

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, ensuring the sustainability of ocean resources, protecting and restoring marine and coastal areas, ensuring growth of our scientific and technical resources, developing and providing substantial demographic and economic information, and supporting states, communities, and individuals in their economic progress.

The President's FY 2008 Budget request of \$6.55 billion in discretionary funds for the Department of Commerce reflects a balance between the Administration's commitment to the Department's mission, 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 2008 Budget in Brief outlines a performance budget linked to attainment of the Department's three strategic goals and a management integration goal. Each bureau within the Department supports one or more of the strategic goals, while 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, MBDA, and NIST).
- Goal 2: Foster science and technological leadership by protecting intellectual property, enhancing technical standards, and advancing measurement science (TA, NIST, NTIS, USPTO, 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 begin exporting. The President's FY 2008 Budget requests \$412 million for ITA. This request includes an increase of \$1.3 million from the President's FY 2007 Budget to support monitoring of, and enforcing compliance with, Free Trade Agreements, concluding the Doha Round of World Trade Organization (WTO) negotiations, and reducing market access barriers through the relevant WTO committees.

The Economic Development Administration's (EDA) supports America's regions in their growth and success in the worldwide economy. The President's FY 2008 Budget requests \$203 million to enable EDA to effectively carry out this mission. The request reduces funding for the Economic Development Assistance Programs (EDAP) by \$127 million in order to support other Administration priorities.

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 2008 Budget requests \$85 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. This request includes an increase of \$2 million to measure the impact of research and development and other knowledge-based activities on economic growth.

ESA's Census Bureau serves as the leading source of quality data about the nation's people and economy. The President's FY 2008 Budget requests \$1.23 billion in discretionary funds for the Census Bureau, which includes a program increase of \$325 million for Periodic Censuses and Programs. The largest component of this increase is \$281 million, a 54 percent increase, to continue reengineering the 2010 Decennial Census to reduce operational risk, improve accuracy and relevance of data, and contain total costs; this includes the 2008 Census Dress Rehearsal. Another program addition includes \$43 million for Economic Census to support collecting and processing data from the 2007 Economic Census.

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 2008 Budget requests \$79 million to enable BIS to effectively carry out this mission. The request reflects greater efficiencies from the consolidation of administrative services and increased use of information technology in handling export applications, resulting in savings of \$1.5 million from the FY 2008 base level.

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 2008 Budget requests \$29 million to enable MBDA to continue pursuing additional avenues to leverage resources and expand the availability of services to minority business enterprises.

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. NIST's Hollings Manufacturing Extension Partnership (MEP) assists small manufacturing establishments to adopt new technologies and manufacturing practices. The President's FY 2008 Budget requests \$46.3 million for MEP. Other NIST programs support Goal 2 below.

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). Technological innovation has evolved to a point where it plays a critical role in competitiveness across our entire economy rather than taking place in an isolated sector unto itself. In keeping with this evolution, the President's FY 2008 Budget proposes to modernize the Department's approach to technology policy by elevating technology policy activities to the Secretarial level. In place of a stand-alone Technology Administration, the budget proposes to appoint a senior advisor in the Department's Office of Policy and Strategic Planning and to create a Department-wide Technology Council that will coordinate technology policy activities that are distributed across the Department. The request of \$1.6 million provides sufficient resources for the orderly shutdown of TA/US.

The National Institute of Standards and Technology (NIST) advances measurement science, standards, and technology. The President's FY 2008 Budget requests an appropriation of \$641 million for NIST, which includes the funds noted above for Hollings MEP. The request includes an increase of \$69 million for NIST Laboratories, National Research Facilities, and Construction & Major Renovations. Of these funds, \$47 million are proposed to support critical improvements to NIST's research laboratories in Boulder, Colorado and the NIST Center for Neutron Research in Gaithersburg, Maryland. \$22 million will be used to support research programs in nanotechnology, quantum information science, climate change measurements and standards, disaster-resilience of structures, and earthquake hazard reduction.

