryption export controls and the administration will continue to review the encryption rules to further enhance national security and ensure the continued competitiveness of U.S. encryption products.

Through the Census Bureau and the Bureau of Economic Analysis (BEA), the Department provides vital statistical information on the economy and the demographics of the Nation. Statistics affect all aspects of public and private sectors, including the distribution of funds to various geographic districts. The Economics and Statistics Administration (ESA) provides timely and accurate economic insight to the Secretary and his chief policy advisors through a biweekly economic briefing and during FY 2010 released three major reports this year: "Middle Class in America," "Measuring the Green Economy," and "CO2 Emissions and Intensities Over



Time." The findings in these reports have been used across the Administration, including by the White House Office of Public Engagement and the Vice President's Middle Class Task Force.

In FY 2010, the Census Bureau conducted the 2010 Decennial Census, the largest non-military activity undertaken by the U.S. government. The decennial census affects the reapportionment of Congressional seats among the states and the corresponding redistricting within the states. It forms the basis for many political, economic, and social decisions that are made throughout the United States, including the distribution of more than \$400 billion of federal funding among states, cities, and other local communities.

The Census Bureau completed data collection for the 2007 Economic Census and started delivery of some 1,600 data releases through the Web-based American FactFinder dissemination system. The *2007 Economic Census Advance Report* was released in November 2009, and the Geographic Area Series was released in August 2010. The flow of 2007 Economic Census data products will continue through FY 2011.

BEA promotes a better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data in an objective and cost-effective manner. BEA's national, industry, regional, and international economic accounts present valuable information on key issues such as U.S. economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy.

In 2010, BEA continued to produce its critical statistics, including GDP, personal income and outlays, corporate profits, GDP by state and by metropolitan area, balance of payments, and GDP by industry. These statistics are used by federal, state, and local governments for budget development and tax projections; by the Federal Reserve for monetary policy; by the business sector for planning and investment; and by the U.S. public to follow and understand the performance of the Nation's economy. BEA helps the world to understand these and other economic measures produced by the federal statistical system through its publication, *The Survey of Current Business*, as well as through its Web site, www.bea.gov. As businesses, governments, and households are provided with better, easier-to-understand economic data, their ability to make key investment decisions that move the U.S. economy forward are significantly improved.

One of BEA's primary goals in 2010 was to maintain and improve the relevance and usefulness of its economic accounts. It continued to explore the development of new statistics such as quarterly GDP by industry, state personal consumption expenditures, and industry-level production accounts. It also began work to develop new estimation models for service sector statistics that will allow a quicker and more flexible response to current and future changes in the economy. At the same time, BEA continued its progress on satellite accounts, publishing an update of the account for research and development and proceeding with research into prices and spending measures for the health satellite account.

The National Institute of Standards and Technology's (NIST) Hollings Manufacturing Extension Partnership (MEP) provides tools and services to keep manufacturers competing and thriving in today's global marketplace. In FY 2010, MEP's nationwide network of field staff continued to serve as trusted business advisors focused on solving manufacturers' challenges and identifying opportunities for growth. MEP provides the services that reduce manufacturers' bottom-line expenses and increase efficiency while offering tools to improve manufacturers' top-line growth with the development of new sales, new markets, and new products.

SUMMARY OF PERFORMANCE RESULTS

STRATEGIC OBJECTIVE	PERFORMANCE OUTCOME	TARGETS MET OR EXCEEDED
Strategic Objective 1.1: Foster domestic economic development as well as export opportunities	Promote private investment and job creation in economically distressed communities (EDA)	5 of 6
	Improve community capacity to achieve and sustain economic growth (EDA)	3 of 6
	Increase access to the marketplace and financing for minority-owned businesses (MBDA)	5 of 5
	Strengthen U.S. competitiveness in domestic and international markets (ITA)	4 of 4
	Broaden and deepen U.S. exporter base (ITA)	2 of 6
Strategic Objective 1.2: Advance responsible economic growth and trade while protecting American security	Identify and resolve unfair trade practices (ITA)	5 of 5
	Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system (BIS)	5 of 7
	Integrate non-U.S. actors to create a more effective global export control and treaty compliance system (BIS)	0 of 1
	Ensure continued U.S. technology leadership in industries that are essential to national security (BIS)	1 of 1
Strategic Objective 1.3: Advance key economic and demographic data that support effective decision-making of policymakers, businesses, and the American public	Provide benchmark measures of the U.S. population, economy, and governments (ESA/CENSUS)	2 of 3
	Provide current measures of the U.S. population, economy, and governments (ESA/CENSUS)	2 of 2
	Provide timely, relevant, and accurate economic statistics (ESA/BEA)	4 of 4
Strategic Objective 1.4: Position manufacturers to compete in a global economy	Increase the productivity, profitability, and competitiveness of manufacturers (NIST)	4 of 4

For Strategic Goal 1, in terms of performance, not only did the Department provide significant benefits to the U.S. public, it also met nearly all of its targets in FY 2010. EDA met or exceeded five of six targets for increasing private investment and creation of jobs for programs that were funded either in 2001, 2004, or 2007 (EDA tracks progress on a three, six, and nine-year basis). These programs focused on economically distressed communities. EDA met half of the targets it set for the second outcome. For its outcome, "Increase access to the marketplace and financing for minority-owned businesses," MBDA met all of its targets. Furthermore, historically, the targets appear to be stable or aggressive.

ITA had three performance outcomes that applied to Strategic Goal 1: "Strengthen U.S. competitiveness in domestic and international markets," "Broaden and deepen the U.S. exporter base," and "Identify and resolve unfair trade practices." ITA missed four of 15 targets for its three outcomes.

For the "Broaden and deepen the U.S. exporter base" outcome, ITA missed the targets for the following four measures:

- US&FCS SME new-to-export (NTE)/total change in SME exporters (CS SME NTE effectiveness)
- Number of SME new-to-market (NTM) firms/number of SME firms exporting to two to nine foreign markets (NTM effectiveness)
- Commercial diplomacy successes (cases) (annual)
- Percentage of advocacy bids won

ITA missed the target for the first measure because of a shift in focus from assisting NTE SMEs to NTM firms in support of the President's NEI goals of doubling U.S. exports and supporting two million jobs. While ITA missed the target for the second measure, the results did increase by 50 percent in quarter four over quarter three. ITA helped nearly 2,800 SMEs achieve 4,560 export successes to a new market in FY 2010, which is over 500 more export successes than in FY 2009. While ITA did not achieve the target for the third measure noted, the U.S. export dollar value of commercial diplomacy successes increased by 79 percent from \$974 million in FY 2009 to \$4.56 billion in FY 2010. For the last measure noted, U.S. and Foreign Commercial Service (US&FCS) did not achieve this target; however, US&FCS did achieve 92 percent more advocacy wins in FY 2010 (50) than in FY 2009 (26) and worked on 418 advocacy cases in FY 2010 or 2 percent more than FY 2009.

One of BIS's key tasks is to either prevent illegal exports or to charge export violators. To that end, a key performance measure for BIS is the "number of actions that results in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge." While in FY 2010, BIS was slightly below the target for this measure, BIS has consistently met its targets while raising the targets from year to year. BIS has also consistently maintained an effective export control system, a key to which is the processing of export licenses and the timely issuance of regulations regarding export activity. BIS has consistently met its targets in these areas.

Both the Census Bureau and BEA consistently provide relevant and accurate statistical data to the U.S. public in a timely manner. As a measure of customer satisfaction, the Census Bureau strives to meet or exceed the aggregate federal score on the American Customer Satisfaction Index (ACSI). Since 1999, the Bureau has been below the aggregate score only three times (2000 and 2001, and 2010). Components of the ACSI score include navigation of site, content, transparency, and future participation. The Census Bureau did not achieve the target in FY 2010 as a result of a low score of 60 percent in the area of navigation, thus having a negative impact on the overall ACSI score, which is driven by a high rate of first time users. Future participation, which includes trust in information provided by the Census Bureau, recommended use of the Internet site to others, and reoccurring use of the site, realized an average score of 83 percent. The average ACSI score for the years FY 2004 – FY 2009 was 72.7. BEA released all of its 2010 statistics on schedule, and has developed the GDP statistics with over 85 percent accuracy for each of the past 10 years. For a more detailed description of this accuracy measure see www.osec.doc.gov/bmi/budget/08CJB/esa.pdf. Each year BEA conducts a customer satisfaction survey with a goal of achieving greater than a 4.0 (on a five-point scale). BEA has consistently exceeded that goal, most recently achieving a 4.4 score.

As a catalyst for strengthening U.S. manufacturing, MEP provides services to manufacturers focused on everything from process improvements to strategies for growth to green manufacturing. MEP also works with state and federal partners to accelerate manufacturing's ongoing transformation into a more efficient and powerful engine of innovation that drives economic growth and job creation. Through a framework focused on five critical areas—technology acceleration, supplier development, sustainability, workforce, as well as continuous improvement—MEP is positioning manufacturers to develop new customers, expand into new markets and create new products with the end goal of increasing profitability and competitiveness. MEP offers manufacturers a wealth of unique and effective resources. As a result, MEP clients achieve higher profits, save time and money, invest in physical and human capital, and create and retain thousands of jobs.

STRATEGIC GOAL 2

Promote U.S. innovation and industrial competitiveness

PERFORMANCE SUMMARY

In FY 2010, the Department met or exceeded 82 percent of the targets it had set for the year. For this strategic goal, the Department has significantly improved its performance since FY 2001, having met or exceeded 55 percent of its targets in 2001.

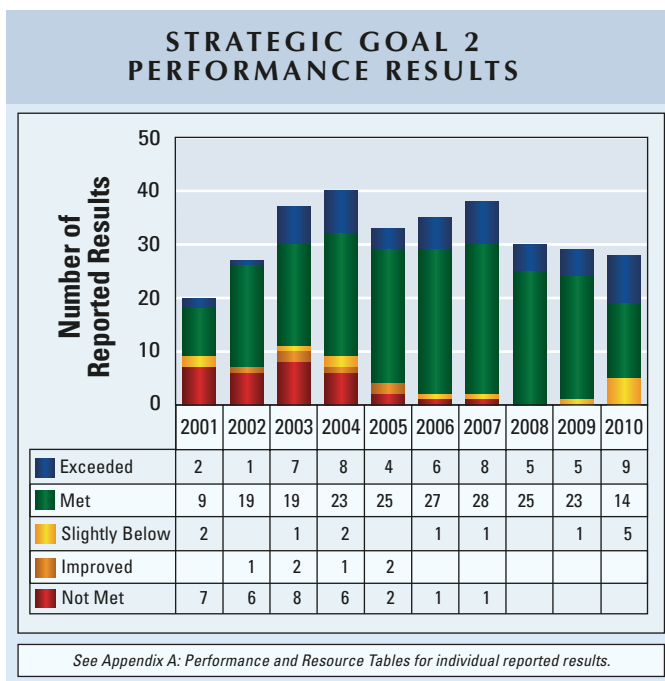
ACCOMPLISHMENTS AND BENEFITS

Some of the significant accomplishments, impacts, and benefits that the Department had on the U.S. public include the following:

NIST's programs are recognized as critical to promoting U.S. innovation and competitiveness. With a focus on measurement science, standards, and technology, NIST's laboratories and programs provide the tools and infrastructure critical to enable the innovation, development, and deployment of advanced technologies. NIST's services and products are critical to every manufacturing and service industry, and government institution.. Examples of NIST's most important results in support of U.S. innovation and competitiveness during FY 2010 cover Standard Reference Materials (SRM), Smart Grid standards, building codes and standards, health care information technology (IT), selected American Recovery and Reinvestment Act (ARRA) of 2009 grants, and the award of new high-risk innovative projects.

In January 2010, NIST issued an initial set of cyber security guidelines and other elements of a framework to support transforming the Nation's aging electric power system into an interoperable Smart Grid. This key component of the Obama administration's energy plan and its strategy for U.S. innovation will integrate digital computing and communication technologies and services with the power-delivery infrastructure. The Smart Grid will enable two-way flows of energy and communication and control capabilities, allowing advances such as real-time consumer control over energy usage and significantly increased reliance on solar and other sources of clean renewable energy. These new capabilities will greatly improve the reliability, flexibility, and efficiency of the entire grid. The NIST-led Smart Grid Interoperability Panel has more than 600 member organizations.

NIST SRMs are among the most widely distributed and used products from NIST. The Agency prepares, analyzes, and distributes more than 1,300 different materials that are used throughout the world to check the accuracy of instruments and test procedures used in manufacturing, clinical chemistry, environmental monitoring, electronics, criminal forensics, and dozens of other fields.



NIST and the Department of Health and Human Services are working to develop a suite of software tools to support a health IT testing infrastructure. The tools are intended to help vendors test their health IT products and ensure basic functionality, such as the calculation of body mass index or proper formatting of common electronic health records. Fully incorporating modern IT into the health care system promises many benefits, including better quality care, less paperwork, and fewer medical errors while reducing unnecessary costs. To ensure that the new technology functions as expected, NIST has been working with a broad array of public and private stakeholders, and has released the first of four installments of a new health IT test method and related software.

In January 2010, NIST awarded more than \$123 million in ARRA grants to 11 universities and one non-profit research organization to provide cost-shared support for the construction of new scientific research facilities. The 12 projects will launch more than \$250 million in new laboratory construction projects beginning in early 2010.

NIST also awarded approximately \$34 million in one-time ARRA grants for 27 research projects in measurement science and engineering to fund projects lasting up to three years at higher-education, commercial, and non-profit organizations in 18 states. The NIST Measurement Science and Engineering Research Grants Program, funded under ARRA supports research to advance measurement science in six areas of critical national importance, including energy, manufacturing, physical infrastructure, environment and climate change, bioscience and health care, and IT and cyber security. By leveraging the Nation's brightest minds in measurement science in important national needs, these grants will increase U.S. ability to innovate, compete, and solve scientific and technological problems.

NIST's Technology Innovation Program (TIP) funded a total of 29 new high-risk, innovative projects since the program's inception in the critical national need areas of inspecting and repairing the Nation's civil infrastructure and accelerating advanced materials in manufacturing processes. The unique multi-disciplinary approaches and teaming efforts of the 73 recipient organizations involved in these projects will help to achieve a transformational impact in both areas of national need.



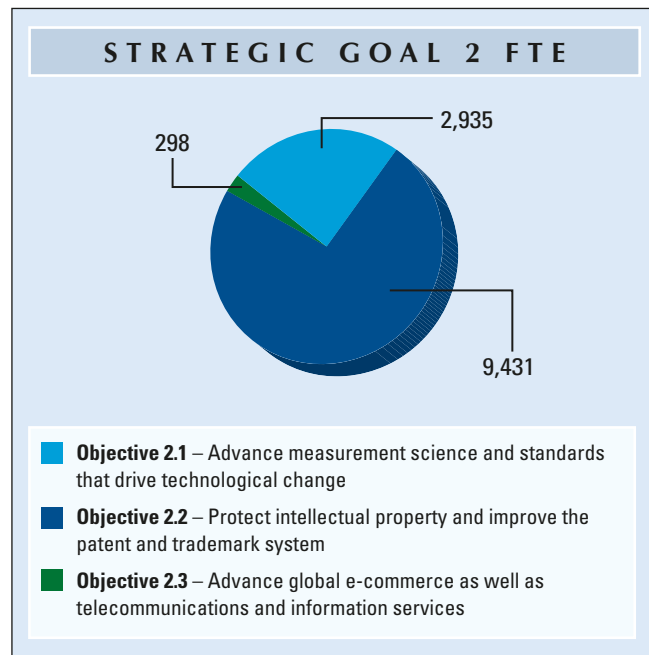
People worldwide benefit from innovations, both directly on a personal level, and indirectly through economic growth fueled by innovation. Continual development of a vigorous, flexible, and efficient intellectual property (IP) system protects individual rights, encourages investment in innovation, and fosters entrepreneurial spirit. The Department promotes the IP system through the protection of inventions or creations via patent, trademark, trade secret, and copyright laws. Under this system of protection, industry in the United States has flourished, creating employment opportunities for millions of Americans.

Through the U.S. Patent and Trademark Office (USPTO), the Department provides IP protection in the form of patents and trademarks thus plays a key role in fostering the innovation that drives job creation, investment in new technology and economic recovery, and in promoting and supporting the Administration's priorities. By issuing patents, the Department provides incentives to invent

and invest in new technology by allowing innovators the opportunity to benefit from their discoveries. Registration of trademarks assists businesses in protecting their investments and safeguards consumers against confusion and deception in the marketplace by providing notice of marks in use. Through dissemination of patent and trademark information, the Department promotes a global understanding of IP protection and facilitates the development and sharing of new technologies worldwide.

