

# STRATEGIC GOAL 1

---

*Provide the information and the  
framework to enable the economy to  
operate efficiently and equitably*



DEPARTMENT OF COMMERCE



★ UNITED STATES OF AMERICA ★



# Economics and Statistics Administration

## Mission Statement

Help maintain a sound federal statistical system that monitors and measures the U.S.'s rapidly changing economic and social arrangements; Improve understanding of the key forces at work in the economy and the opportunities they create for improving the well-being of Americans; Develop new ways to disseminate information using the most advanced technologies; Support the information and analytic needs of the Commerce Department, the Executive branch, and the Congress.

The United States is the world's economic information leader, due in large part to the timely, accurate data and analyses produced by the agencies of the Economics and Statistics Administration (ESA). These agencies, the Bureau of the Census and the Bureau of Economic Analysis (BEA), collect vital demographic and economic data through the decennial census and other surveys, and produce key economic measures such as the gross domestic product and the balance of payments. The data produced by BEA and the Census Bureau, and the analyses produced by ESA headquarters affect the lives of all Americans by providing the President, Congress, local communities, and businesses with the information they need to make sound decisions.

## ESA Headquarters

ESA headquarters (comprised of the Office of the Under Secretary, the Chief Economist, the Policy Support staff, and STAT-USA) has four main roles: (1) to provide executive direction, management, financial analysis, and administrative support to all ESA agencies; (2) to evaluate current economic conditions; (3) to provide economic policy analysis; and (4) to provide data dissemination services.

The Office of the Under Secretary provides leadership and executive oversight of all activities of ESA. The Chief Economist and the Office of Economic Conditions monitor and interpret major new economic statistics with the goal of anticipating the future directions of the economy. The economists of the Policy Support Office conduct research on the factors contributing to U.S. industrial strength and the relationship between industry performance and economic growth, including recent major studies on the scope and economic impacts of electronic commerce. Data dissemination services are provided by STAT-USA, an easy-to-use "one-stop shop" that provides a focal point for business, economic, and trade statistics.

All resource requirements of ESA headquarters, including STAT-USA, are shown on the Resource Requirements Summary table. STAT-USA is a revolving fund account that requires no government funding. These resources contribute directly to our performance goal, "To develop relevant, accurate, and timely GDP and economic accounts statistics."

## STAT-USA

STAT-USA provides the public with access to key business, economic, and international trade information. STAT-USA's mission is to produce, distribute, and assist other government agencies in producing world-class business, economic, and government information products that U.S. businesses and the public can use to make intelligent, informed decisions. It accomplishes this goal through two primary products and services: (1) STAT-USA/Internet and (2) USA Trade Online.

With over eighteen years of sustained performance in producing and delivering business information, STAT-USA has acquired the reputation as a model for federal agencies. STAT-USA builds effective yet inexpensive government data dissemination systems that effectively and efficiently provide business, economic, and international trade information to U.S. businesses and the public.

STAT-USA operates on a revolving fund, obtaining all financial support for its activities through the fee sales of information products and services, and receives no congressional funding.

The most important issue facing STAT-USA is the need to attract and retain customers for its products. In light of the rapid growth of the Internet and increased availability of economic data, STAT-USA works constantly to identify ways to improve information delivery and enhance product content as a means to enhance its value to consumers.

STAT-USA also performs services for other Department of Commerce agencies, primarily in the area of LAN support and Web site development.

## The Bureau of Economic Analysis

BEA is the nation's economic accountant, developing measures and systems for collecting and interpreting vast amounts of diverse data from both government and private sources. BEA combines and transforms the data into a consistent and comprehensive picture of economic activity, which is summarized by estimates of gross domestic product (GDP). BEA's national, regional, industry, and international economic accounts form much of the core of the federal statistical system and are critical for informed decision making by businesses; individuals; and federal, state, and local governments. These data, which provide the yardstick by which the health and potential of the economy are measured, are vital ingredients in major decisions affecting such areas as interest rates, tax and spending policies, and social security projections. Thus, they affect every American who runs a business, saves for retirement, or borrows to buy a house.

