
Introduction

The FY 2006 Department of Commerce President's Budget request of \$9.4 billion reflects its continuing commitment to creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The Department works with U.S. businesses to maintain a prosperous productive America, committed to consumer safety and the protection of natural resources. Our record of innovation in manufacturing, transportation, communications, and measurement helps 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 2006, 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 three 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, EDC, 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, 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 2006 President's Budget and to the missions of the Department of Commerce's bureaus.

To help create economic opportunities for U.S. workers and firms, the International Trade Administration (ITA) promotes international trade, opens foreign markets to U.S. businesses, ensures compliance with trade laws and agreements, and supports U.S. commercial interests at home and abroad. In carrying out its mission, ITA conducts detailed domestic and international competitive analyses to ensure that the U.S. manufacturing and service sectors can compete effectively and meet the demands of global supply chains, and to understand the competitive impact of regulatory and economic changes. ITA directly supports the U.S. exporting community via a variety of products and services and operates a Trade Information Center to provide a single point of customer contact to government export assistance programs.

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 FY 2006 President's Budget requests an increase of \$0.2 million for MBDA to expand the Agency's capabilities to disseminate, analyze and deliver vital statistical data for the minority business community. The FY 2006 President's Budget also requests an increase of \$0.5 million for MBDA to provide equal economic opportunities for full participation of Asian American and Pacific Islander businesses in our free market economy, and increase the access of minority business enterprises to global markets.

The FY 2006 President's Budget request incorporates a major change in the area of Economic Development. For FY 2006, the President's Budget proposes a new "Strengthening America's Communities Grant Program" within the Commerce Department that replaces duplicative Federal economic and community development programs with a more consolidated approach that provides for greater flexibility, accountability, and targeting than any of the current approaches. The FY 2006 President's Budget requests a total of \$3.71 billion for the new Strengthening America's Communities Grant Program.

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 FY 2006 President's Budget requests an increase of \$9 million for BEA to support three initiatives. These initiatives enable BEA to better understand offshore outsourcing, expand business investment data, and finish a multi-year effort to improve the timeliness, relevance, and accuracy of economic measures. The Economics and Statistics Administration requests a decrease of \$3 million to improve the efficiency and effectiveness of policy and administrative oversight.

In the FY 2006 President's Budget, the Bureau of the Census requests an increase of \$133 million to support initiatives that will significantly improve the breadth and quality of the information it collects and provides to the country. The largest initiative in the request is the ongoing effort to re-engineer the Decennial Census by administering the American Community Survey, modernizing the geographic database information, and developing and testing plans for the Decennial Census based on only a short form. The Bureau of the Census also plans to furnish and move into its new office building at Suitland Federal Center, improve the Automated Export System, expand the measurement of services, create a national database of local employment data, and strengthen its measurement of migration within the U.S.

The Bureau of Industry and Security regulates the export of sensitive goods and technologies. The globalization of trade and the rapid development of technology presents great opportunity and risk to the United States economic and national security. The FY 2006 President's Budget requests will give BIS the necessary tools and personnel to effectively address these challenges. The request includes funding for an Office of Technology Evaluation, additional enforcement resources and a program to recruit and retain the high-quality personnel needed for BIS's critical mission.

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

The FY 2006 President's Budget provides increased funding to NIST laboratories for high priority research areas and necessary facilities upgrades and maintenance. The increases include \$39.8 million to enhance research capabilities in manufacturing (particularly in the area of nanotechnology), expand public safety and security programs, and provide the measurement infrastructure for emerging needs of the Nation's research community, and \$32 million to support the Facilities Improvement Plan for critical construction, major repair, and renovation projects at the NIST sites in Boulder, Colorado, and Gaithersburg, Maryland. Consistent with the Administration's continuing emphasis on shifting resources to reflect changing needs, the FY 2006 budget proposes to terminate the Advanced Technology Program.

The FY 2006 President's 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 2006, the Administration continues to support giving PTO full access to its fees. An increase of \$148.5 million will allow the PTO to improve processing capacity by hiring additional patent and trademark examiners, continue development of an operational system to process patent applications electronically, continue the transition of the trademark operations to a fully electronic environment, enhance the current quality assurance programs by integrating reviews to cover all stages of examination, and achieve greater patent examiner productivity by reducing the prior art search burden.