In FY 2010, USPTO successfully launched new and innovative projects to meet its strategic goals. USPTO identified and implemented tools and policies that increased patent quality and timeliness. USPTO found efficiencies by redesigning systems and procedures so that it could remove redundant processes. USPTO's improved processes created a streamlined examination process that improves patent quality and timeliness. USPTO made improvements to the existing patent processes through the analysis of examiner workflow while incorporating applicant needs. USPTO closely studied patent processing systems to determine where the improvements would provide the greatest increase in efficiency or increase in examination capacity. A proposal for three-track application pathway gives applicants control over prioritizing their applications, and assists patents management in balancing their workload. This approach is efficient for both the applicant and the patents management since it can now identify areas where increased examination capacity may be required.

Over the last five years, the Trademark organization has met nearly all its performance targets. The examination quality of office actions in the Trademark organization has met and exceeded goals, ranging above 95 percent accuracy in recent years. Approximately 97 percent of all first actions and final decisions (approvals and rejections) met statutory and compliance rates for quality of decision-making and writing. To sustain these high quality levels, the Trademark organization continues to emphasize and improve training, to promote electronic filing and processing, and to make greater use of online tools and enhanced processes. Trademark pendency has improved as electronic processing and filing have become the primary means of conducting business within the Trademark organization. Increased use of electronic forms, particularly Trademark Electronic Application System (TEAS) Plus filings, which represent more than 33 percent of new application filings and more than 31 percent of first action approvals, has improved the efficiency and timeliness of examination. For the fourth consecutive year, USPTO consistently maintained trademark first action pendency within the optimum range of 2.5 to 3.5 months. Average total pendency shows sustained improvement as well, with disposal or registration occurring within 11 months of filing.



The Trademark organization continuously monitors and improves quality. This year, a new comprehensive excellence quality measure was implemented, which expands upon the existing first and final action standards for correct decision-making. The new measure seeks to identify the percentage of Trademark organization actions that are excellent in all respects. The new standard measures the quality of the search, evidence, writing, and decision-making, as well as the percentage of issues that are settled or clarified through a phone call to the applicant or its attorney. The Trademark organization has used feedback from user groups to ensure that the standards of excellence it applies reflects users' perception of excellence as well.

Telecommunications plays a key role in U.S. society as the economy expands into the digital age. The Department, through the National Telecommunications and Information Administration (NTIA), is at the forefront of this expansion. In addition to

developing policy for the Administration on key issues, NTIA has important operational roles to manage the use of radio spectrum by the federal government, to perform cutting-edge communications research and engineering for many federal agencies, to privatize the Internet Domain Name System (DNS) and manage key Internet functions, and to administer grant programs to support the expanded deployment of communications and IT. Collectively, NTIA's work promotes the development of an advanced communication and information infrastructure that efficiently meets the needs of consumers, creates jobs, and enhances the Nation's competitiveness in the global marketplace. As such, NTIA makes an important contribution to the Department's overall mission to foster, serve, and promote the Nation's economic development and technological advancement.

NTIA utilized approximately \$4 billion of ARRA funding for the Broadband Technology Opportunities Program (BTOP), which provided grants to support the deployment of broadband infrastructure, enhance and expand public computer centers, and encourage sustainable adoption of broadband service. The 233 BTOP projects will:

- Fund the installation or upgrade of approximately 120,000 miles of broadband networks, including fiber optics, wireless, microwave, and other technologies. Of this amount, approximately 70,000 miles involve construction of new broadband facilities.
- Provide broadband access to approximately 24,000 community anchor institutions, including schools, libraries, government offices, health care facilities, and public safety entities.
- Deploy middle mile infrastructure in areas with nearly 40 million households and four million businesses, many of which will benefit from new or improved broadband service provided by last-mile providers that are able to utilize the new, open infrastructure to extend or upgrade their service for consumer and business customers.
- Invest in more than 3,500 new or upgraded public computer centers in libraries, schools, community centers, and other public locations.
- Invest in more than 35,000 new or upgraded public computer workstations.
- Make public computer center workstations and training available to more than one million new users.

These anticipated benefits will be realized over the life of each project, which must be substantially complete within two years and fully complete within three years.

One of NTIA's principal operational responsibilities is to manage the radio communications spectrum used by the federal government. Wireless technologies and services support the missions of 69 federal departments and agencies, which use over 40 radio services for national and homeland security, critical infrastructure protection, transportation, and law enforcement, among others. NTIA has been working with the Federal Communications Commission (FCC) to improve the efficient use of spectrum. In addition, NTIA supported the Administration's efforts to foster new wireless broadband technologies by making new spectrum available. NTIA is collaborating with the FCC to develop a plan to make available 500 MHz of spectrum suitable for both mobile and fixed wireless broadband use over the next 10 years. The plan focuses on making spectrum available for exclusive use by commercial broadband providers or technologies, or for dynamic, shared access by commercial and government users. For example, the joint Spectrum Sharing Innovation Test Bed is examining various technical issues involved in the sharing of spectrum between federal and non-federal users. This initiative is providing an important opportunity for federal agencies to work cooperatively with industry, researchers, and academia to objectively evaluate new technologies to manage the Nation's airwaves. NTIA recognizes the potential widespread benefits of more widely expanded wireless broadband, and it is committed to doing its part to help turn that potential into reality.

Enhancing telecommunications services is a key to advancing technology in the Nation. The radio frequency spectrum is used in a variety of ways, including transportation control and law enforcement. NTIA satisfies the frequency assignment needs of the 63

federal agencies allowing them to operate radio communications that provide the public with national and homeland security, law enforcement, transportation control, natural resource management, and other public safety services during peacetime and emergencies. A key to this is making the assignments available as soon as possible after an agency requests a frequency. In FY 2005, NTIA sought to reduce this time to 12 business days or less. By 2010, NTIA reduced this time to nine business days or fewer. NTIA's long-term goal is to improve spectrum management processes throughout the federal government so that time for spectrum assignments can be reduced from more than 15 days to three days or fewer, supporting long-term goals for efficiency and effectiveness of spectrum use. NTIA has also promoted new sources of advanced telecommunications services.

SUMMARY OF PERFORMANCE RESULTS

STRATEGIC OBJECTIVE	PERFORMANCE OUTCOME	TARGETS MET OR EXCEEDED
Strategic Objective 2.1: Advance measurement science and standards that drive technological change	Promote innovation, facilitate trade, and ensure public safety and security by strengthening the Nation's measurements and standards infrastructure (NIST)	5 of 6
	Promote U.S. competitiveness by directing federal investment and R&D into areas of critical national need that support, promote, and accelerate high-risk, high-reward research and innovation in the United States (NIST)	1 of 1
	Increase public access to worldwide scientific and technical information through improved acquisition and dissemination activities (NTIS)	3 of 3
Strategic Objective 2.2: Protect intellectual property and improve the patent and trademark system	Optimize patent quality and timeliness (USPTO)	2 of 5
	Optimize trademark quality and timeliness (USPTO)	4 of 5
	Provide domestic and global leadership to improve intellectual property policy, protection and enforcement worldwide (USPTO)	1 of 1
Strategic Objective 2.3: Advance global e-commerce as well as telecommunications and information services	Ensure that the allocation of radio spectrum provides the greatest benefit to all people (NTIA)	5 of 5
	Promote the availability, and support new sources, of advanced telecommunications and information services (NTIA)	2 of 2

For Strategic Goal 2, the Department met 82 percent of its targets (23 of 28). However, the actuals of the measures that were missed were all slightly below the target (within five percent). NIST narrowly missed one target, that being for "Peer-reviewed technical publications produced" (target = 1,300, actual = 1,243). NIST has consistently met this target in the past. As in previous years, NIST did well in the National Research Council assessment, performing up to the past standards it has set. SRMs, publications, datasets, and calibrations are a few of the knowledge transfer mechanisms that provide the technical infrastructure in support of the President's Plan for Science and Innovation. NIST met all of its targets for the measures reflecting these mechanisms.

In addition, NIST met the TIP target for funding a total of 29 projects during FY 2010 for high-risk, high-reward innovative research in critical national need areas of inspecting and repairing civil infrastructure and accelerating advanced materials in manufacturing processes. These projects involve 73 recipient organizations, including industry, universities, and public sector entities.

One other area of technological innovation involves the distribution of scientific and technical information. The National Technical Information Service (NTIS) serves as a clearinghouse for this information to the public, private, and non-profit sectors. NTIS exceeded all of its 2010 targets, making more than 969,000 updated items available, and disseminating more than 50 million information products.

One way that the Department advances technology and business is through the issuance of patents and trademarks thereby protecting IP that serves as a motive to innovate. In this regard, compliance rates (quality) and pendency (timeliness) play a key role in evaluating performance. USPTO made its targets related to patent compliance rates, however, it was slightly below the targets for "Patent average first action pendency"; "Patent average total pendency"; and, "Patent applications filed electronically." For trademarks, USPTO met its targets for "Pendency compliance" and "Applications processed electronically." However, it was slightly below its target for "Trademark final compliance rate" though it did meet its target for "First action compliance rate." Finally, for its "Provide domestic and global leadership to improve intellectual property policy, protection, and enforcement worldwide" goal, USPTO sought to have 50 percent of prioritized countries having implemented at least 75 percent of action steps in country-specific action plans. USPTO achieved a rate of 75 percent of those prioritized countries.

STRATEGIC GOAL 3

Promote environmental stewardship

PERFORMANCE SUMMARY

In FY 2010, the Department met or exceeded 77 percent of the targets it had set for the year. For this strategic goal, the Department has remained stable since FY 2001, having met or exceeded 77 percent of its targets in 2001.

ACCOMPLISHMENTS AND BENEFITS

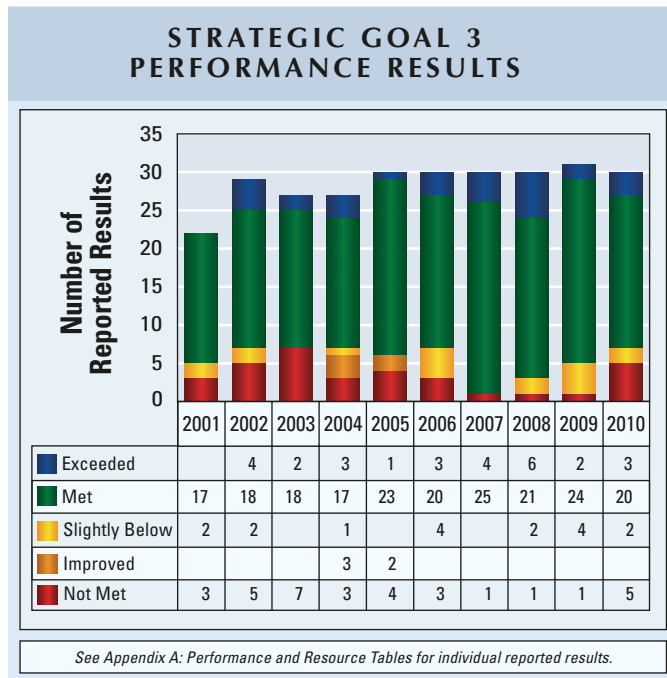
Through the National Oceanic and Atmospheric Administration (NOAA), the Department impacts the entire Nation. From the development and protection of fisheries to the prediction of severe storms such as hurricanes and tornadoes, all of the United States depends on NOAA programs. Some of the significant accomplishments, impacts, and benefits that NOAA had on the U.S. public include the following:

Even before the Deepwater Horizon sank and precipitated the worst environmental disaster in the Nation's history, NOAA had staff on the scene. Thus, NOAA became integrally involved in the response and will continue to play a pivotal role in the months and years ahead, sorting out (assessing) the worst environmental disaster in the Nation's history.

Expert advice from NOAA was integral to saving, assessing and rehabilitating Gulf wildlife including endangered sea turtles, and protecting critical habitat through response strategies. Aerial oil mapping teams fed detailed observations to NOAA modeling experts for daily publication of oil trajectories—forecasts of oil amount and movement—critical to responders and local communities. The modeling team generated the loop current diagram which helped indicate the probability of longer term flow toward the Florida peninsula and/or East Coast, the long-term forecast which shows oil distribution probabilities, and 3D subsea models to help determine the fate of oil dispersed in the water column. These products are vital decision making tools for the federal on-scene coordinator, small businesses, state governments, local authorities, fisheries managers, responders, and homeowners.

The National Incident Command relied on and gave special praise to NOAA's Environmental Response Management Application (ERMA) that showed response assets and information as layers on a map, becoming the primary image for the Deepwater Horizon response. GeoPlatform.gov, ERMA version for public use, recorded 269,637,028 hits in four months—enabling increased government transparency.

NOAA conducted daily ramp and shore fishing counts and economic studies to ensure accurate compensation for lost use of resources. Deepwater Horizon was the first oil spill where Integrated Ocean Observing Systems (IOOS) and partners used underwater, unmanned gliders and coastal high frequency radar stations to daily track oil flows in the water column and on the surface. IOOS measured



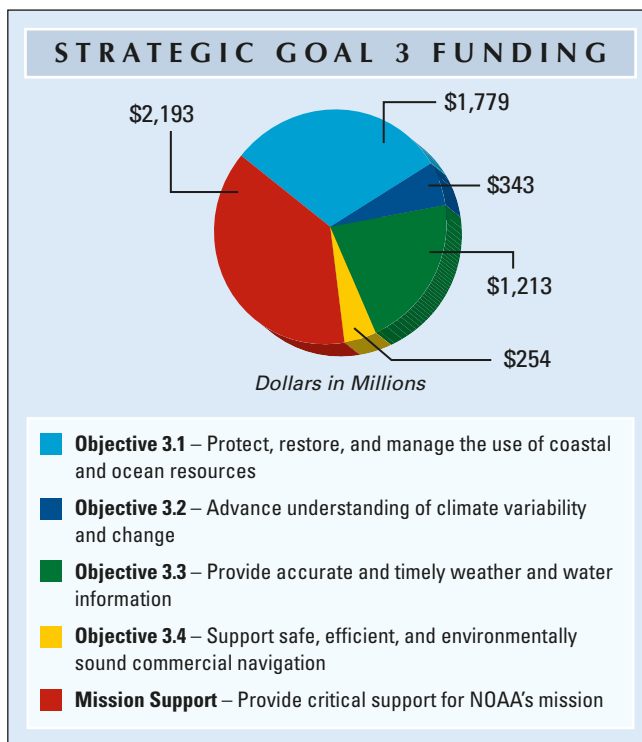
surface current speed and direction in near real time in trajectory models that NOAA provided to coastal communities to prepare for impacts of oil coming ashore. The Office of Coast Survey produced nautical charts that displayed oil spill zone forecasts based on NOAA spill projections to help vessels avoid spill areas. The Center for Operational Oceanographic Products and Services (CO-OPS) modified existing products to display real-time data and predictions in the Gulf of Mexico. CO-OPS displayed Physical Oceanographic Real-Time System (PORTS®) data from Gulfport, Pascagoula, and Mobile Bay PORTS®, and used MyPORTS, a customizable PORTS® application, to show ocean current speeds and directions and weather observations in the spill region. A high-resolution northern Gulf of Mexico hydrodynamic model system produced three-day forecasts of water levels and 3D currents from the Florida Panhandle to the Rio Grande River. The Office of Coast Survey product called NowCOAST, a map-based online gateway to ocean and weather observations and forecasts, displayed real-time observations on interactive maps accessible from a smart phone or background maps like Google® Maps.

NOAA's Scientific Support Teams remain on-site at incident command posts, the Unified Area Command, and the National Incident Command, and provide expert advice to the interagency solutions group, joint advisory group, governors, parish presidents, regional response teams, and the national response team. As the lead agency for the Shoreline Cleanup and Assessment Technique—a systematic approach to analyzing and cleaning impacted coastline to agreed upon standards—NOAA ensures federal oversight to this crucial phase. NOAA will lead the Natural Resource Damage Assessment, an ongoing legally-mandated, and legally-binding assessment of the damage to natural resources and "human use" resulting from the spill.

To help rebuild fisheries and sustain fishermen, communities, vibrant working waterfronts, and culturally important fishing traditions, NOAA also released a national catch share policy to encourage the consideration and use of catch shares. Catch share programs, which include limited access privilege programs and individual fishing quotas, dedicate a secure share of fish to individual fishermen, cooperatives or fishing communities. Catch shares are used in 14 fisheries managed by six fishery management councils from Alaska to Florida and are being developed in additional fisheries. Both here and in other countries, catch shares are helping eliminate overfishing and achieve annual catch limits, improve fishermen's safety and profits, and reduce the negative biological and economic effects of the race for fish that develops with some traditional fishery management.

During FY 2010, NOAA rebuilt the following four fish stocks, important to commercial and recreational fisheries, to optimal population levels: North Atlantic swordfish, Georges Bank haddock, Atlantic coast spiny dogfish, and St. Matthews Island blue king crab. These stocks had been under rebuilding plans due to low population levels caused by overfishing and other factors.