The National Technical Information Service (NTIS) 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 (USPTO) promotes the research, development, and application of new technologies by protecting inventors' rights to their intellectual property through the issuance of patents. The USPTO also enables businesses and consumers to clearly identify specific products through the issuance of trademarks. The President's FY 2008 Budget request of \$1.9 billion in spending authority for the USPTO includes increases for both Patent and Trademark Processes. The USPTO will use these additional funds to reduce application processing time and increase the quality of its products and services. Consistent with recent prior years, the Administration proposes to fund the USPTO budget exclusively through offsetting fee collections. Fee collections for FY 2008 are projected to cover the proposed increases.

The National Telecommunications and Information Agency (NTIA) develops telecommunications and information policy, manages the Federal radio spectrum, and performs telecommunications research, engineering, and planning. The President's FY 2008 Budget request for NTIA includes \$19 million in discretionary budget authority. During FY 2008, NTIA estimates obligating \$534 million from the Digital Television Transition and Public Safety Fund (DTTPSF) to support several programs created by the Deficit Reduction Act of 2005, most notably \$426 million for the Digital-to-Analog Television Converter Box Program. Following enactment of the Call Home Act of 2006, up to \$1 billion will be awarded in FY 2007 to qualified applicants in the Public Safety Interoperable Communications (PSIC) Grant program, though outlays will continue over several fiscal years. The estimated FY 2008 level represents a net decrease of \$522 million for DTTPSF programs, mainly as a result of FY 2007 PSIC obligations.

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 2008 Budget requests \$3.82 billion in appropriations for NOAA. The request includes increases of \$123 million for high priority projects that will advance ocean science and research, protect and restore sensitive marine and coastal areas, and ensure sustainable use of ocean resources. These initiatives will further the Administration's commitment, reflected in the U.S. Ocean Action Plan and the creation of a Cabinet-level Committee on Ocean Policy, to make our oceans, coasts, and Great Lakes cleaner, healthier, and more productive.

The increases for ocean science and research include \$20 million to implement the Ocean Research Priorities Plan, \$16 million to support the Integrated Ocean Observing System, and \$8 million to define the outer limits of the U.S. continental shelf. The increases to protect and restore coastal and marine areas include \$8 million for management of the newly-designated Northwestern Hawaiian Islands Marine National Monument, \$10 million for restoration of habitat for the endangered Atlantic salmon in the Penobscot River watershed, \$15 million for the Coastal and Estuarine Land Conservation Program (CELCP), and \$5 million for the implementation of coastal resource priorities identified by the Gulf Coast States. The increases for ensuring sustainable use of ocean resources include \$20 million to implement the newly-reauthorized Magnuson-Stevens Act – e.g., facilitating market-based approaches to fisheries management such as

Limited Access Privilege (LAP) programs that lead to lengthened fishing seasons, improved product quality, and safer conditions for fishermen (the Administration's goal is to double the number of LAP systems in use by the year 2010), and \$3 million to support development of offshore aquaculture, for which the Administration has proposed legislation to establish clear regulatory authority and permitting processes.

In addition to the oceans initiative, the President's FY 2008 Budget continues support for development and acquisition of geostationary and polar-orbiting weather satellites, for climate research programs - including increases for water vapor process research and the development of a National Integrated Drought Information System, and for high priority weather forecasting endeavors – including improvements to hurricane modeling and tsunami warning systems.

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 2008 Budget requests \$4.3 million towards renovation of the Herbert C. Hoover Building (HCHB), the Department's 73 year old headquarters building in downtown Washington, D.C. These funds will provide a secure space to move employees while the major building infrastructure is modernized by the General Services Administration (GSA). Employees will be moved into the swing space as sections of the building are renovated during the eight phases of this newly-revised sixteen-year project.

The National Intellectual Property Law Enforcement Coordination Council (NIPLECC) is an interagency group established by Congress in 1999 to coordinate U.S. domestic and international intellectual property rights enforcement activities. The Administration requests \$1.0 million to support the Coordinator's office at the Department of Commerce.

The Office of the Inspector General (OIG) strives to promote economy and efficiency, and detect and prevent fraud, waste, and abuse in Departmental programs and operations. The President's FY 2008 Budget requests \$23 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 2008 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 five 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 2008 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 2008. Therefore, additional information on the Department's performance is provided in the FY 2008 budget submission and the FY 2006 Performance and Accountability Report. Finally, the Budget in Brief includes **authorizing legislation requirements** for FY 2008 and a **Department-wide Summary of funding** requirements for FY 2008.