

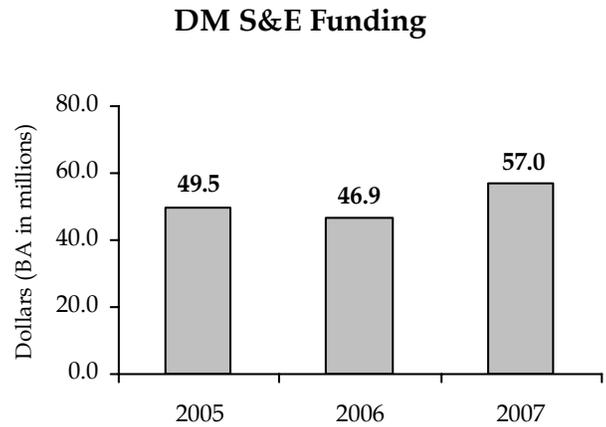
Departmental Management

Within Departmental Management, the Salaries and Expenses account provides funding for the Secretary, Deputy Secretary and support staff. DM develops and implements policy affecting U.S. and international activities as well as establishing internal goals and operations of the Department. DM's functions include serving as the primary liaison with the executive branch, Congressional and private sector groups, and acting as the management and administrative control point for the Department. The Salaries and Expenses account contains Executive Direction that develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Departmental mission. It also includes Departmental Staff Services that develop and implement the Department's internal policies, procedures, and other administrative guidelines.

Departmental Management houses the non-appropriated Advances and Reimbursements and Working Capital Fund accounts. The Advances and Reimbursements account provides a centralized collection source for special tasks or costs and their billing to users. The Working Capital Fund finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis. Bureau funding is provided for centralized services such as legal advice, security, printing, building management, information technology, and procurement services.

Departmental Management also contains the Emergency Steel and Oil & Gas Guaranteed Loan Programs, enacted in FY 1999 to assist the steel, oil, and gas industries.

In FY 2007, the Department is seeking increases that will enhance the health and safety of its employees, and help protect intellectual property rights. The resources requested for the HCHB Renovation and Modernization account will fund activities in the first phase of the renovation and modernization of the Herbert C. Hoover Building. The Department also requests funding under the National Intellectual Property Law Enforcement Coordination Council account, which will be used to coordinate domestic and international intellectual property law enforcement among federal and foreign entities.



Summary of Appropriations

Funding Levels

	2005	2006	2007	Increase
Appropriation	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Salaries and Expenses	\$47,466	\$46,860	\$56,999	\$10,139
HCHB Renovation and Modernization	0	0	18,000	18,000
National Intellectual Property Law				
Enforcement Coordinational Council	1,973	0	990	990
Emergency Steel Guar. Loan Program	0	0	(48,607)	(48,607)
TOTAL APPROPRIATION	49,439	46,860	27,382	(19,478)
Transfer from U.S. AID, 22 U.S.C.2392 (a)	2,000			

Budget Authority

Salaries and Expenses	49,466	46,860	56,999	10,139
HCHB Renovation and Modernization	0	0	18,000	18,000
National Intellectual Property Law				
Enforcement Coordinational Council	1,973	0	990	990
Emergency Steel Guar. Loan Program	0	0	(48,607)	(48,607)
TOTAL DISCRETIONARY BUDGET AUTHORITY	51,439	46,860	27,382	(19,478)

Mandatory: (Credit Reestimate)

Emergency Steel Guar. Loan Program	4,755	0	0	0
TOTAL MANDATORY BUDGET AUTHORITY	4,755	0	0	0

FTE*

Salaries and Expenses	177	189	189	0
Reimbursable	56	63	63	0
HCHB Renovation and Modernization	0	0	0	0
National Intellectual Property Law				
Enforcement Coordinational Council	0	0	4	4
Working Capital Fund	578	602	602	0
Franchise Fund	23	21	21	0
Total FTE	834	875	879	4

*The FTE levels for FY 2007 have been adjusted to reflect recent budget decisions. As a result, the levels shown above are different from the levels reflected in the President's Budget.