NOAA worked with the Gulf of Mexico and South Atlantic Fishery Management Councils to design difficult but necessary measures to end overfishing of red snapper in the Gulf of Mexico and South Atlantic. A recent stock assessment indicates the Gulf measures have successfully ended decades of overfishing. In response, fishery managers could increase the Gulf red snapper total allowable catch quota from 5.0 to 6.95 million pounds in 2010. Although that stock has not yet fully recovered, Gulf fishermen report encountering more and larger red snapper than they have seen in years, and catching



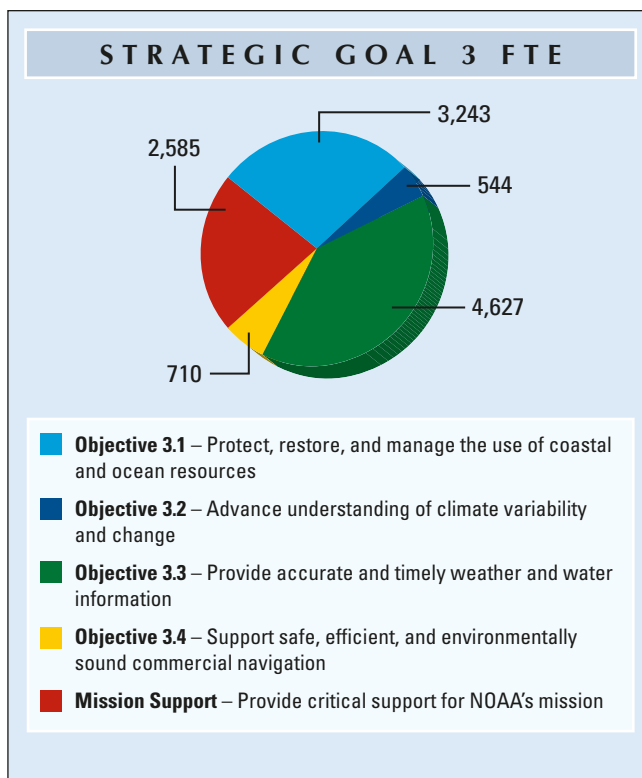
red snapper in areas where they have not been encountered in many years.

On July 28, 2010, NOAA's National Climatic Data Center issued the *State of the Climate in 2009* report. The report is a result of the contributions of more than 300 scientists from 160 research groups in 48 countries and is the first comprehensive report of observations from the upper atmosphere to the depths of the ocean. The report emphasizes that human society has developed for thousands of years under one climatic state, and now a new set of climatic conditions are taking shape. These conditions are consistently warmer, and some areas are likely to see more extreme events like severe drought, torrential rain, and violent storms. Based on comprehensive data from multiple sources, the report defines 10 measurable planet-wide features used to gauge global temperature changes. The relative movement of each of these 10 key climate indicators proves consistent with a warming world. Seven indicators are rising: humidity, sea level, ocean heat, sea-surface temperature, air temperature over land, air temperature over oceans, and tropospheric temperature in the "active-weather" layer of the atmosphere closest to the Earth's surface. Three indicators are declining: glaciers, arctic sea ice, and spring snow cover in the Northern hemisphere.

National Climatic Data Center's *State of the Climate* is published as a special supplement to the Bulletin of the American Meteorological Society. To help keep citizens and businesses informed about climate, NOAA created the Climate Portal at <http://www.climate.gov>. The portal features a short video that summarizes some of the highlights of the State of the Climate report.

During a five-day period in early February 2010, two snowstorms of historic proportions struck the Mid-Atlantic region. The first storm hit February 5-6 and produced record crippling snowfalls in excess of 20 inches at two of the Washington, DC area airports (Baltimore-Washington International and Washington Dulles International). It was the second all-time snowfall record at Philadelphia, PA (Philadelphia International) airport and fourth at the Pittsburgh, PA airport (Pittsburgh International). NOAA issued accurate outlooks for the storms three days in advance with an unprecedented forecast of 20-30 inches before the first flakes were observed. NOAA forecast the average winter storm watch lead time to be 42 hours, which provided local emergency managers almost two days of preparation time. NOAA issued winter storm warnings an average of 30 hours ahead of the first flakes—again, nearly double NOAA's national goal (16 hours) for winter storms. Three days later, a second blizzard struck the same region with an additional foot and a half to three feet of snow, which brought the total snow accumulation on the ground to three to five feet in places. NOAA accurately foretold this second storm four days in advance, with an average winter storm watch lead time of 47 hours and an average winter storm warning lead time of 32 hours. NOAA's Weather Forecast Office staff provided heroic service during the consecutive, extreme events even as the back-to-back events brought the region to a complete stop as governments, schools, businesses, roads, and airlines shut down.

On March 4, 2010, NOAA successfully launched Geostationary Operational Environmental Satellite Series P (GOES-P) from Cape Canaveral, FL. GOES-P, renamed GOES-15 once it reached final orbit, underwent a series of tests for approximately six months before completing its "check-out" phase. After check-out, GOES-15 was placed into orbital storage mode and remains ready for activation if one of the operational GOES fail. GOES-15 took its first infrared image of Earth on April 26, 2010. GOES-15 is the final



spacecraft in the latest series of NOAA geostationary satellites. It joined three other NOAA operational GOES spacecraft that help the Agency's forecasters more accurately track life-threatening weather—from tornadoes, floods, and hurricanes to solar activity that can impact the satellite-based electronics and communications industry. GOES-15 will capture higher resolution images of weather patterns and atmospheric measurements than those provided by earlier satellites. The higher resolution imagery allows forecasters to pinpoint the location of severe weather with greater accuracy. GOES-15 will also provide better data for space and solar weather thanks to its Solar X-Ray Imager (SXI). SXI data will improve forecasts and warnings for solar disturbances, protecting billions of dollars of commercial and government assets in space and on the ground. This vital information will also reduce the effect of power surges for the satellite-based electronics and communications industry.

SUMMARY OF PERFORMANCE RESULTS

STRATEGIC OBJECTIVE	PERFORMANCE OUTCOME	TARGETS MET OR EXCEEDED
Strategic Objective 3.1: Protect, restore, and manage the use of coastal and ocean resources (NOAA)	Does not apply	6 of 8
Strategic Objective 3.2: Advance understanding of climate variability and change (NOAA)	Does not apply	3 of 5
Strategic Objective 3.3: Provide accurate and timely weather and water information (NOAA)	Does not apply	9 of 11
Strategic Objective 3.4: Support safe, efficient, and environmentally sound commercial navigation (NOAA)	Does not apply	5 of 6
Mission Support: Provide critical support for NOAA's mission (NOAA)	Does not apply	N/A

For Strategic Goal 3, based upon the key benefits the Department provides to the U.S. public, and with meeting its performance targets, NOAA did well. Of the 30 performance measures for this strategic goal, NOAA missed seven targets. For two of the targets missed— "Annual number of coastal, marine, and Great Lakes ecological characterizations that meet management needs," and "False alarm rate for tornadoes," the actual was within five percent of the target.

MANAGEMENT INTEGRATION GOAL

Achieve organizational and management excellence

PERFORMANCE SUMMARY

In FY 2010, the Department met or exceeded 57 percent of the targets it had set for the year. For this goal, performance declined from FY 2009, having met or exceeded 75 percent of its targets in FY 2009.

ACCOMPLISHMENTS AND BENEFITS

Two organizations are involved in the Management Integration goal: Departmental Management (DM) and the Office of Inspector General (OIG). Key areas this goal addresses include financial management, contracting, competitive sourcing, and human resource (HR) management.

DM provided proactive and timely guidance and oversight to the acquisition and grants community in the Department to ensure smooth implementation and execution of the ARRA, and has been recognized for the superior performance of its oversight of recipient reporting.

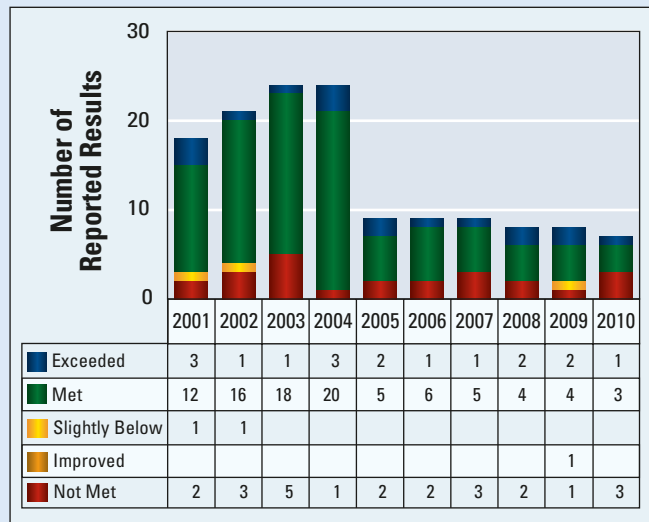
DM exceeded the government-wide average for positive responses on 69 out of 77 eligible items on the 2010 Federal Employee Viewpoint Survey, administered by the Office of Personnel Management (OPM) to gauge employee perceptions on critical work-life areas which drive employee satisfaction, commitment, and retention. No Department averages for positive responses were "notably" (i.e., five percentage points or more) below the government-wide averages for any items.

In February 2010, the Department received a green score from the Office of Management and Budget (OMB), the highest level, for both progress and status in energy and environmental management. For transportation management, the Department received a green in progress and a yellow for status, a significant improvement from its prior scorecard. As a result, the Department ranked second overall in the federal government.

DM reinstated the Department IT Investment Review Board to ensure that Department major IT investments utilize sound project management practices and exhibit risk-based approaches. The reinvigorated board will ensure that Department investments are well-managed and of value to the taxpayer. As part of the Department's transparency efforts, DM evaluated and submitted 51 business cases to the federal IT Dashboard, demonstrating to the public the sound management of Department IT investments. On average, DM achieved within five percent of its cost, schedule, and performance targets for the major IT investments undergoing development and enhancement. DM developed solid business cases for major IT investments with the business cases ensuring that DM managed and wisely invested those IT funds.

Finally, the Department received an unqualified audit opinion for the 11th consecutive year.

MANAGEMENT INTEGRATION GOAL PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

SUMMARY OF PERFORMANCE RESULTS

STRATEGIC OBJECTIVE	PERFORMANCE OUTCOME	TARGETS MET OR EXCEEDED
Management Integration Goal: Achieve organizational and management excellence	Ensure effective resource stewardship in support of the Department's programs (DM)	0 of 2
	Ensure retention of highly qualified staff in mission-critical positions (DM)	1 of 1
	Acquire and manage the technology resources to support program goals (DM)	1 of 1
	Promote improvements to Department programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness; and (2) prevents and detects fraud, waste, and abuse (OIG)	2 of 3

For the Management Integration goal, the primary goal/target was to eliminate the significant deficiency in IT controls, which impacted the Financial Management measure. While progress was made, the significant deficiency in IT controls remained in 2010. DM did complete all of its A-123 assessments, the second part of this measure. DM also did not meet the target for the percent of performance-based contracts. The OIG exceeded the target of \$38 million for "Dollar value of financial benefits identified by the OIG." by having an actual of \$47.8 million.

MANAGEMENT CONTROLS

The Department's management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Department is able to provide an unqualified statement of assurance that its internal controls and financial management systems meet the objectives of FMFIA.

During FY 2010, the Department assessed its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*. Based on the results, the Department determined that information technology (IT) security, and certification and accreditation processes and documentation for non-financial IT systems no longer constitute a material weakness under FMFIA. This aspect of IT security has been reported as a material weakness since FY 2001 and has been the subject of significant coordinated effort across the Agency to address. While the importance of IT security, both within the Department and across government, makes this an area that merits continuing focused attention and internal monitoring, it no longer represents a material weakness.

Supplemental funding received under the American Recovery and Reinvestment Act (ARRA) of 2009 continued to receive comprehensive programmatic and administrative attention throughout the Department in order to achieve the legislative goals attributable to it. Funds were awarded or otherwise expended for authorized purposes, in as prompt and efficient a manner as possible while safeguarding against fraud, waste, and abuse. Reporting associated with this funding is being performed clearly, transparently, and comprehensively. Monitoring has been and will continue to be conducted to ensure the recipient is meeting goals as stated in its application and as incorporated into award documents, and will also focus on the effects funding has had and will prospectively have on economic indicators.

In addition, the Department assessed the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, the Department can provide reasonable assurance that its internal control over financial reporting as of June 30, 2010, was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting. Further, no material weaknesses related to internal control over financial reporting were identified between July 1, 2010 and September 30, 2010.

Based on reviews conducted by the Department, it has been able to determine that its financial systems are in conformance with government-wide requirements.



Gary Locke
Secretary of Commerce
November 15, 2010

FEDERAL MANAGERS’ FINANCIAL INTEGRITY ACT (FMFIA) OF 1982

During FY 2010, the Department reviewed its management control system in accordance with the requirements of FMFIA, and OMB and Departmental guidelines. The objective of the Department’s management control system is to provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;
- assets are safeguarded against waste, loss, and unauthorized use of appropriations;
- revenues and expenditures applicable to Agency operations are properly recorded and accounted for, permitting accurate accounts, reliable financial reports, and full accountability for assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

SECTION 2 OF FMFIA – INTERNAL MANAGEMENT CONTROLS

Section 2 of FMFIA requires that federal agencies report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. The efficiency of the Department’s operations is continually evaluated using information obtained from reviews conducted by the Government Accountability Office (GAO) and the Office of Inspector General (OIG), and specifically requested studies.

The diverse reviews that took place during FY 2010 relative to non-financial controls provide assurance that Department systems and management controls comply with standards established under FMFIA. One material weakness involving IT security issues and the quality of certification and accreditation (C&A) processes and documentation for non-financial IT systems, which had been reported from FY 2001 through FY 2009, has been appropriately addressed and is no longer applicable as of September 30, 2010. As discussed below, the action plan jointly developed by the Office of the Chief Information Officer (OCIO) and the OIG has significantly strengthened IT security throughout the Department and resolved its status as a material weakness. However, IT security is and will remain an important focal point for the Department.

The following table reflects the number of material weaknesses reported under Section 2 of FMFIA in recent years by the Department. It shows one material weakness, i.e., non-financial system IT security, for the time span identified and its elimination as of FY 2010.

NUMBER OF MATERIAL WEAKNESSES UNDER SECTION 2				
	NUMBER AT BEGINNING OF FISCAL YEAR	NUMBER CORRECTED	NUMBER ADDED	NUMBER REMAINING AT END OF FISCAL YEAR
FY 2007	1	0	0	1
FY 2008	1	0	0	1
FY 2009	1	0	0	1
FY 2010	1	1	0	0

Focus on Information Technology (IT) Security Continues

The OCIO conducts reviews of IT investments to ensure their efficiency and effectiveness in supporting the Department's mission. The Department, following OMB policies and guidelines and complying with Federal Information Security Management Act (FISMA) requirements, oversees, and manages IT resources by establishing and implementing policies and controls to mitigate IT risks.

To strengthen IT security throughout the Department and resolve its material weakness in IT security, the OCIO and the OIG had developed a comprehensive strategy to improve C&A processes and documentation, which incorporated realistic milestones, identified measurable steps, and established consistent and repeatable C&A practices. The most significant impact of this strategy was to leverage a tracking tool for security reporting and monitoring to improve the quality of C&A processes. Some of the Department's efforts to address the IT material weakness also included developing a Cyber Security Strategic Plan with input from the operating units, implementing a Cyber Security Development Program, establishing a role-based, Department-wide training program, and establishing an IT Audit Working Group, which is a joint effort between the OCIO and the Office of Financial Management to resolve prior year findings and design enterprise-wide solutions.

While more work remains to be done to establish and maintain a strong IT security posture, C&A processes and documentation no longer represent a material weakness. The OCIO and the OIG have agreed that additional effort is needed to enhance IT security control deficiencies in the areas of routine monitoring, corrective action management, and contingency plan testing, which are a result of a combination of management, process, and resource issues. The CIO will continue to coordinate enhancements in these areas, and to monitor progress made through these efforts as a reportable condition under FMFIA.

FY 2010 Accomplishments

To ensure that the Department effectively manages IT security concerns, the OCIO, in collaboration with the operating units, is developing a Cyber Security Strategic Plan to strengthen its IT security profile and operations. Additionally, the OCIO continues to conduct rigorous IT security compliance reviews based on FISMA requirements, OMB policy, National Institute of Standards and Technology (NIST) standards and guidelines, and OIG recommendations.

The following include highlights of IT security accomplishments for FY 2010:

Commerce IT Review Board (CITRB). The Department enhanced the CITRB to ensure that its major IT investments utilize sound project management practices and demonstrate risk-based management. The reinigorated CITRB works to make certain that investments are well-managed and of value to the taxpayer.

