



PERFORMANCE SECTION



THEME 1

ECONOMIC GROWTH



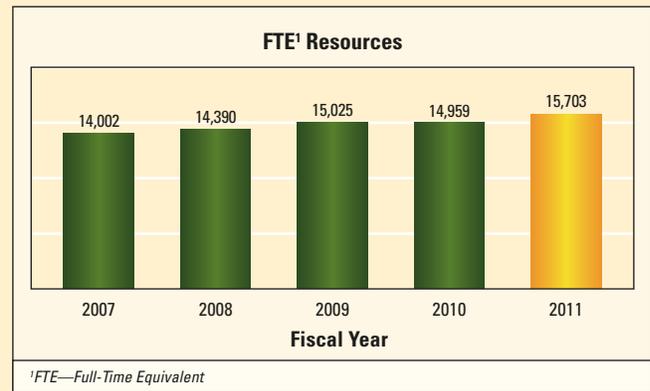
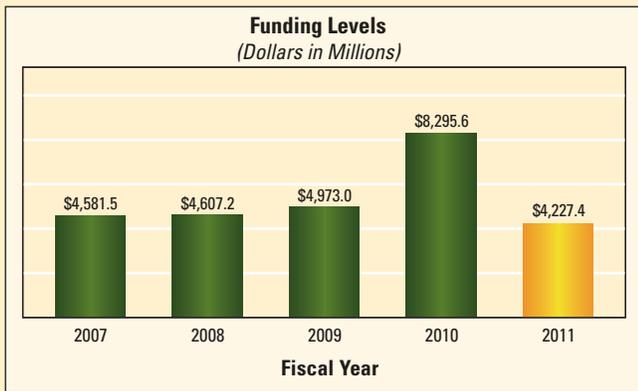
**ECONOMIC
GROWTH**

THEME, STRATEGIC GOALS, AND OBJECTIVES		TARGETS MET OR EXCEEDED
THEME 1: ECONOMIC GROWTH		
Strategic Goal – Innovation and Entrepreneurship: <i>Develop the tools, systems, policies, and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses</i>		
Objective 1	Improve intellectual property protection by reducing patent pendency, maintaining trademark pendency, and increasing the quality of issued patents and trademarks (USPTO)	9 of 10
Objective 2	Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights (USPTO)	1 of 1
Objective 3	Stimulate high-growth business formation and entrepreneurship, through investing in high-risk, high-reward technologies and by removing impediments to accelerate technology commercialization (EDA, NIST)	7 of 11
Objective 4	Drive innovation by supporting an open global Internet and through communications and broadband policies that enable robust infrastructure, ensure integrity of the system, and support e-commerce (NTIA)	5 of 5
Objective 5	Provide measurement tools and standards to strengthen manufacturing, enable innovation, and increase efficiency (NIST)	4 of 6
Strategic Goal – Market Development and Commercialization: <i>Foster market opportunities that equip businesses and communities with the tools they need to expand, creating quality jobs with special emphasis on unserved and underserved groups</i>		
Objective 6 ¹	Promote the advancement of sustainable technologies, industries, and infrastructure (EDA)	N/A
Objective 7	Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas (EDA, MBDA)	3 of 5
Objective 8	Improve the competitiveness of small and medium-sized firms in manufacturing and service industries (ITA, NIST)	5 of 5
Strategic Goal – Trade Promotion and Compliance: <i>Improve our global competitiveness and foster domestic job growth while protecting American security</i>		
Objective 9	Increase U.S. export value through trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises) (ITA)	3 of 6
Objective 10	Implement an effective export control reform program to advance national security and overall economic competitiveness (BIS)	8 of 9
Objective 11	Develop and influence international standards and policies to support the full and fair competitiveness of the U.S. information and communications technology sector (NTIA)	1 of 1
Objective 12	Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and fuller compliance with antidumping/countervailing duty remedies (ITA)	7 of 8
¹ The measures for this objective are shown in Objective 3.		



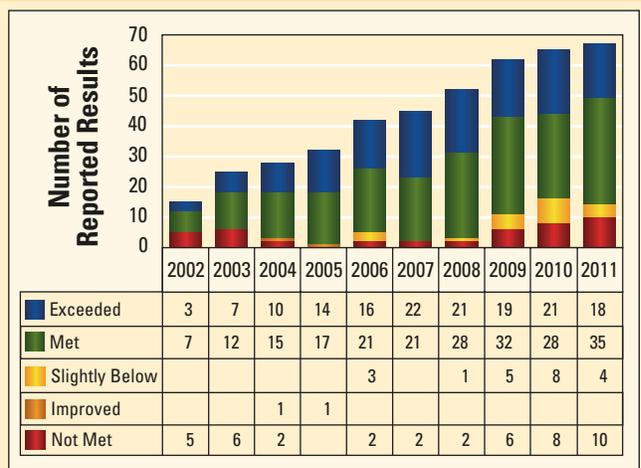
THEME 1: ECONOMIC GROWTH

ECONOMIC GROWTH TOTAL RESOURCES



The Economic Growth theme consists of three strategic goals related to Innovation and Entrepreneurship, Market Development and Commercialization, and Trade Promotion and Compliance. Within those three goals are 12 corresponding objectives, five associated with Innovation and Entrepreneurship, three with Market Development and Commercialization, and four with Trade Promotion and Compliance.

ECONOMIC GROWTH PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

PUBLIC BENEFITS

Innovation and Entrepreneurship

The U.S. Patent and Trademark Office (USPTO) facilitates the generation of innovative and commercially viable processes and products, while protecting the intellectual property rights (IPR) of the inventor. USPTO's goal to provide efficient and thorough review of patents and trademarks optimizes the economic value to investors and improves U.S. competitiveness. Economic Development Administration (EDA) grants play a large role in encouraging innovation, and the forums that the Agency establishes create research-based communities of practice that foster commercialization. The National Telecommunications and Information Administration (NTIA) assists communication, key to business growth, by improving telecommunication performance, optimizing use of the federal spectrum, and increasing broadband access. As the federal government's National Laboratory focused on innovation and industrial competitiveness, the National Institute of Standards and Technology (NIST) has long recognized the importance of technological innovation and a robust manufacturing sector to the health of the Nation's economy both as a source of high-paying, high-skilled jobs, and as a driver for future technological advancement.

Market Development and Commercialization

NIST's Hollings Manufacturing Extension Partnership (MEP) and the International Trade Administration (ITA) support small and medium-sized enterprises (SME) to encourage job growth, job creation, and innovation, with a focus on environmentally and economically sustainable technologies. Through private enterprise job creation, EDA and the Minority Business Development Agency (MBDA) assist in developing markets in disadvantaged or distressed communities so as to reduce economic duress.

Trade Promotion and Compliance

The Department generates economic growth and jobs through extensive assistance to firms engaging in international trade. ITA focuses on increasing exports by assisting U.S. exporters in expanding to foreign markets as outlined by the National Export Initiative (NEI). ITA works to achieve this goal in three ways:

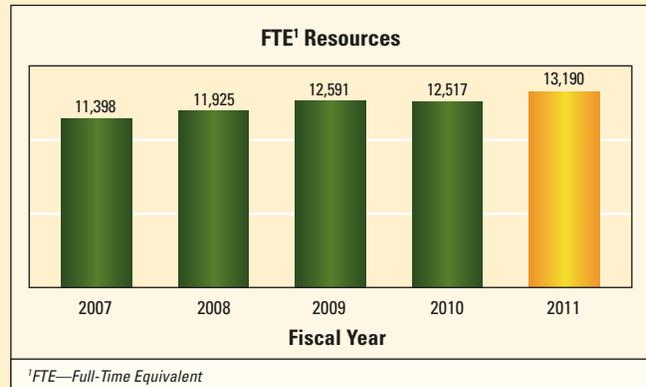
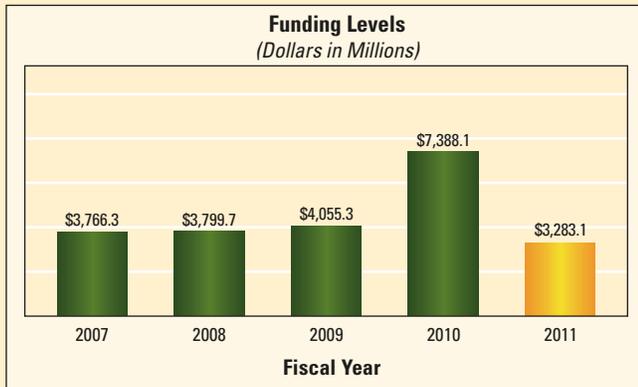
- Provides the data and analysis used by businesses and government to develop effective trade policies and strategic decisions to support U.S. industries;
- Confronts unfair trade practices at home and abroad in order to give workers and firms the opportunity to compete on a level playing field; and
- Promotes strategically U.S. product and service exports.

Export control reform has become a central concern to the Bureau of Industry and Security (BIS) as it updates the intergovernmental processes that are in place. NTIA promotes the use of telecommunication devices, speeding the pace of business.

STRATEGIC GOAL – INNOVATION AND ENTREPRENEURSHIP

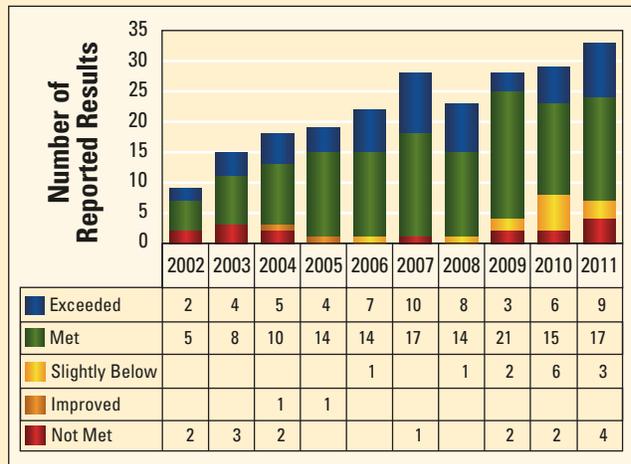
Develop the tools, systems, policies, and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses

INNOVATION AND ENTREPRENEURSHIP TOTAL RESOURCES



This strategic goal is comprised of five objectives which contribute to the Secretary's theme of Economic Growth. The following public benefits, achievements, and performance results are associated with each objective.

INNOVATION AND ENTREPRENEURSHIP PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

Objectives 3, 6 and 7 share measures that are related to EDA. The results of these measures are reflected in Objective 3.

OBJECTIVE 1

Improve intellectual property protection by reducing patent pendency, maintaining trademark pendency, and increasing the quality of issued patents and trademarks (USPTO)

PUBLIC BENEFITS

Intellectual Property (IP) contributes to a strong global economy by encouraging investment in innovation and fostering entrepreneurial spirit. People worldwide benefit from innovations, both directly on a personal level, and indirectly through economic growth fueled by innovation. Continual development of a vigorous, flexible, and efficient IP system protects individual rights, encourages investment in innovation, and fosters entrepreneurial spirit.

The Department promotes the IP system through the protection of inventions or creations via patent, trademark, trade secret, and copyright laws. Under this system of protection, industry in the United States has flourished, creating employment opportunities for millions of Americans.

Patents provide incentives to invent and invest in new technology by allowing innovators the opportunity to benefit from their discoveries. Registration of trademarks assists businesses in protecting their investments and safeguards consumers against confusion and deception in the marketplace by providing notice of marks in use. Through dissemination of patent and trademark information, the Department promotes a global understanding of IP protection and facilitates the development and sharing of new technologies worldwide.

It is a legal requirement for patentability to determine whether an invention is new, useful, and non-obvious to someone knowledgeable in that subject matter. To that end, not only is it important that a patent or trademark be issued in a timely manner, but that it is of high quality. Patent examinations are subjected to both end-product allowance and in-process reviews that evaluate the quality of the substantive basis for examiner decisions, applicability of publications found by the examiner, or the quality reviewer; evidence; and clarity of communications with applicants. These reviews produce findings that are shared individually with examiners, are collected in a database for ongoing analysis, serve as the basis for the development of training programs, and are used to strengthen the review process.

ACHIEVEMENTS

USPTO Implements Programs to Reduce Patent Pendency

In order to achieve its goal to reduce pendency, USPTO launched a major program to clean up the older cases in the pending backlog, and more strictly manage its inventory in a first-in, first-out inventory environment. This initiative may result in a temporary rise in pendency in the near-term, because pendency is determined by cases that were examined during a particular period. However, clearing the oldest patent applications is important to USPTO's long-term success in reducing pendency and the backlog of unexamined patent applications. In an effort to eliminate the "tail" of backlog applications that were more than 16 months old at the beginning of the fiscal year and which had not yet received a first office action, USPTO launched a unique initiative known as "Clearing the Oldest Patent Applications," or "COPA." This initiative is a critical first step in reaching USPTO's strategic goal of providing first office actions on all new applications in an average of 10 months from their date of filing by 2014.

USPTO continues to increase its examination capacity by employing new recruitment and development models to hire, train, and retain a highly skilled and diverse workforce. While continuing to draw candidates from traditional sources, a targeted hiring program was launched to focus on recruiting experienced former examiners and IP professionals. The new hiring model seeks individuals with appropriate technology backgrounds who also have previous IP experience for patent examiner positions. In contrast with previous hiring which focused on scientific background and experience, this new hiring model places more emphasis on recruiting candidates with significant IP experience which will result in reduced training time as well as an increased ability to examine applications much sooner than a new hire with little or no IP experience, thereby increasing overall production output.

USPTO Develops a Work Sharing Program

An ongoing effort to improve examination efficiency and use resources wisely is the development of Work Sharing. Work Sharing has evolved as a significant tool in addressing pendency. Under the Work Sharing umbrella are the Patent Prosecution Highway (PPH), Strategic Handling of Applications for Rapid Examination (SHARE), and First Look Application Sharing (FLASH). These work sharing programs reduce re-work, increase collaboration, and provide consistency between IP offices. The benefits of work sharing are immense. USPTO continues to work with the major IP offices toward collaborative work sharing solutions that aid in faster, higher quality patents.

USPTO has implemented PPH with 15 other offices worldwide. In PPH, after an office of first filing determines that an application contains at least one allowable claim, the applicant may request that the second office fast-track examination of corresponding claims in its corresponding application filed in the office of second filing. By using the PPH, an applicant can receive patentability determinations faster in multiple jurisdictions, saving time and money in the process. Offices greatly benefit from work sharing efficiency and quality gains.

Beginning with the first PPH with the Japan Patent Office in 2006, USPTO has received over 6,000 PPH requests, and has met its FY 2011 goal of 8,000 requests. Other important PPH metrics include:

- An overall allowance rate of over 90 percent, about double the overall USPTO average allowance rate;
- A reduction of almost one entire office action per disposal vs. the USPTO average of 2.41 actions/disposal;
- A reduction in the number of appeals of over 80 percent vs. the overall USPTO average appeal rate; and
- A decrease of over 50 percent in the number of requests for continued examination or continuation filings vs. the USPTO average.

This program was selected by Secretary of Commerce Gary Locke as one of the first two programs to be awarded the Department's first Performance Excellence Award for outstanding efforts to improve business processes.

USPTO Also Maintained and Improved Patent Quality

Reducing patent pendency is only one part in improving the IP system—USPTO also must maintain and improve patent quality. USPTO continues to expand its quality management program by focusing on improving the quality of the initial patent application and the entire examination and prosecution process. Quality improvement is a continuous process that must include public input on the best ways to improve quality as well as measure that improvement without extending the overall examination process. Collaboration between USPTO, the Patent Public Advisory Committee Quality Task Force, and the patent community resulted in a new quality measure, the Quality Index Report. USPTO added this measure to the Composite Quality Metric which measures seven diverse aspects of the examination process to form a more comprehensive composite of quality metric. Specifically the Quality Index Report

tracks the actions taken by examiners during prosecution of patent applications. It further provides a statistical analysis of quality-related events in the prosecution, such as the reopening of final rejections and second non-final actions. Identifying quality issues prior to final action allows for corrective actions to be taken via coaching, mentoring, and training.

USPTO Worked to Re-Engineer the Patent System

During FY 2011, USPTO worked to re-engineer the entire patent examination system to improve workload prioritization, decrease duplicative work, and streamline reviews in collaboration with applicants. USPTO established and improved mechanisms that would result in accelerated examination, critical to this effort. Accelerating the patent process and boosting patent quality are essential in translating inventors' ideas into job-creating businesses that spur economic growth and ensure U.S. competitiveness in the global market. Recognizing that applicants' needs vary in patent prosecution time as well as in application costs resulted in the development and implementation of new programs aimed at meeting these varied needs of stakeholders.

USPTO Implements the Green Technology Pilot Program

The Green Technology Pilot Program provides accelerated examination of inventions involving green technology, thereby promoting innovation in green technologies and reducing the pendency of patent applications critical to climate change mitigation. In response to feedback from applicants, USPTO revised the Green Technology Pilot Program to allow more categories of technology to be eligible for expedited processing under the program. As a result, the Green Technology Pilot Program has increased the development and deployment of green technology and contributed to promoting U.S. competitiveness in this vital sector. More than 1,900 petitions have been granted to green technology patent applicants since the pilot began in December 2009.

USPTO Improved Guidance for Patent Applications

For the first time in history, the IP community is able to work with USPTO collaboratively in making the Manual of Patent Examining Procedure (MPEP) a state-of-the-art practice document through an interactive discussion tool specifically designed to solicit input from stakeholders on the revision and publication process of the MPEP. The innovative use of Web-based technology to successfully re-engineer the MPEP has not only transformed the way the MPEP is expeditiously updated, but also has established a more collaborative revision process to foster interaction and contributions from stakeholders. This tool benefits practitioners as well as examiners by providing easy, accurate, and current guidance to ensure that all patent applications comply with the laws and regulations governing the patent system.

USPTO Continues to Maintain First Action and Final Trademark Pendency

For the sixth consecutive year, the Trademark Organization has exceeded its pendency targets for first action and final disposition. With final pendency less than 11 months, a record low for the office, USPTO registers a new application or issues a notice of allowance, on average in less than a year. This rapid processing allows applicants to act quickly on marketing strategies and business plans. Since an examiner issues a first action approximately three months from the filing date, an applicant has an important early indication of registrability. USPTO has consistently maintained first action pendency between 2.5 and 3.5 months despite large variability in incoming workloads and persistent economic uncertainty. The Trademark Organization has also dynamically aligned examination capacity with incoming workloads by maintaining appropriate staffing levels, sustaining high productivity, and judiciously adjusting production incentives to maintain first action pendency at 2.5 to 3.5 months and final pendency at 12.5 months or less.

USPTO Has Increased Trademark Electronic Processing and Filing

Pendency has improved as electronic processing and filing have become the primary means of conducting business within the Trademark Organization. Increased use of electronic forms, particularly Trademark Electronic Application System (TEAS) Plus filings has improved the efficiency and timeliness of examination. While 30 percent of new applications are TEAS Plus filings, these applications account for 48 percent of first action approvals.

USPTO Took Steps to Address Trademark Fraud and Inaccuracy

Following changes in the standard for fraud on USPTO, and resulting concerns about the potential for inaccuracy in the identifications of goods and services on the register, the Trademark Organization began taking steps to assess this issue. The Trademark Organization hosted a roundtable in 2010 with the George Washington University School of Law to discuss improvements to the accuracy of identifications with members of the user community and collected public comments on suggestions from the roundtable. The Trademark Organization also discussed the issue with the Trademark Public Advisory Committee.

Following up on one of the leading suggestions, in July 2011 the Trademark Organization issued a Notice of Proposed Rulemaking that would permit USPTO to require additional specimens or other evidence in connection with a Section 8 affidavit of continued use. Comments on the proposed rule are due September 12, 2011. Once finalized, the rules changes initially would facilitate a limited pilot in a relatively small number of cases to assess the level of accuracy of the identifications. The pilot could yield information about the reliability of the trademark register in this regard, so that USPTO and stakeholders may determine whether an inaccuracy problem exists and consider measures to address it, if necessary.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (USPTO)	TARGET	ACTUAL	STATUS
Final rejection allowance compliance rate	95.6% - 96.5%	95.6%	Met
Non-final in-process compliance rate	94.6% - 95.6%	95.2%	Met
Patent first action pendency (months)	26.3	28.0	Slightly Below
Patent total pendency (months)	34.8	33.7	Met
Patent applications filed electronically	90.0%	93.1%	Met
Trademark first action compliance rate	95.5%	96.5%	Met
Trademark final compliance rate	97.0%	97.0%	Met
Trademark first action pendency (months)	2.5-3.5	3.1	Met
Trademark average total pendency (months), excluding suspended and inter partes proceedings	12.5	10.5	Met
Trademark applications processed electronically	68.0%	73.0%	Met

FY 2011 STATUS

USPTO met 9 out of 10 targets, being slightly below the target for “Patent first action pendency.”

FY 2011 MISSED TARGETS

MEASURE	PATENT FIRST ACTION PENDENCY (MONTHS) (USPTO)
Explanation	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Action	No additional action was taken.

OBJECTIVE 2

Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights (USPTO)

PUBLIC BENEFITS

In an era of a global economy it is also important that the property rights of inventors be protected, not only in the United States, but internationally as well. USPTO plays a leadership role in promoting effective domestic and international protection and enforcement of IPR by advocating U.S. government IPR policy, working to develop unified standards for international IPR, providing policy guidance on domestic IPR issues, and fostering innovation. USPTO advises the President and federal agencies on national and international IPR policy matters and trade-related aspects of IPR, and conducts technical assistance and capacity-building programs for foreign governments seeking to develop or improve their IPR regulatory and enforcement mechanisms.

ACHIEVEMENTS

USPTO Provides IP Education Opportunities

USPTO, through the Global Intellectual Property Academy (GIPA) in the Office of Policy and External Affairs, provides IP educational opportunities to domestic SMEs, universities, foreign officials, and the public. GIPA provides expertise on administration, protection, and enforcement in all areas of domestic and international IP. In FY 2011, GIPA conducted more than 120 training programs with more than 5,500 attendees from over 120 different countries. The attendees included officials from foreign IP offices; law enforcement authorities, including prosecutors, police, and customs officials; and members of the judiciary. Domestic opportunities include outreach to Native American tribes, educational programs on IP awareness, and China Road Shows providing IP information to SMEs seeking to do business in China. Additionally, GIPA partners to develop and deliver educational outreach programs with other areas of the U.S. government, particularly the Small Business Administration, MBDA, and ITA. GIPA also worked with the White House Office of the IP Enforcement Coordinator to coordinate all U.S. government IP training, including hosting a database of all training and capacity-building activities. USPTO efforts will facilitate the export capabilities of domestic industry and SMEs, and ensure their competitiveness around the world.

USPTO Expands Work Sharing

Throughout FY 2011, USPTO continued to emphasize work sharing among patent offices as a key to efficient management of office workloads, reduction of backlogs and pendency, and improvement of the international patent system. USPTO's primary work sharing vehicle—PPH—has proven to be a major success, producing significant efficiency gains in terms of higher allowance rates, fewer office actions per disposal, and substantially lower percentages of appeals and continuation applications. USPTO is on track to double the total number of PPH requests in 2011 that it has received in the preceding four years combined.

USPTO continues to work with its international partners to evolve and improve the PPH and began testing a new approach in July 2011 that enhances flexibility and expands PPH eligibility. In parallel, the offices are working out details of a USPTO proposal for a next-generation framework—PPH 2.0—that will replace the existing network of bilateral arrangements with a more centralized, easy-to-use system incorporating the new approach being tested, as well as other user-friendly enhancements.

USPTO Accelerates Work on the Trilateral ID Project

USPTO, along with the Trademark Trilateral Partners, the Japan Patent Office, and the Office for the Harmonization of the Internal Market, have been accelerating work on one particular Trilateral Project, known as the “Trilateral ID Project.” The Trademark Trilateral Partners have collaborated to compile a list of identifications of goods and services that are acceptable in each of their respective offices. USPTO, with the approval of the Trilateral Partners, is taking the lead to invite other national trademark offices to participate in the project. To date, Canada, Philippines, South Korea, Mexico, Singapore, and the Russian Federation have joined the project. USPTO also worked with the World Intellectual Property Organization (WIPO) to ensure that the Trilateral ID list is incorporated into the Madrid System for the International Registration of Marks to provide applicants with IDs that will be accepted by certain national offices. Additionally, upon request by USPTO, WIPO has started to revise the Madrid application forms to better accommodate some U.S. application requirements.

USPTO Works Closely with Other Agencies/Countries on International Issues

USPTO worked with the Office of the U.S. Trade Representative (USTR), the State Department, the Department of Health and Human Services, and several other agencies, as well as U.S. stakeholders, to finalize a draft framework agreement in the World Health Organization (WHO) on the sharing of influenza samples and related benefits. The framework agreement was adopted by the General Assembly of WHO in April 2011.

USPTO also worked closely with USTR throughout FY 2011 in ongoing IP discussion in the World Trade Organization (WTO) in seeking to maintain the integrity of the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreements and defeat attempts to weaken it. USPTO also advised USTR during the WTO accession process of several countries in evaluating IPR laws, regulations, and practices of countries in the process of accession, and advising USTR as to their TRIPS consistency.

Through its attachés, USPTO has met a number of important objectives in host countries. For example, an agreement was signed with the Russian Federal Service for Intellectual Property, Patents, and Trademarks (Rospatent) in which Rospatent agreed to undertake international search and international preliminary examination for international applications filed with USPTO as the receiving office. As a result, U.S. applicants will have an additional choice of international authorities for searches and preliminary examinations based on the field of technology of the invention, as well as the speed and cost of service.

SUMMARY OF PERFORMANCE

The Department uses the following measure to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (USPTO)	TARGET	ACTUAL	STATUS
Percentage of prioritized countries that have implemented at least 75% of action steps in the country-specific action plans toward progress along following dimensions: 1. Institutional improvements of IP office administration for advancing IPR 2. Institutional improvements of IP enforcement entities 3. Improvements in IP laws and regulations 4. Establishment of government-to-government cooperative mechanisms	75%	75%	Met

FY 2011 STATUS

USPTO met the target for this measure.

OBJECTIVE 3

Stimulate high-growth business formation and entrepreneurship through investing in high-risk, high-reward technologies and by removing impediments to accelerate technology commercialization (EDA, NIST)

PUBLIC BENEFITS

EDA encourages entrepreneurship and commercialization through strategic investments and initiatives designed to encourage and reward innovative, groundbreaking ideas that will accelerate technology commercialization, and new venture formation across the United States. EDA's investments are designed to leverage the Agency's partnership with University Centers across the country, which have extensive resources, including specialized research, outreach and technology transfer and commercialization capabilities, as well as recognized faculty expertise and sophisticated laboratories. In addition, EDA uses its Office of Innovation and Entrepreneurship to conduct forums, collaborate on cutting-edge research, and analyze policy with the intent of identifying opportunities for enhancing federal efforts to encourage commercialization and entrepreneurship.

NIST invests in high-risk, innovative projects with the potential to produce transformational results in areas of critical national need. As established by the America COMPETES Act of 2007, the Technology Innovation Program (TIP) supports, promotes, and accelerates innovation in the United States by making cost-shared awards for high-risk, high-reward research in areas of critical national need. These areas need government attention because the magnitude of the problem is large and societal challenges are not being sufficiently addressed. TIP funds projects that have strong potential for advancing state-of-the-art technology and contributing significantly to the U.S. science and technology knowledge base, and that may result in the creation of IP vested in a U.S. entity. TIP may make awards of up to a total of \$3 million to individual small or medium-sized companies that cover three years or less, and awards of up to a total of \$9 million to joint ventures that cover five years or less.

The long-term nature of TIP-funded projects will result in a three to five-year lag from initial project funding to the generation of four additional measureable outputs and outcomes. These additional measures will cover the number of publications, patent applications, projects generating continued research and development (R&D), and projects with technologies under adoption.

ACHIEVEMENTS

EDA

Using its broad portfolio of economic development programs, EDA took significant steps to stimulate high growth, business formation, entrepreneurship, and technology commercialization through strategic investments in FY 2011. EDA's investments in University Centers helped to identify opportunities for technology commercialization, and facilitated implementation and dissemination of programs to cultivate innovation and entrepreneurship. EDA's Office of Innovation and Entrepreneurship worked with key stakeholders throughout the country to identify and disseminate strategies to promote technology transfer and commercialization, especially through the Nation's federal laboratories. Vital to this effort was EDA-funded research completed in FY 2011 that identified factors affecting technology transfer and commercialization and provided key innovative strategies that can be employed as they are pursued.

In addition, in FY 2011, EDA led an initiative of 16 federal agencies and bureaus to introduce the Jobs and Innovation Accelerator Challenge (Jobs Accelerator), an unprecedented initiative to spur economic growth through public-private partnerships in at least 20 regions around the country. The Jobs Accelerator supports the development and implementation of locally driven economic development strategies by coordinating federal resources to support the development of self-identified, high-growth clusters and accelerate the benefits of regional innovation cluster-based economic development, including business formation and expansion, high-wage job growth, increased exports, and higher incomes for all residents.

NIST

New High-Risk Innovative Awards in Critical National Need Areas

NIST’s TIP funded a total of 38 new high-risk, innovative projects since the program’s inception in the critical national need areas of inspecting and repairing the Nation’s civil infrastructure and accelerating advanced materials and critical processes in manufacturing and biomanufacturing. The unique multi-disciplinary approaches and teaming efforts of the 78 recipient organizations involved in these projects will help to achieve a transformational impact in both areas of national need.

Awards to Small Businesses Five Years or Less

In the first 38 cost-shared awards TIP awarded, 17 of the recipient companies (10 single company awards and seven joint venture members) were small businesses five years old or less and were involved in research in 14 different TIP projects. These 14 projects with small, young recipients received \$41.9 million in federal support from TIP and contributed an additional \$46.0 million in private cost share for a total of \$87.9 million invested in high-risk, high-reward research in areas of critical national need. These areas cover inspecting and repairing the Nation’s civil infrastructure and accelerating advanced materials and critical processes in manufacturing and biomanufacturing.

Advanced Manufacturing Research in Electronics, Biotechnology, and Nanotechnology

In December 2010, NIST announced TIP’s nine new research projects selected for cost-shared awards, targeting innovative manufacturing technologies in fields ranging from biopharmaceuticals and electronics to renewable energy sources and energy storage. TIP would provide \$22 million to these projects that, if successful, will generate an estimated \$46 million in new advanced manufacturing research over the next three years.

