
Introduction

In the FY 2005 President's Budget, the Department of Commerce request of \$5.8 billion reflects its continuing commitment to creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The Department has partnered with U.S. businesses to maintain a prosperous productive America, committed to consumer safety and the protection of natural resources. We have a record of innovation in manufacturing, transportation, communications, and measurement that has helped sustain U.S. leadership of the international marketplace. Our vision is that the United States continues to play a lead role in the world economy.

For FY 2005, the Department presents a performance integrated budget based upon the Department's Strategic Plan. The plan's goals fully reflect the Department's mission and vision and its commitment to promoting "American Jobs and American Values." Each of the bureaus within the Department supports one of the Plan's strategic goals or the management integration goal.

- Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers (EDA, ESA, Census, ITA, BIS and MBDA).
- Goal 2: Foster science and technological leadership by protecting intellectual property, enhancing technical standards, and advancing measurement science (USPTO, TA (including USOTP, NIST and NTIS), and NTIA).
- Goal 3: Observe, protect and manage the earth's resources to promote environmental stewardship (NOAA).
- Management Integration Goal: Achieve organizational and management excellence (DM and OIG).

Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers

Economic growth is a central theme for the FY 2005 President's Budget and to the missions of the Department of Commerce's bureaus.

To enhance the competitiveness of U.S. businesses in the global economy, the President's 2005 Budget focuses the International Trade Administration (ITA) on promoting U.S. exports, fighting unfair foreign trade barriers, and negotiating and implementing multilateral and bilateral trade agreements. ITA has created a new unit called Manufacturing and Services, focusing on the domestic and international aspects of U.S. industrial competitiveness; working with U.S. industry to evaluate the needs of American manufacturers; assessing the economic impact of new and existing government rules and regulations on U.S. manufacturers; and representing and advocating for the interests of the U.S. manufacturing and services sectors. For FY 2005, ITA has three new initiatives. ITA requests an increase of \$4.5 million for the Administration's Capital Security Cost Sharing Program (CSCSP) to cover the State Department's capital security costs associated with building new embassy compounds. CSCSP is scheduled to begin in FY 2005 and continue through FY 2018 and all agencies represented in embassies will be charged on a worldwide per capita basis. ITA requests an increase of \$0.5 million for the Activity-Based Cost Accounting and Management System to allow for more precise management and planning of resources as well as a better understanding of ITA's performance and commitment to priority activities. ITA has begun implementing this system with existing resources and requires these funds to complete the project. ITA also requests an increase of \$0.2 million for the Free Trade Agreement Secretariats to enable ITA to meet a requirement under the Singapore and Chile Free Trade Agreements.

The Minority Business Development Agency (MBDA) will continue to focus on accelerating the competitiveness and growth of minority-owned businesses by closing the gap in economic opportunities and capital access. The President's 2005 Budget requests an increase of \$3 million for MBDA to conduct an annual survey of minority owned business enterprises (SMOBE). The SMOBE will provide more timely, frequent and comprehensive statistical data about the minority business universe than the current 5-year SMOBE. The President's 2005 Budget also requests an increase of \$2.1 million for the Business

Development Centers and Minority Business Opportunity Committees programs to improve opportunities for minority businesses in areas with the highest minority business density. Finally, the President's 2005 Budget requests an increase of \$0.5 million for MBDA to establish trade activities in response to the President's and the Secretary of Commerce's initiative on trade promotion for US minority businesses with Asian Americans and Pacific Islanders. This activity will increase the access of minority business enterprises to global markets.

The President's 2005 Budget request for Economic Development Administration (EDA) will help accelerate the Nation's economic growth by promoting a favorable business environment to attract private capital investments and higher-skill, higher-wage jobs. The President's 2005 Budget requests an increase of \$5 million for EDA to assist areas that demonstrate a high level of economic distress from long-term economic deterioration or that are suffering from sudden and severe dislocation to their economies.