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE*</u>	<u>Amount</u>
2006 Appropriation			189	\$46,860
Adjustments to Base				
<u>Other Changes</u>				
2006 Pay raise		\$361		
2007 Pay raise		378		
Payment to the Working Capital Fund		118		
Civil Service Retirement System (CSRS)		(51)		
Federal Employees Retirement System (FERS)		150		
Thrift Savings Plan		30		
Federal Insurance Contributions Act (FICA) -OASDI		28		
Health insurance		75		
Employees' Compensation Fund		84		
Travel				
Per Diem		2		
Mileage		1		
Rent payments to GSA		44		
Printing and reproduction		1		
Other services:				
Working Capital Fund		549		
NARA		2		
General Pricing Level Adjustments:				
Rental payments to others		1		
Communications, utilities & misc. charges		5		
Other services		171		
Supplies and materials		5		
Equipment		21		
Subtotal, other cost changes			0	1,975
TOTAL, ADJUSTMENTS TO BASE			0	1,975
Less amount absorbed **				(1,975)
2007 Base			189	46,860
Program Changes			0	10,139
2007 APPROPRIATION			189	56,999

*The FTE level for this account has been adjusted to reflect recent budget decisions. As a result, the level shown above is different from the level reflected in the President's Budget.

** Departmental Management will absorb a total of \$1,975,000 through reductions in contracting services

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Executive Direction	90	\$21,222	90	\$19,011	90	\$22,895	0	\$3,884
Departmental Staff Services	99	27,849	99	27,849	99	34,104	0	6,255
TOTAL DIRECT OBLIGATIONS	189	49,071	189	46,860	189	56,999	0	10,139
ADVANCES & REIMBURSEMENTS								
COMMITTS	8	210,544	8	200,000	8	200,000	0	0
GSA Rent	0	32,757	0	33,266	0	33,266	0	0
Other	55	25,772	55	26,173	55	26,173	0	0
Total Reimbursable Obligations	63	269,073	63	259,439	63	259,439	0	0
TOTAL OBLIGATIONS	252	318,144	252	306,299	252	316,438	0	10,139
FINANCING								
Unobligated balance, start of year (Direct)		2,211						
Unobligated balance, start of year (Reimbursable)		10,544						
Offsetting collections from:								
Federal funds	(63)	(258,529)			(69)	(259,439)		
Subtotal, financing	(63)	(271,284)			(69)	(259,439)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	189	46,860			183	56,999		

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Departmental Staff Services	105	\$27,849	0	+\$6,255
Blast Mitigation			0	+\$5,900

The Department seeks to improve the security of the Herbert C. Hoover Building (HCHB) by increasing safeguards against explosive devices and Chemical\Biological\Radiological (CBR) attacks. This will be accomplished by installation of blast resistant windows on window system locations within the Department’s headquarters location. This work, along with necessary interior finishing adjustments will serve to reduce the amount of glass fragments and therefore reduce the degree of injuries to building occupants should an explosive device detonate. In the event of a CBR attack, air filtration from toxic substances would be significantly reduced providing employees with precious minutes to escape the building or enabling them to “shelter-in-place,” if required. This request supports the Administration’s priorities to provide secure work environments while protecting critical assets and maintaining continuity of essential government functions during times of national emergency. In FY 2007, funding is requested to provide blast resistant windows for approximately one-third of the facility.

Department-wide Training of Supervisors (portion within Departmental Staff Services) 0 +\$355

Additional performance management training is planned for staff to better link agency mission accomplishment to individual performance.

	<u>FTE</u>	<u>Base</u> <u>Amount</u>	<u>Increase / Decrease</u> <u>FTE</u>	<u>Amount</u>
<u>Executive Direction</u>	96	\$19,011	0	+\$3,884
E-Government Initiatives			0	+\$3,641

This increase will fund initiatives related to expanding Electronic Government. The President has made expanding E-Government integral to a five-part Management Agenda for making government more focused on citizens and results. These initiatives integrate agency operations and IT investments. Department-wide coordination and oversight is provided by the Department’s CIO.