## The Bureau of the Census

The Bureau of the Census chronicles societal and demographic change. The Bureau fulfills the constitutionally-mandated requirement to conduct a decennial census, and the Bureau collects a wide range of economic and demographic data. The data provided by the Census Bureau shape important policy decisions that help improve the nation's social and economic conditions.

## Summary

ESA's staff and programs provide vital information, analysis, and advice to Department of Commerce officials and other Executive branch departments, agencies, and officials. Many of the nation's decisions are based upon the economic and demographic information the Agency produces.



# Bureau of Economic Analysis

## Mission Statement

The Bureau of Economic Analysis (BEA) seeks to strengthen understanding of the U.S. economy and its competitive position by providing the most accurate and relevant GDP and economic accounts data in a timely and cost effective manner.

**B**EA is one of the world's leading statistical agencies. Although it is a relatively small agency, BEA produces some of the most closely-watched economic statistics that influence the decisions made by government officials, business people, households, and individuals. BEA's economic statistics, which provide a comprehensive, up-to-date picture of the U.S. economy, are key ingredients in critical decisions affecting monetary policy, tax and budget projections, and business investment plans. The cornerstone of BEA's statistics is the National Income and Product Accounts (NIPA), which feature estimates of GDP and related measures. The Department of Commerce recognized GDP and NIPA as its greatest achievement in the twentieth century, and it has been ranked as one of the three most influential measures that affect U.S. financial markets.

Since the NIPAs were first published, BEA has developed and extended its estimates to cover a wide range of economic activities. Today, BEA prepares national, regional, industry, and international accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the nation's position in the world economy.

## Priorities/Management Challenges

The past decade has witnessed rapid, widespread changes in the size and complexity of the U.S. economy. These changes reflect the increasing role of services relative to goods, technological advances, new modes of communication, and the introduction of new goods, services, and types of financial transactions. These and other new factors have made it far more difficult for BEA to produce accurate and comprehensive economic statistics.

BEA must adapt and change in order to continue accurately capturing information about the U.S. economy. To help facilitate this change, BEA recently completed a five-year strategic plan. While the plan outlines specific requirements to improve the work of BEA, it is also a fluid document that allows BEA to adjust to the changing economy. The four primary objectives identified in BEA's strategic plan are outlined below.

- **Objective 1. Make BEA's economic accounts and services more responsive to the needs of its customers and partners.** BEA is concentrating on improving its relationships with its customers and partners. Specific actions are identified in the plan that address such objectives as: establishing and improving two-way communication with customers through regular customer surveys and other sources of feedback; expanding outreach efforts to data users, the Congress, trade associations, the business community, and the news media through the more effective use of technology, partnerships, and informational materials; upgrading the technology used to collect and disseminate information; and redesigning BEA's Web site to provide more explanations, background information, searchable links to metadata, and other interactive features.

- **Objective 2. Attract, develop, and retain a highly qualified, diverse workforce prepared to innovate and improve BEA's statistics.** BEA faces a variety of workplace challenges. The plan provides for specific actions that address such workplace objectives as improving employee retention and recruitment by: more effectively using the flexibility of the Personnel Management Demonstration Project; supporting continuous career development for all employees; aiming employee training plans toward future workforce needs; and improving the system for recognizing and rewarding employees for their work.
- **Objective 3. Upgrade resource management to support BEA's strategic objectives.** Support for the initiatives outlined in the strategic plan will come from the more effective use of existing resources (through productivity-enhancing IT investments and changes in work processes and products) and from incremental resources. To manage its resources effectively, BEA will have to better account for the costs and benefits of existing and proposed work. By using new financial accounting support and by stepping up its interaction with customers, the Department, and statistical agency partners, BEA will more effectively conduct its programs, allocate resources, and plan for the provision of resources to achieve the Bureau's objectives.
- **Objective 4. Upgrade BEA's economic statistics by improving statistical methodologies and source data, and by using new technologies.** The strategic plan identifies statistical program priorities for FY 2001 through FY 2005. These priorities are summarized in detail in the strategic plan by economic account area and are accompanied by an across-the-board review of source data improvements.