SUMMARY OF PERFORMANCE

The following 10 measures associated with EDA overlap among Objectives 3, 6, and 7 and are reflected in the crosswalk below. Objective 6 has no other measures other than the ones noted in this list while Objectives 3 and 7 have separate measures that don’t overlap with each other.

PERFORMANCE MEASURE	OBJECTIVE 3	OBJECTIVE 6	OBJECTIVE 7
Private investment leveraged – 9 year totals (in millions)	✓	✓	✓
Private investment leveraged – 6 year totals (in millions)	✓	✓	✓
Private investment leveraged – 3 year totals (in millions)	✓	✓	✓
Jobs created/retained – 9 year totals	✓	✓	✓
Jobs created/retained – 6 year totals	✓	✓	✓

(continued)

PERFORMANCE MEASURE <i>(continued)</i>	OBJECTIVE 3	OBJECTIVE 6	OBJECTIVE 7
Jobs created/retained – 3 year totals	✓	✓	✓
Percentage of Economic Development Districts (EDD) and Indian tribes implementing projects from the Comprehensive Economic Development Strategy (CEDs) that lead to private investment and jobs	✓		✓
Percentage of sub-state jurisdiction members actively participating in the Economic Development District program	✓		✓
Percentage of University Center clients taking action as a result of University Center assistance	✓		✓
Percentage of those actions taken by University Center clients that achieve the expected results	✓		✓

The table that appears below reflects performance for those measures that apply to either all three, or to Objectives 3 and 7, and to the TIP measure that applies to only Objective 3. Measures that apply to only Objective 7 appear under the text for that objective.

PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Private investment leveraged – 9 year totals (in millions) (EDA)	\$1,940	\$3,960	Exceeded
Private investment leveraged – 6 year totals (in millions) (EDA)	\$674	\$1,617	Exceeded
Private investment leveraged – 3 year totals (in millions) (EDA)	\$245	\$1,475	Exceeded
Jobs created/retained – 9 year totals (EDA)	57,800	56,058	Slightly Below
Jobs created/retained – 6 year totals (EDA)	18,193	26,416	Exceeded
Jobs created/retained – 3 year totals (EDA)	6,256	14,842	Exceeded
Percentage of Economic Development Districts (EDD) and Indian tribes implementing projects from the Comprehensive Economic Development Strategy (CEDs) that lead to private investment and jobs (EDA)	95%	86%	Not Met
Percentage of sub-state jurisdiction members actively participating in the Economic Development District program (EDA)	89%	85%	Slightly Below
Percentage of University Center clients taking action as a result of the University Center assistance (EDA)	75%	68%	Not Met
Percentage of those actions taken by University Center clients that achieve the expected results (EDA)	80%	83%	Met
Cumulative number of TIP projects funded (NIST)	38	38	Met

FY 2011 STATUS

EDA met or exceeded six of 10 targets, and was slightly below the targets for two other measures. NIST met its lone target.

FY 2011 MISSED TARGETS

MEASURE	JOBS CREATED/RETAINED – 9 YEAR TOTALS (EDA)
Explanation	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Action	No actions to be taken.
MEASURE	PERCENTAGE OF ECONOMIC DEVELOPMENT DISTRICTS (EDD) AND INDIAN TRIBES IMPLEMENTING PROJECTS FROM THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) THAT LEAD TO PRIVATE INVESTMENT AND JOBS (EDA)
Explanation	For this measure, EDA uses a strict definition that requires EDDs to report <i>both</i> jobs and private investment as a result of their economic development projects. This year, a significant number of EDDs reported <i>either</i> jobs or private investment, but not both. If these were to be counted, the percentage would be raised to 93 percent.
Action	No actions to be taken.
MEASURE	PERCENTAGE OF SUB-STATE JURISDICTION MEMBERS ACTIVELY PARTICIPATING IN THE ECONOMIC DEVELOPMENT DISTRICT PROGRAM (EDA)
Explanation	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Action	No actions to be taken.
MEASURE	PERCENTAGE OF UNIVERSITY CENTER CLIENTS TAKING ACTION AS A RESULT OF THE UNIVERSITY CENTER ASSISTANCE (EDA)
Explanation	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Action	No actions to be taken.

HISTORICAL TRENDS

EDA has consistently met or exceeded its targets for private investment leveraged and jobs created, as well as its EDD and University Center targets.

OBJECTIVE 4

Drive innovation by supporting an open global Internet and through communications and broadband policies that enable robust infrastructure, ensure integrity of the system, and support e-commerce (NTIA)

PUBLIC BENEFITS

In this era of technological expansion two areas where the Department provides significant benefits to the U.S. public involve the radio frequency spectrum and broadband technology. NTIA acts as an advisor to the President on communications policy matters: Internet domain names, high-speed Internet services, wireless telecommunications standards, and technology. NTIA continues to further the technological advances for wireless communication, Internet services, domain name management issues, and other advances in technology. NTIA's responsibilities have increased considerably in this expansion of technology with the enactment of the American Recovery and Reinvestment Act (ARRA) of 2009. NTIA and the U.S. Department of Agriculture's Rural Utilities Service are administering a \$7 billion initiative to expand broadband access and adoption. Specifically, NTIA is utilizing approximately \$4 billion of that funding for grants through the Broadband Technology Opportunities Program (BTOP). BTOP projects extend broadband access to unserved and underserved areas of the country and to vulnerable populations, including minorities, low income residents, the aged, the unemployed, and people with disabilities. These projects are deploying broadband infrastructure, enhancing capacity at public computing centers, and supporting projects to encourage non-users to subscribe to broadband services. BTOP objectives include:

- Extend broadband access to unserved and underserved areas;
- Increase broadband education, awareness, training, access, equipment, and support;
- Expand broadband access and use by public safety agencies; and
- Stimulate broadband demand, economic growth, and job creation.

NTIA also leads Department activities in the areas of next-generation Internet Protocols, ultrawideband technology, wireless broadband applications, wireless sensor technologies, and Internet technical functions. Congress directed NTIA to use ARRA funding to develop a national broadband map which would educate the Nation about broadband availability and assist the public and private sectors in making decisions affecting their businesses and constituents.

ACHIEVEMENTS

In November 2010, NTIA recommended that 115 MHz of spectrum be reallocated for wireless broadband service within the next five years. NTIA also established a plan and timetable for identifying spectrum that can be made available for wireless broadband over the next 10 years, working in collaboration with the Federal Communications Commission (FCC) and other federal government agencies. The Ten-Year Plan and Timetable identifies over 2,200 MHz of spectrum for evaluation, establishes a process for evaluating these candidate bands, and lays out the steps to potentially make the selected spectrum available for wireless broadband services. NTIA and FCC will also identify 500 MHz of spectrum over the next 10 years to support commercial broadband services or products. In January, NTIA selected the 1755-1850 MHz band as a priority for analysis based on a variety of factors, including industry interest and its potential for commercial use within 10 years. NTIA began the detailed study phase of the 1755-1850 MHz immediately.

NTIA has completed an initial version of a prototype online Spectrum Inventory. NTIA expects to release this publicly in April 2012.

BTOP is on track to meet—and in most cases exceed—its program goals, delivering significant progress in areas such as infrastructure construction, computer center launches, and delivery of training to new broadband users. NTIA expects the pace of delivered miles to continue to increase now that most infrastructure recipients have completed environmental and historic preservation requirements and are taking advantage of the summer/fall construction season. NTIA also expects the deployment of new workstations and upgrades of existing workstations to accelerate as recipients order, configure, and install computers at their sites. Furthermore, NTIA expects the number of new subscribers to increase significantly as more households are reached by awareness campaigns, receive subsidized computer equipment or broadband service, complete training programs, and take advantage of workstations and discounted subscriptions provided by BTOP funds.

NTIA, in collaboration with FCC, launched the National Broadband Map on February 17, 2011. This tool publicly displays the geographic areas where broadband service is available; the technology used to provide the service; the speeds of the service; and broadband service availability at public schools, libraries, hospitals, colleges, universities, and public buildings. The map is also searchable by address and shows the broadband providers offering service in the corresponding census block or street segment. NTIA makes the underlying datasets readily available and offers analytical tools to help consumers, businesses, policymakers, and researchers make further use of this data.

NTIA created DigitalLiteracy.gov, in partnership with nine federal agencies, to provide librarians, teachers, workforce trainers, and others a central location to share digital literacy content and best practices. Anyone can use the Web site to identify the skills needed for various jobs, locate suitable training, and search for employment. The Web site also provides a central location where grantees from NTIA's BTOP can upload and share digital literacy training materials with other practitioners and the general public, leveraging the value of these projects.

Since the launch of DigitalLiteracy.gov, NTIA has bolstered its partnership with the American Library Association and the Institute of Museum and Library Services to promote the use of the portal and identify additional content resources for the site. With the help of its partners, NTIA has added more than 132 resources to the existing tools on the portal, including tutorials on using handheld devices and mobile data applications, information on how technology is empowering the disabled community, and new resource topics, such as child online protection. NTIA also uses the portal to highlight BTOP recipients and their progress in promoting digital literacy in communities across the country. NTIA continues to collaborate with its partners to promote the use of the portal helping to drive, on average, more than 1,000 visitors to the site each week.

NTIA participated with other Department operating units in the Internet Policy Task Force (IPTF), which is conducting comprehensive reviews of the nexus between privacy policy, copyright, global free flow of information, cybersecurity, and innovation in the Internet economy. In December 2010, the IPTF released a privacy report with initial recommendations, outlining a framework to increase protection of consumers' data while supporting innovation and evolving technology. One of the recommendations was the adoption of baseline privacy principles concerning how online companies collect and use personal information, a consumer online "bill of rights." The IPTF also released "green papers" and sought public comment on Copyright Policy, Creativity, and Innovation in the Internet Economy; the Global Free Flow of Information; and Cybersecurity, Innovation, and the Internet Economy.

NTIA and FCC together will identify the 500 MHz of spectrum. There are no annual targets either for identification of spectrum bands or for those undergoing study. In January 2011, NTIA selected the 1755-1850 MHz band as a priority for analysis based on a variety of factors, including industry interest and its potential for commercial use within 10 years. NTIA has completed a key milestone in submitting the draft detailed analysis report of this first priority band, 1755-1850 MHz.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (NTIA)	TARGET	ACTUAL	STATUS
Update the spectrum inventory first established in FY 2010	Spectrum inventory update	Completed	Met
Identify up to 500 MHz of spectrum to support commercial broadband services or products	Complete identification	Completed	Met
Miles of broadband networks deployed (infrastructure projects)	10,000	18,545 ¹	Exceeded
Community anchor institutions connected (infrastructure projects)	3,000	1,322 ^{1,2}	N/A
New and upgraded computer workstations (public computer centers projects)	10,000	16,060 ¹	Exceeded
New household and business subscribers to broadband (sustainable broadband adoption projects)	25,000	111,829 ¹	Exceeded

¹ As of June 30, 2011.

² NTIA is uncertain whether this target will be met since data will not be available until January 2012.

FY 2011 STATUS

NTIA met, or exceeded, all of its targets.

OBJECTIVE 5

Provide measurement tools and standards to strengthen manufacturing, enable innovation, and increase efficiency (NIST)

PUBLIC BENEFITS

The Nation's ability to innovate and compete in a global economy depends on a robust scientific and technical infrastructure, including research, measurement tools, standards, data, and models. NIST works with U.S. industry and other stakeholders to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve quality of life. NIST leadership in measurement science research ensures that U.S. industry and universities will have the tools they need to remain at the leading edge of innovation and to secure "first-mover advantage" in bringing new technologies to market. NIST laboratories develop and disseminate measurement techniques, reference data, test methods, standards, and other infrastructural technologies and services required by U.S. industry to compete in the 21st century.

NIST laboratories work at the frontiers of measurement science to ensure that the U.S. system of measurements is firmly grounded on a sound scientific and technical foundation and promotes the use of the international system of units. Today, NIST laboratories address increasingly complex measurement challenges. For example, NIST develops measurements focusing on the very small (e.g., nanotechnology devices) and the very large (e.g., skyscrapers); the physical, such as methods for characterizing strands of DNA for forensic testing; and the virtual, such as methods for testing electronic health record systems.

NIST laboratories engage in international activities to support trade and global science, and to promote the international acceptance of U.S. measurement standards. Industry and academia have access to NIST's unique user facilities that support emerging technology areas: the NIST Center for Neutron Research, which provides world class neutron measurement capabilities to the U.S. research community; and the NIST Center for Nanoscale Science and Technology, which supports nanotechnology development from discovery to production.

NIST laboratories also support the development of standards and specifications that define technical and performance requirements for goods and services. These documentary standards are primarily developed collaboratively with the private sector through an open, consensus-based process. In addition, NIST is designated under the National Technology Transfer Advancement Act as the coordinator for all federal agencies using documentary standards that are developed by private-sector consensus bodies to carry out their policy objectives.

ACHIEVEMENTS

NIST Publishes Approved Testing Procedures for Electronic Health Records

In efforts to help the Nation's health care industry make the transition to the digital age in an effective and meaningful fashion, NIST published a set of approved procedures for testing information technology (IT) systems for electronic health records, which are necessary to create confidence in and accelerate deployment of the technology. The set of 45 approved test procedures evaluates components of electronic health records such as their encryption, how they plot and display growth charts, and how they limit access to authorized users only. The procedures also will help ensure that electronic health records function properly and work across systems developed by different vendors for doctor's offices, hospitals, and other health care providers. The development of these tools was mandated by ARRA in order to support a health IT infrastructure.

Draft Guide to Cloud Computing

In May 2011, NIST began collecting public comments on a draft of its most complete guide to cloud computing to date. *NIST Cloud Computing Synopsis and Recommendations* (Special Publication 800-146) explains cloud computing technology in plain terms and provides practical information for IT decisionmakers interested in moving into the cloud. Cloud computing is a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources—for example, networks, servers, storage, applications, and services—that can be rapidly provisioned and released with minimal management effort or service provider interaction. The federal Chief Information Officer has asked NIST to lead government efforts on standards for data portability, cloud interoperability, and security. The goal is to help the federal government reap the benefits of cloud computing.

NIST Develops New Scanning Probe Microscope

NIST developed the world's most advanced low-temperature scanning probe microscope with unprecedented energy resolution. The microscope operates at lower temperatures and higher magnetic fields than any other similar microscope, capabilities that enable the device to resolve energy levels separated by as little as one millionth of an electron volt. Researchers at NIST created the microscope together with a team of graduate students, postdoctoral students, and visiting scientists. NIST has already used the device to uncover key properties of graphene, a flat two-dimensional sheet of carbon atoms with remarkable strength and electrical properties. Graphene is highly anticipated to play a revolutionary role in the future of devices such as computers and batteries.

Final Report on Charleston Sofa Store Fire Includes 11 Recommendations for Changes to Codes and Procedures

NIST contributed to enhanced building, occupant, and firefighter safety nationwide by issuing recommendations for building and fire codes at state and local levels. Based on a detailed technical investigation of the Sofa Super Store fire (Charleston, SC, 2007), the study team made 11 recommendations for enhancing building, occupant, and firefighter safety nationwide. In particular, the team urged state and local communities to adopt and strictly adhere to current national model building and fire safety codes. These codes are used as models for building and fire regulations promulgated and enforced by U.S. state and local jurisdictions. Those jurisdictions have the option of incorporating some or all of the code's provisions but often adopt most provisions.

Ground Broken for New Green Technology and Fire Safety Facilities

On March 25, 2011, NIST held a groundbreaking ceremony at its Gaithersburg, MD, campus for three new facilities funded by ARRA. The Net-Zero Energy Residential Test Facility resembles a typical suburban Maryland single-family home, and is designed to produce as much energy as it consumes over the course of a year. The house will serve as a testbed for new home-scale energy technologies. The National Fire Research Laboratory will be expanded with a 21,400 square foot (1,988 square meter) laboratory space that will provide a unique capability for testing structures up to two stories in height, as well as subassemblies and systems under realistic fire conditions. And more than 2,500 new photovoltaic modules will be installed, generating more than 700 megawatt hours of electricity annually—enough to power 67 homes.

IPv6 Guide Provides Path to Secure Deployment of Next-Generation Internet Protocol

Researchers at NIST have issued a guide for managers, network engineers, transition teams, and others to help them deploy the next-generation Internet Protocol (IPv6) securely. *Guidelines for the Secure Deployment of IPv6* (NIST Special Publication 800-119) describes the features of the protocol and possible related security impacts, provides a comprehensive survey of mechanisms to deploy the protocol, and suggests a deployment strategy for a secure IPv6 environment. The ballooning popularity of devices tied to the Internet, such as smart phones and netbooks, is rapidly depleting the number of so-called IP addresses available under the current Internet

Protocol version 4 (IPv4), so the networkers of the world are preparing to move to IPv6, which has a vastly greater number of potential addresses. NIST developed the IPv6 security guidelines in support of the Federal Information Security Management Act (FISMA).

New Web Application Simplifies Use of NIST's Economically Green Building Products Tool

NIST released a free Web-based application to assist building designers, builders, and product manufacturers by bringing scientific and economic considerations to green building product selection. The Building for Environmental and Economic Sustainability (BEES) Online tool measures the environmental performance of 230 building products from cradle-to-grave based on consensus standards, and is a valuable tool for the Leadership in Energy and Environmental Design (LEED) certification process. BEES Online is based on consensus standards and is designed to be practical, flexible, and transparent.

NIST Puts a New Twist on the Electron Beam

Electron microscopes are among the most widely used scientific and medical tools for studying and understanding a wide range of materials, from biological tissue to miniature magnetic devices, at tiny levels of detail. Now, researchers at NIST have found a novel and potentially widely applicable method to expand the capabilities of conventional transmission electron microscopes. Passing electrons through a nanometer-scale grating, the scientists imparted the resulting electron waves with so much orbital momentum that they maintained a corkscrew shape in free space. Although NIST researchers were not the first to manipulate a beam of electrons in this way, their device was much smaller, separated the fanned out beams 10 times more widely than previous experiments, and spun up the electrons with 100 times the orbital momentum. The development could lead to quick and inexpensive imaging of a larger set of magnetic and biological materials with atomic-scale resolution.

Environmental Studies Reveal Clues to Mercury Cycling and Pollutant Threats to Turtles

Three environmental studies were released this year by teams at the Hollings Marine Laboratory, a unique partnership of governmental and academic agencies including NIST, the National Oceanic and Atmospheric Administration's (NOAA) National Ocean Service, the South Carolina Department of Natural Resources, the College of Charleston, and the Medical University of South Carolina. One study suggests that mercury cycling in the flora and fauna of the Arctic may be linked to the amount of ice cover present. The researchers found higher concentrations of mercury in eggs from areas of low or no sea-ice, compared with eggs in areas of high sea ice cover. These findings take on greater significance in light of the potential for global warming to dramatically reduce Arctic sea ice. In another pair of studies, researchers report that persistent organic pollutants are consistently showing up in the blood and eggs of loggerhead sea turtles, that the turtles accumulate more of the contaminant chemicals the farther they travel up the Atlantic coast, and that the pollutants may pose a threat to the survival of this endangered species. This large group of man-made chemicals persist in the environment and spread great distances through air and water, accumulate in human and animal tissues, infiltrate food chains, and may have carcinogenic and neurodevelopmental effects.

NIST and Researcher Recognized for Influential Forensic Science Citations

In July 2011, ScienceWatch.com listed NIST and one of its scientists among the most influential institutions and researchers in forensic science. According to a ScienceWatch.com survey of legal medicine and forensic science journal papers published and cited between 2001 and early 2011, NIST ranked seventh place worldwide and second in the United States. In terms of impact—the average annual number of citations in high-impact journals—NIST was top among U.S. institutions and third globally. NIST chemist and DNA forensics expert John Butler was ranked as the number one “high-impact author in legal medicine and forensic science, 2001 to 2011” among authors who published 20 or more papers during the decade. When authors were ranked by their H-index (a measure of both the productivity and impact of their published work), Butler led all U.S. scientists and tied for fourth worldwide.

NIST Develops New Tool for Processing Information at the Quantum Level

Physicists at NIST have demonstrated an electromechanical circuit in which microwaves communicate with a vibrating mechanical component 1,000 times more vigorously than ever achieved before in similar experiments. The microscopic apparatus is a new tool for processing information and potentially could control the motion of a relatively large object at the smallest possible, or quantum, scale. The experiment is a step toward entanglement—a curious quantum state linking the properties of objects—between the microwave photons and the drum motion. The drum has possible practical applications such as measuring length and force with sensitivities at levels of attometers (billionths of a billionth of a meter) and attonewtons (billionths of a billionth of a newton), respectively.

Performance Indicators for Measurement Services and Publications

NIST measurement services, including calibration services, are critical for ensuring product performance and quality, improving production processes, making marketplace transactions fair and efficient, and leveling the playing field for international trade. NIST offers nearly 600 different types of physical calibrations in areas as diverse as radiance temperature, surface finish characterization, and electrical impedance. Standard Reference Materials (SRM) are the definitive artifact-based source of measurement traceability in the United States and are certified in NIST laboratories for their specific chemical and material properties. Customers use SRMs to achieve measurement quality and conformance to process requirements that address both national and international needs for commerce and trade and public safety and health. NIST’s technical publications serve as a major knowledge and technology mechanism to transfer the results of its research to support the Nation’s technical infrastructure and provide measurements and standards to those in industry, academia, and other government agencies. Each year, NIST’s technical staff produces an average of 2,000 publications with approximately 50 to 60 percent appearing in prestigious scientific peer-reviewed journals. Citation impact of NIST-authored publications demonstrates that NIST consistently produces relevant scientific and technical publications. Citation analysis provides an independent and objective validation of peer review findings as research has shown that high citation rates—the cumulative number of citations per publication—correlate with peer review judgment in terms of scientific quality and relevance. NIST also provides online access to over 80 scientific and technical databases to academia, industry, other government agencies, and the general public. An additional hundreds of millions of annual downloads are associated with NIST Web-based, time-related services.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (NIST)	TARGET	ACTUAL	STATUS
Qualitative assessment and review of technical quality and merit using peer review	Complete annual peer review	Completed	Met
Citation impact of NIST-authored publications	> 1.1	> 1.1*	Met
Peer-reviewed technical publications produced	1,350	1,210	Not Met
Standard Reference Materials (SRM) sold	31,000	32,864	Met
NIST-maintained datasets downloaded	24,500,000	19,100,000	Not Met
Number of calibration tests performed	9,700	18,195	Exceeded

* Actual for this measure lags nine months. The actual shown here is based on FY 2010 data.

FY 2011 STATUS

NIST met or exceeded four of the six targets for this objective.

FY 2011 MISSED TARGETS

MEASURE	PEER-REVIEWED TECHNICAL PUBLICATIONS (NIST)
Explanation	Budget uncertainties disrupted NIST operations which negatively impacted the time and resources available for research as the scientific and technical staff turned its attention to shutdown activities and other administrative tasks.
Action	NIST will continue to produce high quality relevant scientific and technical publications. In spite of the lower number of publications in FY 2011 than expected, NIST is consistently producing high quality relevant scientific and technical publications as demonstrated by NIST's greater than average "relative citation impact." Also, during the first eight months of 2011, over 30 percent of NIST-authored publications appeared in "top tier" journals as defined by Thomson Reuters Impact Factor.
MEASURE	NIST-MAINTAINED DATASETS DOWNLOADED (NIST)
Explanation	The lower number of datasets is due to a change in methodology for this measure. Beginning in FY 2011, Web robot index searches were being filtered out of the total count of downloaded datasets to more accurately reflect customer interest.
Action	NIST revised this target for FY 2012 and FY 2013 based on the new methodology and the FY 2011 baseline.

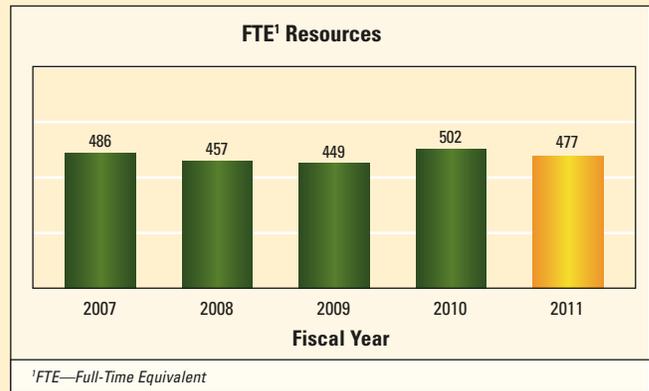
HISTORICAL TRENDS

The National Research Council (NRC), in cooperation with NIST, has completed its peer assessments every year with typically high praise for NIST programs. NIST typically meets all its targets each year. The missed NIST-maintained datasets target in FY 2011 is due to a methodology change.

STRATEGIC GOAL – MARKET DEVELOPMENT AND COMMERCIALIZATION

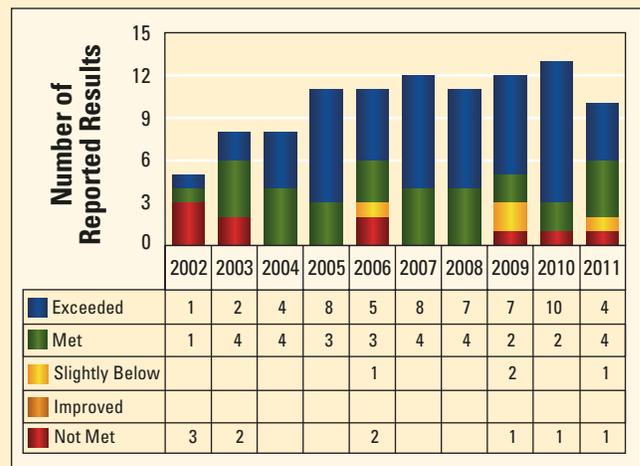
Foster market opportunities that equip businesses and communities with the tools they need to expand, creating quality jobs with special emphasis on unserved and underserved groups

MARKET DEVELOPMENT AND COMMERCIALIZATION TOTAL RESOURCES



This strategic goal is comprised of three objectives which contribute to the Secretary’s theme of Economic Growth. The following public benefits, achievements, and performance results are associated with each objective.

MARKET DEVELOPMENT AND COMMERCIALIZATION PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

Objectives 3, 6 and 7 share measures that are related to EDA. The results of these measures are reflected in Objective 3.

OBJECTIVE 6

Promote the advancement of sustainable technologies, industries, and infrastructure (EDA)

PUBLIC BENEFITS

Green technologies and industries refer to efforts and activities that preserve or enhance environmental quality by limiting the Nation's dependence on fossil fuels, enhancing energy efficiency, curbing greenhouse-gas emissions, and protecting natural systems. As a subset of green, blue technologies refer to environmentally-sustainable efforts and activities related to oceans and waterways, aquaculture, renewable energy (hydropower, ocean thermal energy, wave power, etc.), and water science management.

Facing the challenges presented by global warming and climate change also offers opportunities to U.S. businesses. It is a Departmental priority to gather data about the environment, promote energy efficient and environmentally sustainable technologies, and use this information to grow jobs in the blue and green economies.

The Economic Development Administration (EDA) provides strategic investments in projects that encourage growth of the green economy. Recent EDA-funded research reveals that businesses in renewable energy and alternative fuels, green building and energy efficiency technology, energy-efficient infrastructure, transportation, and recycling are growing faster than the rest of the economy. These findings illustrate the promise environmentally sustainable economic development, and, more specifically, advances in green industries and technologies, have for transforming regional economies and spurring innovation and fostering job growth.

Through its strategic investments, EDA helps communities leverage their regional assets to promote environmentally-sustainable economic development in a sustainable manner. For example, EDA can provide technical assistance to plan or test the feasibility of transitioning to green practices, resources to help construct U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certified (or equivalent) buildings, or support to make a business or manufacturing process more environmentally-friendly and more competitive. Since FY 2010, EDA has measured its success in promoting environmentally-sustainable economic development through a Priority Goal by raising to 12 percent the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's LEED or a comparable third-party certification program.

ACHIEVEMENTS

In FY 2011, EDA exceeded its Priority Goal to raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's LEED or a comparable third-part certification program to 12 percent, ensuring that at least 14 percent of its infrastructure investments followed sustainable building practices. EDA views such investments in the green economy as essential to improving the Nation's competitiveness. These investments will help to build vibrant, regional innovation ecosystems that support job creation and economic growth. EDA's two-pronged approach toward environmentally sustainable economic development and sustainable building practices supports EDA's achievements in fostering sustainable building practices. First, EDA continues to follow a core set of investment priorities which direct Agency funding toward projects that encourage environmentally-sustainable economic development, support emerging industrial clusters related to energy, foster cutting-edge environmental technologies, and cultivate sustainable manufacturing practices.

Secondly, EDA administers the Congressionally-directed Global Climate Change Mitigation Incentive Fund (GCCMIF) to invest in economic development projects that foster job creation by limiting the Nation's dependence on fossil fuels, enhancing energy efficiency, curbing greenhouse gas emissions, and promoting green building practices. This two-pronged approach ensures that sustainable practices are woven throughout EDA's programs and strategic investments.

In addition, in FY 2011, EDA introduced the i6 Green Challenge: a \$12 million competition, focused on incentivizing innovative, ground-breaking ideas that enable technology commercialization, new venture formation, job creation, and economic growth in environmental quality and green technology fields. Building on the success of last year's inaugural i6 Challenge, this year's competition is designed to catalyze the creation of Proof of Concept Centers that support all aspects of the entrepreneurship process, from assisting with technology feasibility and business plan development, to providing access to early-stage capital and mentors to offer critical guidance to innovators. Centers allow emerging technologies to mature and demonstrate their market potential, making them more attractive to investors and helping entrepreneurs turn their idea or technology into a business.

Winners of the i6 Green Challenge competition include: the Iowa Innovation Network i6 Green Project in Ames, IA; a Proof of Concept Center for Green Chemistry Scale-up in Holland, MI; the iGreen New England Partnership; the Igniting Innovation (I2) Cleantech Acceleration Network in Orlando, FL; the Louisiana Tech Proof of Concept Center in Ruston, LA, and the Washington Clean Energy Partnership Project of Washington State. Their projects demonstrated viable plans for building regional capacity to assist entrepreneurs in starting, financing, and scaling companies that commercialize green technologies. The winners will provide solutions to real and persistent problems for entrepreneurs aiming to commercialize green technologies. These challenge investments are expected to result in numerous outcomes, including increased rates of business and job creation; inflows of capital; and the development of new green technologies, products, and services.