1. Business Gateway - \$329 - Will reduce the burden on citizens and businesses in locating and submitting Federal forms, through a single web site for citizens and businesses to find, fill, sign and submit any form required by the Federal Government.
2. E-Authentication - \$749 - Will provide a systematic means of “e-Authentication,” that is, authenticating the identity of the remote party to an E-government transaction over the Internet and World Wide Web. Many Government services require that agencies know with some certainty with whom they are dealing over the Internet, thus requiring authentication.
3. E-Rulemaking - \$855 - Will provide a central Federal portal for announcing proposed new rules and receiving comments, as well as managing entire dockets.
4. Grants.gov - \$521 - Will create a single portal to find, apply for, and ultimately, manage grants on-line.
5. Integrated Acquisition - \$174 - Will allow agencies to begin sharing common data elements to enable more informed procurement, logistical, payment and performance assessment decisions.
6. International Trade Process Streamlining - \$740 - Will make it easier for Small and Medium Enterprises (SMEs) to obtain the information and documents necessary to conduct business abroad.
7. Grants Management (Line of Business) (LoB) - \$60 - Will provide a government-wide solution to support end-to-end grants management activities that promote citizen access, customer service, and agency financial and technical stewardship.
8. Financial Management (LoB) - \$83 - Will develop a government-wide financial management system business strategy that identifies efficiencies, improves business performance, and reduces costs while continuing support for agency performance accountability, financial controls, and mission effectiveness.
9. Human Resources (LoB) - \$130 - Will develop a modern, cost effective, standardized, and integrated Human Resources Information System that will support the strategic management of human capital.

Department-wide Training of Supervisors (portion within Executive Direction)		0	+\$243
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Additional performance management training is planned for staff to better link agency mission accomplishment to individual performance.

Appropriation: HCHB Renovation and Modernization

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2006 Appropriation	0	\$0
2007 Base	0	0
Program Changes	0	18,000
2007 APPROPRIATION	0	18,000

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
HCHB Renovation & Modernization	0	\$0	0	\$0	0	\$18,000	0	\$18,000
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	18,000	0	18,000
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS / BA / APPROPRIATION	0	0	0	0	0	18,000	0	18,000

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
HCHB Renovation and Modernization Project	0	\$0	+0	+\$18,000

This program increase will provide \$18.0 million, to be made available until expended, for renovation of the HCHB. The 73-year old HCHB is one of the last historic buildings in the Federal Triangle to be scheduled for renovation and modernization. For over three years, the General Services Administration's (GSA) Public Buildings Service, the owner of HCHB, has studied the infrastructure, systems and interior spaces of the HCHB to determine the necessary repairs and improvements to mechanical, electrical and structural components within a context of less than total demolition and reconstruction. GSA will begin renovation of the building in FY 2006 with their existing funds.

The mechanical, electrical, and plumbing systems in the building are beyond their useful lives. There are numerous infrastructure problems and subsequently an inefficient use of space. All of these factors create conditions that do not meet Federal health and safety codes, industry standards and GSA guidelines and create health and safety concerns for Department of Commerce employees. The planned renovation will upgrade infrastructure and remove safety hazards, increase usable space and energy efficiency, extend the building's useful life, and incorporate security upgrades.

GSA and the Department of Commerce (DOC) are both responsible for a share of the costs for the project. GSA's preliminary estimate for the project is \$483,000,000 for GSA costs plus \$208,100,000 for DOC costs. GSA's and DOC's portions of the renovation and modernization must be funded simultaneously so that design, installation, and moves can be coordinated.

The HCHB will be renovated in three major phases. Approximately one-third of the tenants will be relocated to leased swing space to enable one-third of the building to be vacated for each of the three construction phases. These tenants will

remain in leased swing space for the duration of the project. The remaining tenants will be relocated to internal swing space throughout the building during each construction phase. The three major phases will be preceded by a phase for renovation of the sub-basement that will provide storage, computer room, and internal swing space before the onset of the renovation of the three major phases. This phase, preceding the three major phases, is referred to as Phase 1 and will impact the sub-basement space at the north side of the HCHB. The planned schedule is as follows:

Phase 1 (part one) - FY 2006 to FY 2007	Sub-basement construction and exterior work
Phase 1 (part two) - FY 2008	Build-out and move to leased swing space
Phase 2 - FY 2008 to FY 2011	South portion of the HCHB
Phase 3 - FY 2011 to FY 2014	Center portion of the HCHB
Phase 4 - FY 2014 to FY 2016	North portion of the HCHB

GSA has already received funds for renovation work and will begin this process in FY 2006. Commerce funds are required in FY 2007 to finalize Phase 1 per the above schedule. A delay in funding Commerce costs for the project would prevent GSA from beginning Phase 2 of the renovation until 2009, resulting in project costs for Phase 2 and beyond for both GSA and DOC escalating more than 3% for one year.