IT Business Cases. For major IT investments undergoing development or enhancement, the Department achieved cost, schedule, and performance, on average, within five percent of target. It also developed and relied on solid business cases to support major IT investments, and to ensure that IT funds are managed and invested wisely.

Web Advisory Council (WAC). The WAC was established to ensure that the Department's Web presence reflects the appropriate use of social media and Web 2.0 technologies while adequately considering risks and maintaining the privacy of its Web users.

Data Center Consolidation. In the support of the Department's enterprise architecture, a Data Center Consolidation Plan was developed to consolidate or decommission data centers and server rooms when possible, e.g., following the completion of the Decennial Census. Additionally, cloud computing activities moved forward through the use of an Akamai content delivery network

for the Decennial Census Web site and the transfer of the Electronic Capital Planning Investment Control system to the General Services Administration's (GSA) cloud computing solution.

Security Compliance Reviews. The Department conducted rigorous IT security compliance reviews based on federal standards and guidelines, and OIG recommendations; 90 percent of the Department's 280 information systems have Authority to Operate status.

Cyber Security Assessment and Management (CSAM). The OCIO implemented monthly reviews of information systems using the CSAM IT security tracking and reporting tool. CSAM monitors the progress of systems in obtaining Authority to Operate status, the establishment of contingency plans and testing, and the performance of Privacy Threshold Analyses. CSAM is also being used to implement a Department-wide plan of action and milestones management (POA&M) monitoring program, which has improved POA&M activities undertaken by the operating units.

IT Audit Working Group. During FY 2010, the OCIO worked with the Office of Financial Management to create the IT Audit Working Group to address and resolve financial statement audit findings relating to IT, to develop enterprise-wide solutions, and to prepare for future financial statement audits. The Group adopted tracking and management procedures to provide monthly progress reports on the resolution of audit findings. By July 2010, nearly 84 percent of the 70 IT findings that had been identified in FY 2009 were resolved.

IT Workforce. The Department addressed OIG recommendations to strengthen its IT workforce by developing and implementing a Cyber Security Development Program, a role-based security training program offered to candidates throughout the Department.

IT Security Policy. The OCIO updated its IT Security Program policy by developing and implementing a number of interim policies relating to areas such as remote access, password requirements, and peer-to-peer technology. It also provided clarifying guidance regarding IT security roles and responsibilities in terms of the security authorization process and IT investment security authorization responsibilities.

Government-wide Network. The Department continued to coordinate with the Federation of Computer Incident Response Teams, the U.S. Computer Emergency Readiness Team at the Department of Homeland Security (DHS), and the federal intelligence community to receive timely security alerts, notifications, and reports of incidents. As a result, the Department detected or was alerted to malicious cyber attacks against its network, and developed plans to remediate and prevent potential threats and vulnerabilities.

Trusted Internet Connections (TIC). The Department signed a memorandum of agreement with DHS to begin implementing TICs. The majority of the operating units have completed a statement of work for the Managed Trusted Internet Protocol Service (MTIPS), and MTIPS activity is expected to begin in FY 2011.

IT Investment Review Process

Since IT expenditures constitute such a large portion of the Department's annual budget—major IT investments totaled approximately \$2.5 billion in FY 2010—it is imperative that special management attention be given to proposed and continuing IT investments. This is done through an OCIO-led capital planning and investment control process, which is being enhanced to provide broader and deeper analysis of proposed IT investments, projects under development, and projects that are in operation as well as of the overall performance of the portfolio.

This process is based on OMB Circular A-11, Exhibit 300, *Capital Asset Plan and Business Case Summary*, and Exhibit 53, *Agency IT Investment Portfolio*, and is linked to all IT planning processes and documents within the Department. In a cooperative effort with the Office of Budget and the Office of Acquisition, the OCIO established OMB's Exhibit 300 as the document to use in summarizing the business case for each IT project, and as the foundation for IT budget justifications, IT acquisition approvals, and major system reviews. This provides the Department with a consistent foundation for monitoring the selection, control, and evaluation of major IT investments, thereby helping to verify that proposed investments contribute to the Department's strategic vision, mission requirements, and performance goals. It also helps ensure that the operating units employ sound IT investment methodologies, comply with Departmental and federal architectures, and provide the highest return on the investment at acceptable project risk.

The OCIO has worked closely with the Office of Budget to establish a framework and schedule for linking the IT investment review of proposed initiatives with the budget process. As initiatives are developed by the operating units for submission to the Department, those initiatives that have a significant IT component are reviewed by the OCIO. Major proposals are reviewed by the CITRB, which is co-chaired by the CIO and the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA), and includes the Department's Budget Officer, Senior Procurement Executive, Director for Financial Management, and selected operating unit CIOs. The CITRB evaluates proposals relative to their performance measures, IT security and privacy management, funding, risk management, acquisition strategy, viability and appropriateness, conformance to Departmental and federal architectures, overall project management, and contribution to the Department's mission and goals. Guidance for improving project proposals is provided by the CITRB and the OCIO, as appropriate. As a result of this extensive Departmental review of IT investment proposals, all IT-intensive budget initiatives forwarded to OMB have the best possible IT management plan associated with them.

The CITRB continues to place emphasis on the link between proposed IT investments and top level program performance measures, IT security and privacy, and the qualifications of IT project managers and Contracting Officers who manage IT programs. The CITRB ensures that high quality C&A packages, which are critical to the confidentiality, integrity, and availability of IT investments, are in place. By ensuring that qualified managers are available for these programs, the risk associated with large-scale IT investments is significantly reduced. The OCIO leads a continuing training process for IT project managers, working together with the Office of Human Resources Management, to ensure that the Department has a pool of well-qualified IT project managers for new and ongoing projects.

In conducting reviews for proposed investments as well as those that are under development, the CITRB is supported by detailed analyses from the OCIO, the Office of Budget, the Office of Acquisition Management, and others who provide independent assessments of projects. Further, to provide even more rigorous cost, schedule, and performance analyses, the Department systematically uses Earned Value Management (EVM) data for its IT investments with a development, modernization, or enhancement component. This provides regular monitoring and early warning for projects that may not be meeting cost, schedule, or performance goals, allowing mid-course corrections as needed to bring development efforts back on track. This approach has been supported by focused training sessions on EVM techniques. Additionally, operating unit CIOs are required to conduct operational analyses to certify that steady-state investments meet cost, schedule, and performance goals. Operating unit reviews are supplemented with formal evaluations or post-implementation reviews by the CITRB, which helps all project managers to benefit from lessons learned through other implementation efforts.

Privacy Impact Assessments (PIA)

The Department is committed to ensuring that all information, relating to either individuals or businesses, that it collects and maintains is afforded proper privacy safeguards as defined in the Privacy Act of 1974, the E-Government Act of 2002, and OMB guidance. It has developed an IT privacy policy to ensure that personally identifiable information (PII) in its IT systems is effectively protected and secured; and provided guidance to the operating units on the preparation of Web privacy policies, conducted PIAs, and posted privacy policies and PIAs on its Web sites that are visited by the public. The Department conducts PIAs to ensure that it does not collect, process, or disseminate any identifiable information from or about members of the general public that is not needed or authorized. This level of privacy protection is also provided to business entities. The OIG has provided a favorable review of the Department's PIA program and its validation of Web privacy policy implementation.

As another step to ensure that personal and other sensitive information is protected, all of the Department's PIAs now include data extract log and verification procedures. This requirement, which was incorporated in the *IT Security Program Policy and Minimum Implementation Standards*, requires that operating units log all computer-readable data extracts from databases holding sensitive information, and verify that each extract including sensitive data has been erased within 90 days or determine that its use is still required. In FY 2010, the OCIO, in concert with the Office of Public Affairs, drafted a new policy regarding the use of social media to, in part, inform employees of how to use social media and alert them to privacy concerns.

Additionally, the Department has established the position of Director for Privacy and Open Government in the Office of the CFO/ASA. As of October 2010, this individual began serving as Chief Privacy Officer and Senior Agency Official for Privacy, and is working closely with the Privacy Act Officer and the OCIO to ensure that all privileged-access personal and business information provided to the Department is appropriately protected.

Future Efforts

The Department is actively pressing forward with future plans to respond to the ever changing IT security environment. It has developed a Strategic IT Plan and has mapped out a path toward achieving its goals in implementing TICs, increasing operational security with the continued development of the Security Operations Center, conducting additional assessments of technical controls as part of the OCIO's annual reviews of operating units, and deploying additional role-based training under its Cyber Security Development Program in FY 2011. These measures will continue to strengthen the Department's overall IT security posture and protection of its IT systems and information.

SECTION 4 OF FMFIA – INTERNAL CONTROLS OVER FINANCIAL MANAGEMENT SYSTEMS

As reflected in the following table, the Department has reported no material weaknesses under FMFIA Section 4 in recent years.

NUMBER OF MATERIAL WEAKNESSES UNDER SECTION 4				
	NUMBER AT BEGINNING OF FISCAL YEAR	NUMBER CORRECTED	NUMBER ADDED	NUMBER REMAINING AT END OF FISCAL YEAR
FY 2007	0	0	0	0
FY 2008	0	0	0	0
FY 2009	0	0	0	0
FY 2010	0	0	0	0

Based on reviews conducted by the Department and its operating units for FY 2010, the financial systems in the Department are compliant with GAO principles and standards, the requirements of the CFO Act, and OMB requirements

No material weaknesses relative to financial controls were identified for the period July 1, 2009 through June 30, 2010, the reporting period established by OMB Circular A-123. Further, with limited review and inquiries, no material weaknesses related to internal control over financial reporting were identified between July 1, 2010 and September 30, 2010.

Other Internal Control Enhancement Activities Continue

The Department's comprehensive effort to enhance management of internal controls under OMB Circular A-123 continued during FY 2010. Progress made in implementing Appendix A to the circular, which relates to financial internal controls, included the following:

- The Department continued the OMB A-123, Appendix A process utilizing a three-year rotational testing plan to incorporate a risk-based approach based on assessments of the key processes and results of previous audits. Under this approach, high-risk cycles are selected for annual testing, and low to moderate-risk cycles are tested every three years with selected test procedures performed at specific locations or on specific sub-processes as often as needed based on specifically identified risks. A limited controls review assessment survey is utilized for cycles that are not tested in any given year.
- Department-wide testing templates were updated for selected key processes and sub-processes, and the Departmental sampling plan was modified to include three separate test phases, which included testing requirements for the American Recovery and Reinvestment Act (ARRA) of 2009. This work was carried out in coordination with the Department's Senior Advisor for ARRA implementation, who was appointed by the Secretary to oversee the expenditure of funds received by the Department and operating units under ARRA. The Senior Advisor has worked collaboratively with operating unit and Departmental managers to ensure the timely and effective implementation of the Department's ARRA responsibilities
- The Senior Management Council continued to oversee, direct, and implement the assessment process; and the Senior Assessment Team continued to develop planning documentation, administer internal control test plans, and monitor and review test work.
- Each operating unit completed an entity-level controls assessment as required by OMB Circular A-123, Appendix A.
- The Departmental A-123 Workpapers Guide was enhanced to include more in-depth guidance and instruction to the operating units in such areas as obtaining populations, sampling, and documenting workpapers. In addition, the guide provides sample templates to ensure consistency in workpaper standards and presentation throughout the Department.
- The overall effort was analyzed to assess and document the adequacy of the Department's internal controls in order to develop the annual statement of assurance that appears above.

Also, as of FY 2011, the Department has established an Office of Program Evaluation and Risk Management (PERM), which is establishing an enterprise risk management program that will help to strengthen internal management controls. This endeavor, which goes beyond IT-specific activities and affects programs and functions across the Agency, will provide a formal and visible framework to ensure that programs—particularly those programs involving significant potential risks—operate as they should. Through a structured effort to conduct periodic program reviews across the Department, PERM will also work with the operating units to identify opportunities to increase effectiveness and efficiency.

FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT (FFMIA) OF 1996

Under FFMIA, the Department is required to have financial management systems that comply with federal financial management system requirements, federal accounting standards, and the U.S. Government Standard General Ledger (USSGL) at the transaction level. In FY 2010, the Department remained in compliance with FFMIA.

REPORT ON AUDIT FOLLOW-UP

The Inspector General Act, as amended, requires that the Secretary report to Congress on the final action taken for Inspector General audits. This report covers Commerce Department audit follow-up activities for the period June 1, 2009, through May 31, 2010.

**SUMMARY OF ACTIVITY ON AUDIT REPORTS
JUNE 1, 2009 THROUGH MAY 31, 2010**

	DISALLOWED COSTS ¹		FUNDS TO BE PUT TO BETTER USE ²		NONMONETARY REPORTS ³	TOTAL
	NUMBER OF REPORTS	DOLLARS	NUMBER OF REPORTS	DOLLARS	NUMBER OF REPORTS	REPORTS
Beginning Balance	21	\$ 7,907,994	12	\$ 39,681,774	11	44
New Reports	10	2,052,886	3	3,901,348	20	33
Total Reports	31	9,960,880	15	43,583,122	31	77
Reports Closed	(10)	(2,715,446)	(5)	(1,405,560)	(13)	(28)
Ending Balance	21	\$ 7,245,434	10	\$ 42,177,562	18	49

1. Disallowed costs are questioned costs that management has sustained or agreed should not be charged to the government.
2. "Funds to be put to better use" refers to any management action to implement recommendations where funds should be applied to a more efficient use.
3. Includes management, contract, grant, loan, and financial statement audits with nonmonetary recommendations.

BIENNIAL REVIEW OF FEES

OMB Circular A-25, *User Charges*, requires the biennial review of agency programs to determine whether fees should be charged for government goods or services, and to ascertain that existing charges are adjusted to reflect unanticipated changes in costs or market values.

The Department conducts a review of its programs biennially, with some bureaus conducting annual reviews. In the current review, it was noted that the Department is in compliance with the requirement to adjust its fees to meet the Circular A-25 requirement of full-cost recovery for user charges.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009 PROGRAMS

In FY 2009, Congress passed ARRA, providing funds for several agencies including the following within the Department: OIG, Census Bureau, NOAA, NIST, and NTIA. The following section provides tables for each of the agencies that received funds that were used in FY 2010 with results appearing in FY 2010 and beyond. The tables include: program name, funding amount, brief description of what the funds are provided for, performance measures/results, and comments if provided by the agencies.

BUREAU	OFFICE OF INSPECTOR GENERAL (OIG)	
PROGRAM	OFFICE OF INSPECTOR GENERAL	
Amount	\$6.0M	
Description	These funds are for general oversight of the Department's ARRA activity. Early OIG uses include emphasis on training of grants and contract officers to alert them to the signs of potentially fraudulent or wasteful activity by grantees or contractors. Other activities include review of various grant pre-award operations, and an audit of the bureaus' review of grant and contract recipient reporting.	
Performance Measures/ Results	MEASURES	FY 2010 ACTUAL
	Complaints - received	TBD ¹
	Whistleblower reprisal allegations:	
	● Received	TBD ¹
	● Accepted	TBD ¹
	Investigations:	
	● Closed without action	TBD ¹
	● Accepted for prosecution	TBD ¹
● Prosecution denied	TBD ¹	
● Referred for alternative resolution	TBD ¹	
Audits/Inspections/Evaluations/Reviews:		
● Final published work products	TBD ¹	
● Interim published work products	TBD ¹	
● Unpublished work products	TBD ¹	
Training/Outreach:		
● Training sessions provided	TBD ¹	
● Individuals trained	TBD ¹	
● Hours of training provided	TBD ¹	
● Outreach sessions conducted	TBD ¹	
¹ Final actuals should be available by January 1, 2011.		