The Bureau of Economic Analysis (BEA) seeks to strengthen the understanding of the United States economy and its competitive position. BEA accomplishes this task by providing accurate economic accounts data in a timely and cost-effective manner, and by supplying the Nation's key economic statistics, including Gross Domestic Product (GDP). The President's 2005 Budget requests an increase of \$15 million for BEA over FY 2004 for two initiatives. The first initiative will continue to generate more timely economic data, meet U.S. international obligations in complying with international standards for reporting statistics, and acquire real-time data to improve the quality of BEA measures. The second initiative will produce up-to-date annual estimates on business investment spending and employment and compensation data by industry.

The President's 2005 Budget requests an increase for the Bureau of the Census of \$204 million over the FY 2004 appropriation. These additional funds will be used in the Bureau's multi-year effort to reengineer the Decennial Census by implementing the American Community Survey, modernizing its geographic database information, and developing plans for the Decennial Census in 2010 using only a short form. Census also plans initiatives to improve the quality and timeliness of trade statistics, to improve the measurement of services by expanding the number of industries covered, to develop a stronger presence in electronic government services by allowing businesses to file survey information electronically, and to strengthen its measurement of migration within the U.S.

As part of our ongoing efforts to improve the review and enforcement of export license conditions, the President's 2005 Budget is requesting funding for the Bureau of Industry and Security (BIS) to develop a comprehensive export license condition, compliance and enforcement program. This program will enhance the enforcement of license conditions by working with exporters to ensure that they have in place appropriate export management systems and devoting dedicated resources to detect and prosecute violations of license conditions. The President's 2005 Budget is also requesting funding for BIS to establish an Office of Technology Evaluation that will enable the Department to implement and maintain a more effective system of dual-use export controls that better protects U.S. national and economic security. The new Office's duties will include identifying new technologies for potential inclusion on the Commerce Control List and the comprehensive review of items already on the list to ensure that items are appropriately controlled for the protection of U.S. national security.

Goal 2: Foster science and technological leadership by protecting intellectual property, enhancing technical standards, and advancing measurement science

Important priorities for the National Institute of Standards and Technology (NIST) in FY 2005 are to upgrade facilities and laboratories, to protect critical research data from degradation, and to maintain employee safety and security. The President's 2005 Budget provides increased funding to NIST laboratories for continuing construction projects and high priority research areas. The increases include \$31 million to equip and operate the Advanced Measurement Laboratory and \$25 million for continued renovations of NIST's Boulder, Colorado facilities. Consistent with the Administration's continuing emphasis on shifting resources to reflect changing needs, the FY 2005 budget proposes to terminate the Advanced Technology Program.

The President's 2005 Budget request for the U.S. Patent and Trademark Office (PTO) will support the third year of the PTO strategic plan to keep pace with workload growth and to enhance the quality of products and services. In FY 2005, the Administration proposes giving PTO full access to its fees. An increase of \$310.9 million will allow the PTO to improve processing capacity by hiring additional patent examiners, deliver an operational electronic patent application processing system, continue moving to an electronic trademark operation, and expand quality reviews to all stages of patent and trademark examination, and cover the full accrual of retirement costs for its employees.

The President's 2005 Budget increase request of \$7.1 million for the National Telecommunications and Information Administration (NTIA) will provide the resources necessary to improve dramatically the overall capabilities of NTIA to research, manage and represent internationally the government's and industry's spectrum usage. These funds will increase the efficiency of radio spectrum usage through a paperless system, explore alternative incentive systems, meet increasing demand for Federal wireless systems; improve management; improve our Nation's preparation for and representation of U.S. interests at International spectrum usage conferences; and upgrade NTIA's lab facilities used to support this important work. The FY 2005 Budget continues the proposal to terminate the Public Telecommunications Facilities, Planning and Construction and Technology Opportunity Program grants.

Goal 3: Observe, protect and manage the earth's resources to promote environmental stewardship

This budget supports the core activities of the National Oceanic and Atmospheric Administration (NOAA), including fisheries and ocean programs, climate research activities, and weather forecasting capabilities, as well as the satellite infrastructure necessary to support these functions. In addition, the request continues to focus on maintenance and safety issues associated with NOAA facilities, vessels, and aircraft.