Two major budget priorities for BEA in FY 2002 included the continuation of improving BEA's core statistics and upgrading its information technology systems. BEA made important progress in these areas and they are addressed by two new performance measures.

### ***FY 2002 Performance***

In FY 2002, BEA had one overarching performance goal and five measures. Of those five measures, BEA met all of them. BEA performance measures focused on the areas of: the timeliness and reliability of delivery of BEA data releases, customer satisfaction, improving the quality of BEA's economic accounts, and upgrading information technology systems. Fiscal year 2002 was a year of significant improvements in the work of BEA. Guided by its Five-year Strategic Plan, BEA achieved all of its major milestones required to fulfill the targets of the five performance measures in its annual performance plan. BEA continues to lead the world in the timeliness of its major macro-economic releases; and, for a fourth year in a row since this performance measure was introduced, BEA released all its data on schedule at the appointed date and time. BEA's customers again gave BEA high marks on their satisfaction with the overall quality of BEA products and services. Many of these successes were due to BEA's commitment to provide the best possible estimates as quickly as possible. During FY 2002, BEA made important strides in improving its GDP and economic accounts by incorporating new measures and estimates into its accounts and improving data collection and sources. Funding provided in FY 2002 allowed BEA to continue to upgrade its statistical processing systems allowing for a more efficient and reliable method of developing estimates. BEA continues to strive to produce the most comprehensive, relevant, and accurate economic measures in a reliable and timely manner to policymakers, business, and the American public in order to insure that they have the tools available to make the most informed decisions possible.

# Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

## Performance Goal 1: Develop Relevant, Accurate, and Timely GDP and Economic Accounts Statistics

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2002 Met	FY 2002 Not Met
Timeliness of release of GDP (as compared to other countries)	New	1st	1st	1st	1st	X	
Reliability of delivery (number of scheduled releases issued on time) <sup>1</sup>	100%	100%	100%	50 of 50	50 of 50	X	
Customer satisfaction with quality of products and services (mean rating on a 5-point scale)	N/A (survey postponed to 2000)	4.3	N/A (survey postponed to 2002)	Greater than 4.0	4.3	X	
Improving GDP and the economic accounts	New	New	New	Develop new measures to address gaps in and update BEA's accounts; design new quarterly survey of international services; develop new pilot estimates that provide better integration with other accounts.	Developed new measures to address gaps and updated BEA's accounts; designed prototype of new quarterly survey of international services; developed new pilot estimates that provide better integration with other accounts.	X	
Upgrading information technology systems	New	New	New	Develop new systems, including design and prototype phase of new NIPA <sup>2</sup> core processing system; develop improved interactive features on BEA's Web site; extend electronic reporting for international surveys	Developed new systems, including implementation of prototype phase of new NIPA <sup>2</sup> core processing system; developed improved interactive features on BEA's Web site; extended electronic reporting for international surveys.	X	

<sup>1</sup> BEA's scheduled release is published annually in the Survey of Current Business in the fall.

<sup>2</sup> NIPA - National Income and Product Accounts.

## Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

### Information Technology (IT)

### Full-Time Equivalent (FTE)

#### Performance Goal 1: Develop Relevant, Accurate, and Timely GDP and Economic Accounts Statistics

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
STAT-USA				
Total Funding	5.0	2.0	3.4	2.5
FTE	19	19	27	12
Salaries and Expenses:				
Policy Support:				
Total Funding	5.6	6.5	5.9	7.1
FTE	50	40	44	58
BEA:				
Total Funding	44.5	46.0	48.6	57.1
IT Funding <sup>1</sup>	6.0	6.1	6.2	10.2
FTE	414	409	403	418

Grand Total	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
Salaries and Expenses	50.1	52.5	54.5	64.2
Total Funding <sup>2</sup>	55.1	54.5	57.9	66.7
Direct	53.3	52.8	56.5	62.5
Reimbursable <sup>2</sup>	1.8	1.7	1.4	4.2
IT Funding <sup>1</sup>	6.0	6.1	9.3	10.2
FTE <sup>3</sup>	483	468	474	488

<sup>1</sup> IT funding included in total funding.

<sup>2</sup> Reimbursable funding included in total funding (includes STAT-USA and ESA/BEA reimbursables).

<sup>3</sup> Total FTE includes ESA/BEA reimbursable FTE.

### Skill Summary:

Economists, accountants, statisticians, and information technology specialists

## FY 2002 Performance Goals

### Performance Goal 1: Develop relevant, accurate, and timely GDP and economic accounts statistics

*(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report (APPR) and FY 2002 Annual Performance Plan (APP). This goal was previously worded as: “Develop relevant, accurate, and timely national and community economic and household statistics for decision making.”)*

#### Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

#### Rationale for Performance Goal

The economic statistics produced by the Bureau of Economic Analysis (BEA) enable government and business decision makers, researchers, and the public to follow and understand the performance of the U.S.’s economy; thus, they are critical to sound economic decision-making at all levels, from individuals to the highest-level policymakers. BEA prepares national, regional, industry, and international economic accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the nation’s position in the world economy. The national economic accounts include the national income and product accounts (NIPA’s), which provide a quantitative view of the production, distribution, and use of the nation’s output, and feature GDP, one of the most closely followed of all economic measures. The national accounts also include estimates of the U.S.’s stock of fixed assets and consumer durable goods. The regional economic accounts provide estimates and analyses of personal income and earnings by industry for regions, states, metropolitan areas, and counties. They also include estimates of gross state product by industry. The industry economic accounts include the input-output tables, which show how industries interact to provide input to and take output from each other, and the gross product by industry data, which measure the contributions of private industry and government to GDP. The international economic accounts include the international transactions accounts (balance of payments) and the estimates of U.S. direct investment abroad and foreign direct investment in the United States.

BEA’s current estimates usually appear first in news releases, and they also are available on the BEA Web site and in BEA’s monthly journal of record, the *Survey of Current Business*.

To be most useful to data consumers, BEA’s statistics must be as relevant, accurate, and timely as possible in order to provide a clear and comprehensive picture of economic activity. In addition, they must be readily accessible in easy-to-use formats. The first two measures reported below are aggregate indicators of BEA’s success in producing data that are consistently released on schedule (reliable), and useful and readily available to the public (customer satisfaction).

Because the U.S. economy is continually undergoing rapid changes and becoming more and more complex, it is essential that BEA improve its accounts to keep pace with the economy and meet the needs of its data users. As part of a year-long internal review of its mission and its goals, BEA has developed a five-year strategic plan that outlines the major elements of BEA's plan for improving its economic accounts. The BEA strategic plan can be accessed via the BEA Web site at [www.bea.gov](http://www.bea.gov). For each of the economic accounts, the plan lists annual milestones for achieving these improvements in the coming years. BEA will review and update its strategic plan annually to make adjustments for changing conditions and priorities.

### Measure 1a: Timeliness of Release of GDP (As Compared to Other Countries)

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	1st	1st
Actual		1st	1st	1st
Met/Not Met			Met	Met

*(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report (APPR) and FY 2002 Annual Performance Plan (APP). This measure was previously worded as: "Timeliness of GDP (international ranking).")*

## Explanation of Measure

BEA ranked first among major government statistical agencies in the world in producing its GDP data in a timely fashion. The measure was based on the objective, impartial compilation of economic accounts information by the International Monetary Fund (IMF). Producing data with as short a time lapse as possible is important to data consumers who use BEA economic data as inputs in their decision-making processes. This achievement ensures that the private sector is able to make informed decisions before their counterparts in other countries, and that government officials in the U.S. have the most up-to-date information to make critical economic decisions.