SUMMARY OF PERFORMANCE

The measures for this objective overlap with those of Objectives 3 and 7. The targets and actual performance of those measures appear on page 78.

OBJECTIVE 7

Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas (EDA, MBDA)

PUBLIC BENEFITS

In support of disadvantaged individuals and communities, EDA promotes private enterprise and job creation in economically distressed communities and regions by investing in projects that produce jobs and generate private capital investment. Through partnerships with local development officials, including Economic Development Districts (EDD); University Centers; faith-based and community-based organizations; and local, state, and federal agencies, EDA can assist distressed communities with strategic planning and investment activities. This process helps communities set priorities, determine the viability of projects, and leverage outside resources to improve the local economy to sustain long-term economic growth.

For communities that are particularly distressed through natural disasters, EDA has a long history of providing concerted economic assistance designed to assist these communities with their long-term economic recovery. In partnership with the Federal Emergency Management Agency (FEMA), EDA will often provide the initial economic impact assessment of affected areas. EDA then works with the community to provide tailored assistance, whether by supporting a disaster coordinator to help guide the community in its recovery efforts, or by providing funds for targeted infrastructure designed to help catalyze the regional economy to overcome the effects of the disaster.

The Minority Business Development Agency (MBDA) promotes the ability of minority business enterprises (MBE) to grow and participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services. MBDA, through its direct federal client services and its network of funded centers (1) fosters the expansion of opportunities for minority-owned business in the global marketplace, (2) identifies sources of financial capital for minority owned firms, (3) develops and upgrades electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities, (4) provides management and technical assistance to minority-owned businesses, and (5) advocates for the increased use of electronic commerce and new technologies by MBEs.

ACHIEVEMENTS

EDA continued to provide economic development assistance to communities in the wake of severe natural disasters. After the Northeast fisheries collapse, EDA deployed economic development assessment teams to conduct an analysis of six Northeast fishing communities. These visits provided customized technical assistance for fishing communities that experienced reductions in groundfish fishing revenues in recent years. Following the severe tornado in the Joplin, MO, region, EDA worked quickly to support the appointment of both regional and local Disaster and Economic Recovery Coordinators who will work to advance economic recovery efforts in the area..

Beginning in FY 2011, EDA implemented an unprecedented overhaul of its grant award process in order to enhance the transparency of its decision-making process and to provide applicants with information on the status of their application as quickly as possible. As a result of these efforts, EDA now provides winners of its quarterly funding competitions with letters of non-binding commitment within

20 business days of its quarterly competition deadline. In addition, any prospective applicant may come to EDA with an application at any time and receive feedback on the application merits and deficiencies within 15 business days of submission to EDA.

In FY 2011, EDA participated in the development of the Strong Cities, Strong Communities initiative, a new interagency pilot initiative that aims to strengthen neighborhoods, towns, cities, and regions around the country by strengthening the capacity of local governments to develop and execute their economic vision and strategies. The pilot will begin in six cities across the United States: Chester, PA; Cleveland, OH; Detroit, MI; Fresno, CA; Memphis, TN; and New Orleans, LA. Future cities that also participate will benefit from this transformative approach through innovative and creative competitions that will plan and build innovation ecosystems where they are needed most.

In addition to the six pilot locations, Strong Cities, Strong Communities initiative includes an Economic Planning Challenge, spearheaded by EDA, which is designed to help additional cities develop economic blueprints. This national grant competition will enable cities to adopt and implement innovative economic development strategies to support comprehensive city and regional planning efforts. Six cities will be competitively selected to receive a grant of approximately \$1 million that they will use to administer an "X-prize style" competition, whereby they will challenge multi-disciplinary teams of experts to develop comprehensive economic and land use proposals for their city.

MBDA's year-end results exceeded its performance goals, achieving over \$1.4 billion in contract awards and over \$2.0 billion in financial awards. Through its direct federal client services and network of funded centers, MBDA helped MBEs obtain contracts and financial awards. MBDA's programs and services helped create over 4,000 new jobs despite the economic downturn and overall decline in the national job market.

In FY 2011, MBDA played an integral role in numerous Department and presidential priorities, including the National Export Initiative (NEI), Deep Water Oil Spill Cleanup, the White House Task Force on Government Contracting, the Department Task Force on China, CommerceConnect, and Jobs and Innovation Accelerator Challenge. Throughout FY 2011, MBDA continued to focus its resources to build firms of size, scale, and capacity through its Strategic Growth Initiative (firms with \$500,000 or more in annual sales or with rapid growth potential). Based upon MBDA's Strategic Growth Initiative, many high growth minority firms have successfully competed for larger prime contracts and financial awards, and have had a significant economic impact within the minority community and overall economy.

To expand the number of contract and financial awards and to create new job opportunities, MBDA initiated several new programs in FY 2011. On November 10, 2010, MBDA completed a nationwide solicitation to operate 30 new MBDA Business Centers. These funded centers provide one-on-one and group consulting services in such areas as business counseling (i.e., management and technical assistance), deal facilitation and brokering services, marketing and growth strategies, teaming assistance, global expansion assistance, and assistance in obtaining contract and financial award opportunities.

Launched late last year, the National Advisory Council on Minority Business Enterprises is a critical source of policy recommendations on how to expand the economic capability of MBEs. MBDA worked closely with advisory board members to promote policies that create a level playing field for MBEs across the Nation.

In FY 2011, MBDA also opened a center for government contracting to provide direct support to minority-owned companies across the Nation that desire to compete for government contracts. This center provides a central location for minority-owned businesses to obtain the information, skills, and relationships they need to achieve favorable contract acquisition.

MBDA continued its series of Business-to-Business Forums to encourage MBEs to partner with other firms, form joint ventures, and sign Mentor-Protégé Agreements. These forums encouraged enterprises with increased capacity and competitiveness to sustain development within the minority community.

MBDA implemented a new customer relationship management (CRM) system during FY 2011. The CRM will revolutionize MBDA operations by allowing the Agency to better track export activity, domestic business development activity, Agency-wide deal flow, and provide a real-time view of the impact of the current economic events on the minority business community. More important, this CRM will allow MBDA to respond more quickly to the needs of customers and stakeholders.

Under the auspices of President Obama’s NEI, export promotion and the globalization of the minority business community continued to be a substantial focus of Agency activities in FY 2011. MBDA’s target clients have unique competitive advantages in the global markets, including language skills, cultural knowledge, knowledge of local business practices, and familial and other relationships. These competitive advantages have resulted in minority-owned firms being twice as likely to export as non-minority-owned firms. To leverage these competitive advantages on behalf of the U.S. economy, MBDA engaged in an effort to identify those companies that have export potential and support them as they globalize their business models.

SUMMARY OF PERFORMANCE

Several of the measures for this objective overlap with those of Objectives 3 and 6. The targets and actual performance of those measures appear on page 78. In addition, the following measures apply only to this objective.

PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAACs (EDA)	90%	73%	Not Met
Percentage of those actions taken by Trade Adjustment Assistance Center clients that achieved the expected results (EDA)	95%	100%	Met
Dollar value of contract awards obtained (billions) (MBDA)	\$1.10	\$1.40	Exceeded
Dollar value of financial awards obtained (billions) (MBDA)	\$0.90	\$2.10	Exceeded
Number of new job opportunities created (MBDA)	4,300	4,200	Slightly Below

FY 2011 STATUS

EDA met one and missed one target in FY 2011. MBDA exceeded two targets and was slightly below for one target in FY 2011.

FY 2011 MISSED TARGETS

MEASURE	PERCENTAGE OF TRADE ADJUSTMENT ASSISTANCE CENTER (TAAC) CLIENTS TAKING ACTION AS A RESULT OF THE ASSISTANCE FACILITATED BY THE TAACS (EDA)
Explanation	The decrease in the percentage of TAAC clients taking action as a result of the assistance facilitated by the TAACs may be due to firms having to allocate resources that would have gone towards implementing projects to operating costs as a result of the recession-driven economic downturn.
Action	No actions to be taken.
MEASURE	NUMBER OF NEW JOB OPPORTUNITIES CREATED (MBDA)
Explanation	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Action	MBDA was able to create over 4,000 jobs in a down economy and during a program transition of 30 new business centers; expectation is for fourth quarter actual to increase as funded centers enter data for the prior fiscal year through first quarter, FY 2012.

HISTORICAL TRENDS

In the past, EDA and MBDA have consistently met their targets.

OBJECTIVE 8

Improve the competitiveness of small and medium-sized firms in manufacturing and service industries (ITA, NIST)

PUBLIC BENEFITS

ITA

The International Trade Administration's (ITA) Manufacturing and Services (MAS) program provides the Administration, Congress, and U.S. businesses the data and analysis needed to make informed decisions on issues impinging on U.S. competitiveness and employment. The data program is especially valuable to policymakers who require trade information at sub-national (state and metropolitan) and small and medium exporter levels. In addition, to be competitive in today's global economy, U.S. companies need to be able to move products and services securely, quickly, and efficiently within U.S. borders and beyond. MAS launched a national dialogue to explore supply chain infrastructure issues that cut across the broad range of national priorities. MAS is framing the issues and prioritizing what needs to be done to improve U.S. competitiveness, especially through coordinating with other ITA units to develop in-depth and data-driven strategies that can be the basis for Administration policies and coordinated activities to expand U.S. exports that support U.S. jobs.

The Nation's approximately 326,000 manufacturers employ more than 13.1 million people in high-paying jobs. U.S. manufacturers represent roughly two-thirds of total U.S. research and development (R&D) expenditures and account for almost 68.3 percent of all U.S. exports. A strong manufacturing base is critical to the economic strength and stability of the United States. Increased manufacturing productivity and competitiveness are essential for the survival of this crucial industrial base.

MAS played a major role in launching the Corporation for Travel Promotion created by the Travel Promotion Act. ITA made appointments to the Travel Promotion Board and established a system to handle Electronic System for Travel Authorization fees for the corporation. This work reflects the critical importance of the Travel Promotion Act and the public-private partnership under the Corporation for Travel Promotion, which will be the principal mechanism to promote the United States as a travel destination, attract more international visitors to the country, and counteract the burgeoning competition from new emerging markets.

MAS continued to improve and manage the U.S. Travel and Tourism Statistical System. This system is the only source of official U.S. government data and analysis on this critical industry; it also is an indispensable tool for the travel and tourism industries' and U.S. destination sites' strategic planning and business decision-making. MAS issued nearly 700 reports to industry partners and clients. MAS partnered with 13 private sector groups to save over \$140,000 in research collection costs and generated over \$200,000 in the sale of international travel research. MAS also established an important partnership with the American Association of Port Authorities that will help interested seaports develop and implement exporter education workshops, Webinars, and programs for local new-to-export firms focused on expanding exports.

Success in today's manufacturing environment requires not only an efficient production system but also developing business strategies that highlight the unique capabilities of a firm. Manufacturers must master innovative product design, understand the benefits of adopting environmentally sustainable processes, invest in human and physical capital, leverage a range of financing options, realize international trade opportunities, and forecast future customer demands.

The Market Development Cooperator Program (MDCP), managed by MAS, continues to make significant contributions to the NEI. For example, for the first nine months of FY 2011, the National Tour Association's MDCP-supported project, Visit USA Center in Shanghai, generated \$1.3 billion of exports over the pre-MDCP project baseline. The MDCP is a public-private partnership that combines the resources of the government with those of the private sector and non-profit organizations to expand U.S. exports. The MDCP is an effective way for the U.S. government to leverage scarce resources to assist small and medium-sized business to compete in international markets. On average (FY 1997 – FY 2011), every government dollar invested in the MDCP has helped to generate \$172 of exports.

NIST

A strong domestic manufacturing base is essential to supporting the Nation's middle class, national security, and growing renewable energy economy. The National Institute of Standards and Technology's (NIST) Hollings Manufacturing Extension Partnership (MEP) connects manufacturers with the opportunities available through federal and state governments to invest in environmentally sustainable manufacturing practices, develop innovative products, diversify into new markets, and increase options for growth and profitability. In doing so, MEP supports the mission of NIST of promoting U.S. innovation and industrial competitiveness, while also advancing the goals of the Department's Market Development and Commercialization goal.

MEP is a federal-state-industry partnership that provides U.S. manufacturers with access to technologies, resources, and industry experts. The MEP program consists of 60 MEP centers in every state and Puerto Rico that work directly with their local manufacturing communities to strengthen the competitiveness of the Nation's domestic manufacturing base. Funding for the MEP centers is a cost-sharing arrangement consisting of support from the federal government, state and local government/entities, and fees charged to the manufacturing clients for services provided by the MEP centers.

Through the MEP program, manufacturers have access to a network of manufacturing experts available to assist in the adoption of new technologies, developing innovative products, and implementing process innovations to improve their productivity, profitability, and competitiveness. MEP, in collaboration with partners in all levels of the government, university, community college, and the private sector, is working to accelerate manufacturing's ongoing transformation into a more efficient and powerful engine of innovation that drives economic growth and job creation.

Each year MEP transforms thousands of U. S. manufacturers by working one-on-one to implement the best combination of process improvements and growth services for each individual company. MEP is focused on providing the services that reduce manufacturer's bottom-line expenses, increase efficiencies, and build capacity. While process and quality improvements offer reduced expenses, growth services provide the tools to improve top-line sales by adopting new technologies and creating new sales, new markets, and new products.

Through an annual client survey, the program obtains quantifiable impacts of MEP services on its clients' bottom line. MEP demonstrates the impact of its services on increased sales, increased capital investment, and cost savings attributed to MEP assistance.

ACHIEVEMENTS

ITA

ITA has increased its efforts to identify and act in key industry areas and markets that have the best opportunity for advancing U.S. competitiveness globally and increasing U.S. exports that support U.S. jobs. By using data, in-depth analysis, and analytical expertise, MAS has worked with other ITA units and U.S. industry to provide the Department's leadership with focused and coordinated strategies

that are driving decisions for developing and implementing outcome-oriented programs and activities. These decisions are taking into account small and medium-sized enterprises (SME) as well as large U.S. companies. To date, strategies covering the full spectrum of U.S. manufacturing and industries' services have been developed and are being discussed with industry.

MAS launched the Free Trade Agreement (FTA) Tariff Tool which combines tariff and trade data into a simple and easy-to-search public interface. With this tool, users are able to see how U.S. and FTA partner tariffs on individual products—searchable by keyword or tariff code—are treated under an agreement. By combining sector and product groups, trade data, and the tariff elimination schedules, users are able to analyze how various key sectors are treated under recently concluded FTAs. The tool allows users to easily identify the share of trade or the share of tariff lines that fall within the various tariff elimination baskets. The tool is especially useful to small and medium sized firms that have limited resources to search for this kind of information.

MAS also completed the development and deployment of an enhanced TradeStats Express platform. The new TradeStats Express Plus platform features monthly data and expanded commodity detail at the national and state levels in addition to a host of new features. Since the deployment of this new system, TradeStats Express and the new TradeStats Express Plus sites have received more than 65,000 hits from users.

MAS analyzed regulations and other proposed policies that significantly affect the competitiveness of U.S. exports and worked with other U.S. agencies to reduce harmful impacts of those proposed and existing policies and regulations on U.S. industries. For example, MAS analysis supplied to the interagency rulemaking process persuaded the Environmental Protection Agency to make changes to the Industrial Boiler MACT (Maximum Available Control Technology) rule that is expected to lower total capital costs by \$4 billion and annual compliance costs by \$1.8 billion.

NIST

As a catalyst for strengthening U.S. manufacturing, MEP provides a range of services to manufacturers from process improvements and strategies for growth, to green manufacturing. MEP also works with state and federal partners to accelerate manufacturing's ongoing transformation into a more efficient and powerful engine of innovation that drives economic growth and job creation. Through a framework focused on five critical areas—technology acceleration, supplier development, sustainability, and workforce, as well as continuous improvement—MEP is positioning manufacturers to develop new customers, expand into new markets, and create new products with the end goal of increasing profitability and competitiveness. MEP offers manufacturers a wealth of unique and effective resources. As a result, MEP clients achieve higher profits, save time and money, invest in physical and human capital, and create and retain thousands of jobs.

Wenger Manufacturing Inc. Achieves Sales Increase with MAMTC Innovation Project

An example of MEP success is Wenger Manufacturing Inc. in Sabetha, KS. The company manufactures state-of-the-art commercial extrusion systems ranging in size from small laboratory and research usage to large production applications, and was interested in identifying new ideas to grow the business. Wenger approached the Mid-America Manufacturing Technology Center (MAMTC), a NIST MEP network affiliate, for assistance. MAMTC led Wenger employees through ideation process to develop new products, services or processes. As a result of the project, Wenger developed a new leasing system for its extruders. Previously, purchasing a Wenger extruder was sometimes cost-prohibitive for smaller manufacturers in less-industrialized countries. The leasing system gives these companies access to the equipment at a much lower initial investment. With the business strategy focused on the leasing program, Wegner has achieved increased and retained sales of \$4 million.

3C Cattle Feeders Expand Market with Innovative Product

Another example of MEP success is 3C Cattle Feeders in Millcreek, OK. 3C Cattle Feeders develops state-of-the-art cattle feeders that are efficient, effective, and economical. The company was interested in retaining market share and growing the business. 3C turned to the Oklahoma Manufacturing Alliance (The Alliance), a NIST MEP network affiliate for guidance. In working with The Alliance and Oklahoma State University New Product Development Center, initial designs were developed and a Small Business Innovation Research grant was secured. The funding was used to perfect the design and create a marketing plan for the high-tech feeder. Now with the help of The Alliance, the new product is in production with initial sales increases of \$500,000 and three new employees have been hired.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis (ITA)	\$350M	\$1.8B	Exceeded
Number of clients served by Hollings MEP centers receiving federal funding (NIST)	29,000 from FY 2010 funding	34,299 from FY 2010 funding	Met
Increased sales attributed to Hollings MEP centers receiving federal funding (NIST)	\$2,500M from FY 2010 funding	\$2,770M from FY 2010 funding ¹	Met
Capital investment attributed to Hollings MEP centers receiving federal funding (NIST)	\$1,000M from FY 2010 funding	\$1,820M from FY 2010 funding ¹	Exceeded
Cost savings attributed to Hollings MEP centers receiving federal funding (NIST)	\$1,200M from FY 2010 funding	\$1,420M from FY 2010 funding ¹	Met

NOTE: NIST performance actuals for this objective lagged at least six months. Therefore, beginning with the FY 2005 PAR, NIST shifted to a format in which NIST reports actuals one year later. This date lag, coupled with the time line for producing the PAR, precludes the reporting of actual FY 2011 data. With the exception of the number of clients, the NIST data reported in the current year PAR are an estimate based on three-quarters of actual client reported impacts and one-quarter estimated client impacts.

¹ Estimate as of June 30, 2011. Once final numbers are in, the status may change to "Exceeded."

FY 2011 STATUS

ITA and NIST met all of their targets in FY 2011.

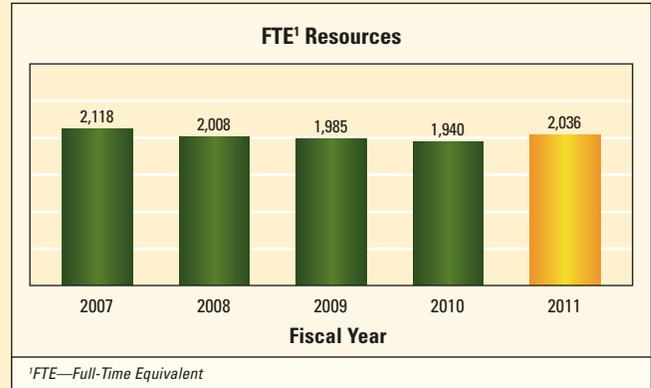
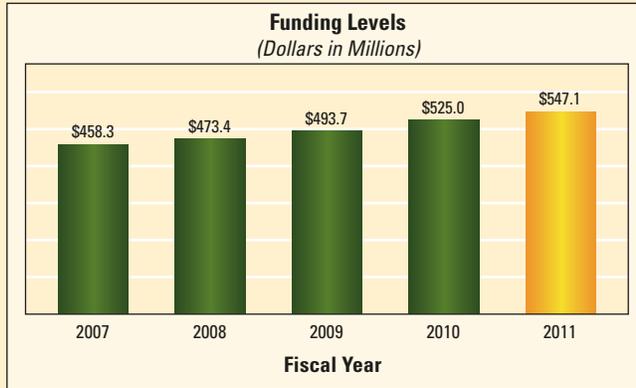
HISTORICAL TRENDS

MEP has consistently exceeded its targets. Performance projections are based in part on past programmatic results but also on the current operating realities of the MEP centers and their manufacturing clients. The projections reflect a realization that any sort of forecast must be based on current economic and market conditions and also other contributing factors such as state funding uncertainties. Simply projecting past results into the future in a linear fashion does not take into account these other considerations. Data from the Federal Reserve Board, the Institute for Supply Management, Bureau of Labor Statistics, and Bureau of Economic Analysis are monitored and assessed on a regular basis to inform MEP's performance targets.

STRATEGIC GOAL – TRADE PROMOTION AND COMPLIANCE

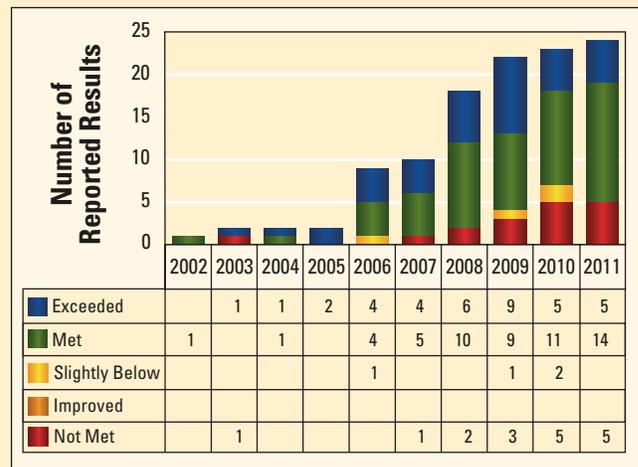
Improve our global competitiveness and foster domestic job growth while protecting American security

TRADE PROMOTION AND COMPLIANCE TOTAL RESOURCES



This strategic goal is comprised of four objectives which contribute to the Secretary's theme of Economic Growth. The following public benefits, achievements, and performance results are associated with each objective.

TRADE PROMOTION AND COMPLIANCE PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

OBJECTIVE 9

Increase U.S. export value through trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises) (ITA)

PUBLIC BENEFITS

The health of the U.S. economy depends on small and medium-sized enterprises (SME) since they account for over 97 percent of all U.S. exporters. Many of these firms have been successful in doing business in countries that have recently negotiated free trade agreements (FTA) with the United States. The U.S. and Foreign Commercial Service (US&FCS) program provides front-line diplomatic support to U.S. companies for commercial issues overseas, advocates for U.S. companies bidding on foreign government procurements, and creates a supporting environment at home in which all U.S. firms, including SMEs, can flourish by increasing export opportunity awareness among U.S. companies. This is accomplished by advocating on behalf of the U.S. companies in foreign markets; identifying potential exporters who need assistance; leveraging electronic and traditional media; enhancing relationships with customers; and developing alliances and partnerships with state, local, and private partners to deliver export assistance. US&FCS helps U.S. companies take advantage of world market conditions to find new buyers.

ACHIEVEMENTS

US&FCS continued to help U.S. businesses maximize their export potential, enabling them to diversify their customer base, remain globally competitive, and maintain jobs for Americans. In 2011, US&FCS assisted over 20,000 U.S. companies by providing in-depth export counseling, market entry plans, business-to-business matchmaking services, market research and due diligence reports, and other customized export development and market entry services. US&FCS also led trade missions around the globe, brought foreign buyer delegations to U.S. trade shows, represented U.S. companies at international trade events, and organized product launches and technical seminars overseas. In addition, US&FCS continued to provide front-line diplomatic support to U.S. companies overseas and advocated for U.S. companies bidding on foreign government procurements. As a result of these efforts, US&FCS facilitated more than \$54 billion in exports for nearly 5,600 U.S. companies in 2011. Over 85 percent of these companies were SMEs that exported for the first time, entered a new market, or increased their market share in an existing market.

The Commercial Service continues to support President Obama's National Export Initiative (NEI). Launched in February 2010, the NEI is designed to reach the goal of doubling exports by 2014 to support two million jobs in the United States. The NEI focuses on three key areas: (1) a more robust effort by this administration to expand its trade advocacy in all its forms, especially for SMEs; (2) improving access to credit with a focus on small and medium-sized businesses that want to export; and (3) continuing the rigorous enforcement of international trade laws to help remove barriers that prevent U.S. companies from getting free and fair access to foreign markets. Since the President announced the NEI, the Department's Advocacy Center has assisted U.S. companies competing for export opportunities, supporting \$37.6 billion in exports and an estimated 188,000 jobs. With offices and staff around the globe and throughout the United States, the Department's Commercial Service has helped more than 8,000 companies generate \$81.7 billion worth of exports. In FY 2011, the Department has coordinated 55 trade missions with over 638 companies.

In FY 2011, the Strategic Partnership Program continued to deliver results through the New Market Exporter Initiative (NMEI). NMEI is a program of the NEI, recommended in the September 16, 2010, *Report to the President on the National Export Initiative: The Export Promotion Cabinet's Plan for Doubling U.S. Exports in Five Years*. The NMEI leverages strategic partners to expand U.S. exports by

identifying their customers and members who sell to at least one international market and helping them sell to additional markets. On average, approximately 58 percent of all U.S. exporters only sell to one market overseas. By focusing resources on these small and medium-sized U.S. companies that are already knowledgeable about exporting, the NMEI increases the likelihood of having the largest impact on U.S. exports.

Partners FedEx, UPS, the U.S. Postal Service, and the National Association of Manufacturers had proactively reached out to more than 12,200 companies about increasing their exports (supporting as many as 735,000 U.S. jobs), and almost seven percent of these companies registered for US&FCS assistance. Activities to build awareness include outreach at trade shows, direct mail campaigns, and online registration for resource support.

On February 9, 2011, Secretary Locke declared the U.S. Pavilion at Aero India 2011 in Bangalore, India, open for business, kicking off the successful U.S. aerospace and defense industry participation in the trade show. With India’s growing aviation sector expected to offer an estimated \$55 billion in export opportunities for the U.S. aerospace industry and additional billions in defense contracts, Secretary Locke’s support and advocacy for U.S. companies at Aero India 2011 was vital to their interests at the show. Over 40 U.S. companies participated in Aero India 2011, with 24 U.S. companies located in the U.S. Pavilion. Secretary Locke and nearly a dozen U.S. aerospace and high-technology companies met with Minister of Defense, A.K. Antony, and Indian government officials to strengthen the U.S.-India strategic partnership and advocate on behalf of U.S. products and services.

In January 2011, Secretary Locke attended the 2011 International Consumer Electronics Show (CES), a participant in the US&FCS International Buyer Program (IBP) in Las Vegas, NV. Secretary Locke provided closing remarks at the industry session “Accelerating Global Innovation.” Secretary Locke also presented an Export Achievement Certificate to a U.S. company, Earthquake Sound Corporation, and met with IBP delegations, including the heads of the Dubai Chamber of Commerce and the President of Dalian Holywell Inc., a Chinese integrator company that sources most of its supply inputs from U.S. companies. Through the IBP, US&FCS recruited 34 buyer delegations consisting of over 700 delegates that contributed to the record attendance reported at the event. CES is the world’s largest annual trade show for the broad-based consumer electronics technology market, from mobile electronics, audio and video, home networking information, and wireless technology to high-end audio and satellite systems. It is the premier event bringing together consumer electronics product manufacturers, distributors, researchers, content developers, financial analysts, and the press with the highest concentration of buyers and decisionmakers in the retail distribution channel.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (ITA)	TARGET	ACTUAL	STATUS
Increase in the annual growth rate of total small and medium-sized (SME) exporters	2.85%	3.9%	Exceeded
Percentage of advocacy bids won	18%	9.9%	Not Met
Commercial diplomacy success (cases) (annual)	172	243	Exceeded
Export success firms/active client firms (annual)	21.5%	28.1	Exceeded
US&FCS SME NTE/total change in SME exporters (annual)	13.1%	1.3	Not Met
Number of SME NTM firms/SME firms exporting to two to nine markets (annual)	5.0%	3.69%	Not Met

FY 2011 STATUS

ITA met three of six targets in FY 2011.

FY 2011 MISSED TARGETS

MEASURE	PERCENTAGE OF ADVOCACY BIDS WON (ITA)
Explanation	ITA didn't make this target because its overall caseload increased disproportionately to the number of cases won. Although the number of cases won remained constant from 2010 to 2011, the Advocacy Center conducted more outreach, especially to small businesses, and improved coordination of advocacy efforts across the federal government in FY 2011 to meet NEI requirements. This focused effort is expected to lead to an increase in the number of cases won in out years. In total, the Advocacy Center helped U.S. companies to win foreign government tenders for infrastructure, energy, transportation, aerospace/defense, and telecommunications/IT projects worth nearly \$24 billion in U.S. export content value.
Action	Please note that Commercial Service has replaced this Government Performance and Results Act (GPRA) metric in FY 2012 with the dollar value of U.S. export content in advocacy bids won to better track the Advocacy Center's success at contributing to the NEI.
MEASURE	US&FCS SME NTE/TOTAL CHANGE IN SME EXPORTERS (ANNUAL) (ITA)
Explanation	ITA shifted its focus in FY 2010 from assisting small and medium-sized enterprises (SME) to become new exporters to helping current exporters, particularly SMEs, to enter a second or additional market. As a result, this metric was not a priority in FY 2011.
Action	The measure was deleted in the FY 2012 President's Budget.
MEASURE	NUMBER OF SME NTM FIRMS/SME FIRMS EXPORTING TO TWO TO NINE MARKETS (ANNUAL) (ITA)
Explanation	ITA helped 1,370 SMEs to enter a second or additional market in fourth quarter of 2011, exceeding the results from fourth 2010 by six percent. Furthermore, ITA demonstrated a 13 percent increase in FY 2011 as compared to FY 2010. This continues the upward trend begun in fourth quarter 2010 and indicates that results from the NEI efforts, begun in early 2010, continued to gain momentum in 2011. ITA achieved a 20 percent increase over two years by helping over 500 more SMEs to enter a new market in 2011 than in 2009. This increase was achieved through a focus on recruiting more foreign buyer delegations to U.S. trade shows, leading more U.S. participants on trade missions, and increasing outreach and assistance in priority markets and sectors. ITA did not achieve the target of 5 percent of total SMEs exporting to two to nine markets, which was based on the funding increase requested in the President's FY 2011 Budget for the ITA's Commercial Service. This increase in funding would have enabled ITA to hire the additional domestic and international staff needed to achieve the target. As such, ITA achieved an impressive 20 percent increase in the number of SMEs that entered a new market with ITA assistance from FY 2009 to FY 2011 with a staffing decrease over the same period.
Action	The measure was deleted in the FY 2012 President's Budget.