BUREAU	ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)																														
PROGRAM	ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS (EDAP)																														
Amount	\$150.0M																														
Description	<p>EDA directed funding through its existing program structures. Of the \$147 million allocated to EDAP (\$3 million was allocated to salaries and expenses [S&E]), EDA funded \$141.3 million in "brick and mortar" infrastructure investments. EDA gave preference to projects that have the potential to quickly stimulate job creation and promote regional economic development, such as investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation. Since ARRA called on EDA to "give priority consideration to areas of the Nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring," EDA allocated funding to the regional offices using a hybrid of its traditional allocation formula.</p>																														
Performance Measures/ Results	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">NAME</th> <th style="background-color: #003366; color: white;">EXPLANATION</th> <th style="background-color: #003366; color: white;">FY</th> <th style="background-color: #003366; color: white;">TARGET</th> <th style="background-color: #003366; color: white;">ACTUAL</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Short-term jobs created/retained</td> <td rowspan="3">Number of direct project related jobs created and/or retained from ARRA investment</td> <td>2010</td> <td>592.62</td> <td>TBD¹</td> </tr> <tr> <td>2011</td> <td>761.94</td> <td>TBD²</td> </tr> <tr> <td>2012</td> <td>338.64</td> <td>TBD²</td> </tr> <tr> <td>Percentage of ARRA construction grants for which construction commences within 120 days of award</td> <td>A proxy measure for ensuring a high percentage of projects selected are "shovel ready"</td> <td>2010</td> <td>90%</td> <td>TBD²</td> </tr> <tr> <td>Percentage of ARRA award files audited meeting all compliance criteria</td> <td>File must demonstrate ALL of the following for compliance: (1) recipient submitted ARRA-required jobs report on time OR the regional office notified recipient of a late report within 30 days; (2) recipient submitted all performance and financial reports on time OR the regional office notified recipient of a late report within 30 days; (3) all terms and conditions of the grant were fulfilled and documented OR the regional office took appropriate action; (4) all appropriate terms and conditions were included in the grant documents; and (5) the award file demonstrates that the regional office reviewed all recipient audits, as required by A-133, for findings and took appropriate action.</td> <td>2010</td> <td>90%</td> <td>TBD²</td> </tr> </tbody> </table> <p>¹ Final actuals should be available by January 1, 2011. ² When this measure was developed, OMB directed grantees to report cumulatively. However, recent OMB guidance directs grantees to provide FTE values on a quarterly basis, rather than cumulatively, and has directed agencies not to aggregate these values. Quarterly data is available at Recovery.gov.</p>					NAME	EXPLANATION	FY	TARGET	ACTUAL	Short-term jobs created/retained	Number of direct project related jobs created and/or retained from ARRA investment	2010	592.62	TBD ¹	2011	761.94	TBD ²	2012	338.64	TBD ²	Percentage of ARRA construction grants for which construction commences within 120 days of award	A proxy measure for ensuring a high percentage of projects selected are "shovel ready"	2010	90%	TBD ²	Percentage of ARRA award files audited meeting all compliance criteria	File must demonstrate ALL of the following for compliance: (1) recipient submitted ARRA-required jobs report on time OR the regional office notified recipient of a late report within 30 days; (2) recipient submitted all performance and financial reports on time OR the regional office notified recipient of a late report within 30 days; (3) all terms and conditions of the grant were fulfilled and documented OR the regional office took appropriate action; (4) all appropriate terms and conditions were included in the grant documents; and (5) the award file demonstrates that the regional office reviewed all recipient audits, as required by A-133, for findings and took appropriate action.	2010	90%	TBD ²
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Comments	<p>EDA is working closely with ARRA grantees to ensure full compliance with the requirements of the act. EDA has held face-to-face meetings, conference calls, and Webinars as well as developed lessons-learned reports to educate ARRA grantees on recipient reporting requirements and deadlines.</p>																														

BUREAU	CENSUS BUREAU
PROGRAM	PERIODIC CENSUSES AND PROGRAMS
Amount	\$1,000.0M
Description	<p>To ensure a successful 2010 Decennial Census, the Census Bureau received \$1 billion to hire new personnel for partnership and outreach efforts to minority communities and hard-to-reach populations, increase targeted media purchases, and ensure proper management of other operational and programmatic risks.</p> <p>The following four areas received the \$1 billion in funds: <i>Early Operations</i> (\$745.1 million), <i>Partnership</i> (\$117.4 million), <i>Advertising</i> (\$107.5 million), and <i>Coverage Follow-Up</i> (\$30 million).</p> <p><i>Early Operations</i> activities included: <i>Group Quarters Enumeration</i> (college dormitories, military quarters, nursing homes, etc.), <i>Update/Enumerate</i> (an enumerator updates residential addresses and conducts an interview of the resident(s) using a paper questionnaire), <i>Update/Leave</i> (geographic areas where the type of address does not indicate the location of the housing unit or the delivery point for receiving mail does not ensure the mail gets to the correct unit, e.g., mail left at a central location because of broken mail banks), and <i>Local Census Office Staffing Operation</i>. <i>Partnership staff</i> provided information and training about the 2010 Census to community-based organizations, religious leaders, local businesses, and media outlets in designated hard-to-count areas. <i>Advertising</i> activities involved numerous paid media sources such as TV, radio, online, magazines, newspapers, and outdoor and commuter media. The <i>Coverage Follow-up Operation</i> involved hiring and training approximately 1,250 additional temporary telephone interviewers to re-contact households to verify the information on the census form, make corrections as warranted, and obtain any missing demographic information—based on specific criteria, to name a few.</p> <p>For more detailed information about the Census Bureau's ARRA program plans, visit the following Web sites: www.census.gov/recovery or www.recovery.gov.</p>
Performance Measures/ Results/ Milestones	<p>The following measures applied to the respective activities:</p> <p>Early Operations – No specific measures were for ARRA funds though the following measure applies to base funding: <i>At least 90% of key activities completed on schedule</i>. These activities included the following:</p> <ul style="list-style-type: none"> ● Complete Group Quarters validation and advanced visit operations ● Conduct the 2010 Census ● Conduct Census Operations in Puerto Rico and the Island areas ● Conduct Nonresponse Follow-up operations ● Begin Coverage Measurement field operations ● Conduct Coverage Follow-up field operations <p>Partnership – ARRA and base fund targets for 2010 included the following (results shown in italics):</p> <ul style="list-style-type: none"> ● Maintain a diverse partnership staff of 2,707 with 100 languages spoken to reach hard to count populations in an effort to positively affect response rates. <i>More than 3,000 Partnership staff on board speaking 146 languages.</i> ● Partnership staff continue to establish partnerships and work with approximately 120,000 active partner organizations in support of the 2010 Census. <i>230,750 partnerships were established.</i> ● 30,000 joint Questionnaire Assistance Centers (QAC) and Be Counted (BC) sites and 10,000 stand-alone BC sites ready to assist citizens in hard-to-count areas. <i>More than 50,000 potential joint BC/QAC sites and 20,000 potential stand-alone BC sites were identified among partner organizations. From these sites, the Census Bureau selected 26,637 joint sites and 11,704 stand-alone BC sites that met its needs based on location, access to the public, and who the organization served. Additional sites were held in reserve, if needed.</i>

(continued)

BUREAU	CENSUS BUREAU <i>(continued)</i>
PROGRAM	PERIODIC CENSUSES AND PROGRAMS <i>(continued)</i>
<p>Performance Measures/ Results <i>(continued)</i></p>	<ul style="list-style-type: none"> ● 10,000 Complete Count Committees educate community on the importance of the 2010 Census and motivate residents to complete questionnaire. <i>10,251 Complete Count Committees formed and trained.</i> ● Partnership staff thank community organizations and other partners for their help with the 2010 Census. <p>Advertising</p> <p>Measure: Complete key activities for the combined 2010 Census Communications Campaign – 2010 targets using ARRA funding (results shown in italics):</p> <ul style="list-style-type: none"> ● For the Awareness Phase, reach 95 percent of the population at least five more times above base target through the paid advertising. <i>The launch of the Awareness Phase of the campaign began on January 17, 2010. The actual reach and frequency figures will be determined following a post-media buy analysis that will be completed in the fall of 2010.</i> ● For the Motivation Phase, reach 95 percent of the population at least 11 more times above base target through the paid advertising. <i>Ongoing. The Motivation Phase began on March 1, 2010. The actual reach and frequency figures will be determined following a post-media buy analysis that will be completed in the fall of 2010.</i> ● For the Support Nonresponse Follow-up Phase, the plan is to reach lowest responding population at least two more times through paid advertising. <i>The actual reach figures will be determined following a post-media buy analysis that will be completed in the fall of 2010.</i> <p>Coverage Follow-up</p> <p>Measure: Complete 67% of Coverage Follow-up cases by the end of production – 2010 targets using ARRA funding:</p> <ul style="list-style-type: none"> ● Complete 67 percent Coverage Follow-up Cases for approximately 1.1 million cases. ● Provide approximately 1,250 Coverage Follow-up workers to support approximately 1.1 million coverage follow-up cases.
<p>Comments</p>	<p>For <i>Early Operations</i>, as of June 2010, the mailout of the initial questionnaires is complete. The key activities have either been already conducted, began on time, or are scheduled to begin as planned.</p> <p>It is difficult to know how each component of the <i>Partnership</i> program influenced people to take part in the 2010 Census, and a detailed assessment will be done later. However, the Census Bureau strongly believes that the integrated communications campaign contributed much to the U.S. public's better than expected "participation" in the census. Seventy-two percent of U.S. households that received a census form in the mail returned the completed questionnaire. This matched the Census 2000 participation rate despite a more challenging census environment in 2010. The public's participation in all types of surveys has declined sharply since 2000. The United States is a larger, more diverse population, with more types of housing arrangements, and were subject to extensive household dislocations due to the severe economic downturn.</p>

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)			
PROGRAM	OPERATIONS, RESEARCH, AND FACILITIES			
Amount	\$230.0M			
Description	<p>Hydrographic Survey Backlog – \$40 million to reduce the critical hydrographic survey backlog by approximately 1,700 square nautical miles. The critical areas to be addressed have high commercial traffic or hazardous material transport, compelling requests from navigation services users, or seafloor areas that have not been surveyed to modern standards.</p> <p>Marine and Coastal Habitat Restoration – \$167 million to support mid and large-scale restoration projects addressing coral reef conservation, restoration of fish habitats that benefit commercial and recreational fisheries, recovery of endangered species such as salmon and sea turtles, and improvement of coastal resiliency in response to sea level rise and natural hazards.</p> <p>Environmental Reviews and Consultations – \$3 million to address the current backlog of Endangered Species Act (ESA) Section 7 consultations and, if required, environmental reviews and consultations associated with projects funded by ARRA.</p> <p>Vessel Maintenance and Repair – \$20 million to address critical repairs and replacements to NOAA's fleet of research and exploration vessels.</p>			
Performance Measures/ Results		TARGET/ACTUAL		
	MEASURE	2010	2011	2012
	Fish passage and wetland restoration: percentage of projects with presence of target species (fish or plant)		40	100
	Shell fish: percentage of projects with successful recruitment of oysters		60	100
	Coral: percentage of projects experiencing reduction in land-based sources of sediment		33	100
	Reduce the hydrographic survey backlog within navigationally significant areas (square nautical miles surveyed per year)	3,000/377	3,000	300
	Percentage of ARRA related consultations conducted on time	100%/86.3%		
	Number of received ARRA-related requests for consultations versus the number of ARRA-related consultations completed	*		
	Percentage of planned milestones met for vessel maintenance and repairs	80/51		
Shoreline compilation completed	3,757/456	3,876		
*Not yet available				

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>
PROGRAM	OPERATIONS, RESEARCH, AND FACILITIES <i>(continued)</i>
Comments	<p>Habitat Restoration – NOAA is using GPRA, Corporate, and ARRA-specific measures to track program performance. Those are <i>Acres restored</i> (GPRA), <i>Stream miles opened</i> (Corporate), and the <i>Number of jobs created/sustained</i> (ARRA-specific). Since project selection, NOAA developed outcome-based ecological metrics by project type to measure the impact of groups of projects on coastal ecosystems.</p> <p>Hydrographic Survey Backlog – NOAA conducts hydrographic surveys to determine the depths and configurations of the bottoms of water bodies, primarily for U.S. waters significant for navigation. This activity includes the detection, location, and identification of wrecks and obstructions with side scan and multi-beam sonar technology and the global positioning system (GPS). NOAA uses the data to produce traditional paper, raster, and electronic navigational charts for safe and efficient navigation, and in addition to the commercial shipping industry, other user communities that benefit include recreational boaters, the commercial fishing industry, port authorities, coastal zone managers, and emergency response planners.</p> <p>Environmental Reviews and Consultations – NOAA focuses on the number of ARRA-related projects that NOAA has timely reviewed for environmental impacts so that action agencies may minimize and mitigate the impacts of these projects on the environment. Based on historical trend rates and available resources, NOAA expects to complete 70 percent of them on time. External federal agencies require consultations from the National Marine Fisheries Service on Endangered Species Act and essential fish habitat per the Endangered Species Act and Magnuson-Stevens Act.</p> <p>Vessel Maintenance and Repair – There has been an 89 percent increase in the number of significant mechanical/electronic failures on NOAA's ships and a 62 percent increase in lost days-at-sea for NOAA programs—from 184 days-at-sea in FY 2005 to 299 days-at-sea in FY 2008. It is critical to maintain NOAA's aging ships, while meeting increasingly restrictive maritime standards. There are a total of 45 milestones for all of the ships projects.</p>

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION
Amount	\$600.0M
Description	<p>NOAA Climate Computing and Modeling – \$170 million to accelerate and enhance NOAA's High Performance Computing (HPC) capabilities.</p> <p>NEXRAD Dual Polarization Modification Acceleration – \$7.4 million to accelerate the NEXRAD Dual Polarization effort.</p> <p>Weather Forecast Office (WFO) Construction – \$9 million to accelerate WFO upgrade and modernization projects in Barrow and Nome, AK, as well as upgrades to the HVAC systems of other WFOs.</p> <p>Accelerate Satellite Development – \$74 million to accelerate funding for the National Polar-orbiting Operational Environmental Satellite System (NPOESS) and climate sensors on NOAA's critical polar-orbiting satellites.</p> <p>Pacific Regional Center – \$154 million to complete the construction of the entire Pacific Regional Center on Ford Island in Honolulu, HI.</p> <p>Southwest Fisheries Science Center (SWFSC) – \$81.2 million to complete the design, construction, and occupancy of the replacement SWFSC facility in La Jolla, CA.</p> <p>Fairbanks Satellite Facility Construction – \$9 million to continue the replacement of the at-risk Fairbanks Operations Building in Fairbanks, AK.</p> <p>Facility Maintenance and Repair – \$15.6 million to fund facility maintenance and repair issues. NOAA will use this funding to address critical facility repair issues in order to ensure the health and safety of our employees.</p> <p>Fishery Survey Vessel Construction – \$79.8 million to complete the construction of a fisheries survey vessel (FSV6), an OSCAR DYSON class vessel, will replace the San Diego-based DAVID STARR JORDAN and is intended to serve the SWFSC.</p>
Performance Measures/ Results	<p>NOAA Procurement, Acquisition, and Construction obligations for ARRA were \$580.6 million or 97 percent of the Congressional approved spend of \$600 million. Of the remaining funds (\$17.7 million), approximately \$16.7 million is classified as "lapsed obligations." The lapsed obligations are from funds transferred to the U.S. Army Corps of Engineers for repair to NOAA's Norfolk facility seawall, and the Department of Navy's Naval Facilities Engineering Command for construction-related services required to construct the new Pacific Regional Center at Ford Island Hawaii that resulted in contract awards less than the money provided. The \$16.7 million to be returned as lapsed obligations resulted from acquisitions accomplished between September 1 and 24, 2010, too late for NOAA to reprogram to other ARRA projects. The following are the performance measures and outcomes:</p>

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>				
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION <i>(continued)</i>				
Performance Measures/ Results <i>(continued)</i>	MEASURE	TARGET/ACTUAL			
		2010	2011	2012	2013
	Severe weather warnings for tornados – Lead time	12	12	13	
	Severe weather warnings for tornados – Accuracy	70	70	72	
	Severe weather warnings for tornados – False alarm rate	72	72	70	
	Severe weather warnings for flash floods – Lead time	38	38	38	
	Severe weather warnings for flash floods – Accuracy	72	72	72	
	Percentage of safety and conditions indices improvements for NOAA's facility maintenance and repair projects	TBD			
	Percentage of planned milestones met for NPOESS program	6/6	TBD		
	Percentage of planned milestones met for climate instruments	32/32	37	31	
	Amount of megawatts saved from HVAC systems renovations	120	200	200	
	Increase number of fish stocks with fishery-independent data needed to support adequate assessments			174	184
	Increase the number of high priority protected species with fishery-independent data to support adequate population assessments				13
Increase number of program mission days-at-sea available to the Southwest Fisheries Science Center	220 days				
Comments	<p>NEXRAD Radar Systems and Dual Polarization – These funds will accelerate the dual polarization effort of the next generation (NEXRAD) Doppler weather radar system that will allow signals to be transmitted and received in two dimensions, resulting in a significant improvement in precipitation estimation; improved ability to discriminate rain, snow, and hail; and a general improvement in data quality. The new system will improve flash flood warnings, improve precipitation estimates and severe weather detection, including snow storms and icing conditions for air and ground transportation. These funds will not impact this target until at least FY 2013. This is because forecasters need at least one full year of data before they can verify and adjust outyear targets; and, the kits will not be installed until early FY 2011.</p>				