Appropriation: National Intellectual Property Law Enforcement Coordination Council

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2006 Appropriation	0	\$0
2007 Base	0	0
Program Changes	4	990
2007 APPROPRIATION	4	990

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
National Intellectual Property Law Enforcement Coordination Council	0	\$1,973	0	\$0	4	\$990	4	\$990
TOTAL DIRECT OBLIGATIONS	0	1,973	0	0	4	990	4	990
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	0	1,973	0	0	4	990	4	990
FINANCING								
Unobligated balance, start of year	0	(1,973)			0	0		
Offsetting collections from:								
Federal funds	0	0			0	0		
Subtotal, financing		(1,973)			0	0		
TOTAL BUDGET AUTHORITY	0	0			4	990		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
National Intellectual Property Law Enforcement Coordination Council	0	\$0	+4	+\$990

This program increase will provide \$990,000 to fund the National Intellectual Property Law Enforcement Coordination Council (NIPLECC) administration in FY 2007.

Congress established NIPLECC on September 29, 1999, via P.L. 106-58, Section 633, and assigned it one substantive task: to “coordinate domestic and international intellectual property law enforcement among federal and foreign entities.” 15 U.S.C. § 1128(b). It was amended in 2004, via P.L. 108-447, which created the position of Coordinator for International Intellectual Property Enforcement. Subsequently, the President appointed a Coordinator to head NIPLECC and develop strategies for FY 2006 and beyond in consultation with NIPLECC’s current members.

NIPLECC is an inter-agency group responsible for coordinating the U.S. domestic and international intellectual property enforcement activities. Its mission: “To leverage the capabilities and resources of the Federal Government to provide a secure and predictable global environment for American intellectual property.” In 1999, Congress recognized the lack of inter-agency coordination with respect to intellectual property (IP) enforcement efforts, and the diminishing effectiveness of the federal agencies’ enforcement efforts by duplicating and sometimes contradicting each other’s work. It created NIPLECC to ensure coordination and enhance effectiveness, by providing agencies a framework through which to notify, organize, and coordinate IP enforcement work. The statute requires NIPLECC to report to the President and Congress, creating an accountability mechanism for all agencies involved.

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE*</u>	<u>Amount</u>
2006 Operating Level			602	\$135,889
Adjustments to Base				
<u>Adjustments</u>				
Transfer of costs for bureau-specific guard contracts to bureaus			0	(2,012)
<u>Other Changes</u>				
2006 Pay raise		\$866		
2007 Pay raise		1,070		
Civil Service Retirement System (CSRS)		(147)		
Federal Employees' Retirement System (FERS)		430		
Thrift Savings Plan		42		
Federal Insurance Contributions Act (FICA) - OASDI		111		
Health insurance		338		
Travel:				
Mileage		3		
Per Diem		7		
Rent payments to GSA		96		
Printing and reproduction		6		
Other Services:				
GSA Steam Bill		555		
Commerce Business System		(1,775)		
General Pricing Level Adjustment:				
Communications, utilities, & misc.		60		
Other services		834		
Supplies and materials		31		
Equipment		42		
Subtotal, other cost changes			0	2,569
TOTAL, ADJUSTMENTS TO BASE			0	557
Less amount absorbed**			0	(557)
2007 Base			602	135,889
Program Changes			0	2,838
2007 OPERATING LEVEL			602	138,727

*The FTE level for this account has been adjusted to reflect recent budget decisions. As a result, the level shown above is different from the level reflected in the President's Budget.

** Departmental Management will absorb a total of \$1,975,000 through reductions in contracting services

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
REIMBURSABLE OBLIGATIONS								
General Counsel	184	\$31,000	184	\$31,000	184	\$31,000	0	\$0
Chief Information Officer	32	12,162	32	12,162	32	14,650	0	2,488
Public Affairs	12	2,195	12	2,195	12	2,195	0	0
Departmental Staff Services	374	98,545	374	90,532	374	90,882	0	350
TOTAL REIMBURSABLE OBLIGATIONS	602	143,902	602	135,889	602	138,727	0	2,838
FINANCING								
Unobligated balance, start of year		(8,013)						
Offsetting collections from:								
Federal funds	(602)	(135,889)			(602)	(138,727)		
Subtotal, financing	(602)	(143,902)			(602)	(138,727)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Highlights of Program Changes

<u>Departmental Staff Services</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Commerce Standard Acquisition and Reporting System (CSTARS) Web Base	394	\$90,532	+0	+\$350