OBJECTIVE 10

Implement an effective export control reform program to advance national security and economic competitiveness (BIS)

PUBLIC BENEFITS

It is essential to the security of the United States that it prevents the export of sensitive goods. To prevent illegal exports, the Department administers and enforces controls on exports of dual-use goods and technologies to counter proliferation of weapons of mass destruction, combat terrorism, and pursue other national security policy goals. The Department processes export license applications for controlled commodities of U.S. companies engaged in international trade in accordance with Export Administration Regulations (EAR). The Department engages in activities to prevent violations before they occur and investigate and prosecute violators to dismantle illicit proliferation networks. Preventative activities include the following:

- screening license applications for enforcement concerns;
- conducting end-use checks abroad to confirm the bona fides of parties to export transactions;
- confirming compliance with license conditions;
- uncovering diversions to unauthorized end-users/uses; and
- reviewing Shippers Export Declarations and foreign visitors' visa applications to identify potential export control issues.

Outreach activities include educating U.S. businesses on export control requirements and identifying suspicious transactions leading to successful preventative and investigative actions. Investigation and prosecution activities involve Department Special Agents conducting cases focused on significant proliferation, terrorism, and military end-use export violations, and the vigorous pursuit of criminal and administrative sanctions. Finally, an integral part of the Bureau of Industry and Security's (BIS) mission is to facilitate compliance with U.S. export controls by keeping U.S. firms informed of export control regulations through an extensive domestic and foreign outreach program.

The Department also works to strengthen the export control systems of other countries, assess the viability of key sectors of the defense industrial base, and assure the timely availability of industrial resources to meet national defense and emergency preparedness requirements. Further information on these tasks is available on www.bis.doc.gov/news/index.htm#annual. Finally, the Department also serves as the lead agency for ensuring U.S. industry compliance with Chemical Weapons Convention (CWC).

Driven by the President's call for an Export Control Reform Initiative, BIS is contributing to accomplishing the initiative's key recommendations of establishing a single control list, a single primary enforcement coordination agency, a single IT system, and a single licensing agency. The initiative is split into three phases: make immediate improvements on the current system while creating a framework for the new system, complete deployment of reforms, and complete the transition to the new U.S. export control system with legislative assistance.

ACHIEVEMENTS

On December 9, 2010, as part of the implementation of the new U.S. export control system, the President announced:

- The publication of a draft rule setting out the criteria and procedures to be used in determining whether a product is subject to export controls;
- The application of these criteria to one category of items (Category VII: Tanks and Military Vehicles), to be seen as an example of how the new policies would apply; and
- The publication of a draft rule specifying what licensing policies will apply to products subject to export controls.

In FY 2011, the Administration debuted its Export Control Reform Initiative Web page, a new component of export.gov. It features the government’s first-ever consolidated electronic screening list, which will enhance exporter compliance. Prior to this release, exporters had to check different lists published in different formats maintained by different departments, or read the Federal Register every day for names that are not published on any list, to ensure they were not exporting to someone who is sanctioned or otherwise requires special scrutiny before receiving U.S. origin goods.

On June 16, 2011, BIS published a significant change to the dual-use regulations, a change that is part of the President’s Export Control Reform Initiative. The new Strategic Trade Authorization License Exception (STA), which reflects interagency review and consideration of public comments, allows for the license-free export, with conditions, of many dual-use items. This rule is the first step in implementing the Administration’s vision of eliminating easy cases so the U.S. government can focus its limited resources on items and end users that require more attention. STA facilitates trade and interoperability with the Nation’s closest friends. The reduced licensing requirements are accompanied by new safeguards, however, to ensure that eligible items are not re-exported outside this group of countries without U.S. government authorization.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (BIS)	TARGET	ACTUAL	STATUS
Percent of licenses requiring interagency referral referred within 9 days	98%	88%	Not Met
Median processing time for new regime regulations (months)	2.0	2.0	Met
Percent of attendees rating seminars highly	93%	94%	Met
Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified, and submitted to the State Department in time so the United States can meet its treaty obligations	100%	100%	Met
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	850	1,073	Exceeded
Percent of shipped transactions in compliance with the licensing requirements of the Export Administration Regulations (EAR)	99%	99%	Met

(continued)

PERFORMANCE MEASURE (BIS) <i>(continued)</i>	TARGET	ACTUAL	STATUS
Percentage of post-shipment verifications completed and categorized above the "unfavorable" classification	315 PSVs/85%	382 PSVs/92%	Met
Number of end-use checks completed	850	891	Met
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%	Met

FY 2011 STATUS

BIS exceeded the target for measure "Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge." In FY 2011, there was a slight increase in resources. Export Enforcement recruited 16 special agent positions. With this increase in the number of agents, Export Enforcement was able to dedicate more resources towards reaching this target.

BIS did not meet the target for measure "Percent of licenses requiring interagency referral referred within 9 days."

BIS met all the other targets.

FY 2011 MISSED TARGETS

MEASURE	PERCENT OF LICENSES REQUIRING INTERAGENCY REFERRAL REFERRED WITHIN 9 DAYS (BIS)
Explanation	BIS missed its license processing target due to staffing level changes in first quarter and second quarter.
Action	BIS has made internal improvements and filled three vacant positions in third quarter.

HISTORICAL TRENDS

BIS has consistently met or exceeded the targets for this outcome.

OBJECTIVE 11

Develop and influence international standards and policies to support the full and fair competitiveness of the U.S. information and communications technology sector (NTIA)

PUBLIC BENEFITS

The National Telecommunications and Information Administration (NTIA) serves as the President's primary policy advisor on domestic and international telecommunications and information issues. NTIA fulfills this role in part by advocating globally for foreign regulatory and policy regimes that encourage competition and innovation, and by encouraging dialogue with the private sector through sponsorship and participation in conferences, workshops, and other forums. NTIA will pursue policies promoting international trade in telecommunications products and services, promoting consistent international approaches to telecommunications policies, and improving relations with countries with rapidly expanding markets.

NTIA is also responsible for coordinating the federal government's participation in the International Telecommunication Union's (ITU) World Radiocommunication Conferences (WRC) and related national and international meetings. NTIA works with the Federal Communications Commission (FCC), which represents the civil spectrum community, and the State Department, to create United States Preliminary Views and Proposals for the WRCs.

ACHIEVEMENTS

NTIA succeeded in ensuring that for the first time, the ITU recognized the multi-stakeholder model and many Internet community stakeholders (i.e., ICANN, IETF, the RIRs, ISOC, and W3C) in its resolutions, allowing for future discussions to focus on collaboration and cooperation. The impact on industry is that the day-to-day private sector-led operation of the infrastructure is maintained, and the Internet technical community is allowed a more active role in ITU activities.

As NTIA proposed, ITU made no changes to the definition of radiocommunication, and other key radio service definitions in treaty texts. The impact of no change is that domestic regulations will not have to change, and industry and government spectrum users can maintain current radiocommunications systems operations.

As NTIA proposed, the Inter-American Telecommunication Commission adopted several U.S. proposals as draft Inter-American Proposals (IAP). Industry and government spectrum users are in a more favorable position to advance U.S. radio spectrum and satellite proposals with other countries and regions as a result. NTIA successfully promoted U.S. proposals and supporting IAPs at bilateral and regional meetings and favorably influenced other countries and regions.

NTIA continues to support ITU's efforts to secure information and communication networks, and to develop best practices for developing a culture of cybersecurity. NTIA's efforts preserve the role of nation-states in cybersecurity activities. The impact for industry is that ITU is developing best practice guidance recommended by communications service providers and manufacturers.

NTIA continued to advance U.S. WRC-12 objectives at ITU, regional, and bilateral meetings. One hundred percent of NTIA goals and objectives were met at the 2011 Conference Preparatory Meeting for WRC-12. NTIA also developed the Administration's policy positions on Internet policymaking principles, which were subsequently adopted by Organization for Economic Co-operation and Development in June.

SUMMARY OF PERFORMANCE

The Department uses the following measure to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (NTIA)	TARGET	ACTUAL	STATUS
Percent of NTIA positions substantially adopted or successful at international meetings	75% adoption or success	95% adoption or success	Exceeded

FY 2011 STATUS

NTIA met its target.

OBJECTIVE 12

Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and fuller compliance with antidumping/countervailing duty remedies (ITA)

PUBLIC BENEFITS

U.S. industries are entitled to the benefits of trade agreements negotiated by the United States. They are also entitled to the aggressive investigation of unfair trade practices that undercut those agreements. Three program units in the International Trade Administration (ITA), Market Access and Compliance (MAC), Manufacturing and Services (MAS), and Import Administration (IA), work to ensure that U.S. firms receive those benefits and obtain prompt relief from unfair trade practices, along with improved access. Compliance with negotiated trade agreements and access to foreign markets are existing problems faced by U.S. businesses that choose to sell their products overseas.

Ensuring that U.S. industries and workers have the opportunity to compete on a level playing field is critical to advancing business competitiveness in the United States and abroad, and is a key component of the National Export Initiative (NEI). Accordingly, IA is committed to the vigorous enforcement of U.S. trade laws. IA promotes free and fair trade by administering the U.S. antidumping (AD) and countervailing duty (CVD) laws thereby providing U.S. industries and workers with a reliable and transparent mechanism to seek critical relief from unfair trade practices, including injurious dumping and foreign government subsidies.

IA has a team of experts available to assist any U.S. business with questions on remedies available under the trade laws, or that wishes to develop and file an AD or CVD petition. Particular attention is paid to small businesses that may find the petition process difficult to comprehend, or may be unable to afford the assistance of outside trade counsel to develop and file a successful petition. IA also has a team of experts dedicated to monitoring U.S. trade partners' use of trade remedies and that works closely with U.S. businesses whose access to export markets may be harmed by the misuse of these instruments. The Agency works with U.S. Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), Department of Justice (DOJ), and Office of the U.S. Trade Representative (USTR) to resolve AD/CVD issues. IA works closely with CBP to ensure that the trade remedy laws are enforced vigorously and that efforts to evade the payment of AD/CVD duties are identified and thwarted.

MAC continued to work toward the prevention and elimination of non-tariff barriers in foreign markets. The long-term goal for MAC is to "ensure fair competition in international trade." This goal is reflected in the ITA strategic plan and supports the Department's objective to "advance responsible economic growth and trade while protecting American security." In order to gauge the impact of these strategic goals, MAC utilizes two primary performance measures, percentage of market access and compliance cases resolved successfully and value of the cases resolved successfully. U.S. firms from every industry and service sector face myriad barriers to trade and investment such as discriminatory regulatory treatment, unfair customs or tax treatment, nontransparent procurement procedures, and violations of trade agreements signed by other countries.

MAC and MAS seek to obtain market access for U.S. industries and workers and to achieve full compliance by foreign nations with trade agreements they sign with the United States. MAC and MAS ensure market access for U.S. businesses; advance the rule of law internationally; and create a fair, open, and predictable trading environment. Based on customer needs, MAC has a sizable caseload from U.S. firms that have encountered a trade barrier. Beyond casework, MAC and MAS work to develop a pro-growth business climate in other markets that encourages U.S. exports and transparent policies. MAC and MAS also conduct critical trade policy analysis and negotiation support for USTR and represent the Department in trade-related dealings with other U.S. government agencies.

ACHIEVEMENTS

Enforcement efforts in FY 2011 include the initiation of five CVD and 11 AD investigations covering a variety of products, including steel nails, high pressure steel cylinders, steel wheels, galvanized steel wire, stilbenic optical brightening agents, bottom mount combination refrigerator-freezers, multilayered wood flooring, and large power transformers. Among these 16 cases were four CVD and five AD investigations involving China. In FY 2011 to date, IA has issued 269 AD and CVD determinations. This year, partnering with CBP, IA deployed a new module for the management and oversight of proper AD/CVD duty collection within CBP's Automated Commercial Environment (ACE). This was a major step toward more efficient and effective AD/CVD duty collection. With the goal of automating the collection of AD/CVD duties, ACE serves as a repository for AD/CVD case information, provides a platform to better communicate and implement IA case decisions, and enables stronger enforcement of the AD/CVD duty programs by CBP. IA's AD/CVD enforcement teams remained vigilant in identifying efforts by foreign companies to provide misleading information or evade the payment of duties. For example, in several recent trade investigations, documents submitted to IA by foreign exporters proved to be inconsistent with documents purported to be the same that had been provided to CBP. As a result, IA employed its statutory authority to assign AD/CVD rates based on adverse inferences. Finally, IA continues to work with other U.S. government agencies including CBP, ICE, and DOJ to ensure compliance with, and advance the enforcement of, the U.S. trade remedy laws.

MAC continued to work toward the prevention and elimination of non-tariff barriers in foreign markets. The long-term goal for the MAC unit is to "ensure fair competition in international trade." This goal is reflected in the ITA strategic plan and supports the Department's objective to "advance responsible economic growth and trade while protecting American security." U.S. firms from every industry and service sector face myriad barriers to trade and investment such as discriminatory regulatory treatment, unfair customs or tax treatment, rigged or nontransparent procurement procedures, and violations of trade agreements signed by other countries.

In FY 2011, MAC successfully implemented aggressive monitoring and compliance efforts to break down trade barriers that keep companies from competing on a level playing field. MAC's leadership of the Trade Agreements Compliance Program has successfully removed 56 trade barriers in 31 different countries that have directly benefitted U.S. industry and U.S. competitiveness. MAC successfully planned, organized, and delivered strategic bilateral and multilateral meetings to advance U.S. trade policy objectives.

MAC has played a lead role in orchestrating the 2010 JCCT meeting, where we reached agreement on market access issues in sizable market sectors in China such as 3G/future technologies, smart grids, software, and wind power with a total potential value of more than \$25 billion; MAC was also responsible for planning and organizing the 2011 APEC SME Ministerial and related meetings in Big Sky, which resulted, among other things, in the adoption of the first-ever industry-based anticorruption principles for the medical device sector. In November 2010, MAC also planned, organized, and delivered the fourth America's Competitiveness Forum in Atlanta, the preeminent Western Hemisphere event that promotes trade, competitiveness, and innovation. In addition, MAC has played an integral role in organizing the commercial components of two high profile visits by President Obama to India and Brazil, along with the corresponding CEO and Commercial Dialogues in each country.

MAC also helped promote the development of 21st Century Trade Policy Initiatives through an interagency effort in establishing and promoting high level regulatory cooperation initiatives with Canada, Mexico, and the European Union (EU), including soliciting private sector feedback through the publication of notices in the Federal Register to identify leading trade barriers. MAC was also instrumental in securing an agreement on principles for "best regulatory practices" with the EU, which concluded on June 8, 2011. This "principles" document was designed to allow for greater accountability, transparency, and stakeholder participation in the U.S. and EU regulatory processes. This is a major victory for U.S. interests as lack of access to the EU system is often noted as a major impediment to the EU market. MAC has also led the effort to broaden the scope of new Trade Investment Framework Agreements to expressly address anti-corruption as a trade barrier.

MAS worked closely with U.S. industry and foreign governments to eliminate, reduce, or prevent market barriers to U.S. exports. For example, MAS, in consultation with MAC, US&FCS, USTR, FCC, the State Department, and the National Institute of Standards and Technology (NIST) successfully negotiated the Mutual Recognition Agreement (MRA) on Test Results for Telecommunications Equipment with Mexico. The MRA will reduce the costs associated with conformity assessments for telecommunications equipment and facilitate trade between the two countries. This significant accomplishment by MAS is the culmination of the execution of 12 specific milestones related to the process of removing the trade barrier. Under the MRA, both nations recognize tests results performed by designated Mexican or U.S. laboratories to a wide range of telecommunications equipment.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (ITA)	TARGET	ACTUAL	STATUS
Percent of industry-specific trade barriers addressed that were removed or prevented	30%	35%	Met
Percent of industry-specific trade barrier milestones completed	70%	75%	Met
Percent of agreement milestones completed	100%	100%	Met
Percentage reduction in trade-distorting foreign subsidy programs	>2.0%	3.1%	Met
Percent of AD/CVD determinations issued within statutory and/or regulatory deadlines	90%	99%	Met
Percent of ministerial errors in IA's dumping and subsidy calculations	<9%	5.1% ¹	Met
Number of compliance and market access resolved successfully	50%	51%	Met
Value of compliance and market access cases resolved successfully	\$2.5B	\$0.23B	Not Met

¹ Preliminary.

FY 2011 STATUS

ITA met seven of eight targets.

FY 2011 MISSED TARGETS

MEASURE	VALUE OF COMPLIANCE AND MARKET ACCESS CASES RESOLVED SUCCESSFULLY (ITA)
Explanation	ITA did not meet the target for this measure in FY 2011. While ITA did exceed its leading targets of total cases initiated and concluded, the actual immediate value of the exports did not match historical trends. One explanation is that the global recession has had a disproportional impact on medium-sized firms, which tend to have smaller export totals or are one element in an export supply chain. Also, ITA has an obligation to help SMEs regardless of the value of their exports.
Action	Increase outreach to major trade associations and refocus efforts on both FTA countries and the top 50 U.S. export markets.

THEME 1 PROGRAM EVALUATIONS

The following program evaluations were conducted on programs related to this theme in FY 2011.

BUREAU	REVIEWER	NAME OF EVALUATION	DATE	WEB SITE
ITA	GAO	<i>Strategic Alignment of Agencies and Departments with International Responsibilities</i>	2/23/2011	http://www.gao.gov/products/GAO-11-776R
ITA	GAO	<i>Department of Commerce: Office of Manufacturing and Services Could Better Measure and Communicate Its Contributions to Trade Policy</i>	7/7/2011	http://www.gao.gov/Products/GAO-11-583
NIST	Panel on Information Technology, National Research Council	<i>An Assessment of the NIST Information Technology Laboratory, FY 2011</i>	3/2011	http://www.nist.gov/director/nrc/upload/it-panel-2011-final-report.pdf
NIST	Panel on Nanoscale Science and Technology, National Research Council	<i>An Assessment of the NIST Center for Nanoscale Science and Technology, FY 2011</i>	3/2011	http://www.nist.gov/director/nrc/upload/cnst-panel-2011-final-report.pdf
NIST	Panel on Neutron Research, National Research Council	<i>An Assessment of the NIST Center for Neutron Research, FY 2011</i>	3/2011	http://www.nist.gov/director/nrc/upload/nr-panel-2011-final-report.pdf
NIST	GAO	<i>Factors for Evaluating the Cost Share of Manufacturing Extension Partnership Program to Assist Small and Medium-Sized Manufacturers</i>	4/4/2011	http://www.gao.gov/new.items/d11437r.pdf
NIST	GAO	<i>Electricity Grid Modernization: Progress Being Made on Cybersecurity Guidelines, but Key Challenges Remain to be Addressed</i>	1/12/2011	http://www.gao.gov/new.items/d11117.pdf
NIST	GAO	<i>Information Security: Federal Agencies Have Taken Steps to Secure Wireless Networks, but Further Actions Can Mitigate Risk</i>	11/30/2010	http://www.gao.gov/new.items/d1143.pdf

(continued)

BUREAU	REVIEWER	NAME OF EVALUATION	DATE	WEB SITE
NIST	GAO	<i>Intragovernmental Revolving Funds: NIST's Interagency Agreements and Workload Require Management Attention</i>	10/20/2010	http://www.gao.gov/new.items/d1141.pdf
NTIA	GAO	<i>NTIA Planning and Processes Need Strengthening to Promote the Efficient Use of Spectrum by Federal Agencies</i>	4/12/2011	http://www.gao.gov/new.items/d11352.pdf
NTIA	GAO	<i>Recovery Act: Broadband Programs Awards and Risks to Oversight</i>	2/10/2011	http://www.gao.gov/new.items/d11371t.pdf
NTIA	OIG	<i>Broadband Program Faces Uncertain Funding, and NTIA Needs to Strengthen its Post Award Operations</i>	11/2010	http://www.oig.doc.gov/Pages/BroadbandProgramFacesUncertainFunding,andNTIANeedsToStrengthenItsPost-AwardOperationsOIG-11-005-A.aspx
NTIA	OIG	<i>Review of BTOP Award for the San Francisco Bay Area Wireless Enhanced Broadband (BayWEB) Project</i>	5/6/2011	http://www.oig.doc.gov/Pages/Review-of-BTOP-Award-for-San-Francisco-BayWEB-Project.aspx
USPTO	OIG	<i>Stronger Management Controls Needed over USPTO's Projection of Patent Fee Collections</i>	12/14/2010	http://www.oig.doc.gov/Pages/StrongerManagementControlsNeededoverUSPTO'sProjectionofPatentFeeCollectionsOIG-11-014-A.aspx
USPTO	OIG	<i>USPTO Patent Quality Assurance Process</i>	11/5/2010	http://www.oig.doc.gov/Pages/USPTOPatentQualityAssuranceProcessOIG-11-006-1.aspx

THEME 2

SCIENCE AND INFORMATION

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SCIENCE AND INFORMATION

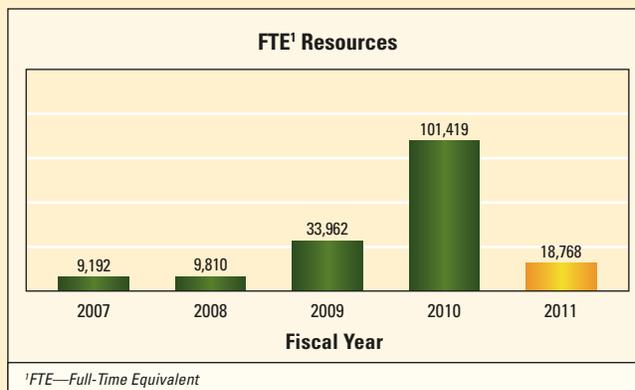
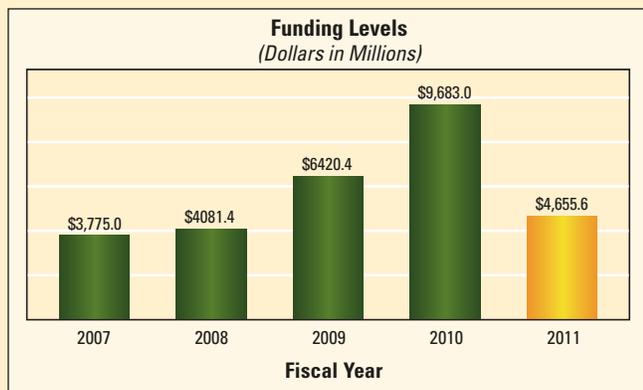
THEME, STRATEGIC GOAL, AND OBJECTIVES		TARGETS MET OR EXCEEDED
THEME 2: SCIENCE AND INFORMATION		
Strategic Goal: <i>Generate and communicate new, cutting-edge scientific understanding of technical, economic, social, and environmental systems</i>		
Objective 13	Increase scientific knowledge and provide information to stakeholders to support economic growth and to improve innovation, technology, and public safety (NTIS, NTIA)	4 of 4
Objective 14	Enable informed decision-making through an expanded understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted, and accurate data, standards, and services (ESA/CENSUS, ESA/BEA, NOAA)	7 of 8
Objective 15	Improve weather, water, and climate reporting and forecasting (NOAA)	11 of 14



THEME 2: SCIENCE AND INFORMATION

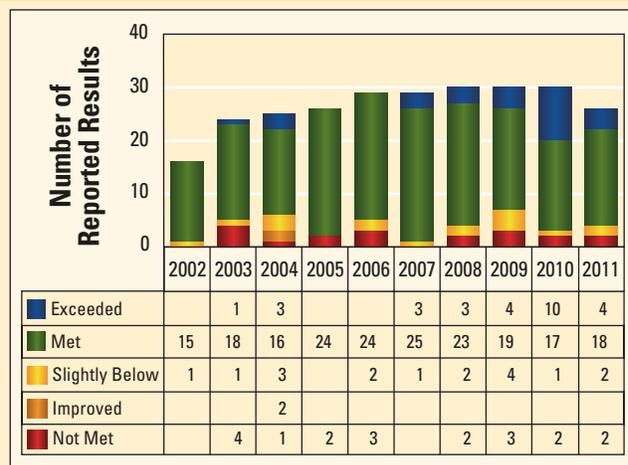
STRATEGIC GOAL: *Generate and communicate new, cutting-edge scientific understanding of technical, economic, social, and environmental systems*

SCIENCE AND INFORMATION TOTAL RESOURCES



This theme contains one strategic goal, and within that strategic goal, three objectives. The following public benefits, achievements, and performance results are associated with each objective.

SCIENCE AND INFORMATION PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

OBJECTIVE 13

Increase scientific knowledge and provide information to stakeholders to support economic growth and to improve innovation, technology, and public safety (NTIS, NTIA)

PUBLIC BENEFITS

The National Technical Information Service (NTIS) advances measurement science by bringing scientific and technical information to U.S. business and industry. NTIS promotes innovation and economic growth for U.S. business by (1) collecting, classifying, coordinating, integrating, recording, and cataloging scientific and technical information from a variety of sources, foreign and domestic; (2) disseminating this information to the public; and (3) providing information management services to other federal agencies that help them interact with and better serve the information needs of their own constituents, accomplishing this all without appropriated funds.

Through its laboratory at the Institute for Telecommunication Sciences (ITS), the National Telecommunications and Information Administration (NTIA) supports basic research in innovative telecommunications and information technologies. This research has the potential to improve both the performance of telecommunications networks and the availability of digital content on the Internet.

Currently, ITS and NTIA's Office of Spectrum Management are conducting a pilot test-bed program to evaluate approaches and techniques to increase spectrum sharing between federal and non-federal spectrum users. NTIA will publish an annual report evaluating private sector-supplied devices in the areas of Emission Characterization, Sensor Characterization, Geo-Location Characterization, Spectrum Access Behavior, and Land Mobile Radio Emission Characterization.

ACHIEVEMENTS

NTIS

Promote Increased Access to Federal Science, Technology, and Engineering Information (STEI)

During FY 2011, NTIS continued the development of the improved, open environment version of the National Technical Reports Library (NTRL) that will substantially increase discovery of federally funded STEI while maintaining the NTRL cost-recovery subscription model. The open environment version of NTRL is scheduled for release in early FY 2012. NTIS also established the Selected Research Services (SRS) in FY 2011 as a tailored information service that delivers electronic copies of government publications in 378 subject topics based on subscriber profiles.

To actively promote the growth of digital STEI content, NTIS began the Digital on Demand pilot program that offers select NTRL customers the option of requesting electronic delivery of digitized STEI products that were only previously available in print and microfiche formats. This pilot program is expected to provide a value-enhancement service to NTIS customers while expanding the digital content of the NTRL.

NTRL and SRS product advances provide customer-driven improvements in functionality and design. NTRL and SRS have substantially improved perpetual access to federally funded STEI by increasing the amount of full text documents available in digital format. The broadening of the customer base to include both domestic and international customers has furthered expanded the findability and accessibility of federal STEI to a global audience. NTIS also completed an agreement with the National Archives and Records Administration that will perpetually maintain the electronic STEI products in the NTIS clearinghouse.

The National Technical Reports Newsletter, a no-cost monthly digital publication, promotes STEI content to a worldwide subscriber base. In FY 2011, NTIS refreshed the publication with new graphics, and redesigned it to include greater content arranged by subject. The newsletter is dual-purposed: first, to promote discoverability of federal STEI; and second, as outreach and marketing to current and potential NTRL and SRS customers.

NTIS also continues to expand its customer outreach programs by broadening its social media presence in Twitter, Facebook, and YouTube. NTIS has planned further expansion to other social media venues during FY 2012 as part of NTIS outreach and education activities to further the dissemination of STEI. NTIS programs continue to increase worldwide access to STEI through continuing efforts to acquire and capture new federally funded STEI content. NTIS recently initiated new Joint Venture Partnerships in order to explore innovative STEI products and services that will enhance new media offerings of STEI. The new public-private partnerships will position NTIS as a significant participant in federal STEI development and dissemination.

Facilitate the Dissemination of Federal Science and Information

NTIS facilitates the dissemination of federal science and information by providing information management services to other federal agencies to help them disseminate federal information to their constituents. In FY 2011, NTIS continued its long association with the U.S. Department of Agriculture (USDA) Team Nutrition and Supplemental Nutrition Assistance Programs, by distributing over 10 million free brochures, pamphlets, and kits in both English and Spanish to citizens and state agencies. NTIS is supporting USDA with the dissemination of the new generation icon “MyPlate” publications, which have replaced the Food Pyramid. Under the President’s initiative, the MyPlate materials have the new generation food icon to prompt children and parents to think differently about their food choices. NTIS has continued its efforts with the Department of Education to improve and enhance the dissemination of education publications through the effective implementation of cost-effective technologies that would enable broader outreach to constituent groups without cost increases. Since 2009, NTIS has fulfilled these requirements providing customer contact center, Web hosting, and publication fulfillment and distribution services for Department of Education publications and federal student assistance programs. In FY 2011, NTIS processed over 77,000 orders and shipped 21.1 million items in support of these Department of Education programs.