### *FY 2002 Performance*

In FY 2002, BEA ranked first among major government statistical agencies in the world in releasing comprehensive national economic measures in a timely fashion. This ranking is based on objective and impartial information compiled by the IMF on the national economic accounts of the 50 nations that subscribe to the IMF's Special Data Dissemination Standard. BEA currently releases the complete U.S. GDP and national accounts three weeks after the end of the reference quarter; Mexico and Japan release their comprehensive measures six to eight weeks after the reference quarter and the United Kingdom releases its equivalent measure twelve weeks following the reference quarter. Despite this international lead, the demands for more timely data in the U.S. continue to grow. U.S. policymakers, business leaders, and households need to understand economic conditions in order to make informed decisions. BEA's Five-year Strategic Plan calls for accelerating the release of critical economic measures. President Bush, in his FY 2003 budget submission, also challenged BEA to reduce the lag between the end of the reference quarter and the release of estimates.

**Measure 1b: Reliability of Delivery – Economic Data (Number of Scheduled Releases Issued on Time)**

	FY 1999	FY 2000	FY 2001	FY 2002
Target <sup>1</sup>	100%	100%	100%	50 of 50
Actual	100%	100%	100%	50 of 50
Met/Not Met	Met	Met	Met	Met

*(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report (APPR) and FY 2002 Annual Performance Plan (APP). This measure was previously worded as: "Reliability of delivery (% of scheduled releases issued on time).")*

<sup>1</sup> BEA's scheduled release is published annually in the Survey of Current Business in the fall.

**Explanation of Measure**

BEA has issued all of its economic data releases on schedule since this performance measure was instituted. In FY 1999, all forty-seven scheduled releases were issued on time, and in FY 2000 and FY 2001 all forty-eight scheduled releases were issued on time each year. Hence 100 percent of the scheduled releases were issued on time for FY 1999 through FY 2001. The importance of these data as an ingredient of sound economic decision-making requires BEA to deliver data into the hands of decision-makers and other data users not only quickly but also reliably, that is, on schedule. BEA has achieved this goal in recent years despite serious concerns over GDP computer processing systems that were at risk of failure. Given adequate investment in these systems, BEA will continue its perfect record of issuing its data releases on schedule.

**FY 2002 Performance**

BEA met its FY 2002 target to release all fifty of its economic releases on schedule, on the specified date and at the defined time. Meeting this goal is critical as Wall Street, the media, industry and users rely upon the release schedule. This success is the fourth year since this measure was introduced that BEA has had a perfect record in providing its data products to the public according to schedule. BEA releases its upcoming year schedule to OMB and the public in the fall of the preceding year. The 2002 calendar of releases was published in the October 2001 issue of the *Survey of Current Business*.

**Measure 1c: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-point Scale)**

	FY 1999	FY 2000	FY 2001	FY 2002
Target	>4.0	>4.0	>4.0	4.3
Actual	N/A (survey postponed to 2000)	4.3	N/A (survey postponed to 2002)	4.3
Met/Not Met	Not Met	Met	Not Met	Met

*(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report (APPR) and FY 2002 Annual Performance Plan (APP). This measure was previously worded as: "Customer satisfaction (mean rating on a 5-point scale).")*

## Explanation of Measure

The BEA customer survey was not conducted in FY 2001 because of resource limitations and conflicting priorities. The survey was conducted in FY 2002. In the FY 2000 survey, nine out of ten respondents indicated that they were satisfied with the quality of BEA's products and services, giving it an average (mean) satisfaction rating of 4.3 out of a maximum of five. Respondents cited the national income, product accounts, and the state and local personal income estimates as the data they used most frequently. The comments were received from data users during FY 2001 by phone, by mail, and by direct contact at many conferences and meetings of various economic committees and associations.