The Department of Commerce (DOC) seeks to modernize their current acquisition systems and business processes while ensuring compliance with all Federal legislation and initiatives. This initiative will provide an integrated and modernized, web-based acquisition system for all users, vendors and contractors to communicate with DOC while meeting all Federal and agency-wide security policies, specifically the DOC Office of IT Policy and Planning guidelines. This system will handle end-to-end lifecycle activities; streamline and standardize business processes and acquisition activities. The web-based platform proposed will be a Commercial Off-the-Shelf (COTS) product that is mature, provides a solution that is based on best practices, and is integrated with financial systems. It will provide accurate vendor and account code data, real time financial commitments and obligations, along with improved payment processing (including reconciliation, receipts, invoicing and payment data). The system will provide consolidated acquisition data and provide improved reporting capabilities by centralizing data repositories. The web-based platform will improve performance and increase efficiencies in the quality and timeliness of acquisition processing.

Chief Information Officer

Network Operations Center Equipment Replacement and Maintenance	34	\$12,162	+0	+\$2,488
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The HCHB network provides common, standardized and high-speed infrastructure to Department of Operating Unit networks. The HCHB Network infrastructure includes an equipment inventory which provides mission critical network, Voice over Internet Protocol (VoIP) telephone, Emergency Broadcast System (EBS), Public Address System (PAS) and other services to the 4,200 employees housed in the Hoover Building, as well as to some remote sites. This equipment will

be six years old in FY 2007 and is nearing the end of its life expectancy based on industry standards. The Department has estimated an annual amount that would need to be allocated to replace the obsolete hardware on a rotating basis. This approach provides a base budget that includes replacement of obsolete hardware and would not result in "emergency" allocations or cyclical special requests. With approximately \$10,000,000 in inventory, and using a conservative life cycle of 6 years, the replacement cost per year is \$1,638,000.

In addition to the hardware replacement, an \$850,000 increase is necessary to adequately provide the required maintenance on the current equipment inventory. Network servers, switches, telephones and other equipment require maintenance during the years before replacement. The maintenance costs are estimated based on 15% of the investment costs. This requirement is necessary in order to maintain the current inventory while providing efficient and effective support for network and systems administration.

Direct Cost by Office

	2007 Estimate	
	<u>FTE</u>	<u>Amount</u>
Offices		
Human Resources Management	50	\$15,569
Civil Rights	14	2,324
Financial Management	48	15,309
Security	126	25,577
Administrative Services	106	25,358
Acquisition Management	28	6,459
Management and Organization	2	286
Subtotal, Departmental Staff Services	374	90,882
Chief Information Officer	32	14,650
General Counsel	184	31,000
Public Affairs	12	2,195
Total Working Capital Fund	602	138,727

Distribution by Bureau

	FY 2007
Bureaus	<u>Amount</u>
Office of the Secretary	\$10,402
Office of Inspector General	1,790
Economic Development Administration	2,473
Bureau of the Census	25,059
Economic and Statistical Analysis	2,964
International Trade Administration	30,083
Bureau of Industry and Security	8,395
Minority Business Development Agency	2,308
National Oceanic and Atmospheric Administration	34,425
Patent and Trademark Office	2,555
Technology Administration	1,056
National Institute of Standards and Technology	11,282
National Technical Information Service	559
National Telecommunications and Information Administration	3,976
Office of Computer Services	314
Total Commerce Bureaus	<u>137,641</u>
Other Agencies	<u>1,086</u>
Total	138,727

Appropriation: Emergency Oil and Gas Guaranteed Loan Program

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2006 Appropriation		\$0
Adjustments		0
2007 Base		0
Program Changes		0
2007 APPROPRIATION		0

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guarantee Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Admin. Expenses	0	442	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	442	0	0	0	0	0	0
Credit Reestimates	0	0						
TOTAL DIRECT OBLIGATIONS	0	442			0	0		
FINANCING								
Unobligated balance, start of year		(442)						
Unobligated balance, withdrawn		0						
Unobligated balance, end of year		0						
Subtotal, financing	0	(442)			0	0		
TOTAL DISCRETIONARY BUDGET AUTHORITY	0	0			0	0		

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2006 Appropriation		\$0
Adjustments		0
2007 Base		0
Program Changes		(48,607)
2007 APPROPRIATION		(48,607)

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guarantee Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Admin. Expenses	0	1,640	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	1,640	0	0	0	0	0	0
Credit Reestimates (Mandatory)	0	0						
TOTAL DIRECT & MANDATORY	0	1,640			0	0		
FINANCING								
Unobligated balance, start of year		(50,247)				(48,607)		
Expired balances lapsing		0						
Unobligated balance, end of year		48,607				0		
Subtotal, financing	0	(1,640)			0	(48,607)		
TOTAL DISCRETIONARY	0	0			0	(48,607)		
BUDGET AUTHORITY								
TOTAL, MANDATORY BUDGET AUTHORITY	0	0						

Highlights of Program Changes

In FY 2007, the Department proposes rescinding \$48.6 million from this account, as the history of this program indicates these funds are no longer required. This rescission would eliminate the loan subsidy for this program.