NTIS began supporting a new Social Security Administration (SSA) initiative in November 2009 to provide alternative modes of communication in its special notices to the blind and visually impaired. NTIS in conjunction with two Joint Venture Partners has been distributing the notices to the visually impaired on compact disk (CD) media for computer screen reading and in Braille print. Since April 2010, NTIS shipped 50,000 CD and Braille documents to sight impaired SSA recipients. In May 2011, SSA and NTIS developed and launched two new media formats, audio and large print. To date, NTIS and its partners have processed and shipped over 1,600 audio notices and over 28,000 large print notices.

NTIS and its e-Learning and Knowledge Management Joint Venture Partners continue to work closely with other federal agencies to assist them in implementing and maintaining their e-learning management and knowledge management systems and applications. In FY 2011, NTIS provided e-learning and knowledge management support services to the following U.S. departments: Commerce, Agriculture, Education, Health and Human Services, Justice, Interior, Treasury, and the U.S. Air Force.

NTIA

The Spectrum Sharing Innovation Test-Bed pilot program (Test-Bed) is evaluating the ability of Dynamic Spectrum Access (DSA) devices employing spectrum sensing and/or geo-location techniques to share spectrum with land mobile radio (LMR) systems operating in the 410-420 MHz federal band and in the 470-512 MHz non-federal band. To address potential interference to incumbent LMR spectrum users, the Test-Bed pilot program includes both laboratory and field measurements performed in three phases to characterize the interaction with DSA-enabled devices.

Phase I testing of two candidate devices is complete; reports on Phase I findings (Equipment Characterization) will be published in December 2011. Generally, in Phase I, NTIA learned that additional analytical modeling is necessary and will occur in tandem with testing. NTIA also learned that device differences require customized testing plans, which adds time to the testing process. Test results are being used to establish a technology neutral regulatory framework for dynamic spectrum access technology that will allow sharing with federal land mobile systems. A report documenting measurements for Phase I is being prepared.

NTIA published the FY 2010 Annual Progress Report on the Test-Bed pilot program in March 2011.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Number of updated items available (annual) (NTIS)	825,000	836,579	Met
Number of information products disseminated (annual) (NTIS)	47,800,000	48,958,993	Met
Customer satisfaction (NTIS)	95-98%	99.5%	Met
Annual progress report on the Test-Bed program (NTIA)	Publish annual report	Published report	Met

FY 2011 STATUS

NTIA and NTIS met all of their targets.

HISTORICAL TRENDS

NTIS has consistently met its targets for the past 10 years.

OBJECTIVE 14

Enable informed decision-making through an expanded understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted, and accurate data, standards, and services (ESA/CENSUS, ESA/BEA, NOAA)

PUBLIC BENEFITS

In many ways the United States is a statistics driven society. The Nation depends on statistics provided by the Census Bureau and the Bureau of Economic Analysis (BEA) to determine business decisions, plan for geographic and economic (both national and international) expansion, provide funds to needy organizations, and determine political expansion and contraction. Accurate business information regarding the demographics of the Nation, including measures of the population, economy, and governments, assists entrepreneurs in identifying market opportunities that can generate jobs. Population estimates serve as a starting point for allocating federal, state, and local funds to various groups within society.

The Economics and Statistics Administration (ESA), comprised of the Census Bureau and BEA, provides decisionmakers with timely, relevant, and accurate economic and statistical information related to the U.S. economy and population.

Current and benchmark measures of the U.S. population, economy, and governments play a vital role in the Nation's economic well being. The Census Bureau uses the Decennial Census to provide the official population counts for determining the allocation to states of seats in the U.S. House of Representatives and for determining how the districts are defined for those seats. The Census Bureau provides to each state the data necessary to determine Congressional, state, and local legislative boundaries. The Decennial Census provides comprehensive and useful demographic information about all people living in the United States, Puerto Rico, and the associated Island Areas. The program also provides data for small geographic areas and population groups that federal agencies need to implement legally mandated programs. Approximately \$400 billion a year is distributed to state and local governments using formulas that are based on data such as state population and personal income.

The Economic Census provides comprehensive, detailed, and authoritative facts about the structure of the U.S. economy ranging from the national to the local level. The Economic Census covers nearly 29 million business locations and 84 percent of the Nation's economic activity. The Census of Governments is the only source of comprehensive and uniformly classified data on the economic activities of state and local governments. The Census of Governments covers about 90,000 local governments, 12 percent of the gross domestic product (GDP) and nearly 14 percent of the U.S. workforce. The Demographic Surveys Sample Redesign (DSSR) program designs and selects samples for the major national household surveys. The Intercensal Demographic Estimates program provides updated estimates of the U.S. population for the country, states, counties, cities, and townships.

BEA invests in the improvement of the accuracy and relevance of GDP, international trade in goods and services, industry economic measures, and regional and metropolitan statistics, thereby supplying the economic statistics essential to sound business forecasting and monetary policy. In these ways, the Department seeks to understand the strength and direction of the economy as well as the determinants of growth as the Nation shifts to more knowledge-based and skill-based industries.

One of the primary methods for improving the understanding of the environment is through the examination of oceanic and atmospheric conditions patterns worldwide. To this end, the National Oceanic and Atmospheric Administration (NOAA) develops and procures satellite systems, aircraft, and ships with the purpose of providing information to determine weather patterns and predict weather

forecasts. This information affects all facets of society from agricultural planning to electric power usage to disaster planning. It plays a major role in the accuracy of national, regional, and local forecasting as well as impacting short and long-term climate modeling.

ACHIEVEMENTS

Census Bureau

In FY 2011, the Census Bureau met its Constitutional and legal (Title 13, U.S.C.) deadline for delivering apportionment counts to the President based on the 2010 Census. The Census Bureau also met its legal deadline (PL 94-171) for delivering redistricting data products to the states. Release of other data products from the 2010 Census also occurred on schedule, as did various program evaluations and assessments. The Census Bureau also launched its Count Question Resolution program to provide jurisdictions a mechanism to challenge the census counts for their area. The remaining local census offices and the paper data capture centers utilized for the 2010 Census were closed, and the Census Coverage Measurement operations were completed.

For the first time ever, in FY 2011 the American Community Survey (ACS) released five-year estimates, comprised of data collected from 2005 to 2009. These estimates are now available for every state, county, city, town, place, American Indian Area, Alaska Native Area, and Hawaiian Home Land, as well as for census tracts and block groups. The core ACS tables are being released by the end of FY 2011.

In FY 2011, the report content form for the 2012 Economic Census was finalized, and completed 90 percent of the forms design for the program's core content report forms. The report content form for the 2012 Census of Governments was finalized, and completed 100 percent of the forms design for the program's core content report forms. During FY 2011, principal activities of the Census of Governments program included the finalization of survey content for each census component; development of survey instruments for electronic and paper collection; outreach activities related to survey content; acquiring the Office of Management and Budget (OMB) approval of census components; preparation and maintenance of the government master address file (GMAF); legal research to enhance universe coverage; joint data collection with state agencies, including the assessment of current agreements and renegotiating details; updates of existing collection, processing, and dissemination products and systems; and modernization and re-engineering efforts of the business processes and corresponding software processing systems used for data entry, collection, processing, review, and analysis.

In FY 2011, the Census Bureau released nearly 400 economic reports, including 120 principal economic indicators. Responses to censuses and surveys provide information on manufacturing, retail, and wholesale trade; selected service industries; construction activity; quantity and value of industrial output; inventories; new orders; capital expenditures; e-commerce sales; foreign trade; and state and local government activities. All targeted current surveys programs achieved their response rate targets for FY 2011.

During FY 2011, the Census Bureau completed the process of expanding the annual and quarterly surveys of service industries. Prior to the 2009 services expansion, the Service Annual Survey (SAS) coverage accounted for 30 percent of GDP and the Quarterly Services Survey (QSS) coverage comprised 17 percent of GDP. The SAS and the QSS, as fully expanded, now each have achieved matching coverage with the services portion of the Economic Census (55 percent of GDP). In FY 2011, the Census Bureau increased the quarterly services coverage of GDP from 36 percent to 55 percent while, at the same time, the Census Bureau completely eliminated the annual data coverage gap with publication of the 2009 SAS in March 2011.

In April 2011, the Census Bureau introduced a new profile of U.S. importing companies to complement the existing profile of U.S. exporting companies. The profile provides information on the value of goods imported and number of importing companies, based on several company characteristics, for the years 2008 and 2009. This new report provides information never before available about the U.S. import trade market, and introduces new capabilities to analyze companies that participate in importing and exporting.

The Census Bureau met its targets to achieve at least 90 percent of the planned response rates and dissemination targets for Census Bureau surveys. Response rates are a measure of the quality of survey data. Dissemination targets are a measure of timeliness of the data. By meeting these targets, the Census Bureau is providing its users with the high quality and timely data they need to make important policy decisions that help improve the Nation's social and economic conditions.

BEA

In FY 2011, BEA continued to maintain and improve the relevance and usefulness of its economic accounts. One of its primary accomplishments this year was the successful release of the 2011 flexible annual revision to the U.S. National Economic Accounts, which included several important improvements to the National Income and Product Accounts, such as the incorporation of source data from the 2007 Economic Census, improved price indexes for personal consumption expenditures for property and casualty insurance, and improved seasonal adjustment of real measures of petroleum imports. Additionally, this revision expands BEA's use of "flexible" annual revisions, which began on a smaller scale in 2010. Flexible annual revisions expand the period of years open to revision beyond the conventional three-year period, thereby providing BEA's customers with up-to-date economic accounts that incorporate definitional, classificational, or methodological improvements earlier than possible under the conventional revision cycle.

BEA also continued its multi-year efforts to improve its international economic accounts by aligning them with international standards. In FY 2011, BEA released the annual revision of the U.S. International Transactions Accounts, which included improvements such as the reclassification within services of cruise fares from passenger fares to travel; the reclassification of fees for the rights to distribute film and television recordings from "other" private services to royalties and license fees; and the exclusion of expenditures of foreign nationals working at international organizations in the United States from "other" private services and the inclusion of their compensation in compensation of employees.

Another of BEA's multi-year projects made significant advances in FY 2011, with the release of prototype statistics for quarterly GDP by industry that allow for a more complete analysis of business cycle dynamics and supplement the current quarterly national income and product accounts by providing a more comprehensive look at consumer spending, investment, international trade, and industry performance on a quarterly basis. A series of articles in the *Survey of Current Business* presents these statistics and describe the prototype methodology underlying them.

BEA also provided its customers with important improvements to its Web site in FY 2011. In keeping with BEA's goal to make its statistics more widely available and its Web site easier to use, it launched a new interactive table and chart service, as well as an updated, more modern look on its Web site. The new interactive data system—available to the public free of charge—allows BEA customers to access, visualize, and interpret BEA data in innovative new ways, create customized statistical tables using a streamlined process, share the data via social media tools, create more functional charts, and download tables and charts in a variety of formats. BEA also relaunched the frequently asked question database on its Web site, featuring an updated customer interface that allows easier navigation and searching.

In the first half of 2011, ESA released one major report, *Women in America*, and four other reports: *U.S. Trade in Private Services*, *Foreign Direct Investment in the United States*, *STEM: Good Jobs Now and for the Future*, and *Women in STEM: A Gender Gap to Innovation*. The findings in these reports have been used across the Administration and have been widely reported on by the media.

ESA provides timely and accurate economic insight to the Secretary and his chief policy advisors through economic briefings. Recent briefing topics have included inflation, the recent softness in the U.S. economy, and international trade. These briefings help to inform the Department's long term policy goals and senior staff enjoys the opportunity to hear a clear, concise summation of economic events.

NOAA

STAR Provides Flood/Standing Water Imagery During Major Disasters

The Center for Satellite Applications and Research (STAR) Geostationary Operational Environmental Satellite Series R (GOES-R) land application team, used satellite detections of land surface flood and standing water to develop imagery to monitor floods after the March 2011 tsunami in Japan, and the Mississippi River breach in May 2011. In March 2011, the team produced a flood map along the coastline of Sendai, Japan, and in early May 2011, a flood map of the levee breach near the confluence of the Ohio and Mississippi Rivers. Precise mapping of floods and standing water is crucial for detecting deficiencies in existing flood control and for damage claims. NOAA rapidly disseminated the imagery to decisionmakers and the public to permit informed responses to the disasters. NOAA distributed the tsunami flood map through the NOAA Web site, the National Environmental Satellite, Data, and Information Service (NESDIS) Web site, and the STAR Web site. NOAA selected the Mississippi River levee breach flood map as a "NOAA Image of the Day" in May. Through the GOES-R program office, NOAA released an outreach booklet of the GOES-R Flood/Standing Water Product.

1981–2010 Climate Normals Released

In FY 2011, the National Climatic Data Center (NCDC) released the decadal 1981–2010 Climate Normals. These Normals serve as a point of reference for typical climate conditions at a given location. Commonly seen on TV weather segments for comparisons with the day's weather conditions, Normals are three-decade averages of numerous climatological variables, most notably temperature and precipitation. Countless applications across a variety of sectors use them. Numerous stakeholders use Normals including: builders, insurers, and engineers for planning and risk management; energy companies to predict fuel demand; farmers to help make decisions on both crop selection and planting times; and agribusinesses to monitor departures from normal conditions throughout the growing season and to assess past and current crop yields. This release updated the Normals for more than 7,500 locations across the United States with over 1,000 new stations included in the new Normals. NCDC produced hourly, daily, monthly, seasonal, and annual Normals for numerous climatological variables, including temperature, precipitation, and snowfall. NCDC also computed Normals for derived quantities, such as heating and cooling degree days and the number of days per month above/below certain thresholds. NCDC made many improvements and additions to the scientific methodology used to calculate the 1981–2010 Normals, including improved scientific quality control and statistical techniques. NCDC provided full scale user engagement before and after releasing the Normals and incorporated new products based on stakeholder feedback.

NOAA Develops New Arctic Ice Maps

In FY 2011, NOAA's National Ice Center analysts began producing an Arctic-wide sea ice and snow extent map using a multitude of data sources. The gridded four-kilometer product locates the ice edge with much greater accuracy than daily products based on single-source satellite data. The National Ice Center and the National Snow and Ice Data Center developed the Multi-sensor Analyzed Sea Ice Extent (MASIE) to meet a need for a more accurate daily product much like the existing Sea Ice Index product, but easier to use. MASIE is a high-resolution depiction of sea ice extent based on the Office of Satellite and Product Operations Interactive Multi-sensor Snow and Ice Mapping System (IMS) product. NOAA produces the MASIE utilizing visible images that depict the ice edge position and enables users to view and download several kinds of data about the ice edge. The high user demand for this product is due to its

use of multiple data sources with high temporal and image resolutions. The IMS product takes advantage of visible and radar imagery, passive microwave data, National Ice Center weekly ice analysis products, and other data that are combined via meticulously analyzed daily analysis of satellite imagery at the National Ice Center. The National Snow and Ice Data Center serves as a cryospheric archiving node and is funded by the National Geophysical Data Center (NGDC) in the archival of IMS products. Scientists can now study the extent of the constantly changing sea ice pack with much greater accuracy using the MASIE, giving the public a more reliable position of the location of the ice edge than the previously used Sea Ice Index product.

NOAA Develops Digital Solid Earth

NGDC developed 11 high-resolution digital elevation models (DEM) of threatened U.S. coastal communities to support NOAA's tsunami and hurricane storm-surge forecast and warning efforts. The new DEMs are an addition to the more than 100 high-resolution, coastal DEMs NGDC has now built, including integrated bathymetric-topographic DEMs of the U.S. Virgin Islands and coastal Louisiana, and communities in North Carolina, Washington, Hawaii, and Alaska. The models integrate ocean bathymetry and land topography. The center has been building DEMs across the shoreline for over 20 years and now is a leader and a source of expertise for NOAA and federal agencies concerned with coastal ecosystems responses, community resilience, and informed management. NGDC also developed interactive "flip book" DEM catalogs of U.S. coastal areas that inform the public about the usefulness of digital elevation models and provide the public with a much more engaging format of information about the location, data, and motivation for the DEMs of a given region. This is a significant and innovative leap towards public engagement. These DEMs can be used for modeling of coastal processes (tsunami inundation, storm surge, sea-level rise, contaminant dispersal, etc.), ecosystems management and habitat research, coastal and marine spatial planning, and hazard mitigation and community preparedness. NGDC provides guidance, training, and support on DEM development, as well as creating outreach and educational materials. NGDC is now recognized within NOAA and the United States as a DEM technical center of expertise.

NOAA Delivers State of the Climate in 2010

NOAA recently released the *State of the Climate in 2010* report, stating that worldwide, 2010 was one of the two warmest years on record. This report was the broadest to date in terms of authorship and the systematic tracking of more climate system components than ever before. It provides a peer-reviewed annual "physical" of the climate system and insights into NOAA's capacity to measure it, using trusted sources of information. This helps to clarify and quantify climate change and variability in the face of a dissonant communications environment for climate issues. NOAA began the *State of the Climate* series (as *Climate Assessment*) in 1990. The report has grown in scope to become a leading, anticipated publication. It is unique among annual major assessments in that it makes no attempt to validate models or make projections of future climate conditions. It is strictly built upon data compiled in the world's agencies and academic institutions—the climate system's vital signs. Last year was marked by important climate oscillations like the El Niño-Southern Oscillation and the Arctic Oscillation, which affected regional climates and contributed to many of the world's significant weather events in 2010. Meanwhile, the comprehensive analysis of 41 climate indicators shows a continuation of the long-term trends scientists have seen over the last 50 years, consistent with global climate change.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public and meet constitutional and legislative mandates (ESA/CENSUS)	At least 90% of key prep activities completed on time	At least 90% of key prep activities completed on time	Met
Meet or exceed the overall federal score of customer satisfaction on the E-Government American Customer Satisfaction Index (ACSI) (ESA/CENSUS)	74 (federal score)	60	Not Met
Achieve pre-determined collection rates for Census Bureau censuses and surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public (ESA/CENSUS)	At least 90% of key censuses and surveys meet/exceed collection rates/levels of reliability	Met percentages	Met
Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public (ESA/CENSUS)	<ul style="list-style-type: none"> • 100% of Economic Indicators released on time • At least 90% of key prep activities completed on time 	<ul style="list-style-type: none"> • 100% of Economic Indicators released on time • At least 90% of key prep activities completed on time 	Met
Timeliness: Reliability of delivery of economic data statistics (number of scheduled releases issued on time) (ESA/BEA)	62	62	Met
Relevance: Customer satisfaction (mean rating on a 5-point scale) (ESA/BEA)	>4.0	4.1	Met
Accuracy: Percent of GDP estimates correct (ESA/BEA)	>85%	89%	Met
Complete all major strategic plan milestones related to improving the economic accounts (ESA/BEA)	Completion of strategic plan milestones	Completed all major milestones	Met

FY 2011 STATUS

CENSUS and BEA met seven of eight targets.

FY 2011 MISSED TARGETS

MEASURE	MEET OR EXCEED THE OVERALL FEDERAL SCORE OF CUSTOMER SATISFACTION ON THE AMERICAN CUSTOMER SATISFACTION INDEX (ACSI) (ESA/CENSUS)
Explanation	The significant decline in the Census Bureau’s satisfaction performance starting in first quarter 2011 was due to not meeting the visitors’ expectations to have the 2010 Census results available on the site and the introduction of the new American FactFinder.
Action	The Census Bureau’s Web team is targeting improvements on navigation and search on the Web site to improve the ACSI rate.

HISTORICAL TRENDS

BEA has consistently met or achieved its targets for its four performance measures over the past several years, as shown in Appendix A.

OBJECTIVE 15

Improve weather, water, and climate reporting and forecasting (NOAA)

PUBLIC BENEFITS

Weather affects all facets of society, impacting the economy in ways ranging from agricultural preparation to transportation planning to disaster response. In certain situations, weather forecasting can affect the number of lives saved or lost as well as mitigate the extent of property damage as a result of weather events. Weather also affects how power companies plan for daily, weekly, and seasonal variances. Because of this, Americans benefit from sound weather forecasting both in their daily lives and planning, and in preparation for major storm events.

A weather-ready nation will be able to prepare for and respond to environmental events that affect safety, health, the environment, the economy, and homeland security. NOAA's capacity to provide accurate and relevant information can help create a society that is more adaptive to its environment; that experiences fewer disruptions, dislocation, and injuries; and that operates a more efficient economy. Over the long-term, climate change may increase the intensity and even the frequency of adverse weather events, ranging from drought and flooding to wildfires, heat waves, storms, and hurricanes. Changing weather, water, and climate conditions affect the economic vitality of communities and commercial industries, such as the energy, transportation, and agriculture sectors. Environmental information aligned with user needs will become ever more critical to the safety and well being of those exposed to sudden or prolonged hazards and will enable U.S. businesses and policymakers to make informed decisions.

NOAA's role in understanding, observing, forecasting, and warning of weather events is expanding. NOAA conducts sound, scientific research and provides integrated observations, predictions, and advice for decisionmakers who manage environmental resources, ranging from fresh water supplies to coastal ecosystems. Realizing that NOAA's information and services bridge both weather and climate timescales, NOAA will continue to collect and analyze environmental data and issue forecasts and warnings that help protect life and property and enhance the U.S. economy. The Department is committed to excellent customer service and depends on its partners in the private sector, academia, and government to add value and help disseminate critical weather and climate information. NOAA will expand services to support evolving national needs, including those associated with space, weather, freshwater and coastal ecosystems.

One of the growing challenges in the 21st century is the escalation of the demand for water and improved water and air quality. Changing water temperatures and poor air quality impact the Nation's population and its fish and shellfish populations. To this end, NOAA can combine predictive weather information with an understanding of weather, water, and climate to develop integrated predictions that can improve the health of ecosystems and communities.

ACHIEVEMENTS

NOAA Installs New Coastal Radar in Washington State

NOAA finished the installation of a Next Generation Weather Radar (NEXRAD) to provide critical radar coverage along the coast of the Pacific Northwest. The new radar is located on Langley Hill, near Copalis Beach in Grays Harbor County, WA, about 90 miles southwest of Seattle. This radar joins the network of 159 other NEXRADs maintained by the National Weather Service (NWS) in partnership with the Federal Aviation Administration (FAA) and the Department of Defense. The new radar allows weather forecasters to detect intense

storms gathering off shore and to effectively warn residents living between the mouths of Juan DeFuca Strait in Washington, and Willapa Bay in Oregon of intense storms gathering off shore. The Olympic Mountains largely blocked coverage of the closest NEXRAD located on Camano Island, Washington. The new coastal radar closes this gap, enabling forecasters to better determine wind speed and rainfall of incoming storms and to issue more accurate and timely warnings to residents in harm's way, helping to prevent loss of life and millions of dollars in property damage.

In addition, the Langley Hill NEXRAD is one of the first radars to receive the new Dual-polarization modification. Dual-polarization technology adds a vertical scanning capability to the NEXRAD, providing an in-depth look into weather systems. With this new technology, NWS forecasters are able to better predict the type, intensity, and duration of precipitation and severe weather.

NWS Upgrades Climate Forecast System Modeling

NOAA implemented major improvements to its Climate Forecast System (CFS) in March 2011. The CFS is the principal computer model used in the development of seasonal climate forecasts out to nine months in the future. NWS issues seasonal climate forecasts for temperatures, precipitation, and drought. Decisionmakers across the country depend on these seasonal climate forecasts to improve their planning in areas such as transportation, water resources, and hazard preparedness. Considerable advancements over the previous CFS version were made in the physics, resolution, model coupling, and data assimilation to all its individual models. One such advancement was to improve the inclusion of carbon dioxide increases for seasonal temperature forecasts.

The upgrade represents a major improvement in NWS's modeling capability to predict climate variability and climate events, such as El Niño and La Niña, six to nine months in advance. The current CFS version increases the month-1 skill scores for temperature by 37 percent and precipitation by 29 percent. These improvements provide useful information for identifying major drought events like the one being experienced in the central South, including Texas. NWS expects to see improvements in other seasonal predictions, especially outlooks for the hurricane season and winter weather.

NOAA Substantially Improves Nation's Weather Radars

NOAA has begun its Dual-polarization modification to the NEXRAD array. Dual-polarization technology adds a vertical scanning capability to the NEXRAD providing a more three-dimensional look into weather systems. NEXRADs without the modification scan on a horizontal dimension which does not provide the same wealth of information as Dual-polarization. With the Dual-polarization technology, NWS forecasters will improve their prediction capability in detecting the type, intensity, and duration of precipitation. Dual-polarization enables forecasters to detect tornado debris and improve hail detection for severe thunderstorm warnings. These improvements will result in increased warning lead times for flash floods, which will better enable those impacted by the events to move out of harm's way and limit property losses. NOAA conducted extensive testing of the Dual-polarization modifications on the NEXRADs located at Vance Air Force Base, OK; Phoenix, AZ; Morehead City, NC; and Pittsburgh, PA. NWS forecasters within the testing locations have begun using the enhanced radar data to improve and refine weather warnings and forecasts.

In partnership with NOAA, the U.S. Air Force, and FAA, the Nation operates 160 NEXRADs. All 160 NEXRADs will be upgraded with the Dual-polarization modification by the end of FY 2013.

NOAA's NWS Strengthens Aviation Weather Forecasts

In 2011, NOAA demonstrated enhanced aviation weather services by providing more timely and accurate weather information to FAA's air traffic decisionmakers in three geographic test areas: New York, Atlanta, and Chicago, otherwise known as the "Golden Triangle." This area includes the Nation's most heavily-traveled air space and is subject to considerable weather sensitivity. Weather delays impacting any one of these terminals can result in significant delays throughout the National Airspace System. The Congressional Joint

Economic Committee estimated in 2007 that weather-related flight delays cost the U.S. economy nearly \$29 million a year. As a result of the demonstration, the test areas have seen a 10 percent reduction in weather-related delays since the start of the experiment in May 2010.

The experiment includes increasing the issuance frequency of terminal aerodrome forecasts to once every two hours, enhancing collaboration with Air Route Traffic Control Centers prior to Strategic Planning Calls, and providing an enhanced convective forecast to these three demonstration areas. As a result of this success, NWS Golden Triangle efforts will continue their enhanced set of products and services into FY 2012. Improving NWS services to provide decisionmakers the best information available is a top priority as the organization continues to develop innovative approaches to incorporate advances in the science of weather forecasting.

NOAA Provides Early Warnings for May 22 Joplin, MO Tornado

NOAA's NWS provided early warnings for the May 22 EF-5 (greater than 200 mph) tornado that devastated a large portion of Joplin, MO, and resulted in over 150 fatalities and over 1,000 injuries. The Joplin tornado is the single deadliest tornado since modern record-keeping began in 1950 and is ranked as the seventh deadliest in U.S. history. The supercell thunderstorm that generated the Joplin tornado tracked from far southeast Kansas into far southwest Missouri in the late afternoon and evening of May 22, generating multiple tornadoes and wind damage along its path. These storms also produced flash flooding across far southwest Missouri.

The NOAA NWS Storm Prediction Center first forecasted severe weather for the Joplin area three days in advance. The Storm Prediction Center issued a Tornado Watch that included Joplin, MO four hours prior to the tornado. The Springfield, MO, Weather Forecast Office (WFO) issued a tornado warning with a preliminary lead time of 24 minutes. NWS Central Region Headquarters moved additional forecasters into Springfield to help staff the office as they continued to fight ongoing severe weather threats while dealing with the recovery from the tornado. While the early warnings saved countless lives, improvements in science and technology are required in order to see further improvements in warning lead times. NWS is leading a national dialogue to find ways to build a weather-ready Nation.

NOAA Provides Warnings and Support for Japanese Tsunami Impacts

NOAA's NWS provided tsunami warnings and radiological forecast support for the March 2011 tsunami and its aftermath. Based on seismographic data, NOAA's Pacific Tsunami Warning Center issued a tsunami warning for Japan, Russia, Marcus Island, and Northern Marianas Islands within nine minutes of the earthquake. The warning was expanded 90 minutes later to include Hawaii. Within 12 minutes of the earthquake, NOAA's West Coast and Alaska Tsunami Warning Center issued a tsunami information statement for Alaska, British Columbia, Washington, Oregon, and California.

Approximately 25 minutes after the earthquake, the tsunami was recorded by a NOAA Deep Ocean Assessment and Reporting of Tsunamis (DART) buoy off the east coast of Japan. The information from the DART went into NOAA's tsunami models that predict arrival times, wave heights, and inundation areas for specific U.S. locations. Coastal evacuations in Hawaii and along the U.S. West Coast were ordered as a result of NOAA's tsunami warnings. Damage to U.S. interests from the tsunami was isolated, with the most significant damage experienced at the Crescent City and Santa Cruz, CA, harbors. Local NWS WFOs that serve the U.S. coastline issued localized tsunami impact statements.

NWS's National Centers for Environmental Prediction (NCEP) responded immediately to the government's requests for information and began providing 24/7 radiological dispersion model guidance. NCEP's Environmental Modeling Center implemented experimental modeling capabilities to track particles on the ocean surface, and to estimate dispersion and retention times of radionuclides by ocean currents.

NOAA Provides Exceptional Decision Support Services for Historic “Groundhog Day” Winter Storm

NOAA’s NWS provided continuous decision support for emergency management and coordination with other governmental agencies during the February 2011 Groundhog Day Blizzard. During the first three days of February, a large and powerful winter storm, dubbed the “Groundhog Day Blizzard,” hit the Central and Northern United States. The storm stretched for thousands of miles from New Mexico northward to Wisconsin, and eastward to New England, leaving behind at least five inches of snow in 22 states. Winds gusting to 70 mph created widespread blizzard conditions, disrupting surface and air transportation, schools, and businesses nationwide. Severe weather, including a few rare winter tornadoes, swept across the Deep South. The heaviest snowfall occurred across northern Illinois and southern Wisconsin. When the storm hit the Northeast, several hundred thousand residences and businesses lost power, and many roofs and buildings collapsed due to the weight of the snow.

Miraculously, few deaths were directly attributed to the storm. NOAA estimates that total monetary losses, including insurance claims, state and local snow removal, and business interruption, exceeded \$1.1 billion.

NWS WFOs provided over 7,000 watches and warnings with average lead times of 48-60 hours and 25 hours, respectively. NWS kept in close contact with emergency managers, FAA, and media with live Webinars and multi-media briefings throughout the event. WFOs issued civil emergency messages in support of local officials and public safety.

