

Introduction

The mission of the Department of Commerce is to foster, serve, and promote the Nation's foreign and domestic commerce, economic development, technological advancement, and environmental stewardship. The Department fulfills this mission by promoting international trade, strengthening the Nation's international economic position, promoting progressive business growth, improving the conservation and management of marine and coastal resources, ensuring growth of our scientific and technical resources, developing and providing substantial demographic and economic information, and by supporting states, communities, and individuals in their economic progress.

The President's FY 2007 Budget request of \$6.14 billion in discretionary funds for the Department of Commerce reflects a balance between the Administration's commitment to promote and sustain economic growth and opportunity, and the need to restrain discretionary Federal spending. Enactment of the President's request will enable the Department to effectively continue its programs that promote strong and equitable trade relationships critical to sustaining our Nation's ability to successfully compete in the global marketplace, improve our scientific and technological capabilities, protect intellectual property rights, upgrade our capabilities for weather observations and forecasting, and ensure the long-term economic and ecological sustainability of our natural resources.

This FY 2007 Budget in Brief outlines a performance budget linked to attainment of the Department's three strategic goals. Each bureau within the Department supports one of these goals. Departmental Management and the Office of the Inspector General support 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 (ITA, EDA, ESA, BEA, Census, BIS, and MBDA).
- Goal 2: Foster science and technological leadership by protecting intellectual property, enhancing technical standards, and advancing measurement science (TA, NIST, NTIS, PTO, 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

The International Trade Administration (ITA) supports U.S. commercial interests at home and abroad by strengthening the competitiveness of American industries and workers, promoting international trade, opening foreign markets to U.S. businesses, and ensuring compliance with domestic and international trade laws and agreements. ITA conducts 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 U.S. businesses via a Trade Information Center that provides customers a single point of access to ITA's programs and services such as information on a foreign country's trade laws and legal practices or assistance in preparing firms to start exports. The President's FY 2007 Budget requests \$409 million for ITA. This request includes an increase of \$2 million to support the President's Asia-Pacific Partnership on Clean Development and Climate. This partnership will reduce the barriers to energy efficient American products and technologies in Australia, China, India, Japan, and South Korea by providing U.S. firms market research on those countries, coordinating trade missions to those countries, and facilitating similar visits from those countries to the United States.

The Economic Development Administration's (EDA) mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. The President's FY 2007 Budget reorganizes and expands EDA's Economic Development Assistance Programs by \$47 million—a nineteen percent increase—to \$297 million, which reflects the Administration's emphasis on regional competitiveness and measuring performance as the underlying strategy for federal economic development policy. EDA, in partnership with the Department of Housing and Urban Development, will establish a proactive Federal economic

development framework in support of the Strengthening America's Communities Initiative (SACI) to proactively empower America's communities to be globally competitive. Four of EDA's programs, representing the majority of EDA's funding, will be merged into a new Regional Development Account. This account will administer the competitive grant component of SACI, including support for University Centers.

The Economics and Statistics Administration (ESA) promotes the understanding of the United States economy and its competitive position. ESA's Bureau of Economic Analysis (BEA) provides key objective data on the Nation's economic condition in a timely and cost-effective manner. This data includes the Gross Domestic Product (GDP) as well as other regional, national, international, and industry-specific information. The President's FY 2007 Budget requests \$80.5 million to maintain the level of funding ESA Headquarters and BEA need to efficiently and accurately provide these statistics, as well as research and policy analysis, that are critical to public and private sector decision-making.

ESA's Census Bureau serves as the leading source of quality data about the nation's people and economy. The President's FY 2007 Budget requests \$878 million in discretionary funds for the Census Bureau, which includes a net increase of \$33 million for program changes. The largest component of these changes is \$44 million, a nearly ten percent increase, to prepare for the 2010 Decennial Census by reengineering the collection of basic census data to meet constitutional and legal mandates, implementing the American Community Survey to obtain detailed annual data, and by modernizing the Bureau's geographic database—including its alignment with Global Positioning System coordinates. Other program additions include \$11 million for Economic Census to develop tools and systems to support the 2007 Economic Census, and \$3 million for the Census of Governments to collect data supporting the 2007 Economic Census. Economic Census received a score of 90—Effective—in its recent Program Assessment Rating Tool review by the Office of Management and Budget. The President's FY 2007 Budget request continues the funding necessary for the Bureau's other program areas.