Since Fiscal Year (FY) 2002, the number of serious loan applications received by the board has significantly decreased. In FY 2005, no loan applications were received by the board and the extension of loan authority is not expected to increase the flow of loan applications. The last loan guarantee was made in FY 2003.

DM Performance Measures

Departmental Management performance measures monitor the Department's progress in providing policy oversight and administrative support services, which represent the bulk of DM's activity. These measures are closely aligned with the government-wide management initiatives established in the President's Management Agenda.

The following table shows the measures that DM uses to gauge its performance. A more detailed description of these goals and measures is in the DM section of the Department of Commerce budget.

Performance Goals (Obligations) and Measures (Targets)

(Dollars in millions)

	2005 <u>Actual</u>	2006 <u>Estimate / Target</u>	2007 <u>Estimate / Target</u>
Goal 1: Identify and effectively manage human and material resources critical to the success of the Department's strategic goals.	\$56.4*	\$56.6	\$81.6
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management	Eliminate any reportable condition within one year of the determination that there is a reportable condition; 90% of management that have access to the Consolidated Reporting System (CRS) have financial data / reports available within one day of the 15 th of the month after submitting the raw data to the CRS	Eliminate any reportable condition within one year of the determination that there is a reportable condition; 95% of management that have access to the Consolidated Reporting System (CRS) have financial data / reports available within one day of the 15 th of the month after submitting the raw data to the CRS.	Eliminate any reportable condition within one year of the determination that there is a reportable condition; 95% of management that have access to the Consolidated Reporting System (CRS) have financial data / reports available within one day of the 15 th of the month after submitting the raw data to the CRS. Migrate the Commerce Business System (CBS) to an all web-based architecture by the end of FY 2007 to ensure the useful life of CBS through 2012.
Effectively use competitive sourcing	New FY 05-06 feasibility studies have been nominated. FAIR inventory has been scrubbed to determine candidates for feasibility studies.	Finalize new competition plan based on August 2005 CFO council outcome. The plan will lay out DOC short and long-range plans to conduct feasibility studies of all major commercial (and available) functions and will identify approved competitions to be conducted in the FY 06-07 timeframe.	Update and/or continue to implement FY 06 plan to conduct feasibility studies of DOC commercial (and available) functions to determine potential new competitions/studies in the out years.
Obligate funds through performance-based contracting	<50% of eligible service contracting dollars	50% of eligible service contracting dollars	50% of eligible service contracting dollars

* This dollar amount has been updated as of December, 2005 (after the Performance and Accountability Report for FY 2005). Does not include internal reimbursables.

	2005 <u>Actual</u>	2006 <u>Estimate / Target</u>	2007 <u>Estimate / Target</u>
Acquire and maintain diverse and highly qualified staff in mission-critical occupations	Underrepresented RNO groups improved from 28% to 29%; increased number of courses and established baseline of 26,845 users from evaluation of learning management system; maintained 30-day fill-time.	Improve recruitment strategies through more targeted recruitment activities; assist managers in making better selections through training and improvements to selection tools; further close skill gaps in workforce through training and development activities.	Improve recruitment strategies through more targeted recruitment activities; assist managers in making better selections through training and improvements to selection tools; further close skill gaps in workforce through training and development activities.
Improved management of information technology (IT)	IT investments under development have cost/schedule overruns and performance shortfalls of averaging less than 10%; POA&M action items to complete certification and accreditation are documented and on schedule.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all national critical and mission critical systems are certified and accredited in accordance with the Department's IT security policy.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all national critical and mission critical systems are certified and accredited in accordance with the Department's IT security policy with acceptable quality documentation in place.

Note: Funding levels reflect direct and external reimbursable funding. Funds for the Working Capital Fund and the Franchise Fund are appropriated to bureaus, and do not appear in these DM totals.