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION <i>(continued)</i>
<p>Comments <i>(continued)</i></p>	<p><i>Percentage Safety and Conditions Indices Improvement at NOAA's Pacific Regional Center</i> – NOAA will improve the safety and condition indices at NOAA's facilities through the collocation of NOAA employees on the island of Oahu at the Pacific Regional Center. This collocation will also support improved efficiency and effectiveness for employees in operations and mission performance by creating greater opportunity for program collaboration and synergy.</p> <p><i>Percentage Safety and Conditions Indices Improvement at NOAA's Fairbanks Satellite Operations Facility</i> – NOAA will improve the safety and condition indices at NOAA's facilities through improving the health and safety of employees at the Fairbanks Satellite Operations Facility by providing a new building that mitigates the hazards of working within a seismic zone.</p> <p><i>Percentage Safety and Conditions Indices Improvement at NOAA's Regional Facilities</i> – NOAA will improve the safety and condition indices at NOAA's facilities through mitigating the risks from facility deficiencies and health hazards, such as asbestos, the Galveston Laboratory, Geophysical Fluid Dynamics Laboratory, Marine Operations Center–Atlantic, Milford Laboratory, Panama City Laboratory, and SWFSC–Pacific Grove.</p> <p><i>Percentage Safety and Conditions Indices Improvement at NOAA's Southwest Fisheries Science Center</i> – NOAA will improve the safety and condition indices at NOAA's facilities through replacing the SWFSC in La Jolla, CA, with a new, modern facility that will expand NOAA's ability to develop and apply advanced technologies for surveys of fisheries resources and their associated ecosystems and foster collaboration on fisheries management issues through the construction of a large sea and fresh-water test tank.</p> <p><i>Vessel Construction</i> – The construction of a FSV6 vessel improves NOAA's ability to more accurately manage fisheries stocks. FSV6 will be designed and constructed with state-of-the-art technologies and specialized survey equipment, which will produce significantly higher quality at-sea data, improved quality-of-life outfitting and mission productivity. The enhanced FSV6 capabilities will deliver more precise and accurate NOAA stock assessments for more effective management of living marine resources.</p> <p><i>Cumulative Number of New Decadal Prototype Forecasts and Predictions Made with High-resolution Coupled Climate Model</i> – Decadal prediction was initially targeted to be attacked with an intergovernmental panel on climate change– fourth assessment report class model with relatively low resolution. The ARRA computing has allowed the use of a coupled climate model with approximately four times the resolution. Research into decadal predictability will inform prototype forecasts incorporating new data assimilation schemes using this high-resolution model This will provide, for the first time, scientifically credible, regional scale climate information, with estimates of uncertainty, to decisionmakers for improved management of water resources, the coasts, transportation infrastructure, agriculture, and other sectors impacted by climate, and to provide the Nation with early warnings of climate "surprises" resulting from climate variations on decadal timescales.</p> <p><i>Percentage of Planned Milestones for Climate Instruments</i> – NOAA will accelerate the development of two climate sensors, TSIS and CERES. These climate sensors will improve the Nation's ability to collect and distribute higher-resolution data and products to improve forecasts and climate monitoring. Corporate performance measures will be evaluated by monitoring the percent of planned contract milestones accomplished within 60 days of target. Nineteen major milestones are associated with these activities.</p>

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION <i>(continued)</i>
<p>Comments <i>(continued)</i></p>	<p>Number of Regional Scale Projections for Assessments and Decision Support – Enhanced computing will enable regional scale projections and will contribute to international assessments (e.g., IPCC AR5, scheduled for 2013), national assessments under the U.S. Global Climate Research Program, and other assessments as requested. The number of meaningful regional projections possible will increase as NOAA's earth system model increases in realism and complexity. Examples of regional scale projections include: regional sea level rise projections that require explicit representation of the global eddy field in the ocean models; projections of parameters essential to ocean and coastal ecosystem forecasting; assessment of regional carbon budgets; and projections of climate change in the Arctic region that require improved sea ice models. Better information in these areas will improve decisions in transportation, fisheries and other marine ecosystems, and emergency managers responsible for safety and infrastructure along the coasts.</p> <p>Percentage Uncertainty in Possible 21st Century Sea Level Rise (0-1m = 100% uncertainty) – This metric is calculated using the IPCC 4th Assessment Report estimates for the range of 21st century global-mean sea level rise. Completion of the proposed effort will reduce the uncertainties by almost half as a result of modeling that better captures the more accurate measurements of ice-sheet discharge, thermal expansion, and regional anomalies due to ocean circulation and heat storage. These model improvements are a direct result of ARRA-funded computing. Reducing the uncertainty in sea level rise will allow government and industry to have better information on projected sea level rise and therefore tailor their planning and actions to address the impacts.</p> <p>Cumulative Number of New Functionalities Incorporated into Earth System Model to Improve Realism of Climate Simulation – Improve the realism of the NOAA earth system models by closing the nitrogen and phosphorus cycles and improving the simulation of impacts of quality air on plant growth. Enhanced computing permits the implementation of mechanistic models of biospheric processes in a comprehensive earth system model which will reduce the uncertainty of future climate projections and provide more scientifically-credible information to managers of land and marine ecosystems and better estimates of carbon sources and sinks.</p> <p>Cumulative Number of Assessments of Carbon, Trace Gas and Aerosol Budgets and Feedbacks – Assessments are one of the principal means by which credible scientific information is communicated to policymakers and other stakeholders. Enhanced computing permits additional biogeochemical cycles to be included in NOAA earth system models and so assessments of impacts of these additional processes improve the scope and credibility of this information.</p> <p>Improved Treatment of Key Physical Processes in Climate Models Aimed at Improving: Model Performance, Understanding of Uncertainties, and Confidence in Climate Change Projection and Predictions – This performance measure will reflect more confident projections of key climate change impacts. Better scientific understanding of the key processes of clouds, aerosols, and water vapor in the earth system will lead to research advances built into climate models that will then produce better predictions and projections to address climate change impacts.</p> <p>Percentage of Planned Milestones Met for NPOESS program – NPOESS will conduct electrical payload critical path reduction in calendar year 2009 and calendar year 2010.</p>

BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST)
PROGRAM	SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES (STRS)
Amount	\$220.0M
Description	<p>The ARRA includes \$220 million in STRS funding for "research, competitive grants, additional research fellowships and advanced research and measurement equipment and supplies," as stipulated in the conference report to PL 111-5. The ARRA also provides for NIST \$20 million from the Department of Health and Human Services (HHS) for health information technology (IT), and \$10 million from the Department of Energy (DOE) for Smart Grid.</p> <p>The following is a summary of the NIST planned activities funded in the STRS appropriation by the ARRA: <i>Advanced Scientific Equipment</i> (\$108 million) to procure advanced research and measurement equipment to strengthen its measurement, standards, and technology programs; <i>Measurement Science and Engineering (MS&E) Grants</i> (\$35 million¹) to conduct a competitive grants program which funded 27 projects at higher-education, commercial, and non-profit organizations in 18 states for measurement science in NIST's six priority investment areas of critical national importance: Energy, Environment, Manufacturing, Health Care, Physical Infrastructure, and Information Technology; <i>Postdoctoral Research Fellowships</i> (\$22 million¹) to expand the NIST Postdoctoral Fellowship program to create approximately 80 postdoctoral fellowships for recent Ph.D.s and retain approximately 40 NIST National Research Council (NRC) postdoctoral fellows through the end of FY 2010 following the end of their tenure; <i>MS&E Fellowship Program</i> (\$20 million¹) to award grants to the University of Maryland and the University of Colorado for developing and implementing a program to provide fellowships for students, post-doctoral, and professional scientists and engineers to work at NIST; <i>Research Contracts</i> (\$15 million) to award competitive research contracts to small businesses under the Small Business Innovation Research (SBIR) program², and to award competitive research contracts¹ to assist NIST in activities associated with Smart Grid devices and systems and competitive research contracts¹ for research on specific areas of cybersecurity; <i>IT Infrastructure Contracts</i> (\$9 million) to competitively procure critical new information systems and components to improve NIST's IT infrastructure; and <i>Management and Oversight</i> (\$11 million) to support critical staff such as contracts specialists, grants specialists, internal control specialists, and an ARRA Project Management Office to ensure that transparency, monitoring and evaluation, and accountability responsibilities under ARRA are implemented and followed.</p> <p>The \$30 million in ARRA funding from other federal agencies includes: \$20 million from HHS Office of the National Coordinator to help accelerate development and deployment of electronic health records and a nationwide health care information infrastructure and \$10 million from DOE to develop a framework and a public-private partnership needed to harmonize standards and implement a nationwide electricity Smart Grid.</p> <p>¹ Actual amount of awards will be slightly less due to a 2.5 percent SBIR assessment to appropriate activities mandated by statute. ² Approximately \$1.5 million were added to this activity from the mandated 2.5 percent SBIR assessments on the ARRA MS&E Grants and Fellowships, Postdoctoral Research Fellowships, and Research Contracts amounts.</p>

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BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) <i>(continued)</i>
PROGRAM	SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES (STRS) <i>(continued)</i>
<p>Performance Measures/ Results</p>	<p>Use of NIST ARRA funding is targeted to have maximum impact on meeting the goals of the ARRA, including: creating jobs; promoting economic recovery; providing investments needed to increase economic efficiency by spurring technological advances in science; and making investments in areas of research that will provide long-term economic benefits.</p> <p>Advanced scientific equipment purchases from the STRS ARRA funding will have immediate and specific impacts on NIST's technological capabilities and abilities to work in new areas and address more complex scientific challenges. To document these impacts, NIST is providing a series of examples in its ARRA reporting that illustrate the overall impact and outcomes of the NIST STRS ARRA equipment purchases. Illustrative impacts from these equipment purchases include:</p> <p>Clinical PET-CT Scanner: Positron emission tomography - computed tomography (PET-CT) is a medical imaging technique that sequentially acquires PET and x-ray computed tomography images to render a spatial distribution of metabolic or biochemical activity in the human body precisely aligned with its anatomic structure. The acquisition of a PET-CT scanner under ARRA funding will enable NIST to develop standards and measurement infrastructure in support of PET and PET-CT technology. Since this instrument will be the only PET-CT scanner in the United States that will be continuously calibrated against national standards, it will function as a reference instrument for clinical comparison studies, clinical trials, testing of clinical measurement protocols, and a testbed for development of techniques associated with PET-CT. The improvements in the quantitative data obtained from the NIST PET-CT scanner will impact the nearly two million PET-CT scans in the United States every year by enabling more accurate and timely diagnoses.</p> <p>Large Area NEXAFS Microscope for National Synchrotron Light Source: NEXAFS has become a fundamental measurement for organic photovoltaic (OPV) materials, but has been limited to large area samples. The imaging capabilities of this microscope will allow spatially resolved identification of defects and variations. The ARRA funds greatly accelerated the availability of a unique instrument at least five years faster than without ARRA funds.</p> <p>The table below reflects performance measures that were reported in Recovery.gov on May 15, 2009 for NIST's STRS ARRA appropriations. NIST has been collecting ARRA performance data on a quarterly basis. Data is included in the table for each measure for FY 2009 Target and Actuals, as well as FY 2010 Target and Actuals.</p>

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BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) <i>(continued)</i>				
PROGRAM	SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES (STRS) <i>(continued)</i>				
Performance Measures/ Results <i>(continued)</i>	MEASURES	FY 2009 TARGET	FY 2009 ACTUAL	FY 2010 TARGET	FY 2010 ACTUAL
	Advanced Scientific Equipment: <ul style="list-style-type: none"> ● Dollars obligated ● Number of equipment purchased 	\$20,000K 15	\$22,458.5K 17	\$88,000K 45	\$88,161.4K* 45
	Measurement Science and Engineering Grants program: <ul style="list-style-type: none"> ● Dollars obligated ● Number of awards ● Number of patent applications (lagging/outyear measure) ● Number of peer-reviewed technical publications (lagging/outyear measure) ● Number of licenses (lagging/outyear measure) 	\$0.00 K 0 0 0 0	\$0.00 K 0 0 0 0	\$34,125K 20 0 0 0	\$34,449K 27 0 0 0
	Postdoctoral Fellowships: <ul style="list-style-type: none"> ● Number of Postdoctoral Fellows ● Number of Postdoctoral Fellows retained after completion of tenure 	48 23	52 19	35 18	38 46
	Measurement Science and Engineering Fellowship program: <ul style="list-style-type: none"> ● Dollars obligated 	\$0.00K	\$0.00K	\$19,500K	\$19,500K
	Research Contracts: <ul style="list-style-type: none"> ● Dollars obligated ● Number of contracts awarded (SBIR, Smart Grid, Cyber Security) 	\$10,500K 34	\$9,826.0K** 33	\$4,500K 1	\$18,669.2K** 9
	Information Technology Infrastructure Contracts: <ul style="list-style-type: none"> ● Dollars obligated 	\$9,000K	\$7,588.5K	\$0.0K	1,193,462K
	* Actual obligations were approximately \$2.6 million above cumulative planned Target levels as a result of lower expenses from management and oversight funds that were redirected toward more funding for equipment.				
	** Approximately \$13.5 million was spent above cumulative Target levels as a result of additional funding provided to this activity from the mandated SBIR assessments on the ARRA MS&E Grants and Fellowships, Postdoctoral Research Fellowships, and Research Contracts amounts—and \$12 million in reimbursable funding received from the Department of Energy for Smart Grid.				
	Further results are available on the NIST ARRA Web site at http://www.nist.gov/recovery/ .				
Comments	The measurements, standards, and technologies that are the essence of the work done by NIST's laboratories help U.S. industry and science to invent and manufacture superior products and to provide services reliably. NIST's programs are driven by six investment priority areas that address national priorities: Energy, Environment, Manufacturing, Health Care, Physical Infrastructure, and Information Technology. Funds provided by the ARRA will enhance NIST's efforts on the six investment priority areas by providing the "tools" and knowledge base needed to make progress. Focus will be on the eight activities noted in the earlier description section.				

BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) (continued)
PROGRAM	CONSTRUCTION OF RESEARCH FACILITIES
Amount	\$360.0M
Description	<p>The following is a summary of the NIST planned activities funded in the Construction of Research Facilities appropriation by the ARRA.</p> <p>NIST Construction Projects (\$180.0 million): includes complete the funding of the Precision Measurement Laboratory formerly known as the NIST Boulder Building 1 Extension (\$43.5 million); enhance the performance of the Precision Measurement Laboratory (\$25.0 million); carry out energy-efficient Safety, Capacity, Maintenance, and Major Repairs Program projects (\$31.0 million); high-efficiency cooling system, associated support infrastructure for the cooling system, and other support infrastructure for the NIST Center for Neutron Research (\$16.0 million); fund the design and construction of a National Structural Fire Resistance Laboratory (\$16.0 million); relocation and consolidation of advanced robotics and logistics operations from a decommissioned NIKE missile site to the NIST Gaithersburg site (\$9.0 million); fund the construction of a Liquid Helium Recovery System for the NIST Gaithersburg site (\$5.0 million); fund the construction of a Liquid Helium Recovery System for the NIST Boulder site (\$2.5 million); design and construct an Emergency Services Consolidated Facility in Gaithersburg (\$7.0 million); a Net-Zero-Energy Residential Test Facility at NIST Gaithersburg (\$2.0 million); and in-house oversight and construction management support of NIST construction projects (\$8.0 million). The original plan also included \$15 million to fund the design and construction of a new time-code radio broadcast station; but despite best efforts, NIST has been unsuccessful in finding a site or solution to realistically award this project by the end of FY 2010, which is the expiration date of NIST's ARRA funding.</p> <p>Competitive Construction Grants Program (\$180.0 million): provides competitively awarded grants to U.S. universities, colleges, and not-for-profit research organizations for research science buildings through the construction of new buildings or expansion of existing buildings (\$179.0 million), and program management support and oversight of the construction grants program (\$1.0 million).</p>
Performance Measures/ Results	<p>Use of NIST ARRA funding was targeted to have maximal impact on meeting the goals of ARRA, including creating jobs, promoting economic recovery, providing investments needed to increase economic efficiency by spurring technological advances in science, and making investments in areas of research that will provide long-term economic benefits.</p> <p>The table below reflects performance measures that were reported in Recovery.gov on May 15, 2009 for NIST's Construction of Research Facilities ARRA appropriations. NIST has been collecting ARRA performance data on a quarterly basis. Data is included in the table for each measure for FY 2009 Target and Actuals, as well as FY 2010 Target and Actuals.</p>

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BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) <i>(continued)</i>				
PROGRAM	CONSTRUCTION OF RESEARCH FACILITIES <i>(continued)</i>				
Performance Measures/ Results <i>(continued)</i>	MEASURES	FY 2009 TARGET	FY 2009 ACTUAL	FY 2010 TARGET	FY 2010 ACTUAL
	NIST construction projects: <ul style="list-style-type: none"> ● Dollars obligated ● Number of facilities renovated ● Number of facilities constructed 	\$26,300K 0 0	\$10,956.1K 0 0	\$153,700K 0 0	\$164,362.1K 0 0
	Construction Grants (up to \$60M): <ul style="list-style-type: none"> ● Dollars obligated ● Number of grants awarded ● Number of research science facilities completed 	\$60,000K 5 0	\$55,537.0K 4 0	\$0.00K 0 0	\$0.00K 0 0
	Construction Grants (approximately \$120M): <ul style="list-style-type: none"> ● Dollars obligated ● Number of grants awarded ● Number of research science facilities completed 	\$0.00K 0 0	\$0.00K 0 0	\$120,000K 10 0	\$123,517.2K* 12 0
* FY 2010 Actual obligations are approximately \$3.5 million above the cumulative Target levels as a result of redirecting excess funding from the first round Construction Grants competition (\$60 M) into the second round competition (\$120M).					
Comments	The measurements, standards, and technologies that are the essence of the work done by NIST's laboratories help U.S. industry and science to invent and manufacture superior products and to provide services reliably. NIST manages some of the world's most specialized measurement facilities where cutting-edge research is done in areas such as new and improved materials, advanced fuel cells, and biotechnology. Critically needed research facilities will help keep the Nation at the forefront of cutting-edge research and ensure that U.S. industry has the tools it needs to continually improve products and services. The investment now in these advanced research facilities will be recouped many times over in increased U.S. innovation, a critical ingredient for improved productivity and job creation. The construction projects will use green technologies where possible, and will improve energy efficiency and environmental performance of NIST facilities.				