President Obama and Prime Minister Cameron Promote United Kingdom/NOAA Space Weather Partnership

President Obama and United Kingdom Prime Minister David Cameron agreed to increase collaboration in the areas of higher education, science, and innovation during the President’s visit to the United Kingdom in May 2011. The leaders welcomed in particular the growing partnership between the U.K. Meteorological Office and NWS, codified with the signing of an historic Memorandum of Agreement in February 2011. This agreement provides for a coordinated U.S.-U.K. partnership in the delivery of space weather alerts to help provide critical infrastructure protection around the globe.

The two governments announced that they will embark together on an ambitious program to create the world’s first combined space weather model. This model will be capable of forecasting terrestrial weather with great accuracy and also indicating where, when, and for how long space weather effects will persist in the upper atmosphere and whether these anomalies are likely to disrupt and degrade GPS-enabled positioning, navigation, and timing capabilities. The leaders also expressed a determination to maintain the level of research excellence that leads to economic growth and job creation.

NOAA, U.S. Army Corps of Engineers, and U.S. Geological Survey Partner to Support Water Resources Management

Water resources decisionmakers nationwide require new and more integrated information and services to adapt to the uncertainty of future climate, land-use changes, aging water delivery infrastructure, and increasing demand on limited resources. On May 11, 2011, NOAA, the U.S. Army Corps of Engineers and the U.S. Geological Survey signed a Memorandum of Understanding (MOU) to form an innovative partnership of federal agencies to address the Nation’s growing water resources challenges. These agencies, with complementary missions in water science, observation, prediction, and management, formed this partnership to unify their commitment to address the Nation’s water resources information and management needs. The MOU also sets the foundation for other federal agencies and partners to elect to join the collaborative partnership in the future.

The Integrated Water Resources Science and Services (IWRSS) consortium established through the MOU will allow the participating agencies to coordinate and cooperate in activities to improve water resource services. Cooperative activities in these fields may include, but are not limited to, project plan development; exchange of technical information, tools, and services; joint studies; research

and development activities of mutual interest; joint educational and communications activities to advance the understanding of water resources planning and management; and exchange visits and work details of individuals sponsored by all agencies who are engaged in water resources projects of mutual interest.

Through IWRSS, the agencies plan to create high-resolution forecasts of water resources showing where water for drinking, industry, and ecosystems will be available. In addition, integrated water information will provide one-stop shopping through a database portal to support stakeholders in managing water resources. NWS will leverage the partnership to enable earlier and more accurate flood predictions and to collaboratively expand river and flood maps showing forecasted spatial extent and depth of flooding.

NWS Provides Early Warnings for Historic Tornado Outbreak in the Deep South

During a five-day period in late April 2011, NOAA's NWS issued life-saving warnings, with an average lead time exceeding 20 minutes, for the historic tornado outbreak in the Deep South. During this period, NWS issued nearly 1,000 tornado warnings nationwide and over 1,500 Severe Thunderstorm Warnings. Despite early lead times, there were 321 fatalities during this period, with April 27, 2011, ranked as the deadliest day for tornadoes since modern record keeping began in 1950.

NWS decision support for this event was extensive. NWS WFOs in the affected areas of Arkansas, Tennessee, Mississippi, Alabama, and Georgia began alerting the public to the potential for a large tornado outbreak five days in advance. Local offices provided direct decision support services to meet the specific needs of local emergency manager partners and the general public. NWS upgraded its Hazardous Weather Outlook to the highest threat level at midnight prior to the event and issued "Particularly Dangerous Situation" Tornado Watches over Missouri and Alabama more than two hours prior to the first tornadoes. NWS WFOs also continuously coordinated with emergency managers and the broadcast media before and during the outbreak to ensure a coordinated approach to disaster response and recovery.

In the aftermath of the outbreak, NWS sent several teams to survey the damage and coordinated high-resolution photography overflights of heavily damaged areas. A NOAA Service Assessment team began its field work in the week following the tornadoes. Service Assessments are routine internal evaluations of NWS operations during major weather and natural hazard events, and they include input from government agencies, emergency managers, media, and the public. Findings and recommendations from this assessment will be used to improve the timeliness and effectiveness of products and services NOAA provides to the U.S. public.

NOAA Communicates Risk of Historic 2011 Flooding

NOAA provided extensive decision support services enabling the Nation to manage impacts of the Missouri and Mississippi Rivers flooding throughout the spring and summer of 2011. As early as December 2010, NOAA identified factors that indicated a high threat of widespread spring flooding throughout the North Central United States and into the Midwest and began coordination with partners and stakeholders including federal, tribal, state, and local partners. These factors included high soil moisture, above average snowpack conditions, elevated streamflows, and extended range forecasts that called for continued above average precipitation over the threatened areas.

In March 2011, NOAA's National Hydrologic Assessment and Spring Flood Outlook identified that almost half the country—from the North Central United States through the Midwest and the Northeast—had an above-average risk of flooding beginning in spring. This early assessment allowed partner agencies like the Federal Emergency Management Agency (FEMA), Red Cross, and U.S. Army Corps of Engineers to pre-position vital resources necessary to respond to flooding. NWS coordination at the regional and national levels aided federal agencies in monitoring levees at risk of failure, and assisted Emergency Managers and the public to prepare for and respond to the flooding along the Missouri River.

The national flood threat continued to evolve through the spring. More than 20 inches of rain fell over the Ohio River and central Mississippi River Valleys, exacerbating the flood wave from snowmelt in the northern Mississippi. During May and June, flooding continued to impact portions of the Midwest and Western United States. As water receded on the Mississippi, significant runoff from record mountain snowpack was further enhanced by 300-400 percent of average annual precipitation falling over the headwaters of the Missouri River basin in Montana and the Dakotas during the month of May.

In response to flooding in the lower Mississippi River basin, NOAA coordinated daily briefings to FEMA and the Governor of Louisiana. Based on these warnings, communities reinforced levees, FEMA prepositioned relief assets, and the U.S. Geological Survey ensured the integrity of the area's river gauge system. NOAA's forecasts, coordination, and services enabled federal partner agencies and the public at large to be well informed of the expected magnitude of flooding, and to take action to ensure safety of life and protection of property.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (NOAA)	TARGET	ACTUAL	STATUS
Severe weather warnings for tornadoes (storm-based) – Lead time (minutes) ¹	12	15	Exceeded
Severe weather warnings for tornadoes (storm-based) – Accuracy (%) ¹	70%	76%	Met
Severe weather warnings for tornadoes (storm-based) – False alarm rate (%) ¹	72%	72%	Met
Severe weather warnings for flash floods (storm-based) – Lead time (minutes)	38	71	Exceeded
Severe weather warnings for flash floods (storm-based) – Accuracy (%)	72%	80%	Met
Hurricane forecast track error (48 hours) (nautical miles) ¹	106	89	Exceeded
Hurricane forecast intensity error (48 hours)(difference in knots)	13	15	Not Met
Accuracy (%) (threat score) of day 1 precipitation forecasts	30%	34%	Met
Winter storm warnings – Lead time (hours)	15	20	Exceeded
Winter storm warnings – Accuracy (%)	90%	88%	Slightly Below
Marine wind speed accuracy (%)	69%	75%	Met
Marine wave height accuracy (%)	74%	77%	Met
Aviation forecast accuracy for ceiling/visibility (3 mile/1,000 feet or less)(%)	65%	63%	Slightly Below
Aviation forecast FAR for ceiling/visibility (3 mile/1,000 feet or less)(%)	41%	38%	Met

¹ Prior to FY 2008, these warnings were county-based rather than storm-based.

FY 2011 STATUS

NOAA met or exceeded 11 of 14 targets and was slightly below for two others. The only target that is considered "Not Met" is for Hurricane forecast intensity error."

FY 2011 MISSED TARGETS

MEASURE	HURRICANE FORECAST INTENSITY ERROR (48 HOURS)(DIFFERENCE IN KNOTS) (NOAA)
Explanation	The 2010 Atlantic hurricane season had above normal activity, with 404 official forecasts issued. Official intensity errors for the Atlantic basin in 2010 were above the 5-year means at the 48 hours lead time used to calculate the Government Performance and Results Act (GPRA) measure, but below the 5-year means at the remaining lead times.
Action	NOAA's Hurricane Forecast Improvement Program is a 5-year project that focuses on improving all hurricane forecast including better observing, better data assimilation, and better modeling.
MEASURE	WINTER STORM WARNINGS – ACCURACY (%) (NOAA)
Explanation	Through the core of the winter season, a total of 8,670 winter storm events occurred (well above normal). The average lead time of 20 hours surpassed the GPRA goal of 15 hours by five hours (33%). For several historic storms in the Midwest and Northeast, NWS provided phenomenal lead times in excess of 24 hours and excellent decision support services. However, the nationwide accuracy fell short of the seasonal goal—88 percent vs. 90 percent. An analysis of the observed early season events indicated many storms in the central and southern states were difficult to forecast due to large areas of mixed precipitation types in areas not usually prone to early season winter weather. Winter storm forecasts and associated statistics did improve as expected during the latter half of the winter, but they could not overcome the early season misses and NWS did not read the GPRA goal for FY 2011.
Action	Continuous improvements in weather modeling and forecaster training have supported this upward trend for most of NOAA's weather GPRA measures. NOAA expects winter weather forecast to improve with these improvements.
MEASURE	AVIATION FORECAST ACCURACY FOR CEILING/VISIBILITY (3 MILE/1,000 FEET OR LESS)(%) (NOAA)
Explanation	This measure for aviation forecast is Instrument Flight Rules (IFR) conditions, one of two sets of regulations governing all aspects of civil aviation aircraft operations. FY 2011 performance was -1% below goal. In FY 2011, convective weather systems affected the Continental United States, interspersed with large areas of high-pressure weather systems. The frequency of occurrence of IFR decreased, as did the frequency that IFR was forecast in most regions during and after June.
Action	Given the variability of all the performance factors, there exists an assumed statistical error of +/- 2 percent, which is larger than the change in performance. Forecasters are making the appropriate forecasts, in the appropriate proportion of predicted conditions, and are generally well within expected +/- 2 percent statistical error for the frequency of occurrence.

THEME 2 PROGRAM EVALUATIONS

The following program evaluations were conducted on programs related to this theme in FY 2011.

BUREAU	REVIEWER	NAME OF EVALUATION	DATE	WEB SITE
CENSUS	GAO	<i>2010 Census: Preliminary Lessons Learned Highlight the Need for Fundamental Reforms</i>	4/6/2011	http://www.gao.gov/new.items/d11496t.pdf
CENSUS	GAO	<i>2010 Census: Data Collection Operations Were Generally Completed as Planned, but Long-standing Challenges Suggest Need for Fundamental Reforms</i>	12/14/2010	http://www.gao.gov/new.items/d11193.pdf
CENSUS	GAO	<i>2010 Census: Follow-up Should Reduce Coverage Errors, but Effects on Demographic Groups Need to Be Determined</i>	12/14/2010	http://www.gao.gov/new.items/d11154.pdf
CENSUS	GAO	<i>2010 Census: Key Efforts to Include Hard-to-Count Populations Went Generally as Planned; Improvements Could Make the Efforts More Effective for Next Census</i>	12/14/2010	http://www.gao.gov/new.items/d11145.pdf
CENSUS	OIG	<i>2010 Census: Cooperation Between Partnership Staff and Local Census Office Managers Challenged by Communication and Coordination Problems</i>	4/8/2011	http://www.oig.doc.gov/Pages/2010-Census-Cooperation-Between-Partnership-Staff-and-LCO-Managers-Challenged-by-Communication-and-Coordination-Problems.aspx
CENSUS	OIG	<i>2010 Census: Contract Modifications and Award-Fee Actions on the Decennial Response Integration System (DRIS) Demonstrate Need for Improved Contracting Practices</i>	2/15/2011	http://www.oig.doc.gov/Pages/2010-CensusContractModificationsandAward-FeeActionsontheDecennialResponseIntegrationSystem(DRIS)Demo.aspx
CENSUS	OIG	<i>2010 Census: Partner Support Program Lacked Adequate Controls for Monitoring Purchases and Ensuring Compliance</i>	11/18/2010	http://www.oig.doc.gov/Pages/2010-CensusPartnerSupportProgramLackedAdequateControlsforMonitoringPurchasesandEnsuringComplianceOl.aspx

THEME 3
ENVIRONMENTAL STEWARDSHIP

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ENVIRONMENTAL
STEWARDSHIP

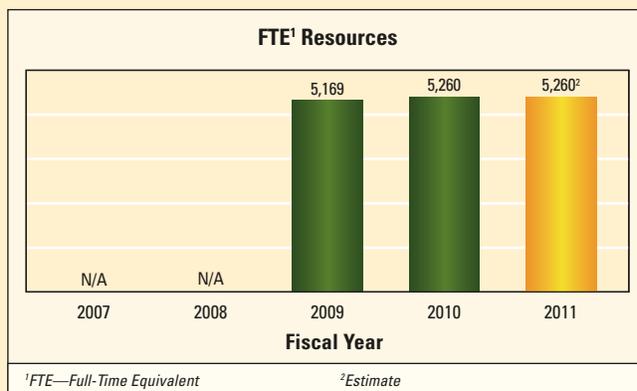
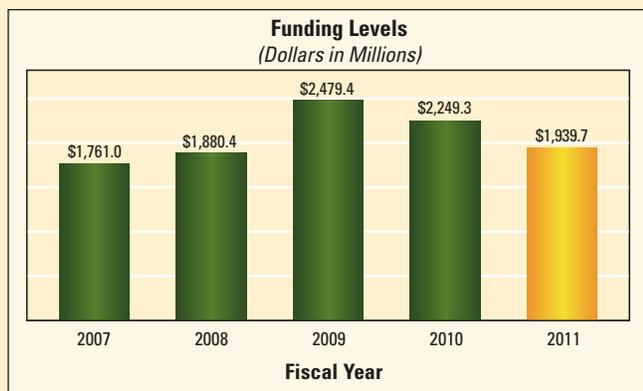
THEME, STRATEGIC GOAL, AND OBJECTIVES		TARGETS MET OR EXCEEDED
THEME 3: ENVIRONMENTAL STEWARDSHIP		
Strategic Goal: <i>Promote economically-sound environmental stewardship and science</i>		
Objective 16	Support climate adaption and mitigation (NOAA)	3 of 4
Objective 17	Develop sustainable and resilient fisheries, habitats, and species (NOAA)	3 of 5
Objective 18	Support coastal communities that are environmentally and economically sustainable (NOAA)	5 of 7



THEME 3: ENVIRONMENTAL STEWARDSHIP

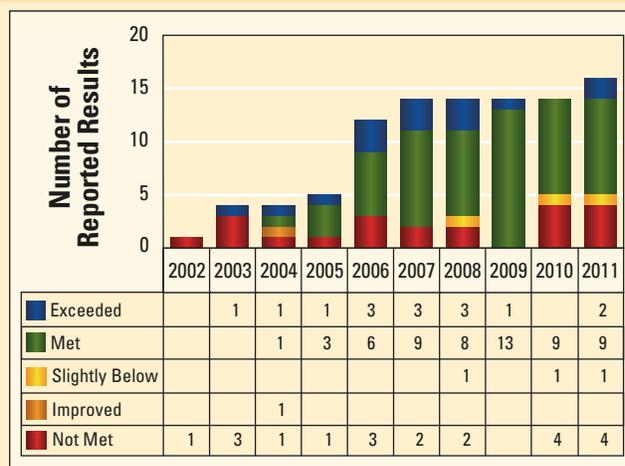
STRATEGIC GOAL: *Promote economically-sound environmental stewardship and science*

ENVIRONMENTAL STEWARDSHIP TOTAL RESOURCES



This theme contains one strategic goal and within that strategic goal, three objectives, all of which are associated with the National Oceanic and Atmospheric Administration (NOAA). The following public benefits, achievements, and performance results are associated with each objective.

ENVIRONMENTAL STEWARDSHIP PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

OBJECTIVE 16

Support climate adaption and mitigation (NOAA)

PUBLIC BENEFITS

The Nation has an urgent need to advance U.S. understanding of the climate system and climate impacts so as to improve climate predictions and projections and to better inform adaptation and mitigation strategies. Key scientific uncertainties limit scientists' ability to understand and predict changes in the climate system. International, national, state, and local efforts to limit greenhouse gases require reliable information to support emissions verification, as do efforts to track climate changes and mitigate impacts. Adaptation and mitigation strategies must also be informed by a solid scientific understanding of the climate system.

Society exists in a highly variable climate system, with conditions changing over the span of seasons, years, decades, and centuries. Given such stresses as population growth, drought, and increasing demand for freshwater, it is essential for NOAA to provide reliable observations, forecasts, and assessments of climate, water, and ecosystems to enhance decisionmakers' ability to minimize climate risks. This information supports decisions regarding community planning, business management, and natural resource and water planning.

Climate-related changes projected for the future include the following:

- increased global temperatures;
- melting sea ice and glaciers;
- rising sea levels;
- increased frequency of extreme precipitation events;
- acidification of the oceans;
- modifications of growing seasons;
- changes in storm frequency and intensity;
- alterations in species' ranges and migration patterns;
- earlier snowmelt;
- increased drought; and,
- altered river flow volumes.

The impacts of these changes are regionally diverse and affect numerous sectors, including water, energy, transportation, forestry, tourism, fisheries, agriculture, and human health. These changes have profound implications for society, underscoring the need for scientific information to aid decisionmakers in developing and evaluating options for mitigating the human causes of climate change and adapting to foreseeable climate impacts.

In FY 2011, NOAA continued its efforts to obtain the best science through the U.S. Global Change Research Program (USGCRP, formerly the Climate Change Science Program) and NOAA Climate Program. NOAA accomplished this through its continuing role as lead agency of the interagency USGCRP. In addition, NOAA increased the production of climate information and services for decisions, including completion of the USGCRP Synthesis and Assessment Reports, and implementation of the National Integrated Drought Information System (NIDIS).

ACHIEVEMENTS

America's Climate Choices Releases Final Report

A National Research Council committee report warned that the risk of dangerous climate change impacts is growing with every ton of greenhouse gases emitted into the atmosphere, and reiterated the pressing need for substantial action to limit the magnitude of climate change and to prepare to adapt to its impacts. The National Research Council's new report, the final volume in America's Climate Choices, a series of studies requested by Congress and supported by NOAA, analyzed the Nation's options for responding to the risks posed by climate change. The report emphasized that the country needs a coordinated national response to climate change, and should be guided by an iterative, risk management framework in which actions taken can be revised as new knowledge is gained. The report committee included renowned scientists and engineers, economists, business leaders, an ex-governor, a former congressman, and other policy experts.

Forecasting Drought in the South Central United States

NOAA and its partners throughout the South Central U.S. region continue to monitor drought conditions and release outlooks, aiming to provide enough lead time to people whose lives and livelihoods may be vulnerable to drought impacts. The advance notice allowed state fire managers in Texas and the surrounding states enough time to assess their fire risk, assets, and resources during one of the driest winter and spring seasons on record. Texas experienced what may have been its worst fire season in history this past year. As the extreme drought continued through 2011, NOAA weather and climate experts collaborated with the Department of the Interior (DOI) and other stakeholders in the South Central U.S. region to prepare an updated drought outlook. The resulting forecast found that given current drought conditions, the expected above-normal temperatures, and the precipitation outlook, there is less than five percent chance that drought conditions will end between July and September.

NOAA Joins International Effort to Track Black Carbon in the Arctic

In April and May 2011, six nations participated in the Coordinated Investigation of Climate-Cryosphere Interactions project, a study that looks at the potential role of black carbon, or soot, on the rapidly changing Arctic climate. NOAA used two small unmanned aircraft the size of a large suitcase outfitted with sensors to sample the air. Other participants included scientists from Norway, Russia, Germany, Italy, and China. The goal of the project was to coordinate more than a dozen research activities so that they can provide, for the first time, a vertical profile of black carbon's movement through the atmosphere, its deposition on snow and ice surfaces, and its effect on warming in the Arctic.

New NOAA Buoy to Help Close Gap in Climate Understanding South of Africa

To better understand the effects of the ocean on global climate and weather, scientists from NOAA's Pacific Marine Environmental Laboratory (PMEL) (<http://www.pmel.noaa.gov/>) deployed an Ocean Climate Station mooring (<http://www.pmel.noaa.gov/ocs/ARC/>)—an anchored buoy—on the edge of the warm Agulhas Return Current (ARC) southeast of South Africa in December 2011.

The buoy, which is part of NOAA's climate observation and monitoring efforts, is one of only two deep ocean climate buoys positioned below the Tropic of Capricorn; the other is located south of Australia. With this mooring, scientists will be able to measure how this powerful current warms the atmosphere and some of the effects it has on the local meteorology and climate.

Arctic Report Card: Region Continues to Warm at Unprecedented Rate

In 2006, NOAA's Climate Program Office introduced the annual Arctic Report Card, which established a baseline of conditions at the beginning of the 21st century to monitor the quickly changing conditions in the Arctic. This year's report—released on October 21, 2010 and prepared by a team of 69 international scientists—found that the Arctic region continues to heat up, affecting local populations and ecosystems as well as weather patterns in the most populated parts of the Northern Hemisphere. Greenland is experiencing record-setting high temperatures, ice melt, and glacier area loss. Summer sea ice continues to decline—the 2009 – 2010 summer sea ice cover extent was the third lowest since satellite monitoring began in 1979—and sea ice thickness continues to thin. Arctic snow cover duration was also at a record minimum since recordkeeping began in 1966.

New Guide to Help Natural Resource Managers Make Climate-Smart Conservation Decisions

On January 19, 2011, an expert working group consisting of leading scientists from federal agencies (including NOAA), state agencies, non-profit organizations, and universities, produced *Scanning the Conservation Horizon: A Guide to Climate Change Vulnerability Assessment*. This guide offers conservationists and resource managers a way to understand the impact of climate change on species and ecosystems, and supports efforts to safeguard these valuable natural resources. The peer-reviewed guide helps conservation professionals and natural resource managers craft effective strategies to prepare for and cope with the effects of rapid climate change on the Nation's fish, wildlife, and natural habitats—and the communities and economies that depend on them.

NOAA Establishes Supercomputing Center in West Virginia

On March 9, 2011, NOAA Administrator Jane Lubchenco announced a \$27.6 million American Reinvestment and Recovery Act of 2009 (ARRA) investment to build a new state-of-the-art supercomputer center in Fairmont, WV, housed by the NOAA Environmental Security Computing Center. The center is geared to develop and improve the accuracy of global and regional climate and weather model predictions, giving NOAA a powerful new tool in climate and weather modeling and service delivery.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (NOAA)	TARGET	ACTUAL	STATUS
U.S. temperature forecasts (cumulative skill score computed over the regions where predictions are made)	21	22	Met
Uncertainty in the magnitude of the North American (NA) carbon uptake	0.45 GtC/year	0.45 GtC/year	Met
Error in global measurement of sea surface temperature	0.50°C	0.51°C	Slightly Below
Number of regionally focused climate impacts and adaptation studies communicated to decisionmakers	41 assessments/evaluations	41 assessments/evaluations	Met

FY 2011 STATUS

NOAA met three of the four targets for this objective.

FY 2011 MISSED TARGETS

MEASURE	ERROR IN GLOBAL MEASUREMENT OF SEA SURFACE TEMPERATURE (NOAA)
Explanation	The performance target was set at an approximate target level, and the deviation from that level is slight. There was no effect on the overall program or activity performance.
Action	Overall the program is successful but is working to improve buoy deployment to improve data quality and meet future targets.

OBJECTIVE 17

Develop sustainable and resilient fisheries, habitats, and species (NOAA)

PUBLIC BENEFITS

Ocean and coastal ecosystems provide many extremely visible human benefits—they provide nourishment, they provide recreational opportunities, and they support economies. Yet ocean and coastal resources are already stressed by human uses and habitat changes resulting in depleted fish and shellfish stocks; increased numbers of species at-risk; and declining marine, coastal, and Great Lakes biodiversity. Since humans are an integral part of the ecosystem, these declines in ocean and coastal ecosystem functions and quality can directly impact human health and well being. As long-term environmental, climate, and population trends continue, global demands for seafood, recreational use of the marine environment, and other pressures on habitats and over-exploited species will increase, and concerns about the sustainability of ecosystems and safety of seafood will rise commensurately. Depleted fish stocks and declines in iconic species such as killer whales, salmon, and sea turtles result in lost opportunities for employment, economic growth, and recreation along the coasts. In addition, climate change impacts to the ocean—sea level rise, acidification, and warming—will alter habitats and the relative abundance and distribution of species as well as the productivity of coastal and marine ecosystems, affecting recreational, economic, and conservation activities.

NOAA will ensure that U.S. ocean, estuarine, and related ecosystems and the species that inhabit these ecosystems are vibrant and sustainable in the face of these challenges. A stronger understanding of these systems will support an ecosystem-based approach to management. These approaches account for the complex connections between organisms (including humans); their physical, biotic, cultural, and economic environments; and the wide range of processes that control their dynamics, and can assist policymakers weigh trade-offs between alternative courses of action. By working toward the long-term sustainability of all species, NOAA will also ensure, for present and future generations, that seafood is a safe, reliable, and affordable food source; that seafood harvest and production, recreational fishing opportunities, and non-consumptive uses of living marine resources continue to support vibrant coastal communities and economies; and that species of cultural and economic value can flourish. Restoration of natural habitat for compromised species requires a substantial amount of time. The levels of native species also can be affected by the inadvertent introduction of invasive species, often through the shipping industry or through direct human release of such species. NOAA defines them as “aquatic and terrestrial organisms and plants that have been introduced into new ecosystems (i.e., Great Lakes, San Francisco Bay, Florida, Hawaii) throughout the United States and the world and are both harming the natural resources in these ecosystems and threatening the human use of these resources.” Examples of recent invasive species include zebra mussels and snakeheads.

ACHIEVEMENTS

Steady Progress Toward Rebuilding the Nation's Fisheries

In FY 2011, NOAA made significant progress toward ending overfishing and rebuilding overfished stocks. In July 2011, NOAA released the 14th annual report to Congress on the status of the Nation's fisheries that showed three additional formerly overfished stocks rebuilt to healthy levels, bringing the total rebuilt since 2000 to 21. As of December 31, 2010, NOAA had put in place annual catch limits or other management measures for all stocks subject to overfishing as mandated by the Magnuson-Stevens Act, with NOAA being on track to have annual catch limits in place for all remaining stocks by the end of 2011. During FY 2011, NOAA established required annual catch limits in 20 Fishery Management Plans (FMP), including key groundfish fisheries in Alaska, the mid-Atlantic, and

on the Pacific Coast, crab and scallop fisheries in Alaska, and all the FMPs in the Western Pacific. As of September 30, 2011, 25 FMPs had all required catch limits in place.

All Federal Waters of the Gulf Once Closed to Fishing Due to Spill Now Open

On April 19, 2011, NOAA reopened 1,041 square miles of Gulf waters immediately surrounding the Deepwater Horizon wellhead, just east of Louisiana, to commercial and recreational fishing. This completed the reopening of all federal waters formerly closed to fishing due to the Deepwater Horizon oil spill. Sensory analysis found no detectable oil or dispersant odors or flavors, and chemical analysis for oil-related compounds and dispersants, conducted in part with a brand new method developed by NOAA to measure dispersants in seafood, were well below the levels of concern. The reopening followed consultation with the U.S. Food and Drug Administration.

NOAA continues to be involved in numerous activities following the reopening. Staff are engaged in both assessment studies and development of restoration activities under the Natural Resources Damage Assessment (NRDA) umbrella. NOAA is assessing damage to turtles, marine mammals, fish, and other trust resources. NOAA is the lead agency/Trustee for the development of the Deepwater Horizon Programmatic Environmental Impact Statement (PEIS), which will provide a framework to guide the decision-making of the Trustee Council, as well as provide transparency to the public and policymakers about the NRDA process. While the PEIS is being developed, NOAA has led the co-Trustees in the development of emergency restoration projects for submission to BP for funding, and is providing guidance and counsel to the Trustees to execute the \$1 billion framework agreement for early restoration.

NOAA Stimulates the Economy and Restores Habitat through the Implementation of the ARRA Habitat Restoration Projects

In FY 2011, NOAA completed construction for 76 percent of the 50 habitat restoration projects supported through ARRA. NOAA restored 10,318 habitat acres with ARRA funds in FY 2011, for a total of 12,142 acres since FY 2009, exceeding the total cumulative projected target of 8,770 acres to be restored with ARRA funds. These projects will improve habitat conditions for living marine resources, including threatened and endangered species, and will also help the economies of coastal communities.

Fisheries Benefit from Catch Share Programs

Final figures for Fishing Year 2010 of the Northeast groundfish fishery (May 1, 2010 – April 30, 2011), the first for the expanded sector program, show total gross revenues from all species caught by commercial groundfish vessels increased 24 percent from 2009. While total groundfish landings decreased by 17 percent, total groundfish revenues decreased by only two percent (likely due to higher groundfish prices). This is also the first year the Northeast groundfish fleet fished under comprehensive catch limits for the 20 stocks that account for both kept and discarded groundfish species; none of the new fishing sectors exceeded their annual catch allocations for groundfish stocks. Whereas the implementation of this complex program was an enormous undertaking for NOAA, its apparent success demonstrates the value of catch share programs.

Actions Taken to Combat Illegal, Unreported, and Unregulated Fishing and Bycatch of Protected Living Marine Resources

In October 2010, a federal rule went into effect that allows NOAA to deny a vessel entry into a U.S. port or access to port services if that vessel has been listed for engaging in illegal, unreported, and unregulated (IUU) fishing by a regional fishery management organization. The rule also prohibits persons and businesses from providing certain services to, and engaging in commercial transactions with, listed foreign IUU vessels. Annual global economic losses due to IUU fishing are estimated to be as high as \$23 billion. In the 2010 Report to Congress, China, France, Italy, Libya, Panama, and Tunisia had been identified as having IUU fishing issues. The 2011

Report concluded that all six countries had taken corrective action, but that Colombia, Ecuador, Italy, Panama, Portugal, and Venezuela were identified as having new IUU fishing issues. The United States also joined more than 50 countries in July to recommend that tuna regional fishery management organizations better track vessels engaged in IUU fishing for tunas, swordfish, sharks, and other highly migratory species. Delegates also recommended a set of decision-making principles designed to ensure all management measures are consistent with scientific advice.