### *FY 2002 Performance*

BEA's customers rated their satisfaction with overall quality of BEA products and services with a 4.3 score on a five-point scale. The customer satisfaction survey was conducted during the spring and summer of 2002. Over 90 percent of respondents to the mail and Web survey responded that they were satisfied or very satisfied with the overall quality of BEA products and surveys. BEA also received higher ratings from customers on the timeliness of services, customer perceptions of the accuracy of BEA data, the ease of use of BEA data, documentation, staff courtesy, and BEA's Web site. Satisfaction with adopting methodologies that change with the economy remained essentially the same as 2002. BEA widely disseminates the customer survey document within the Bureau and to outside audiences. A copy of the report *Customer Satisfaction Survey Report, 2002* can be found on BEA's Web site ([www.bea.gov](http://www.bea.gov)).

<b>Measure 1d: Improving GDP and the Economic Accounts</b>				
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
Target	New	New	New	Develop new measures to address gaps in and update BEA's accounts; design new quarterly survey of international services; develop new pilot estimates that provide better integration with other accounts.
Actual				Developed new measures to address gaps and updated BEA's accounts; designed prototype of new quarterly survey of international services; developed new pilot estimates that provide better integration with other accounts.
Met/Not Met				Met

## Explanation of Measure

The improvement of its economic accounts, including GDP, is a perennial priority for BEA. This is because the accounts must continually be upgraded to keep pace with our increasingly complex and rapidly-changing economy, and to provide public and private policymakers with the best possible economic information. BEA's strategic plan lays out the steps BEA will take to achieve needed improvements and produce the high-quality data that its users expect and rely upon. Gaps in the coverage of key areas of the economy, such as in measures of services, compensation, and quality-adjusted prices, are a major weakness in the accounts. BEA is working to develop new measures that reduce those gaps. There also are problems when users try to move between BEA's economic accounts and other accounts, such as the Federal Reserve Board's flow-of-funds accounts. BEA is working to develop new pilot measures that will provide better integration with other accounts. By evaluating BEA's success in achieving the milestones, this measure indicates BEA's progress in improving these accounts.

***FY 2002 Performance***

BEA incorporated a number of important improvements into GDP and its economic accounts during FY 2002 thus meeting its target for this measure. As noted above, BEA's Five-year Strategic Plan provides a timetable with annual milestones to achieve improvements to the accounts. The targets listed in the performance measure above are illustrative of the major milestones used to measure BEA's performance on this measure. In FY 2002, BEA accomplished all of its major milestones to improve GDP and the economic accounts, including developing new price measures for brokerage services and federal consumption expenditures, improving estimates of wages and insurance, conducting an expanded benchmark survey on selected services transactions with unaffiliated foreigners, developing plan for instituting quarterly surveys on the largest and most volatile types of traded services, and testing integration of data in economic accounts. More details on the success of BEA meeting its goal to improve GDP and its economic accounts are available in BEA's Five-year Strategic Plan.

**Measure 1e: Upgrading Information Technology Systems**

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	Develop new systems, including design and prototype phase of new NIPA <sup>1</sup> core processing system; develop improved interactive features on BEA's Web site; extend electronic reporting for international surveys.
Actual				Developed new systems, including implementation of prototype phase of new NIPA core processing system; developed improved interactive features on BEA's Web site; extended electronic reporting for international surveys.
Met/Not Met				Met

<sup>1</sup> NIPA – National Income and Product Accounts.