The Bureau of Industry and Security (BIS) regulates the export of sensitive goods and technologies to protect the security of the United States. The President's FY 2007 Budget requests \$78.6 million to enable BIS to effectively carry out this mission. The proposed budget includes an increase to modernize the Export Control Automated Support System, which is critical for processing export licenses as required by Executive Order 12981.

The Minority Business Development Agency (MBDA) focuses on accelerating the competitiveness and growth of minority-owned businesses by helping to close the gaps in economic opportunities and capital access. The President's FY 2007 Budget requests \$29.6 million to enable MBDA to continue pursuing additional avenues to leverage resources and expand the availability of services to minority business enterprises.

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

The Under Secretary for Technology (TA/US) provides policy guidance to the Secretary of Commerce and the Technology Administration's component agencies (NIST and NTIS). The Under Secretary serves on the Executive Committee of the Committee on Technology within the President's National Science and Technology Council, coordinates the civilian technology efforts of federal agencies, and helps to shape federal civilian R&D priorities based upon the needs of industry. The President's FY 2007 Budget requests \$1.5 million for TA/US, which provides sufficient resources for TA/US to adequately perform these duties through continued progress to streamline administrative and policy operations.

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 enhance economic security and improve our quality of life. The President's FY 2007 Budget requests an appropriation of \$581 million for NIST. The request includes an increase of \$104 million for NIST Laboratories, National Research Facilities, and Construction & Major Renovations—a 24 percent increase over their FY 2006 recurring program levels—to implement the President's ten-year American Competitiveness Initiative. Technological innovation drives as much as 85 percent of the growth in per-capita U.S. income and sustains our competitiveness in global markets. The requested funds will enable NIST to advance

measurement science, standards, and technology for disciplines such as nanotechnology, quantum information science, and neutron research. Advancing these and other emerging areas of physical science is essential for long-term innovation and resulting economic vitality.

The National Technical Information Service (NTIS), a component of the Technology Administration, collects and preserves scientific, technical, engineering and other business-related information from Federal and international sources and disseminates it to the American business and industrial research community. NTIS operates a revolving fund for the payment of all expenses incurred and does not receive appropriated funds.

The U.S. Patent and Trademark Office (PTO) promotes the research, development, and application of new technologies by protecting inventors' rights to their intellectual property through the issuance of patents. The PTO also enables businesses and consumers to clearly identify specific products through the issuance of trademarks. The President's FY 2007 Budget request of \$1.84 billion in spending authority for the PTO includes increases for both Patent and Trademark Processes. The PTO will use these additional funds to reduce application processing time and increase the quality of its products and services by hiring additional examiners, refining the electronic patent application filing and processing system, improving quality assurance programs, and implementing higher standards for examiner certification and recertification. Consistent with recent prior years, the Administration proposes to fund the PTO budget exclusively through offsetting fee collections. Fee collections for FY 2007 are projected to cover the proposed increases.

The National Telecommunications and Information Agency (NTIA) develops telecommunications and information policy, manages the Federal radio spectrum, performs telecommunications research, engineering, and planning, and supports facilities for public broadcasting. The President's FY 2007 Budget request for NTIA supports its core activities and eliminates all new funding for Public Telecommunications Facilities, Planning & Construction, as funds for those activities are available from other sources. The Digital Television Transition and Public Safety Fund, created by the Deficit Reduction Act of 2005, funds a number of programs with the auction proceeds of electromagnetic spectrum recovered from discontinued analog television signals. Programs supported by this Fund in FY 2007 will provide consumers with vouchers to aid in their purchase of digital-to-analog television converter boxes, assist public safety agencies in acquiring interoperable communications systems, and support an interim digital television broadcast system for New York City.