The 2005 Budget makes investments in critical fisheries and ocean programs. The Department continues to work to improve the management and economic sustainability of the Nation's marine fisheries with a continued focus on fisheries science and stock assessments. To this end, the Budget invests \$34 million to complete NOAA's third fisheries survey vessel. This vessel will meet international standards for research surveys and will substantially improve the quality of NOAA fisheries research. Additional investments are requested this year to maintain safe and efficient maritime commerce through enhanced electronic navigational charts and improved collection of data on coastal water levels.

This budget continues the Administration's focus on climate research and devotes \$19 million of new funding to expand climate observing capabilities. This funding will allow NOAA to help fill critical knowledge gaps identified in the recently released Climate Change Science Program Strategic Plan, including research on aerosols, oceans and the natural carbon cycle. NOAA's funding is one component of a government-wide initiative which will provide \$103 million over two years to accelerate climate observations. The Administration will continue to work with the international community to develop a comprehensive, global earth observation system.

Continuing to seek improvements in weather forecasting, the Administration requests funding to expand air quality forecasts nationwide. This program will help mitigate the estimated 40,000 deaths and \$147 billion spent treating air pollution-related illnesses by providing advance warning of poor air quality. Also included are investments in improved long-range weather forecasting, as well as continued improvement of NOAA's NEXRAD radar system, replacement of the communications gateway through which all weather-related data flows to local weather forecasters, and modernization of the cooperative observer network.

To support NOAA's weather and climate programs, the Administration requests an additional \$56 million for the continued development of next-generation geosynchronous and polar-orbiting satellite programs. To support current and future satellite operations, the Administration requests funds to occupy and operate NOAA's new satellite operations facility. This budget also includes investments to maintain and repair current NOAA facilities, for operations and maintenance of

the OSCAR DYSON, NOAA's first new fisheries research vessel, and for the HI'IALAKAI, a vessel acquired from the Coast Guard for research in the Hawaiian Islands.

Management Integration Goal: Achieve organizational and management excellence

The Administration places a high priority on the protection of our employees and guests. The Herbert C. Hoover Building (HCHB) is in close proximity to multiple high-profile locations in downtown Washington D.C., but lacks adequate protection against an explosive blast in the vicinity. This request proposes a blast mitigation project for the facility. The upgrades will reduce the degree of injury due to glass fragments and, in the event of a chemical/ biological/radiological attack, will significantly reduce the air infiltration of toxic substances. This will provide the employees with precious minutes to escape the building or to enable them to "shelter-in-place," if required. The funding request for the Security Management Application will provide for the development and integration of a new corporate management application system to enhance the Department's personnel security management capabilities.

The Department is also requesting an increase in resources for the Inspector General's Office of Investigation to provide adequate coverage for all Commerce activities. This increase will allow the Office to strategically deploy its investigative resources, thereby enhancing its ability to detect and prevent fraud. The projected \$11 billion cost for the 2010 Census necessitates the OIG to increase its level of oversight to improve planning and lower risks, particularly in the areas of statistics and systems evaluations.

Budget in Brief

This Budget in Brief provides a summary of the Department of Commerce's programs established to fulfill the core mission and responsibilities of the Department. It provides details on the President's budget and the programs it supports. It identifies the resources necessary to meet the mission and goals of these programs. It also shows the performance goals and measures associated with each of the bureaus in order to improve integration of the budget and performance and to improve evaluating Commerce programs based on performance.

The Budget in Brief contains several sections. The **Introduction** highlights how the Department of Commerce supports the President's agenda and the Administration's priorities. It identifies the aggregate resource levels the Department of Commerce seeks for FY 2005 to meet its planned performance targets, and describes the elements that comprise the Department's FY 2005 budget request. The **Summary** contains tables and charts that display the Department's resources. These provide a view of funding and employment trends both short and long term.

The **Bureau by Bureau Descriptions** provide the detail of program activities and performance levels and the budget request supporting these activities. These chapters also include a framework that aligns the Commerce Strategic Plan with the programs' performance goals and measures. In FY 2005, the Annual Performance Plan was merged into the FY 2005 budget submission. Therefore, additional information on the Department's performance is provided in the FY 2005 budget submission and the FY 2003 Performance and Accountability Report. Finally, the Budget in Brief includes authorizing legislation requirements for FY 2005 and a Department-wide Summary of funding requirements for FY 2005.