**Explanation of Measure**

One of BEA's major priorities is the upgrading of its information technology systems. BEA's statistical processing systems are essential elements in the production of the economic accounts. Because these systems have been pieced together over time in a patchwork of cumbersome and inefficient elements, it is critical that they be redesigned and upgraded to take full advantage of current information technology capabilities. This will improve the speed, reliability, and accuracy of the statistical production process. It is also important that BEA improve users' access to BEA data by incorporating the latest technological tools to upgrade its Web site. BEA's latest customer survey showed that user-friendly electronic access is very important to customers. Improvements to the Web site will dramatically increase the usability of BEA data and should have a positive effect on customer satisfaction ratings in future surveys. A third element of the information technology improvements is the provision of an electronic reporting option for respondents to BEA's surveys of multinational companies. These surveys of foreign direct investment and international trade in services require the submission of more than 100,000 report forms each year. By providing the ability to report electronically, BEA will reduce respondent burden and reduce its own processing costs. This measure indicates BEA's progress in achieving the planned information technology system improvements.

***FY 2002 Performance***

BEA met its targets to update the information technology systems. The items listed in the table above are illustrative of the types of IT work targeted to be achieved during FY 2002 at BEA. According to a review of BEA's Five-year Strategic Plan, all major IT milestones, including the ones listed above, were accomplished. FY 2002 was important for BEA as significant progress was made on several critical software development projects. Applications that support the publication of BEA's *Survey*

of *Current Business* and the Balance of Payments Quarterly Processing System were modernized and implemented. A requirements design and prototype for the new National Income and Product Account centralized system were completed on schedule, posturing BEA for full implementation of this new system in FY 2003. On the Internet, BEA implemented new dynamic Web sites for Industry, Balance of Payments and National Accounts data, and improved access to data, publications and contact information. These new Web applications, which made electronic access to BEA data more user friendly, received praise and favorable comments from BEA customers. In the area of electronic reporting, BEA expanded the use of ASTAR, our Internet-based electronic reporting system, to six additional surveys of our International Investment Division. This not only streamlined production processing for estimates but also reduced respondent burden by eliminating the requirements of paper form submissions.

## Program Evaluation

**Strategic Program Evaluation** BEA's most important evaluation of its programs was the development and publication of a new strategic plan. The initial evaluation and draft were conducted in FY 2001 and FY 2002 with the support of an outside consultant and BEA staff. Subsequent drafts were vetted with BEA's statistical agency partners, its customers, and its Advisory Committee. The final plan was published in May of 2002. Based on the evaluation of its programs, BEA developed goals that consist of making its economic accounts and services more responsive to customers; improving the methodologies, source data, and technologies used to prepare the national, international, industry, and regional accounts; attracting, developing, and retaining a top-notch workforce; and upgrading resource management to support these initiatives.

**Human Capital Management** In March 2002, BEA contracted with the Office of Personnel Management (OPM) to conduct an employee assessment survey to better understand the strengths and weaknesses of the organization. The assessment results were very positive for BEA with BEA employees ranking BEA above other federal agencies in sixteen of seventeen broad categories. Among the categories in which BEA employees rated significantly above average were in use of resources, performance measures, diversity, and rewards and recognition. However, the survey also revealed a number of important challenges. The two challenge areas identified are (1) training and career development and (2) job security and commitment to workforce. In both cases, BEA ranked at or below the other federal agency medians. The employee assessment survey also pointed out a need to address employee health and safety issues.

**Information Technology** In the information technology area, several evaluations were completed. In FY 2002 three independent reviews were conducted focusing on information technology security.

- KPMG Consulting, Inc. performed a security assessment of BEA's internal and external technology infrastructure. No major vulnerabilities were found.
- The DOC Office of Inspector General performed a compliance review of BEA's security plans and security operating procedures. No major deficiencies were found.
- The DOC Office of the CIO performed a security review of International Investment systems and the supporting BEA local area network. No security weaknesses were discovered and no recommendations were made. The BEA IT security system level documentation, policies, and procedures that were reviewed met or exceeded DOC standards. In addition, through intrusion detection scanning BEA's network was determined to be very secure.