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

The National Oceanic and Atmospheric Administration (NOAA) supplies information on the oceans and atmosphere, provides stewardship of our coastal and marine environment, and leads scientific research in such fields as ecosystems, climate, weather and water. NOAA components include the National Weather Service – which provides critical observations, forecasts, and warnings, the National Environmental Satellite, Data, and Information Service – which provides timely access to global environmental data from satellites and other sources, the National Marine Fisheries Service – which is responsible for the stewardship of the nation's living marine resources and their habitat, the National Ocean Service – which measures and predicts coastal and ocean phenomena, protects large areas of the oceans, and ensures safe navigation, the Office of Oceanic and Atmospheric Research – which provides the research foundation for understanding weather, climate, and ocean and coastal resources, and the Office of Marine and Aviation Operations – which operates a wide variety of specialized aircraft and ships to support NOAA's environmental and scientific missions. The President's FY 2007 Budget requests \$3.68 billion in discretionary appropriations for NOAA.

Under Operations, Research, and Facilities, major program increases include additional funds to operate the U.S. Tsunami Warning System, increases to programs that will support fisheries in the Gulf of Mexico, and funding for the Open Rivers Initiative (ORI). ORI will be a competitive grant program using a community-based model to remove river barriers in coastal states, thus enhancing populations of key NOAA trust species and supporting the President's Cooperative Conservation Initiative (Executive Order 13352).

Under Procurement, Acquisition, and Construction, major program increases include funding to have the NOAA Center for Weather and Climate Prediction ready to start operations in 2008, \$113 million to continue the Geostationary Operational Environmental Satellite (GOES-R) series system acquisition, and \$20 million for NOAA's share of the National Polar-Orbiting Environmental Satellite System (NPOESS)—which will replace the Polar-Orbiting Environmental Satellite (POES). The GOES-R satellites will be the next generation follow-on to the current GOES-N series satellites used to track storm development and movement.

Management Integration Goal: Achieve organizational and management excellence

Departmental Management (DM) funds the Offices of the Secretary, Deputy Secretary, and their support staff. Staffs in these offices develop and implement policy, administer internal operations, and serve as primary liaison to other executive branch agencies, Congress, and private sector entities.

The President's FY 2007 Budget requests \$18.0 million towards renovation of the Herbert C. Hoover Building (HCHB), the Department's 73 year old headquarters building in downtown Washington, D.C. The HCHB is one of the last historic buildings in the Federal Triangle to be scheduled for renovation and modernization. The planned renovations of the building will correct basic health and safety code deficiencies—particularly in the building's mechanical, electrical, and plumbing systems, increase usable space and energy efficiency, extend the building's ultimate useful life, and incorporate major security upgrades.

The President's FY 2007 Budget also requests \$5.9 million for the installation of blast resistant windows for one third of the HCHB. Funding of \$990 thousand is requested to administer the National Intellectual Property Law Enforcement Coordination Council, which was established by Congress in 1999.

The Office of the Inspector General (OIG) is charged with promoting economy and efficiency, and detecting and preventing fraud, waste, and abuse in Departmental programs and operations. The President's FY 2007 Budget requests \$22.5 million to enable the OIG to continue to effectively meet these mandates.

Budget in Brief

This Budget in Brief (BIB) provides a summary of the Department of Commerce's programs that fulfill the mandates of the Department. The BIB identifies the resources requested in the President's FY 2007 Budget to implement these programs. It also provides the performance goals and measures associated with each of the bureaus to facilitate performance-based review of our programs.

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 2007 to meet its planned performance targets, and summarizes major proposed program changes. 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 continued through FY 2007. Therefore, additional information on the Department's performance is provided in the FY 2007 budget submission and the FY 2005 Performance and Accountability Report. Finally, the Budget in Brief includes authorizing legislation requirements for FY 2007 and a Department-wide Summary of funding requirements for FY 2007.