Weak Hooks Used to Protect Non-Target Tuna and Whales

In May 2011, NOAA implemented a requirement for pelagic longline vessels in the Gulf of Mexico to use “weak hooks” designed to release spawning bluefin tuna while retaining the target yellowfin tuna and swordfish. Bluefin tuna is a newly-designated species of concern under the Endangered Species Act due to concerns regarding their depleted stock levels, and potential impacts of the Deep Water Horizon oil spill on their only known spawning grounds in the Western Atlantic. NOAA scientists worked with fishermen over three years to design and test weak hooks as a way of reducing bluefin tuna bycatch. To assist fishermen with the transition to these new, improved hooks, NOAA worked in cooperation with the National Fish and Wildlife Foundation to develop a voucher program whereby fishermen would be reimbursed by the foundation for the initial cost of purchasing the new hooks. NOAA also conducted a field study to determine the commercial viability of using weak hooks in the Hawaii deep-set longline fishery for bigeye tuna to reduce bycatch of false killer whales. The study showed that catch rates of bigeye tuna were maintained using hooks that can potentially be straightened by false killer whales, allowing them to escape. The study may provide the basis for a conservation measure now under consideration to reduce take in the Hawaii longline fishery.

NOAA Implements Improved Recreational Catch Estimates

In FY 2011, NOAA delivered a new, independently-reviewed, design-unbiased survey methodology that will improve the accuracy of recreational catch estimates. The new approach addresses one of the major recommendations in the National Research Council’s Review of Recreational Fisheries Survey Methods. NOAA staff coordinated with councils, commissions, and constituents to roll out this major improvement to recreational fishing statistics, which is a milestone in meeting the data needs of NOAA’s management partners as well as addressing issues of public confidence in NOAA data. The new recreational catch estimation method will be used to produce the 2011 estimates and to revise historical estimates. In addition, NOAA met the Magnuson-Stevens Act January 1, 2011 deadline for the implementation of the registration renewal and fee acceptance functionality for the Marine Recreational Information Program National Saltwater Angler Registry, including full integration with Pay.gov.

Complete Roll-out of Final NOAA National Aquaculture Policy

On June 9, 2011, the Department and NOAA issued complementary policies that together provide a national approach for supporting and enabling sustainable domestic marine aquaculture. NOAA’s vision for sustainable seafood includes aquaculture as a complement to wild-caught fisheries in meeting demand for seafood. NOAA’s policy will enable the development of sustainable marine aquaculture within the context of NOAA’s stewardship missions and broader social and economic goals. The intent of the policy is to guide NOAA’s aquaculture activities and to provide a national approach for supporting sustainable commercial production, expanding restoration aquaculture, and researching and developing new technologies. The policy provides overarching guidance and context for domestic aquaculture to contribute to the U.S. seafood supply, promote job creation, support coastal communities and important commercial and recreational fisheries, and help restore habitat and endangered species. Initiatives announced with the release of the final policies included: a national shellfish initiative; a job creation, technology transfer, and innovation initiative; and implementation of the Gulf of Mexico Fishery Management Plan for aquaculture.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (NOAA)	TARGET	ACTUAL	STATUS
Fish stock sustainability index (FSSI)	586	587	Met
Percentage of fish stocks with adequate population assessments and forecasts	60.4% (139/230)	55.7% (128/230)	Not Met
Number of protected species with adequate population assessments and forecasts	18.6% (73/392)	17.6% (69/392)	Not Met
Number of protected species designated as threatened, endangered, or depleted with stable or increasing population levels	28	29	Met
Number of habitat acres restored (annual)	8,888	15,420	Exceeded

FY 2011 STATUS

NOAA met three of the five targets under this objective.

FY 2011 MISSED TARGETS

MEASURE	PERCENTAGE OF FISH STOCKS WITH ADEQUATE POPULATION ASSESSMENTS AND FORECASTS (NOAA)
Explanation	The target for this measure was missed by 11 assessments. The completion of five assessments targeted for FY 2011 fourth quarter was delayed until FY 2012 first quarter, due mainly to a backlog resulting from the heavy workload for the statutorily mandated development of Annual Catch Limits, as well as funding delays in FY 2011. Six assessments did not meet the targeted standard of adequacy for reasons specific to each stock, generally due to an overall increase in expectations for what is needed to achieve adequacy.
Action	The five delayed assessments will be completed in FY 2012 first quarter. NOAA will attempt to achieve adequacy in FY 2012 on three of the six assessments that did not reach it in 2011, and one is scheduled for reassessment in 2014. The other two are not currently on the assessment schedule.
MEASURE	PERCENTAGE OF PROTECTED SPECIES WITH ADEQUATE POPULATION ASSESSMENTS AND FORECASTS (NOAA)
Explanation	The target for this measure was missed by four assessments. Two assessments of shortnose sturgeon in the Southeast were delayed until FY 2012 because the funds were not received in time for the contractor to complete the work in FY 2011. Two assessments for corals in the Southeast were cancelled due to an unexpected decrease in FY 2011 funding.
Action	The two sturgeon assessments will be completed in FY 2012. The two coral assessments depend on available funding and may be rescheduled once the FY 2012 appropriation is determined.

OBJECTIVE 18

Support coastal communities that are environmentally and economically sustainable (NOAA)

PUBLIC BENEFITS

Coastal areas are among the most developed in the Nation, with over half the population living on less than one-fifth of the land in the contiguous United States. At over 230 persons per square mile, the population density of the near shore is three times that of the Nation as a whole. The portion of the U.S. economy that depends directly on the ocean is also large, with 2.2 million people employed and over \$197 billion in value added to the national economy in 2000. Approximately 89 million people vacation and recreate along U.S. coasts every year. The amount added annually to the national economy by the commercial and recreational fishing industry alone is over \$43 billion with an additional \$1 billion of marine and freshwater aquaculture sales. With its Exclusive Economic Zone of 3.4 million square miles, the United States manages the largest marine territory of any nation in the world. While an increasing range of uses will allow coastal communities to create diverse ocean-based economies, care must be taken to ensure continued access to coastal areas, sustained ecosystems, maintained cultural heritage, and limited cumulative impacts.

No single region better exemplifies the complex interdependence of communities and changing climate and ecosystem conditions than the Arctic. There is evidence of widespread, dramatic change in the Arctic region, with local to global implications. National security concerns are increasing as reductions in sea-ice bring opportunities for economic development and increased access to Arctic resources. The breadth and complexity of the cultural, societal, economic, and environmental impacts within this region require a concerted, systematic, and rapid effort with partners from local to international levels.

Within this context, NOAA works with its partners to achieve a balance between the use and protection of these resources to ensure their sustainability, health, and vitality for the benefit of this and future generations and their optimal contribution to the Nation's economy and society. A coastal and marine spatial planning framework is a comprehensive management approach that is designed to support sustainable uses and ensure healthy and resilient ocean and coastal ecosystems. In some areas, NOAA and its partners collaboratively protect and manage critical coastal and ocean ecosystems.

NOAA will invigorate coastal communities and economies, and lead to increased resiliency and productivity. Comprehensive planning will address competing uses to protect coastal communities and resources from the impacts of hazards and land-based pollution on vulnerable ecosystems, as well as to improve water quality and foster integrated management for sustainable uses. Geospatial services will support communities, navigation, and economic efficiency with accurate, useful characterizations; charts and maps; assessments; tools; and methods. Coastal decisionmakers will have the capacity to adaptively manage coastal communities and ecosystems with best available natural and social science. Enabling this goal are strong collaborative partnerships with regional, state, and local private and public entities that have responsibilities and interests in managing coastal communities and ecosystems. Close collaboration across goals will ensure success in meeting NOAA's strategic priorities.

NOAA's Marine Transportation System (MTS) spans ports and inland waterways across U.S. coastal waters and oceans to support commerce, recreation, and national security. MTS supports the Nation's economy, with more than 77 percent by weight and 95 percent by volume of U.S. overseas trade carried by ship. By 2020, the value of domestic maritime freight is forecasted to nearly double. MTS is increasingly vulnerable to natural and human-caused disruptions, potentially impacting the viability of the economy. Increased maritime activity can stress sensitive marine and freshwater environments and increase the risk of maritime accidents. Improving the reliability and resilience of MTS will decrease risks to the economy and the environment.

ACHIEVEMENTS

NOAA Helps Exporters Load More Cargo and Ensures Safe Navigation across the Nation

Accurate depth information can make millions of dollars of difference to shippers taking U.S. exports to overseas markets, especially as the Nation attempts to double exports by 2015. With underwater keel clearances of less than 12 inches in some places and overhead bridge clearances just as tight, captains rely on NOAA's navigational data to determine how much cargo they can load on a particular vessel. NOAA worked with maritime communities in South Carolina and California to survey approaches and update nautical charts to provide the most precise information to commercial mariners. NOAA's navigation managers and navigation response teams worked with the Charleston Pilots Association, who had voiced concerns about shoaling that may interfere with traffic approaching the port terminal. NOAA also worked with the U.S. Army Corps of Engineers and U.S. Coast Guard to update navigational charts to reflect depth changes in the Ports of Los Angeles and Long Beach. NOAA's navigation response teams investigated a series of potential threats to navigation in order to maintain safety and efficiency of the Nation's maritime transportation system. One team searched for a sunken vessel and investigated reports of shoaling and other depth changes causing problems for ships in the inter-coastal waterway and the approach to Panama City, FL. At the request of the San Francisco Bar Pilot Association, another team investigated a variety of navigation issues and surveyed anchorage areas where munitions were once (but are no longer) offloaded, so the restrictions can be removed from NOAA nautical charts. Elsewhere, teams surveyed priority areas in Narragansett Bay, MA; King's Bay, FL; and Puget Sound, WA. A team also continued to survey in support of Lake Huron's Thunder Bay National Marine Sanctuary.

Hydrographic Surveys Address Backlog in Continental United States and Alaska

Ocean transportation contributes more than \$742 billion to the national economy and provides employment for more than 13 million people. NOAA's nautical charting services provide updated information that ports and shippers use to increase both efficiency and safety. The United States has nearly 3.5 million square nautical miles of coastal waters U.S. Exclusive Economic Zone. NOAA's Office of Coast Survey began its 177th hydrographic survey season making progress towards addressing the survey backlog with updated hydrographic surveys of critical areas of the continental United States and Alaska. NOAA ships THOMAS JEFFERSON, FAIRWEATHER, and RAINIER surveyed more than 2,400 square nautical miles of coastal waters. NOAA works throughout the year with pilots, port authorities, the U.S. Coast Guard, researchers, and others when setting priorities for its annual survey schedule. The Virginia Pilots Association recently noted that the timing of NOAA's upcoming surveys in southern Chesapeake Bay is especially opportune because Operation Sail 2012 Virginia, a tall ship celebration, could generate more than \$150 million for the state in related and visitor spending.

NOAA Increases Great Lakes Marine Forecasting Capability

NOAA significantly extended its Great Lakes forecasting of marine conditions, almost doubling its current 36-hour forecast capability to 60 hours. The improvement adds vital information to the Great Lakes Operational Forecast System, which provides forecasts of water levels, three-dimensional water temperature, and currents for the five Great Lakes every six hours. This output, combined with wind and wave forecasts provided by the National Centers for Environmental Prediction (NCEP), provides users a complete forecast package of important lake parameters. Users access the information via an interactive map offered online by NOAA's Center for Operational Oceanographic Products and Services (CO-OPS) and from the Office of Coast Survey's nowCOAST. This forecast improvement is possible thanks to a collaborative effort between CO-OPS, Office of Coast Survey, NCEP, the Great Lakes Environmental Research Laboratory, and Ohio State University.

New Storm Surge Monitoring Network in Mobile County, AL

In summer 2011, NOAA completed the first three water level stations in the Mobile Bay Storm Surge Monitoring Network in Alabama. This accomplishment involved CO-OPS's first operational installation of microwave radar water level sensors, a new technology in which CO-OPS has invested significant effort over the last three years with tests and evaluation. The main objective of the project is to install a state-of-the-art water level network consisting of five new strategically located stations to provide real-time storm surge data to Mobile County's emergency managers, Weather Forecast Office, and others. The motivation is to provide better spatial coverage of water level observations throughout Alabama's complicated and flood prone coasts. Data will be extremely valuable to support local storm surge warning and related decision-making, as well as to continue development of new and improved storm surge forecast models. To ensure sustainability of the systems, measurement equipment is located high enough above the water to survive category 5 storm surge levels (22-25 feet above mean sea level). NOAA recently completed the first three stations, and will install the remaining two stations in August and September.

Harmful Algal Bloom Forecasts, Research, and Response

The National Ocean Service's National Centers for Coastal Ocean Science (NCCOS) issued experimental harmful algal bloom forecasts bulletins for western Lake Erie. The region-specific software generates bulletins that are delivered to coastal resource managers; water treatment facilities; local, state, and federal public health officials; and academic and research institutions to initiate in situ sampling and bloom confirmation, and collect public health impact data. In the northeast, scientists from NCCOS's Gulf of Maine Toxicity project issued an outlook for a moderate regional bloom of toxic algae. In 2010, a forecast led to early monitoring of shellfish beds in Maine that forced closure of portions of Casco Bay, potentially avoiding human illness. Information between users and scientists have produced and transferred NOAA technologies to mitigate the socioeconomic impacts of harmful algal blooms on coastal communities. These include phone applications for volunteers at over 200 monitoring sites, toxin detection methods promoting international trade, autonomous underwater biosensors for early warning systems, hand-held sensors for health assessments, and event response and non-invasive methods to measure toxins in humans and wildlife.

NOAA's Office of Response and Restoration Continues to be the U.S. Scientific Resource for Oil Spills

NOAA's Office of Response and Restoration (OR&R) is the leading U.S. scientific resource for oil spills, with mandates to provide scientific support during responses and to conduct the Natural Resource Damage Assessment (NRDA). OR&R's input is vital to science-based decision-making in Gulf communities in the wake of the Deepwater Horizon oil spill. OR&R had Scientific Support Coordinators on-scene throughout the incident who funneled scientific, technical, and environmental expertise from OR&R's modelers, chemists, biologists, and oceanographers to the response. OR&R oversees the Shoreline Cleanup and Assessment Technique (SCAT) effort which is now the most visible component of the Deepwater response. Due to the size of the Deepwater Horizon release and the large potential for injury, NRDA field efforts have far surpassed any other for a single oil release. By early June 2011, the trustees had approved over 115 study plans and collected more than 36,000 water, tissue, sediment, soil, tarball, and oil samples. More than 90 oceanic cruises have been conducted for NRDA with many more scheduled for the fall of 2011. NRDA will identify the extent of injuries to resources, the best methods for restoring those resources, and the type and amount of restoration required. OR&R also provides scientific input and review on high-level reports and assessments, e.g., Operational Science Advisory Team, Federal On-Scene Commander report, Incident Specific Preparedness Review, Presidential Commission, Report to the President by the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, National Response Team after Action Report. OR&R is also providing on-site scientific support for the Silvertip Pipeline spill in the Yellowstone River, and has been at the forefront of coordinating federal partnerships to address marine debris created by the devastating March 2011 Japan tsunami. OR&R is using supplemental funding from Congress to address targeted science-based issues including:

- Improvement of algorithms and models showing subsurface blowout dynamics and transport mechanisms in three dimensions;
- Assessment of dispersed oil (both surface and subsurface) data and development of national research and development priorities for dispersants in marine environments; and
- Use of new oil budget algorithms in real-time fate models for better and quicker oil budget estimates during continuous release scenarios.

NOAA Disaster Response Center Set to Open in 2012

The lessons learned from natural disasters over the past decade, such as the Deepwater Horizon spill and Hurricane Katrina, have shown that effective application of federal capabilities requires keen awareness and operational understanding of key products and services at every level of government. Delivering and applying these products and services requires highly trained staff and effective support resources, which highlights the importance of the new NOAA Disaster Response Center currently nearing completion in Mobile, AL. The center's mission to efficiently apply NOAA's capabilities to the unique circumstances of the Gulf of Mexico will improve the Agency's preparedness and response posture in a region known to be vulnerable to extreme events.

NOAA's National Geodetic Survey Deploys to Flood and Storm-Ravaged Areas

Over the past year, the National Geodetic Survey (NGS) has provided vital emergency response imagery to flood and storm-ravaged areas. In April 2011, the Remote Sensing Division of NGS and NOAA's Office of Marine and Aviation Operations (OMAO) deployed to North Dakota to collect aerial imagery of areas affected by the Red River flooding. With more than 30 hours of flight time, imagery data were collected in coordination with NOAA's North Central River Forecast Center to validate their flood models. Later in April, and in early May, NGS and OMAO deployed to the Birmingham and Tuscaloosa, AL areas for aerial mapping of the long swath of catastrophic tornado damage in the southeast. Later in May, NGS again deployed, this time to Joplin, MO, to collect disaster response imagery of the catastrophic tornado damage that took place in that area, collecting nearly 1,500 images. NWS, OMAO, and the National Ocean Service conducted and coordinated these interagency projects along with the U.S. Army Corps of Engineers, the Federal Emergency Management Agency (FEMA), State of Alabama authorities, and others. NGS is ready to collect new imagery for hurricane damage assessment should the need arise. All imagery data were processed immediately following the flights and are available for public view on the NGS Web site www.ngs.noaa.gov.

Gulf of Mexico at a Glance: A Second Glance

On August 2, 2011, the National Ocean Service released a new publication, *The Gulf of Mexico at a Glance: A Second Glance*. This publication provides coastal managers, planners, policy officials, and others with a reference to support regional decision-making and communications about the importance of healthy Gulf coastal ecosystems to a robust national economy, a safe population, and a high quality of life for residents. The report helps to better define the regional context in which NOAA and other state, local, and federal partners work through the Gulf of Mexico Alliance to better manage the Gulf's coastal natural resources. The report contributes to the implementation of the National Ocean Policy, and serves as a valuable reference to NOAA and its partners working to advance regional ocean governance through the Gulf of Mexico Alliance, and regional restoration through the Gulf Coast Ecosystem Restoration Task Force. This report is an update to the original *Gulf of Mexico at a Glance* report, published in June 2008. This update was produced in partnership with the U.S. Census Bureau and the U.S. Environmental Protection Agency Gulf of Mexico Program.

NOAA's Role in Developing a National Fish, Wildlife and Plants Climate Adaptation Strategy

In FY 2011, NOAA, DOI's Fish and Wildlife Service, and the State of New York (on behalf of the States) initiated the development of a National Fish, Wildlife, and Plant Climate Adaptation Strategy. The goal of the strategy is to provide a nationwide unified approach—reflecting shared principles and science-based practices—to safeguard the Nation's biodiversity, ecosystem functions, and sustainable human uses of fish, wildlife, and plants in a changing climate. Congress called for development of the strategy by DOI in an FY 2010 appropriations conference report, and DOI subsequently invited NOAA to co-lead the effort. NOAA responsibilities include: co-chairing the intergovernmental Steering Committee that will oversee development of the strategy, providing direction and expertise on the Management team for the effort, and providing leadership and expertise on Technical teams. The interagency, intergovernmental Steering Committee officially kicked off the effort in January 2011, and five ecosystem-focused Technical teams began development of strategy content in March. Each team has representatives from NOAA's federal, state, and tribal partners in resource management, with over 100 formally engaged in the effort. The Office of Ocean and Coastal Resource Management is co-leading the Coastal Technical team along with the State of Florida. Teams have completed drafts of ecosystem sections that identify climate impacts and key strategies and actions for managing species and natural resources in a changing climate. The strategy will also include national-level strategies and a discussion of crosscutting issues such as the role of agriculture, transportation, and energy sectors in building the resilience of natural resources. A draft of the strategy will be released for Agency review in October and public review in December 2011.

Enhancing Access to Geospatial Information through the Digital Coast

The Digital Coast is a community-driven enabling platform and partnership effort that provides an integrated suite of data, decision support tools, training, and real-world case studies for the Nation's coastal communities. The Digital Coast brings critical, place-based information to community leaders to ensure they are better equipped to take the steps needed to make their communities and their economies more resilient. Almost 2,500 communities used the Digital Coast Web site in the third quarter of FY 2011, exceeding the Department's balanced scorecard target of 1,918. This figure includes 37 percent of all Census-designated cities within NOAA-approved coastal counties. Improvements in FY 2011 included several new mapping and visualization tools. For each of these additions, the common theme was making complicated information easy to understand and use. For instance, the Sea Level Rise and Coastal Flooding Impacts Viewer allows users to "see" potential impacts from flooding and sea level rise. The Land Cover Atlas is making satellite imagery much more accessible to quickly evaluate changes in habitat or development. The expanded Coastal County Snapshots now includes ocean and Great Lakes-related employment data provided by the Bureau of Economic Analysis and Bureau of Labor Statistics, as well as a new economic-based dataset, Economics: National Ocean Watch, or ENOW. The new Digital Coast Webinar series is providing a popular means for users to get their questions answered and gain a better understanding of the utility provided in the Digital Coast.

NOAA Exceeds Performance Goal on Reprocessing Data for Other Purposes

NOAA is making great strides with the Integrated Ocean and Coastal Mapping (IOCM) approach of "map once, use many times." Led by Coast Survey, the NOAA IOCM effort has reprocessed 226 square nautical miles of multibeam data, including 126 square nautical miles of fisheries multibeam data collected in southwest Alaska by the NOAA Ship OSCAR DYSON. The reprocessed data was forwarded to NOAA's hydrographic survey branch for use in navigation products such as nautical charts. An additional 100 square nautical miles of hydrographic multibeam bathymetry and backscatter data from the NOAA Ship FAIRWEATHER for the Olympic Coast National Marine Sanctuary was reprocessed to support the development of seafloor habitat maps. NOAA exceeded its target of 100 square nautical miles for reprocessed data while developing methods to reprocess data for additional uses, improved ease of data access, and improved quality of mapping products.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (NOAA)	TARGET	ACTUAL	STATUS
Annual number of coastal, marine, and Great Lakes ecological characterizations that meet management needs	50	50	Met
Cumulative number of coastal, marine, and Great Lakes issue-based forecasting capabilities developed and used for management	45	55	Met
Percentage of tools, technologies, and information services that are used by NOAA partners/customers to improve ecosystem-based management	87%	88%	Met
Annual number of coastal, marine, and Great Lakes habitat acres acquired or designated for long-term protection	19,219	17,274	Not Met
Percentage of U.S. coastal states and territories demonstrating 20% or more annual improvement in resilience capacity to weather and climate hazards (%/year)	36%	43%	Exceeded
Hydrographic survey backlog within navigationally significant areas (square nautical miles surveyed per year)	2,400	2,278	Not Met
Percentage of U.S. counties rated as fully enabled or substantially enabled with accurate positioning capacity	83.0%	84.3%	Met

FY 2011 STATUS

NOAA met and/or exceeded five of the targets under this objective.

FY 2011 MISSED TARGETS

MEASURE	HYDROGRAPHIC SURVEY BACKLOG WITHIN NAVIGATIONALLY SIGNIFICANT AREAS (SQUARE NAUTICAL MILES SURVEYED PER YEAR) (NOAA)
Explanation	NOAA missed the target of 2,400 square nautical miles in part due to delays in contract task order awards, a reduction in address survey backlog funds, and lost days at sea for NOAA Ship RAINIER due to emergency repairs to the ship's steering system and emergency generator switch board.
Action	The National Ocean Service and OMAO are working together to rationalize how planning and performance management is structured to monitor funds and performance for reducing the hydrographic survey backlog.
MEASURE	ANNUAL NUMBER OF COASTAL, MARINE, AND GREAT LAKES HABITAT ACRES ACQUIRED OR DESIGNATED FOR LONG-TERM PROTECTION (NOAA)
Explanation	The Coastal and Estuarine Land Conservation Program (CELCP) targets are established based on an evaluation of what real estate contracts will be closed from management plans 1-3 years prior to the year of performance measure execution. In FY 2010, a large CELCP contract closed September 30 that was expected to close in FY 2011, this artificially elevated the actual for FY 2010 and impacted actual for FY 2011. In addition, due to late appropriations for FY 2011, grants could not be processed in time to close a substantial contract closure prior to September 30, 2011. Both of these events greatly impacted the ultimate actual. The remaining CELCP acres will likely be achieved through contract closures in FY 2012.
Action	No action is required.

THEME 3 PROGRAM EVALUATIONS

The following program evaluations were conducted on programs related to this theme in FY 2011.

BUREAU	REVIEWER	NAME OF EVALUATION	DATE	WEB SITE
NOAA	National Research Council	<i>Precise Geodetic Infrastructure: National Requirements for a Shared Resource</i>	10/2010	http://www.nap.edu/catalog.php?record_id=12954
NOAA	NOAA	<i>NOAA Management Control Review</i>	Ongoing, 2011	http://www.corporateservices.noaa.gov/~audit/MgmtControlOverview.html
NOAA	SRA International, Inc. & The Council Oak	<i>External Evaluation of State Coastal Zone Management and National Estuarine Research Reserve System Programs</i>	9/1/2010	http://coastalmanagement.noaa.gov/success/evaluation.html
NOAA	GAO	<i>Chesapeake Bay: Restoration Effort Needs Common Federal and State Goals and Assessment Approach (GAO-11-802)</i>	Ongoing, 2011	http://gao.gov
NOAA	GAO	<i>Financial Management: NOAA Needs to Better Document Its Policies and Procedures for Providing Management and Administration Services</i>	1/31/2011	http://www.gao.gov/new.items/d11226.pdf
NOAA	National Research Council	<i>Tsunami Warning and Preparedness: An Assessment of the U.S. Tsunami Program and the Nation's Preparedness Efforts (2010)</i>	1/1/2011	http://www.nap.edu/catalog.php?record_id=12628
NOAA	NOAA	<i>Great Lakes Environmental Research Laboratory Science Review</i>	11/1/2010	http://www.glerl.noaa.gov/review/
NOAA	NOAA	<i>Air Resources Laboratory Science Review</i>	5/1/2011	http://www.arl.noaa.gov/LR2011_Review.php
NOAA	NOAA	<i>Cooperative Institute for Limnology and Ecosystems Research (CILER) External Science Review</i>	10/2010	http://www.sab.noaa.gov/Reports/CILER_Review_Report_final.pdf
NOAA	NOAA	<i>Cooperative Institute for Arctic Research (CIFAR) External Science Review</i>	7/2011	http://www.sab.noaa.gov/Reports/CIFAR_2004.pdf
NOAA	OIG	<i>Survey of NOAA's System and Processes for Tracking Oil Spill Costs</i>	12/22/2010	http://www.oig.doc.gov/Pages/SurveyofNOAA'sSystemandProcessesforTrackingOilSpillCostsOIG-11-016-M.aspx

THEMES 4, 5, AND 6 MANAGEMENT THEMES

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MANAGEMENT
THEMES



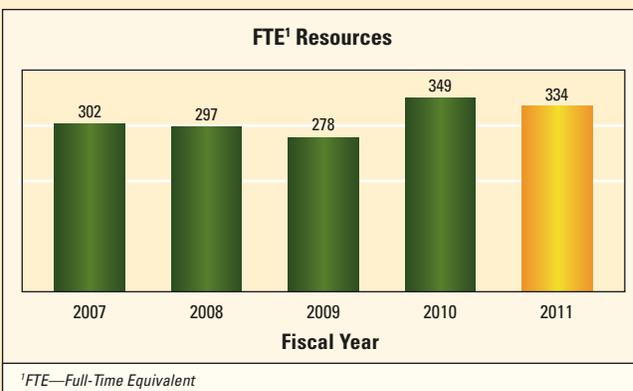
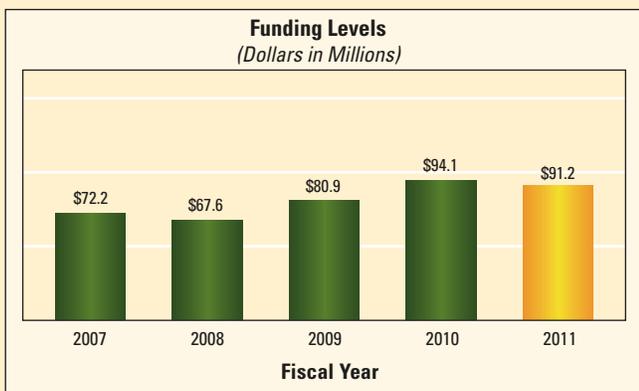
THEMES, STRATEGIC GOALS, AND OBJECTIVES		TARGETS MET OR EXCEEDED
THEME 4: CUSTOMER SERVICE		
Strategic Goal: <i>Create a culture of outstanding communication and services to our internal and external customers</i>		
Objective 19	Provide streamlined services and a single point of contact assistance to customers, improving interaction and communication through CommerceConnect, partnerships, and other means of stakeholder involvement (DM)	No measures in FY 2011
Objective 20	Promote information access and transparency through the use of technology, fuller understanding of customer requirements, and new data products and services that add value for customers (DM)	No measures in FY 2011
Objective 21	Provide a high level of customer service to our internal and external customers through effective and efficient functions implemented by empowered employees (DM)	No measures in FY 2011
THEME 5: ORGANIZATIONAL EXCELLENCE		
Strategic Goal: <i>Create a high-performing organization with integrated, efficient, and effective service delivery</i>		
Objective 22	Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statutes and regulations, and prevent waste, fraud, and abuse of government resources (DM, OIG)	2 of 5
Objective 23	Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness (DM)	0 of 1
Objective 24	Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats (DM)	1 of 1
THEME 6: WORKFORCE EXCELLENCE		
Strategic Goal: <i>Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission</i>		
Objective 25	Recruit, grow, develop, and retain a high-performing, diverse workforce with the critical skills necessary for mission success, including the next generation of scientists and engineers (DM)	1 of 1
Objective 26	Create an optimally-led Department by focusing on leadership development, accountability, and succession planning (DM)	No measures in FY 2011
Objective 27	Provide an environment that empowers employees and creates a productive and safe workforce (DM)	No measures in FY 2011



MANAGEMENT THEMES (THEMES 4, 5, AND 6)

Below is a funding, full-time equivalent (FTE), and performance summary of the following three management/administrative themes: Customer Service (Theme 4), Organizational Excellence (Theme 5), and Workforce Excellence (Theme 6). After this summary are individual sections for each of the themes.