In FY 2006, the request will continue to provide the resources necessary to improve NTIA's research and Federal spectrum management capabilities and provides support for NTIA to implement recommendations from the President's Spectrum Management Initiative. These funds will increase the efficiency of Federal spectrum management by implementing a paperless system, explore incentives for efficient and effective spectrum 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 2006 Budget continues the proposal to terminate the Public Telecommunications Facilities, Planning and Construction program.

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

The FY 2006 President's Budget request for the National Oceanic and Atmospheric Administration (NOAA) reflects not only the Department's enduring commitment to its environmental stewardship responsibilities but also the need to better understand and respond to environmental conditions as they impact lives and property, as seen in the past year's severe hurricane season and the recent tragedy in the Indian Ocean. The request provides resources for continuing current operations, addressing new or emerging issues, and building the infrastructure required to support a robust science-based agency.

The Budget invests \$9.5 million in FY 2006 to implement the President's plan to provide the United States with nearly 100 percent detection capability for a U.S. coastal tsunami, allowing response within minutes. The new system will also expand monitoring capabilities throughout the Pacific and Caribbean basins, providing tsunami warning for regions bordering half of the world's oceans.

In response to the findings of the U.S. Commission on Ocean Policy and in support of the President's U.S. Ocean Action Plan, the Budget provides significant resources for ocean and coastal programs and improved fisheries management. The Budget invests \$32.5 million to commence construction of a fourth fisheries survey vessel that will meet international standards for research surveys and will substantially improve the quality of NOAA fisheries research.

To support NOAA's weather and climate programs, the Administration requests an additional \$99.1 million for the continued development of next-generation geosynchronous and polar-orbiting satellite programs. In addition, the Budget provides \$11 million to begin the process of integrating LANDSAT sensors with the next-generation polar-orbiting satellite program. NOAA's satellite programs secure the observational data necessary for more timely and accurate weather forecasts, hurricane predictions, and the development of climate predictive models. The FY 2006 President's Budget continues the Administration's commitment to climate research in support of the Climate Change Science Program Strategic Plan, and provides a new water resources forecasting capability that will assist local managers in preparing for and mitigating the impact of extreme water events such as the ongoing drought affecting western states.

Management Integration Goal: Achieve organizational and management excellence

The Department's headquarters building in downtown Washington DC, the Herbert C. Hoover Building (HCHB), is in critical need of major renovation and modernization. The 70 year-old HCHB is one of the last historic buildings in the Federal Triangle to be scheduled for renovation and modernization. To meet basic health and safety codes, meet industry standards and replace failing mechanical, electrical, and plumbing systems, the Department is requesting \$30 million for its FY 2006 portion of a multi-year joint General Services Administration / Department of Commerce project. The Department's FY 2006 request focuses on preparing and moving a third of the building's tenants into leased swing space, where they will remain for the duration of the project as well as preparing temporary internal swing space. Commerce's funding responsibilities are for the above standard costs, telecommunications and furnishings of both the swing space and the renovated portions of HCHB. The request also includes funding of the Department's renovation office that will coordinate the movement of tenants and GSA's work to minimize the disruption of the Department's missions and provide necessary oversight of the project.

A quarter of Commerce's appropriation is spent on major procurement vehicles, such as satellites, the Decennial Census and the renovation of HCHB. Improving the acquisition process is a major goal and with proper oversight and improvements, the taxpayers' money can be better utilized. Both the Office of the Inspector General and Departmental Management are requesting funding increases to improve acquisition oversight, provide additional training to contract officers and make targeted reviews of both specific contracts and of the procurement processes.

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 missions 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 2006 to meet its planned performance targets, and describes the elements that comprise the Department's FY 2006 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; this practice continues for FY 2006. Therefore, additional information on the Department's performance is provided in the FY 2006 budget submission and the FY 2004 Performance and Accountability Report. Finally, the Budget in Brief includes authorizing legislation requirements for FY 2006 and a Department-wide Summary of funding requirements for FY 2006.