BUREAU	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA)
PROGRAM	BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)
Amount	\$4,700.0M
Description	<p>In FY 2010, NTIA utilized approximately \$4 billion of ARRA funding for BTOP, which awarded grants to 233 projects to support deployment of broadband infrastructure, enhance and expand public computer centers, and encourage sustainable adoption of broadband service. The BTOP projects will:</p> <ul style="list-style-type: none"> ● Fund the installation or upgrade of approximately 120,000 miles of broadband networks, including fiber optics, wireless, microwave, and other technologies. Of this amount, approximately 70,000 miles involve construction of new broadband facilities. ● Provide broadband access to approximately 24,000 community anchor institutions, including schools, libraries, government offices, health care facilities, and public safety entities. ● Deploy middle-mile infrastructure in areas with nearly 40 million households and four million businesses, many of which will benefit from new or improved broadband service provided by last-mile providers that are able to utilize the new, open infrastructure to extend or upgrade their service for consumer and business customers. ● Invest in more than 3,500 new or upgraded public computer centers in libraries, schools, community centers, and other public locations. ● Invest in more than 35,000 new or upgraded public computer workstations. ● Make public computer center workstations and training available to more than one million new users. <p>These anticipated benefits will be realized over the life of each project, which must be substantially complete within two years and fully complete within three years.</p> <p>NTIA's State Broadband Data and Development grant program implements the joint purposes of the ARRA and the Broadband Data Improvement Act (BDIA), which envisioned a comprehensive program to integrate broadband and information technology into state and local economies. ARRA provided up to \$350 million for implementation of the BDIA and to develop and maintain the national broadband map. NTIA has awarded a total of \$293 million in grants among all 56 eligible entities.</p>

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BUREAU	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA) <i>(continued)</i>				
PROGRAM	BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP) <i>(continued)</i>				
Performance Measures/ Results	Current and planned performance measures include:				
		FY 2010 Actual	FY 2011 Target	FY 2012 Target	FY 2013 Target
	New broadband network miles deployed	N/A	10,000	30,000	50,000
	Community anchor institutions with new or improved access to broadband services	N/A	3,000	10,000	15,000
	New public computer center workstations installed and available to the public	N/A	10,000	20,000	25,000
New sustainable broadband adoption subscribers (households, businesses, and/or institutions)	N/A	100,000	250,000	350,000	
Comments	BTOP provides grants to support the deployment of broadband infrastructure in unserved and underserved areas, to enhance broadband capacity at public computer centers, and to encourage sustainable adoption of broadband service. Through this support, BTOP will also advance the ARRA's objectives to spur job creation and stimulate long-term economic growth and opportunity.				

HIGH RISK ISSUE/2010 DECENNIAL CENSUS



Automation problems and uncertain costs and plans may jeopardize the success of the 2010 Decennial Census, and warrant immediate attention. The decennial census is a Constitutionally-mandated activity that produces critical data used to apportion Congressional seats and to allocate over \$400 billion in federal assistance each year.

GOAL

Strengthen management and oversight, and reduce risks for the 2010 Decennial Census.

CHALLENGES/ACTIONS

- **Develop an integrated and comprehensive plan to control costs and manage operations**
 - ◆ Improved management practices and communications by conducting regularly scheduled meetings with internal and external management/stakeholders.
 - ◆ Managed the schedule with weekly analysis of the activities and milestones contained in the integrated project schedule.
- **Strengthen risk management activities and systems testing**
 - ◆ Developed mitigation and contingency plans to accompany the risk management plan.
 - ◆ Reviewed and updated the risk register and ensure ongoing involvement of senior management in risk review.
 - ◆ Developed detailed testing plans, including gap analysis.
 - ◆ Conducted and monitored system testing across the 2010 Decennial Census program.
- **Improve management of the Field Data Collection Automation (FDCA) effort**
 - ◆ Conducted and monitored extensive testing, including coding and unit testing, field testing, production integration testing, and operational readiness testing (by the Census Bureau and contractors).
 - ◆ Successfully completed Address Canvassing ahead of schedule, using automated handheld computers supplied by the FDCA contractor.
 - ◆ Oversaw successful deployment, by the FDCA contractor, of equipment and systems to the local census offices.

HIGH PRIORITY PERFORMANCE GOALS

High priority performance goals (HPPG) are a clear statement of the specific, measurable, ambitious near-term priority targets chosen by the senior leaders of major federal agencies. The HPPGs communicate the performance improvements each agency is trying to accomplish relative to its priorities using existing legislative authority, previously appropriated funds, and funding at levels proposed in the President's FY 2011 Budget. The HPPGs constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes the HPPGs from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

GOAL	2010 DECENNIAL CENSUS: Effectively execute the 2010 Census, and provide the states with accurate and timely redistricting data. (Timely completion of milestones to conduct the 2010 Census and provide redistricting data as mandated by law.)		
BUREAU	CENSUS BUREAU		
Performance Measures	Achieve an accuracy level of an overall net coverage error at the national level of less than one-half of one percent.		
Description	The overall net coverage error is determined by an independent follow-up survey which measures the accuracy of the census results. The survey estimates both the number of households missed and those either mistakenly counted or counted multiple times. The undercount and overcount percentages are derived by subtracting the number of people counted in the census from the number of people measured in the survey and then dividing by the estimate of the total population according to the survey. A net overcount occurs if the resulting percentage is negative, while a positive percentage indicates a net undercount.		
Results	Fiscal Year	Target	Actual
	1991		1.61%
	2003		-0.49%
	2012	+/-0.5%	
Milestones	<i>Deliver 2010 Census Questionnaires:</i> Completed by April 9, 2010. Delivered 2010 Census questionnaires which consisted of the mailing of advance letters, initial questionnaires, reminder postcards, and replacement mailings.		
	<i>Update Leave and Update Enumerate:</i> Completed by June 1, 2010. Conducted update leave and update enumerate operations in which enumerators deliver census questionnaires or conduct interviews in communities that may not have a house number and street name address.		
	<i>Group Quarters Enumeration:</i> Conduct enumeration of group quarters. The operation consists of the field enumeration of individuals in group quarters, such as college dormitories, correctional facilities, military vessels, and nursing facilities.		
	<i>Nonresponse Follow-up:</i> Completed by July 10, 2010. Conducted nonresponse follow-up operation which includes follow-up visits and phone calls to all housing units that did not respond to the mailout questionnaires.		

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GOAL	2010 DECENNIAL CENSUS: Effectively execute the 2010 Census, and provide the states with accurate and timely redistricting data. <i>(continued)</i>
BUREAU	CENSUS BUREAU <i>(continued)</i>
Milestones <i>(continued)</i>	Coverage Follow-up: Conduct coverage follow-up operation which resolves erroneous information in initial census operations.
	Vacant Delete Check: Conduct vacant delete check operation by confirming vacant or nonexistent housing unit statuses identified during nonresponse follow-up.
	Census Coverage Measurement: Operations for census coverage measurement. These are independent of the other census operations. They are designed to provide estimates of net coverage error and erroneous enumerations for persons in housing units and for the housing units themselves.

GOAL	INTELLECTUAL PROPERTY (IP) PROTECTION: Reduce patent pendency for first action and for final actions from the end of 2009 levels of 25.8 and 34.6 months respectively by the end of 2011, as well as the patent backlog.						
BUREAU	U.S. PATENT AND TRADEMARK OFFICE (USPTO)						
Performance Measures	First Action Patent Pendency		Final Action Patent Pendency		Patent Backlog		
Description	This measure tracks the timeliness of first office actions on patent applications, measuring the time in months from the application filing date to the date of mailing the first office actions.		This measure identifies the timeliness related to issuance of the patent or abandonment of the application, measuring the average time in months from the application filing date to the date of issue or abandonment.		This measure tracks the number of patent applications awaiting first action review by an examiner.		
Results	Fiscal Year	Target	Actual	Target	Actual	Target	Actual
	2003	18.4	18.3	27.7	26.7	484,700	457,274
	2004	20.2	20.2	29.8	27.6	524,000	508,878
	2005	21.3	21.1	31	29.1	594,800	586,580
	2006	22	22.6	31.3	31.1	680,700	674,333
	2007	23.7	25.3	33	31.9	801,000	737,288
	2008	26.9	25.6	34.7	32.2	801,300	750,596
	2009	27.5	25.8	37.9	34.6	741,400	718,835
	2010	25.4	25.7	34.8	35.3	698,000	TBD ¹
	2011	25.7		34.1		635,700	
	2012	19.3		34.7		556,800	
	2013	14.9		28.3		477,800	
	2014	10.9		23.9		410,300	
	2015	10.2		19.9		377,000	
¹ Final actuals should be available by January 1, 2011.							

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GOAL	INTELLECTUAL PROPERTY (IP) PROTECTION: Reduce patent pendency for first action and for final actions from the end of 2009 levels of 25.8 and 34.6 months respectively by the end of 2011, as well as the patent backlog. <i>(continued)</i>
BUREAU	U.S. PATENT AND TRADEMARK OFFICE (USPTO) <i>(continued)</i>
Milestones	<p>Re-engineer the Examiner Count System: Completed by March 30, 2010. USPTO adopted significant revisions to the patent examiner production (count) system. The new count system is expected to set the foundation for long-term pendency improvements by encouraging early identification of patentable subject matter, helping examiners resolve issues more quickly and rebalancing incentives both internally and externally to decrease re-work. It is also expected to see quality gains as a result of giving examiners more time to do a thorough search and examination.</p> <p>Project Exchange: The Project Exchange pilot will allow advancement of an application in exchange for express withdrawal of another application, and will enable applicants to focus USPTO resources on what is important, rather than having examiners review applications that are no longer important to their owners.</p> <p>Institutionalize Compact Prosecution of Applications: Encourage the practice of finding the core issues with patent applications and resolving them—conducting a complete initial search, issuing a complete first office action, and identifying allowable subject matter so as to expedite prosecution. This will be accomplished through specific training programs.</p> <p>Measurement and Tracking of Patent Quality: Along with its Patent Public Advisory Committee,, USPTO has engaged its stakeholders in roundtable discussions on the best way to address patent process inefficiencies, while also improving patent quality and reducing overall application pendency. USPTO has sought specific public input on improving the process for obtaining the best prior art, preparation of the initial application, and examination and prosecution of the application, along with identifying appropriate indicia of quality, and establishing metrics for the measurement of the indicia.</p> <p>Improve and Provide More Effective Training: Provide Leadership Development Program and additional training for examiners and supervisory patent examiners. Patent managers and supervisors are participating in a newly developed, state-of-the-art leadership development program. This program is designed to foster the development of all employees and to help managers and supervisors hone their skills so they can enable all employees to reach their full potential. USPTO is giving all of its patent examiners detailed training in efficient interview techniques, compact prosecution, and negotiations. This training is all targeted to streamline the examination process by working with applicants to identify and correctly resolve issues early in the process, thereby reducing patent application backlog and pendency. The Office of Patent Training has developed a catalog of refresher training courses for patent examiners to enhance the quality of examination. In FY 2010, over 1,600 requests for refresher training have been registered in the Commerce Learning Center. The Office of Patent Training will continue to enhance and expand the courses being offered. The ISO 9001 certified New Examiner Training program continues to evolve in order to meet the changing needs of USPTO. The former New Examiner Training Program has been re-engineered to serve two different groups of new hires. The Experienced IP Program is a four-week, accelerated training program that is being successfully piloted with examiners who have prior IP experience. The former eight-month new examiner program has be redesigned into a one-year program that consists of a four-month curriculum in the Patent Training Academy followed by an eight-month, on the job training program in the Technology Centers.</p> <p>Ombudsman Pilot Program: The USPTO Ombudsman program is intended to provide patent applicants, attorneys, and agents assistance with application-specific issues including concerns related to prosecution advancement. The objective is to quickly resolve issues, and thereby to decrease pendency.</p>

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GOAL	INTELLECTUAL PROPERTY (IP) PROTECTION: Reduce patent pendency for first action and for final actions from the end of 2009 levels of 25.8 and 34.6 months respectively by the end of 2011, as well as the patent backlog. <i>(continued)</i>
BUREAU	U.S. PATENT AND TRADEMARK OFFICE (USPTO) <i>(continued)</i>
Milestones <i>(continued)</i>	<p><i>Develop and Implement the Patent End-to-End Processing System:</i> USPTO legacy patent systems are based on obsolete technologies that are difficult to maintain, leaving USPTO highly vulnerable to disruptions in patent operations. Patents databases are among the world's largest, and continue to grow at multiple terabytes per year, further raising the possibility of failure. Automation of many manual business functions has been deferred because of the limitations of legacy systems. A new generation of patent systems is needed, built upon modern data formats to provide end-to-end electronic processing. A first deliverable will be the delivery prototype core patent processing infrastructure.</p> <p><i>Prioritize Work – Green Technology Acceleration:</i> Green technology acceleration allows inventors to accelerate applications in certain technologies. Pending patent applications in green technologies are eligible to be accorded special status and given expedited examination; the Green Technology Pilot Program will accelerate the development and deployment of green technology, create green jobs, and promote U.S. competitiveness in this vital sector. Patent applications are normally taken up for examination in the order that they are filed. Under the pilot program, for the first 3,000 applications related to green technologies in which a proper petition is filed, the Agency will examine the applications on an accelerated basis. Upon receipt of more than 3,000 petitions, USPTO may reevaluate the workload and resources needed to extend the pilot program.</p> <p><i>Hire Patent Examiners:</i> Hire 1,000 patent examiners in FY 2011.</p> <p><i>Target Overtime to High Backlog Areas:</i> Strategically target overtime to Technology Center units with highest backlogs and permit other examiners to work overtime in the targeted areas. Overtime is a critical element of USPTO's plan to reduce the backlog of pending patent applications and to achieve its pendency goals. Over the years, overtime has proven to be more efficient on a per hour basis than equivalent regular time hour, since each overtime hour worked is directly tied to production output. Overtime also allows USPTO to manage its workload without adding additional new hires. Its inherent flexibility allows the Agency to further expand its production capacity while maintaining optimal staffing levels. Based on funding availability, USPTO plans to prioritize the use of overtime and target areas with highest backlogs first, then other areas as resources permit.</p> <p><i>Institute a "Nationwide Workforce":</i> USPTO will develop a nationwide workforce using telework which will allow it to hire experienced IP professionals interested in joining USPTO, but who do not want to relocate to the Washington, D.C. region. It is expected that this different hiring demographic will provide a more productive and balanced workforce, lower attrition, and faster transition to productivity for new hires. This pilot program is targeted to begin in FY 2011 third quarter and USPTO is forecasting to hire 25 examiners per quarter.</p> <p><i>Reformulate Performance Appraisal Plans:</i> Senior executive service performance appraisal plans will continually be revised to ensure that they are more aligned with the strategic plan goals and objectives, and flexible enough to adapt to changing conditions.</p>

GOAL	COASTAL AND OCEAN RESOURCE MANAGEMENT: Ensure environmentally and economically resilient oceans, coasts, and Great Lakes communities, with healthy and productive ecosystems.						
BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)						
Performance Measures	Ensure that all 46 federal fishery management plans have required catch limits to end overfishing in place by the end of 2011.		Reduce the number of stocks subject to overfishing to zero by the end of 2011.		Improve the Fish Stock Sustainability Index (FSSI) to 586 by the end of 2011.		
Description	This measure tracks the number of federal fishery management plans in place that require annual catch limits and accountability measures to end overfishing by the end of 2011. NOAA staff track the status of annual catch limits implementation using information from the eight regional Fishery Management Councils and NOAA Fisheries regional offices. Fishery management processes were established by Congress, which has established the role of the Fishery Management Councils in developing fishery management plans.		This is the number of non-exempt overfishing stocks not being fished under an annual catch limit. Assessments in future years will confirm that overfishing has ended.		The FSSI is a measure of stock assessments and overfishing. The target represents a four percent increase above the FSSI score at the end of 2009. (Because the FSSI does not score a stock as "not subject to overfishing" until such status has been confirmed through subsequent survey and analysis, the improvements sought in overfishing will not be fully reflected in the 2011 FSSI level.)		
Results	Fiscal Year	Target	Actual	Target	Actual	Target	Actual
	2003		NA		34		NA
	2004		NA		36		NA
	2005		NA		36		481.5
	2006		NA		39	507	501
	2007		0		35	505	516
	2008		0		31	530.5	535
	2009		1		24	548.5	565.5
	2010	5	5	15	14	580	582.5
	2011	23			0		586
Milestones	Ensure all 46 Federal Fishery Management Plans Have Required Catch Limits to End Overfishing: As of March 31, 2010, two fishery management plans had annual catch limits in place. One for the Arctic and one for the Gulf of Mexico Reef Fish.						