In addition:

- BEA completed an annual self-assessment of management processes and procedures that are followed for IT capital planning, IT security and IT architecture. Our programs received above average rankings based on levels provided by DOC.
- Three tests and evaluations were made of BEA's disaster recovery capabilities. Each test focused on specific program areas. Testing successfully verified that BEA was capable of producing its critical data estimates at an off-site location in support of key mission activities.
- CompuCom Corporation performed an assessment of BEA data storage requirements in order to streamline network backup and restore capabilities. The assessment led to the FY 2002 major upgrade to network backup system that reduced the time window required for backup of critical data by 50 percent.
- Digicon Corporation performed an evaluation of BEA's data transmission infrastructure in order to make recommendations for major upgrades. From this evaluation BEA was able to plan a significant FY03 upgrade to its LAN and desktop information technology infrastructure. This upgrade will improve the performance and productivity of BEA estimation systems.

## BEA Data Validation and Verification

BEA's Director conducts an annual review of the Bureau's performance data to ensure that it is complete and accurate. Any significant deviations from the projected target, if any, are reviewed by the Director and action is planned to address deficiencies.

The validation process is conducted in a manner similar to audit principles including data collection and verification of data. Data is collected from independent sources and BEA's Five-year Strategic Plan and compared to actual outcomes to determine the success or failure of the agency to meet its specific goals. All data is maintained and publicly available for additional outside review. The BEA Data Validation and Verification table can be found on the following page.

**BEA Data Validation and Verification**

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
<p><b>Measure 1a:</b> Timeliness of release of GDP (as compared to other countries)</p>	Data on the time lag between the reference period and the release of GDP estimates by the statistical agencies of various countries are compiled by the International Monetary Fund (IMF) and are available on the IMF Web site (dsbb.imf.org). Ranking is derived by BEA by comparing U.S. performance with that of other countries (currently 49) that meet the specifications of IMF's Special Data Dissemination Standard.	Annually	Based on information supplied by each country, the IMF compiles and maintains data on timeliness of GDP estimates, which are available on the IMF Web site.	Data on timeliness of GDP by country are publicly available on the IMF Web site. Ranking of countries is derived by BEA and can be verified via the Internet.	Availability of data is dependent on IMF.	None
<p><b>Measure 1b:</b> Reliability of delivery (number of scheduled releases issued on time)</p>	A schedule of release dates for the coming calendar year is published each fall in the Survey of Current Business and is posted on BEA's Web site. BEA maintains a record of actual release dates. The number of releases is based on fiscal year as opposed to calendar year.	Annually	BEA maintains the schedule of future release dates and the record of actual release dates. Both sets of information are available on BEA's Web site.	Scheduled and actual release dates are a matter of public record and can be verified via the Internet.	A few releases may not be included in the published annual schedule because their release dates cannot be established that far in advance, and those releases are excluded from the performance measure.	FY 2003 target will be added in the FY 2004 Annual Performance Plan.
<p><b>Measure 1c:</b> Customer satisfaction with quality of products and services (mean rating on a 5-point scale)</p>	BEA customer survey	Annually	BEA conducts the survey, compiles the results, and retains records of raw data and computations that lead to final results.	BEA will provide a copy of the survey to the Economics and Statistics Administration.	Data are not available for years, such as FY 2001, in which the survey was not conducted.	Survey will be conducted annually.
<p><b>Measure 1d:</b> Improving GDP and the economic accounts</p>	BEA's strategic plan provides a timetable with annual milestones for achieving significant improvements in the economic accounts. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data.	BEA conducts internal review and analysis.	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match BEA's strategic plan.
<p><b>Measure 1e:</b> Upgrading information technology systems</p>	BEA's strategic plan provides a timetable with annual milestones for modernizing the information technology systems used to produce the economic accounts estimates, collect survey data, and disseminate data to users. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled results.	Annually	BEA compiles and maintains data.	Internal review and analysis by BEA.	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match BEA's strategic plan.