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GOAL	COASTAL AND OCEAN RESOURCE MANAGEMENT: Ensure environmentally and economically resilient oceans, coasts, and Great Lakes communities, with healthy and productive ecosystems. <i>(continued)</i>
BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>
Milestones <i>(continued)</i>	<p><i>Reduce the Number of Stocks Subject to Overfishing to Zero by the End of 2011:</i> As of March 31, 2010, 41 stocks were subject to overfishing. Four of these stocks, in New England, were declared subject to overfishing in March 2010. However, on May 1, 2010, the New England Fishery Management Council placed annual catch limits on these four stocks as well as seven others currently subject to overfishing. Twenty-eight of the stocks currently subject to overfishing will be managed under annual catch limits by the end of 2010. Eight of these stocks are subject to overfishing due to international fishing efforts, and are exempt from the requirement for annual catch limits because U.S. fishing management measures cannot independently end overfishing on these stocks.</p> <p><i>Increase the FSSI to 586 by the End of 2011:</i> The index is a measure of fish stock status that includes fishing rates and population levels. As of March 31, 2010, the index was at 571.5 out of a possible 920, up from 565.5 in 2009 and 481.5 in 2005. The National Marine Fisheries Service is targeting the index to increase to 580 by the end of FY 2010, and to 586 by the end of FY 2011. Progress in NOAA's effort to end overfishing continues to increase the FSSI score. As of June 30, 2010, overfishing on black grouper in the South Atlantic was found to have ended, and red grouper in the South Atlantic and black grouper in the Gulf of Mexico (which were newly assessed) were found not to be subject to overfishing. In the Northeast region, the spiny dogfish stock is now rebuilt. These improvements in stock status increased the FSSI by nine points, advancing the Agency further toward its goal of reaching a score of 586 by the end of 2011.</p> <p><i>Provide Updated Fishery Stock Assessment Reports to Regional and International Management Agencies:</i> The National Marine Fisheries Service Fisheries Science Centers annually collect, analyze, and interpret information on the status of managed fish stocks to meet requirements of the Magnuson-Stevens Act and international agreements. Approximately 80 individual assessments are conducted and peer-reviewed through region-specific processes and priorities based on national guidelines. Assessment results are used to implement updates to fishery quotas and other management measures, determine the status of fish stocks with respect to overfishing criteria, and track rebuilding of previously overfished stocks. These assessments also provide information for calculating the FSSI and the scientific basis for implementing annual catch limits. The centers produced 11 reports.</p>

GOAL	BROADBAND ACCESS: Efficiently and effectively implement the Broadband Technology Opportunities Program (BTOP), to expand service to communities in a cost-effective manner that maximizes impacts on economic growth, education, health care, and public safety.								
BUREAU	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA)								
Performance Measures	Miles of broadband networks deployed (Infrastructure Projects)		Community anchor institutions connected (Infrastructure Projects)		New and upgraded public computer workstations (Public Computer Centers Projects)		New household and business subscribers to broadband (Sustainable Broadband Adoption Projects)		
Description	BTOP funds will be used to support projects that provide broadband service in unserved areas and enhance broadband service in underserved areas of the United States. NTIA will fund infrastructure projects that deploy a variety of technologies and approaches to enhance the Nation's broadband capabilities. This performance measure contains the number of miles of network (e.g., fiber, microwave) deployed using BTOP funding.		The American Recovery and Reinvestment Act (ARRA) places a high priority on deploying and enhancing broadband capabilities for community anchor institutions such as libraries, hospitals, schools, and public safety entities. This performance measure contains the number of anchor institutions (as defined in the program's Notice of Funds Availability) connected with new or improved broadband capabilities.		NTIA must award at least \$200 million in grants by the end of FY 2010 to expand public computer center capacity. This performance measure contains the number of new and improved computer workstations funded through the BTOP Public Computer Centers category of funding.		NTIA must award at least \$250 million in grants by the end of FY 2010 for innovative programs to encourage sustainable adoption of broadband service. This performance measure contains the number of new household and business subscribers to broadband generated by projects funded through the BTOP Sustainable Broadband Adoption category of funding, as reported by awardees.		
Results	Fiscal Year	Target	Actual	Target	Actual	Target	Actual	Target	Actual
	2010								
	2011	10,000		3,000		10,000		100,000	
Milestones (completed in FY 2010)	Manage Demand: Activities. More clearly articulate Notice of Funds Availability to manage demand in the second round—examples include focusing on funding priorities (e.g., the Comprehensive Community Infrastructure) and setting investment floors and ceilings. Desired Impact. Lower application volume and higher quality applications.								
	Improve End-to-End Review Process: Activities. Study the end-to-end review process; identify areas of time savings, reduce duplication of effort, and streamline reviews. Desired Impact. Reduce inefficient or potentially duplicative activities during review.								

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GOAL	BROADBAND ACCESS: Efficiently and effectively implement the Broadband Technology Opportunities Program (BTOP), to expand service to communities in a cost-effective manner that maximizes impacts on economic growth, education, health care, and public safety. <i>(continued)</i>
BUREAU	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA) <i>(continued)</i>
Milestones (completed in FY 2010) <i>(continued)</i>	<i>Incorporate Portfolio Analysis for "Smart Review":</i> Activities. Use decision analytics to prioritize applications for review such that those that best fit program priorities and round out the investment portfolio to meet statutory objectives are reviewed first. <i>Desired Impact.</i> Increase award yield from due diligence, limiting time working cases that do not get awarded.
	<i>Establish Interim Gates to Govern Allocation:</i> Activities. Insert check points in the process to ensure cases fill gaps in the portfolio and are appropriately resourced to their complexity and size. <i>Desired Impact.</i> Better allocate time to review specific cases and identify more non-refundable cases before expending effort to review.
	<i>Reduce Average Due Diligence Time:</i> Activities. Collapse key review steps during due diligence to focus analyses on only the factors that affect decisions. <i>Desired Impact.</i> Cut hours spent in due diligence by 50 percent.
	<i>Streamline Decision Process:</i> Activities. Streamline efforts to develop and gain approval on recommendation decisions (to include less back and forth with grantees, overbuild evaluation, and more focused engagement of public relations). <i>Desired Impact.</i> Reduce group time spent in decision meetings and responding to ad hoc inquiries during decision process.

GOAL	EXPORT OPPORTUNITIES: Increase the annual number of small and medium-sized enterprises (SME) the Commercial Service successfully assists in exporting to a second or additional country by 40 percent from 2009 to 2011.
BUREAU	INTERNATIONAL TRADE ADMINISTRATION (ITA)
Performance Measures	Increase the annual number of small and medium-sized enterprises (SME) the Commercial Service successfully assists in exporting to a second or additional country by 40 percent from 2009 to 2011.
Description	This metric demonstrates ITA's effectiveness at helping companies, particularly SMEs, export to a country for the first time. It counts the number of SMEs, which are defined as U.S. companies with less than 500 employees, that achieve an export to a country they have not exported to in 12 months due in part to Commercial Service assistance. This assistance includes but is not limited to in-depth market entry counseling, business-to-business matchmaking, market research and intelligence, trade show support, and due diligence on foreign buyers and partners. Although data was collected for this metric starting in FY 2001, it was not formally adopted as a performance measure until FY 2009 following an analysis of historical data that showed declining results starting in FY 2006. In response to this trend, the Commercial Service adopted this performance measure in FY 2009 with aggressive targets for FY 2009 and FY 2010 set to exceed historical performance. Since that time, the Commercial Service has reupped its commitment to helping companies enter new markets by setting an even more ambitious target for FY 2011.

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GOAL	EXPORT OPPORTUNITIES: Increase the annual number of small and medium-sized enterprises (SME) the Commercial Service successfully assists in exporting to a second or additional country by 40 percent from 2009 to 2011. <i>(continued)</i>		
BUREAU	INTERNATIONAL TRADE ADMINISTRATION (ITA) <i>(continued)</i>		
Results	Fiscal Year	Target	Actual
	2003		
	2004		2,828
	2005		2,943
	2006		2,569
	2007		2,453
	2008		2,197
	2009	3,130	2,876
	2010	3,513	2,813
	2011	4,026	
Milestones	<i>National Export Marketing Campaign Plan:</i> Completed by March 19, 2010. Drafted a new national data-mining, lead-generation, and marketing plan that leverages the Commercial Service strategic partnerships to help U.S. companies expand exports from one to multiple markets.		
	<i>National Export Marketing Campaign Phase 1:</i> Refine contact lists of SME exporters provided by strategic partners to just high potential leads. Design marketing materials and create online content. Train the Commercial Service and strategic partner staff on the program.		
	<i>National Export Marketing Campaign Phase 2:</i> Initial marketing push to a subset of the contact list. Track results and adjust process as needed.		
	<i>National Export Marketing Campaign Phase 3:</i> Roll out marketing campaign and track results.		
	<i>International Buyer Program Expansion Plan:</i> Completed by March 19, 2010. Drafted a plan to increase the dollar value of exports resulting from foreign buyer attendance at U.S. trade shows.		
	<i>International Buyer Program Expansion Phase 1:</i> Conduct targeted outreach to trade show organizers, industry associations, and the international business community.		
	<i>International Buyer Program Expansion Phase 2:</i> Work with trade show organizers to develop customized programs to fit the needs and interests of companies in the industry. Coordinate with domestic and international Commercial Service field staff and other U.S. government agencies to provide hands-on assistance including export counseling, marketing analysis, and matchmaking services on-site at U.S. trade shows.		
	<i>MDCP Plan:</i> Completed by March 19, 2010. Developed a plan to increase the Market Development Cooperator Program (MDCP)-related exports and expedite the timeline to award MDCP recipients in FY 2010.		
	<i>MDCP Phase 1:</i> Completed by April 19, 2010. Expedited application deadline for FY 2010 (ITA received 50 MDCP applications).		
	<i>MDCP Phase 2:</i> Announce MDCP award recipients in mid-July and develop export action plans.		
<i>Services Industry Export Expansion Plan:</i> Completed by March 19, 2010. Developed services export expansion plan to identify and focus on key growth industries in targeted markets, including travel and tourism. Also, leveraged financial services and supply chain/infrastructure services to facilitate goods exports.			

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GOAL	EXPORT OPPORTUNITIES: Increase the annual number of small and medium-sized enterprises (SME) the Commercial Service successfully assists in exporting to a second or additional country by 40 percent from 2009 to 2011. <i>(continued)</i>
BUREAU	INTERNATIONAL TRADE ADMINISTRATION (ITA) <i>(continued)</i>
Milestones <i>(continued)</i>	<p><i>Services Industry Export Expansion – Supply chain/Infrastructure Outreach:</i> Expanded supply chain/infrastructure outreach focus groups in Atlanta, Chicago, New Orleans (subject to oil spill resource limitations locally), and Seattle.</p> <p><i>Services Industry Export Expansion – Services Trade Data:</i> Expanded the Services Trade Data conference to bring together the results of the preceding focus groups and define larger objectives for data issues going forward.</p> <p><i>Services Industry Export Expansion – Trade Finance Seminars:</i> Expanded trade finance seminars in Miami, FL, Cleveland, OH, Philadelphia, PA, Pittsburgh, PA, and Southern California to bring together exporters with regional and community lenders to facilitate financing of U.S. exports. Engage tourism policy counterparts to expand high growth export markets.</p> <p><i>Services Industry Export Expansion –Tourism:</i> Secretary Locke chaired the first meeting of the interagency Tourism Policy Council (TPC) on April 27. The working group on implementing the Travel Promotion Act met on May 13 and participants discussed progress on the fee that will fund the Corporation for Travel Promotion. The second TPC Working Group Meeting on was held on June 29. Subsequent TPC meetings are being scheduled.</p> <p><i>Green Exporter Outreach Plan:</i> Completed by March 19, 2010. Developed a plan to identify and target U.S. companies with green technology solutions, and improve coordination and delivery of U.S. government services to the clean energy sector.</p> <p><i>Green Exporter Outreach Phase 1:</i> Conducted targeted trade promotion and policy events. Develop a Competitive Assessment to (1) establish a baseline of U.S. green technology exports; and (2) articulate a common U.S. government understanding of the current competitiveness of the U.S. clean energy industry.</p> <p><i>Green Exporter Outreach Phase 2:</i> Launched the Renewable Energy and Energy Efficiency (REEE) Export Strategy to double U.S. REEE exports in five years.</p>

GOAL	SUSTAINABLE MANUFACTURING AND BUILDING PRACTICES: Raise the number of firms adopting sustainable manufacturing processes through the NIST Manufacturing Extension Partnership (MEP) by 250 by the end of 2011. Raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or a comparable third-party certification program to 12 percent.				
BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) AND ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)				
Performance Measures	Raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or a comparable third-party certification program to 12 percent.		Raise the number of firms adopting sustainable manufacturing processes through the NIST Manufacturing Extension Partnership by 250 by the end of 2011.		
Description	FY 2011 targets are based on FY 2011 Global Climate Change Mitigation Incentive Fund (GCCMIF) funding being similar to that of FY 2010. Data and targets are cumulative toward the end of FY 2010 fourth quarter and resets in FY 2011 first quarter to be cumulative toward FY 2011 fourth quarter. EDA may be modifying its grant application process, including the establishment of quarterly deadlines for the submittal and review of applications. As such, there may be an opportunity to set more "level" targets for the HPPG in FY 2011. However, as the largest program contributor to the HPPG, the GCCMIF—and its associated late-fiscal year Congressional approvals/requirements—will prevent a complete leveling of targets.		This measure tracks the number of firms adopting economically and environmentally sustainable practices and products through the NIST Hollings MEP program.		
Results	Fiscal Year	Target	Actual	Target	Actual
	2008		7%		
	2009		9%		46
	2010	12%	12%	173	266
	2011	12%		296	

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GOAL	SUSTAINABLE MANUFACTURING AND BUILDING PRACTICES: Raise the number of firms adopting sustainable manufacturing processes through the NIST Manufacturing Extension Partnership (MEP) by 250 by the end of 2011. Raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or a comparable third-party certification program to 12 percent. <i>(continued)</i>
BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) AND ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) <i>(continued)</i>
Milestones	<p><i>Manufacturing Extension Partnership (MEP):</i> To raise the number of firms adopting sustainable manufacturing processes through the NIST MEP by 250 by the end of 2011, MEP is working to expand the capacity of the existing and partner resources to support additional Economy, Energy and Environment (E3) Initiative (www.e3.gov) community activities and the Green Suppliers Network (GSN) program (www.greensuppliers.gov). In FY 2010, MEP has carried out the following activities in support of this goal: (1) completed 94 of 100 E3/GSN projects with reported impact; (2) developed two additional regions and began development of two new regions adopting E3 activities; (3) identified 11 new program champions; (4) developed four new strategic partnerships; and, (5) completed three industry panels to present and communicate initiatives. The key challenge for meeting this sustainable manufacturing goal is to achieve a partner-supported and other federal agency matched funding model which sustains operations on a multi-year basis. This will allow the agency(s) to expand the capacity of the E3 and GSN programs to additional communities while bolstering the pilot activities that have already been initiated.</p> <p><i>Leadership in Energy and Environmental Design (LEED) Construction Projects:</i> EDA will monitor progress on a quarterly basis by tracking the number of projects that are LEED certified and aim to meet the 12 percent threshold by the end of the fiscal year. EDA has already implemented Environmentally Sustainable Development as one of its six core funding priorities. Accordingly, EDA will give priority to projects that build the green economy in its evaluation of all project proposals (not just GCCMIF). EDA also contemplates including a measure related to this in its balanced scorecard metrics.</p>