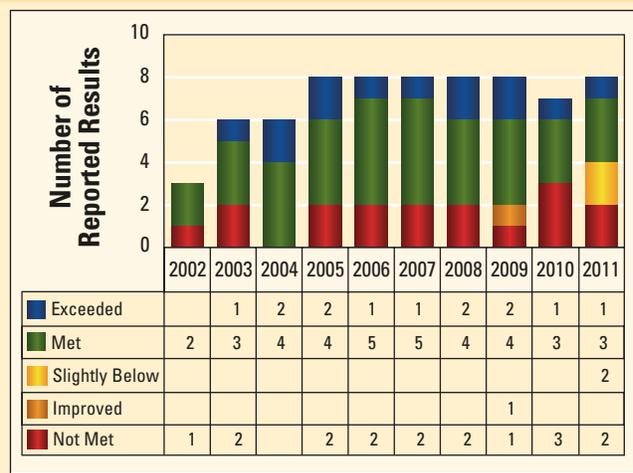
MANAGEMENT THEMES TOTAL RESOURCES



As U.S. society becomes increasingly oriented toward using electronic means of communication and information dissemination, federal agencies must ensure that they continue to be as responsive as possible to the needs of the public, the private sector, other levels of government, and other federal agencies. Departmental Management (DM) must promote leading-edge technologies, collaboration, and technology transformation across the Department, ensuring alignment with mission requirements, goals, and objectives in order to deploy and maintain systems able to perform at the highest levels.

Achieving organizational and management excellence is a goal that requires extensive interaction and coordination among entities throughout the Department. DM—consisting of the Offices of the Secretary, Deputy Secretary, Chief Financial Officer (CFO) and Assistant Secretary for Administration (ASA), Chief Infor-

MANAGEMENT THEMES PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

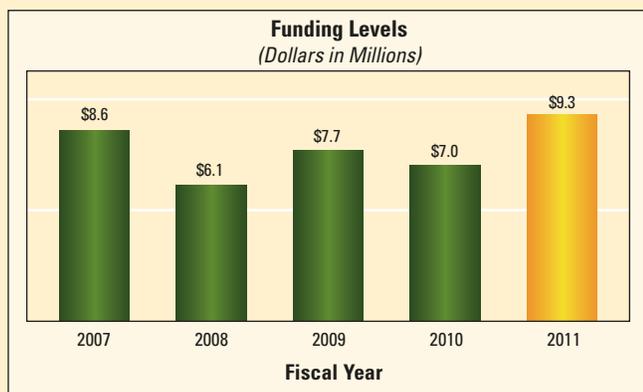
mation Officer (CIO), and General Counsel—provides the policies and guidelines that support the management infrastructure the Department needs to carry out its mission.

The Department must have the capacity to do business with the public and its partner agencies, both as a more than \$8 billion worldwide enterprise, and as an integrated set of individual programs. This requires that it identify, adopt, and maintain business practices essential to successful operations; use its resources wisely; and effectively implement the laws that affect it. In order to ensure the accomplishment of its mission, the Department has developed and put into place policies and programs designed to enable the successful operation of its units, the effective and efficient use of both material and human resources, and the implementation of laws and regulations that govern the use of those resources.

THEME 4: CUSTOMER SERVICE

STRATEGIC GOAL: *Create a culture of outstanding communication and services to our internal and external customers*

CUSTOMER SERVICE TOTAL RESOURCES



Fiscal Year	FTE Resources
2007	N/A
2008	N/A
2009	N/A
2010	N/A
2011	N/A

¹FTE—Full-Time Equivalent
²DM and OIG FTEs are shown in Theme 5, Organizational Excellence.

This strategic goal is comprised of three objectives which contribute to the Secretary’s theme of Customer Service and all of which are associated with DM. Since the latest strategic plan was only finalized during FY 2011, the Department had not yet developed performance measures for these three objectives. While there are definite benefits associated with all three objectives, the accomplishments have largely been associated with CommerceConnect, reflected in objective 19. Therefore, what follows are the public benefits and achievements associated with the following objectives within this theme:

OBJECTIVE 19

Provide streamlined services and a single point of contact assistance to customers, improving interaction and communication through CommerceConnect, partnerships, and other means of stakeholder involvement (DM)

OBJECTIVE 20

Promote information access and transparency through the use of technology, fuller understanding of customer requirements, and new data products and services that add value for customers (DM)

OBJECTIVE 21

Provide a high level of customer service to our internal and external customers through effective and efficient functions implemented by empowered employees (DM)

PUBLIC BENEFITS

Through its CommerceConnect initiative, the Department provides a one-stop approach to expose businesses to the array of programs, services, and data available from the federal government. Teaming up with its partner bureaus and other federal and local agencies, CommerceConnect hopes to develop and improve programs that meet business needs, and to identify existing programs to better target areas of business need.

CommerceConnect streamlines access to enterprise assistance resources by assessing businesses needs and making targeted referrals to appropriate Department bureaus for export promotion, access to capital, contract opportunities, intellectual property protection, management and technical assistance, or guidance on how to make operations more efficient.

The Department initiated CommerceConnect to transform government and breakdown bureaucratic silos. The initiative fosters customer service to U.S. business enterprises and interagency collaboration.

CommerceConnect acts as a one stop touch point for the entire Department. It supports U.S. businesses by matching and referring them to the Department's more than 70 programs, services, and resources. The goal is simple: to help emerging entrepreneurs and established companies around the country overcome challenges, exploit opportunities, and connect to the right resources to advance their objectives.

CommerceConnect will provide assistance to U.S. businesses through a Web-based portal, call centers, stand alone field offices, and bureau field offices. All assistance portals are fully integrated with a customer relationship management system to track customer service and performance metrics, respecting business privacy.

The Department is working to improve information sharing to promote open and transparent access to information generated by the Department and bureaus. An understanding of existing processes, along with the willingness to accept change, is a critical factor in creating an atmosphere of open and transparent access to information. The Department will develop a culture of information sharing to promote outstanding customer service by using new tools, such as social media, to provide timely information sharing; providing single point of contact assistance to customers; and promoting access to information that meets Department customers' needs.

The Department-wide strategies to develop a culture of information sharing to promote outstanding customer service and transparency include the following:

- Develop the use of new tools, such as social media, to provide timely information sharing both inside and outside of the Department and bureaus. This may be achieved through integration of these tools into existing information dissemination processes.
- Provide single point of contact assistance to customers. This is achieved by understanding customer requirements, communicating clearly with Department customers, and following up with partners and customers to ensure that customers get the level of service they expect.
- Promote information access. This is achieved by understanding customer requirements, and then applying existing technology as well as creating new data products and services to meet customer requirements.

In addition to developing a culture of information sharing and a single point of access for customers, the Department will use its open government initiative to improve transparency, collaboration, and cooperation with the public and across all levels of government.

In seeking to develop a culture which emphasizes outstanding customer service, a variety of strategies will be developed and measured using a strategic planning and management system known as the Balanced Scorecard. The Department-wide strategies include the following:

- Provide integrated services and single point of contact assistance to customers. This may be achieved through enhanced stakeholder involvement, by means of improved interaction and communication using techniques such as partnerships and branding (see Objective 19).
- Promote information access. This may be achieved by establishing an understanding of customer requirements, and then applying existing technology as well as creating new data products and services to deliver added value to customers (see Objective 20).
- Establish the Department open government initiative to improve transparency, collaboration, and cooperation with the public and across all levels of government (see Objective 20).
- Implement CommerceConnect to provide businesses and entrepreneurs with a single source for economic, technology, trade, and statistical information (see Objective 19).
- Re-engineer key business processes in accordance with the President's Government-wide Hiring Reform Initiative to increase efficiencies and strengthen effectiveness (see Objective 25).
- Improve risk management and reduce Department exposure to high risk contracts (see Objective 23).

In addition, each operating unit will develop strategies unique to its mission; for example:

- Establish a uniform customer survey (CFO/ASA);
- Partner with the General Services Administration (GSA) to effectively represent the Department in all aspects of the Herbert C. Hoover Building renovation project for which GSA has responsibility, and plan and coordinate all aspects of the project for which the Department has responsibility (CFO/ASA);
- Evaluate and improve the means by which economic, statistical, trade, and other data may be made available to businesses, communities, and individuals (Economics and Statistics Administration (ESA));
- Create a modern IT infrastructure for a scientific enterprise (National Oceanic and Atmospheric Administration (NOAA));
- Increase the percentage of calls resolved directly by the Bureau of Industry and Security (BIS) call center operators (BIS); and
- Expand outreach to new stakeholders who participate in the open government initiative (Economic Development Administration (EDA)).

ACHIEVEMENTS

CommerceConnect extended its local reach to 17 locations (beyond its stand alone operation in Michigan and a group of detailees working in the Gulf Coast) by cross-training existing bureau field staff including: Philadelphia, PA; Chicago, IL; Atlanta, GA; Los Angeles, CA; San Francisco, CA; Seattle, WA; Denver, CO; Boston, MA; New York, NY; Austin, TX; Dallas, TX; Kansas City, MO; Middletown, CT; Birmingham, AL; Charlotte, NC; Charleston, WV; and Baltimore, MD.

CommerceConnect made considerable progress in establishing an operational infrastructure to support the growth of the initiative, expand inter-bureau collaboration, and implement a Department-wide customer-oriented business model.

- CommerceConnect trained over 175 Department staff to help small and medium-size businesses to grow.
- Year-to-date, CommerceConnect engaged nearly 900 customers (vs. 90 clients in FY 2010); and provided over 1,300 referrals (vs. 333 referrals in FY 2010) to Department and other federal, state, local, and non-profit programs that address their specific needs.
- Customer service excellence is achieved by providing courteous interaction, easy matching, and responsive customer referrals that help U.S. businesses access key programs, resources, and services. CommerceConnect served as the Department's singular point of contact for first time callers. Customers in search of assistance received (on average) three referrals, thereby broadening their growth objectives.
- Customer service is also measured through feedback provided by clients during service engagements. Approximately 75 percent of the referrals made have been acted upon by clients. In other words, clients decided to take follow-up action three out of four times for every referral made.
- Referrals are critically important because among other things they help companies obtain financing for operations and expansion, improve the efficiency of their operations, protect their intellectual property, increase their exports, access data and information for more effective decision-making, and a host of other activities critical to the Nation's growth and economic prosperity.

In terms of infrastructure, CommerceConnect established a call center operation as the first point of contact for clients and a customer relationship management system to manage those client relationships and track outcomes. CommerceConnect also added a new self-service online tool, new Web site, and expanded marketing and research. CommerceConnect will soon release a more robust virtual service interface to better match business needs with programs, products and, services via the Internet. It will also initiate a new Web-based training program for additional Department staff in local field offices.

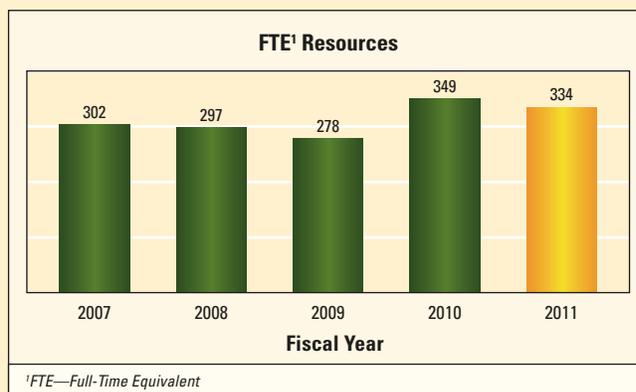
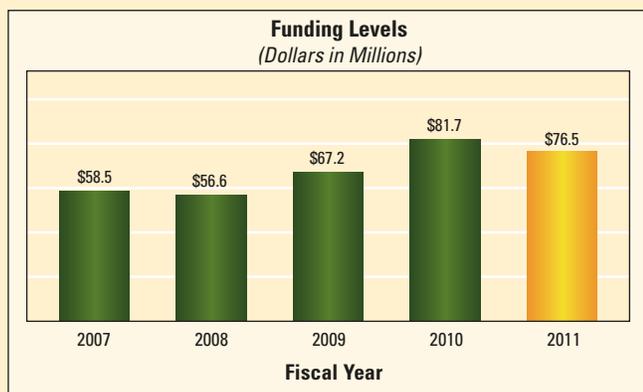
SUMMARY OF PERFORMANCE

The Department is in the process of developing measures to evaluate progress toward achieving the objectives associated with this theme. Measures will appear in the FY 2012 Performance and Accountability Report (PAR).

THEME 5: ORGANIZATIONAL EXCELLENCE

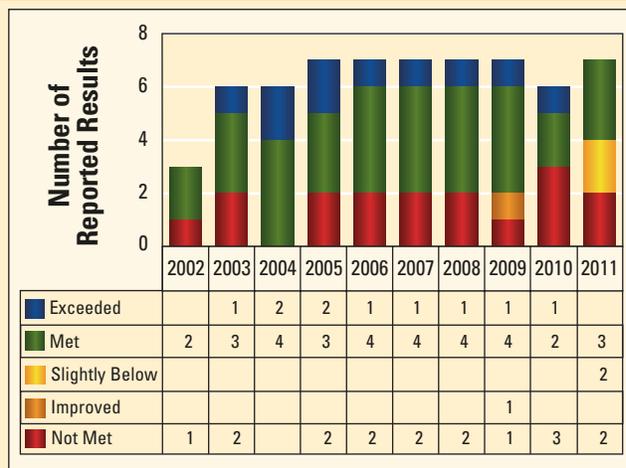
STRATEGIC GOAL: *Create a high-performing organization with integrated, efficient, and effective service delivery*

ORGANIZATIONAL EXCELLENCE TOTAL RESOURCES



This theme is comprised of three objectives which contribute to the Secretary’s theme of Organizational Excellence. The following public benefits, achievements, and performance results are associated with each objective.

ORGANIZATIONAL EXCELLENCE PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

OBJECTIVE 22

Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statutes and regulations, and prevent waste, fraud, and abuse of government resources (DM, OIG)

PUBLIC BENEFITS

DM strengthens financial and non-financial internal controls within the Department by conducting the Office of Management and Budget (OMB) Circular A-123 financial internal controls assessments annually, performing non-financial management internal controls reviews on selected sensitive programs, overseeing the development of corrective action plans to address any identified weakness, and continuously monitoring the progress made on corrective actions.

The Office of Inspector General (OIG) is responsible for improving Departmental programs and operations through independent and objective oversight and for detecting and preventing fraud, waste, abuse, and violations of law. Annually, it presents the Secretary with an objective analysis of the Department's top management challenges and areas of greatest program risk. Most of DM's and the OIG's work can be characterized as "behind-the-scenes," contributing to the efficiency with which operating units throughout the Department administer their programs.

The OIG audits and evaluations review critical Department activities to identify vulnerabilities, deficiencies or irregularities; and inefficiencies in information technology (IT) systems, contracts, and grants, and program operations. OIG criminal, civil, and administrative investigations continue to disclose instances of misconduct by employees, contractors, and grantees that threaten the integrity of the Department's programs and operations. In addition, auditors or inspectors in some matters identify investigative issues, such as fraud and conflicts of interest, and refer such matters to the OIG's investigators.

ACHIEVEMENTS

DM achieved an unqualified audit opinion for the thirteenth consecutive year in FY 2011, and plans to maintain the same in FY 2012 and beyond.

DM continued work on the Business Application Solutions project (formerly known as the Future Financial and Administrative Planning Business Analysis). The project provided comprehensive business system modernization support services by determining the long-term viability of the legacy business systems and defining, planning, and driving Departmental modernization efforts.

In FY 2011, OIG audits and evaluations highlighted major Departmental challenges and made recommendations to improve the Department's operations. The OIG provided extensive oversight of the 2010 Census resulting in recommendations for the Census Bureau to operate more effectively and efficiently for the next decennial operation. In addition, the OIG has taken a proactive approach to monitoring the Broadband Technology Opportunities Program by providing the National Telecommunications and Information Administration (NTIA) with recommendations to enhance its administration of a critical American Recovery and Reinvestment Act (ARRA) of 2009 program. Finally, the OIG's ongoing reviews of Department IT security systems revealed vulnerabilities and provided the Department with recommendations to better protect valuable systems and data.

OIG investigative activities resulted in more than \$6.2 million in fines and other financial judgments in FY 2011. Most notable was a civil judgment against a National Institute of Standards and Technology (NIST) grantee convicted of intentionally misusing \$500,000 in grant funds that amounted to \$4.3 million in damages, penalties, restitution, and forfeited property, plus 15 months' imprisonment.

In addition to audits, evaluations, and investigations, the OIG supports the Secretary and Congress in many other ways. In FY 2011, the OIG advised the Secretary on ways to enhance internal operations, such as through a more effective suspension and debarment program, better controls on motor pool operations, and execution of the Department's Acquisition Reform initiatives, all of which would help the Department realize significant cost savings.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management (DM)	<ul style="list-style-type: none"> Eliminate any significant deficiency within 1 year of determination that there is a significant deficiency Complete FY 2011 A-123 assessment of internal controls 	<ul style="list-style-type: none"> Eliminated significant deficiency. Completed A-123 assessment 	Met
Effectively use commercial services management (DM)	<ul style="list-style-type: none"> Increase use of competition by 2% measured by procurement dollars awarded Decrease procurement dollars awarded on cost-reimbursement, time and materials, and labor hour contracts by 10% 	<ul style="list-style-type: none"> > 2% > 10% 	Met
Percent of OIG recommendations accepted by Departmental and bureau management (OIG)	95%	94%	Slightly Below
Dollar value of financial benefits identified by the OIG (OIG)	\$39.0M	\$33.6M	Not Met
Percent of criminal and civil matters that are accepted for prosecution (OIG)	75%	73%	Slightly Below

FY 2011 STATUS

DM met both of its targets while the OIG was slightly below for two targets and didn't meet the third target.

FY 2011 MISSED TARGETS

MEASURE	PERCENT OF OIG RECOMMENDATIONS ACCEPTED BY DEPARTMENTAL AND BUREAU MANAGEMENT (OIG)
Explanation	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Action	No additional action to be taken.
MEASURE	DOLLAR VALUE OF FINANCIAL BENEFITS IDENTIFIED BY THE OIG (OIG)
Explanation	Investigative recoveries were less than in previous years.
Action	TBD
MEASURE	PERCENT OF CRIMINAL AND CIVIL MATTERS THAT ARE ACCEPTED FOR PROSECUTION (OIG)
Explanation	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Action	No additional action to be taken.

HISTORICAL TRENDS

FY 2011 was an unusual year for the OIG. In the past, the OIG has consistently met its targets.

OBJECTIVE 23

Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness (DM)

PUBLIC BENEFITS

As U.S. society becomes increasingly oriented toward using electronic means of communication and information dissemination, federal agencies must ensure that they continue to be as responsive as possible to the needs of the public, the private sector, other levels of government, and other federal agencies. DM must promote leading-edge technologies, collaboration, and technology transformation across the Department, ensuring alignment with mission requirements, goals, and objectives in order to deploy and maintain systems able to perform at the highest levels.

ACHIEVEMENTS

Acquisitions is one of the key areas in terms of re-engineering key business processes. The Office of Acquisitions Management achieved the following results in FY 2011:

- Provided proactive and timely guidance and oversight to the acquisition and grants community in the Department to ensure smooth implementation and execution of the ARRA, and has been recognized for the superior performance of its oversight of recipient reporting.
- Completed an in-depth spend analysis, prioritized commodities, and initiated five strategic sourcing projects to leverage spending opportunities across the Department and achieve savings.
- Developed a comprehensive and corporate framework for overseeing and managing acquisition projects with regard to requirements development/management and project management processes.

SUMMARY OF PERFORMANCE

The Department uses the following measure to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (DM)	TARGET	ACTUAL	STATUS
Obligate funds through performance-based contracting (% of eligible service contracting \$)	50%	39%	Not Met

FY 2011 STATUS

DM did not meet the target for this measure.

FY 2011 MISSED TARGETS

MEASURE	OBLIGATE FUNDS THROUGH PERFORMANCE-BASED CONTRACTING (% OF ELIGIBLE SERVICE CONTRACTING \$) (DM)
Explanation	Not all requirements lend themselves to performance-based contracting. Successful implementation of performance-based contracting requires a behavioral management approach. Due to staffing shortages, resources have not been available to assist bureaus and program offices with a better understanding and implementation of performance-based contracting.
Action	TBD

HISTORICAL TRENDS

DM has consistently missed this target due to the reasons noted in the explanation above.

OBJECTIVE 24

Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats (DM)

PUBLIC BENEFITS

The benefits of this objective are both internal and external. By having a strong IT enterprise architecture, the Department ensures the security of information both within its own structure and with outside stakeholders. The priorities driving the achievement of this objective are to (1) improve the effectiveness of IT investments and resources across the Department, (2) strengthen cyber security through an increased use of security technologies, and (3) increase collaboration across bureaus using the Department CIO community.

The Department IT Enterprise Architecture has a federated structure. This allows the various bureaus the flexibility they need to meet their mission-specific goals while at the same time providing an overarching structure to meet Department-wide program needs, and to encourage deploying and using IT resources more effectively wherever possible.

The goals of the Enterprise Architecture are to:

- Foster the development and use of IT architectural standards based on established best practices;
- Assist in identifying applications and systems that can be deployed with new technology solutions;
- Identify technologies and services that can be purchased and/or deployed Department-wide to reduce costs;
- Increase the use of automated continuous monitoring tools; and
- Provide tools and analysis to capital planners and acquisitions staff to channel purchases in the direction established by the CIO Council.

Taking a phased approach, initially the larger bureaus are looking at optimization and consolidation across geographically distributed organizations, while smaller co-located bureaus are prompted to work collaboratively. Subsequently, such efforts can be expanded to optimize more broadly the activities, operations, and investments of the Department as a whole.

ACHIEVEMENTS

In FY 2011, the Office of the CIO (OCIO) completed the following tasks/activities to support this objective:

- Instituted the TechStat process which is a face-to-face, risk-based review by the Department's senior management that produces corrective action strategies for any of the Department's major IT investments which are underperforming and not providing value to the taxpayer. As part of the Department's transparency efforts, OCIO evaluated and submitted 45 business cases to the federal IT Dashboard, demonstrating to the public the sound management of the Department's IT investments. On average, OCIO achieved within five percent of its cost, schedule, and performance targets for the major IT investments undergoing development and enhancement. OCIO developed solid business cases for major IT investments with the business cases ensuring that OCIO managed and wisely invested those IT funds.

- Leveraged the Department Web Advisory Council to publish a Social Media and Web 2.0 Use Policy that includes an approval process for each use of social media in the Department. Additionally, this policy ensures that a Department terms of service agreement negotiated by the Office of General Counsel, is in place for each approved use of social media. OCIO, in conjunction with the Chief Privacy Officer, has approved and currently maintains 70 Privacy Impact Assessments which are posted on the Web.
- Signed Commerce Interim Technical Requirements (CITR) policies for Wireless Encryption and Contingency Plan testing and exercise activities. Provided additional guidance for Bluetooth, Configuration Management, and Risk Management Framework transition.
- Conducted 12 IT Security Compliance CIO-one-to-one evaluations and performed an additional eight security assessments of programs, applications; and systems to satisfy FY 2011 Internal Control Review activities.
- Conducted monthly reviews of Department information systems utilizing information within the IT security tool, Cyber Security Assessment and Management (CSAM). The reviews track progress in Authority to Operate (ATO) status, and in plans of action and milestones (POA&M) management. The scorecards and analysis were presented to the Department’s CIO Council. The implementation of these metrics has helped improve operating unit management of system ATOs and POA&Ms.
- Launched the Department’s first PII (personally identifiable information) Privacy Training module to be used as a companion to IT Security General Awareness Training.
- Hosted first annual Commerce IT Security Conference with role-based training sessions such as mobile device security; social networking; continuous monitoring; implementing cloud computing and managing a remote workforce; provided mandatory training for all Office of Secretary Approving Officer/Security Officers.
- Completed Cyber Security Development Program (CSDP) cycle with 19 graduates in FY 2011; and 52 IT Security personnel Department-wide obtaining IT security industry professional certifications.

SUMMARY OF PERFORMANCE

The Department uses the following measures to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (DM)	TARGET	ACTUAL	STATUS
Improve the management of information technology	<ul style="list-style-type: none"> ● IT investments have cost/schedule overruns and performance shortfalls averaging less than 10% ● Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM ● Increase security training completion rate to 80% for privileged users (role-based) ● Deploy 80% of the required NCSO 3-10 communications capabilities. Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams. 	<ul style="list-style-type: none"> ● All IT investments within 10% of cost and schedule ● Reviews completed ● 89% completion rate ● NCSO 3-10 did not receive funding 	Met

FY 2011 STATUS

DM met its target.

THEME 6: WORKFORCE EXCELLENCE

STRATEGIC GOAL: *Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission*

WORKFORCE EXCELLENCE TOTAL RESOURCES



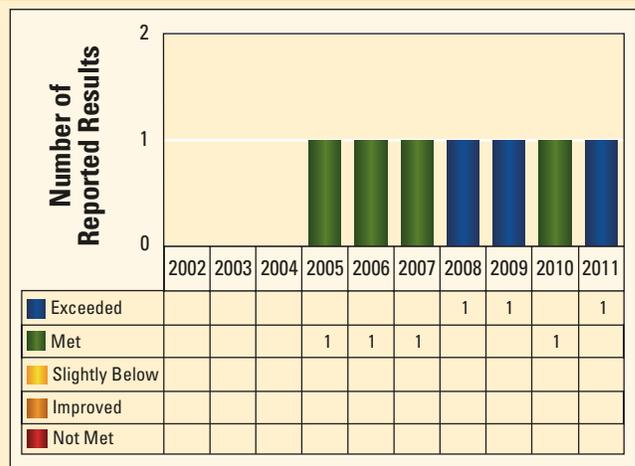
Fiscal Year	FTE Resources
2007	N/A
2008	N/A
2009	N/A
2010	N/A
2011	N/A

¹FTE—Full-Time Equivalent
²DM and OIG FTEs are shown in Theme 5, Organizational Excellence.

This theme consists of three objectives which contribute to the Secretary's theme of Workforce Excellence. The following public benefits, achievements, and performance results are associated with each objective.

The Department continues to refine and develop programs to help train and retain a highly qualified workforce and avoid disruption in the services it provides. Leadership priorities for improvement are based on employee feedback to surveys, various skills assessments, and comprehensive workforce analyses. While performance management systems are effective in rewarding high performers, more targeted approaches are necessary to close skill gaps in the entire workforce. Training and development programs are based on competency assessments for mission-critical occupations such as meteorologist, statistician, acquisition, engineer, and chemist.

WORKFORCE EXCELLENCE PERFORMANCE RESULTS



See Appendix A: Performance and Resource Tables for individual reported results.

OBJECTIVE 25

Recruit, grow, develop, and retain a high-performing, diverse workforce with the critical skills necessary for mission success, including the next generation of scientists and engineers (DM)

PUBLIC BENEFITS

The Department is implementing the President's Hiring Reform Initiative that became effective November 1, 2010. This initiative is expected to streamline the process and increase the number of applicants who apply for positions thus attracting applicants in mission-critical occupations. The Department's front-end automated hiring system allows applicants to electronically submit their resumes (in any format), and cover letters as mandated by the President's initiative, enabling hiring managers and human resources practitioners to reduce the processing time. In addition, the front-end system allows applicants to receive status notifications electronically. The Department developed a Veterans Recruitment and Employment Operational Plan in FY 2010 that it will use over the next few years as a model to develop an operational plan for recruiting veterans and persons with disabilities. The Department will continue to provide retention incentives to retain skilled employees at all levels of the organization. The Department will continue to implement its pay for performance systems that have proven to be positive factors in the scientific and engineering fields, where historically, private sector pay scales for these difficult-to-fill positions are much higher than in the federal sector.

ACHIEVEMENTS

Among the DM accomplishments in FY 2011 are:

- Reduced the average time-to-hire to 75 calendar days in the third quarter of FY 2011 from 105 days in FY 2010 in support of the Presidential Memorandum dated May 11, 2010, "Improving the Federal Recruitment and Hiring Process." This exceeds the OMB and Office of Personnel Management (OPM) target of 80 calendar days to hire, from the submission of a request to recruit to the Entrance on Duty. Significant quarterly improvements were achieved through policy and procedural modifications, the establishment of automated tracking systems, comprehensive data collection and analysis, the creation of a Hiring Timeline Dashboard, and top leadership involvement and review.
- Increased veteran new hires to 12.2 percent in FY 2011 (as of August 2011) from 10.2 percent in FY 2010, in support of Executive Order 13518, "Employment of Veterans in the Federal Government." Enhanced employment opportunities for veterans were cultivated through the creation of a Veterans Hiring Dashboard, Office of Civil Rights co-sponsored hiring manager training on veteran recruitment and hiring authorities, advertisement in G.I. Jobs Magazine, participation in the 2011 Wounded Warrior Federal Employment Conference, and direct delivery of qualified disabled veteran resumes to hiring managers. Strategies for continued progress will be executed in accordance with the FY 2011 – 2012 Veterans Employment and Recruitment Operational Plan.
- Obtained approval from OPM to utilize the Voluntary Early Retirement Authority and Voluntary Separation Incentive Program to assist in restructuring and streamlining the Department workforce to continue to meet mission goals during the current lean federal fiscal environment. Currently, the authority covers designated positions within certain units of ESA's Bureau of Economic Analysis (BEA) and Census Bureau, International Trade Administration (ITA), Minority Business Development Agency (MBDA), NIST, NTIA, and the Office of the Secretary.

SUMMARY OF PERFORMANCE

The Department uses the following measure to gauge the performance of the activities associated with this objective.

PERFORMANCE MEASURE (DM)	TARGET	ACTUAL	STATUS
Acquire and maintain diverse and highly qualified staff in mission-critical occupations	<ul style="list-style-type: none"> ● Have new competency models in place for three mission-critical occupations for use in workforce recruitment, training, and development activities 	<ul style="list-style-type: none"> ● Four occupations 	Exceeded
	<ul style="list-style-type: none"> ● Meet or exceed the 80-day hiring goals mandated by OPM 	<ul style="list-style-type: none"> ● 83 days 	
	<ul style="list-style-type: none"> ● Train 100-200 participants on leadership development programs via ALDP, ELDP, and APCP 	<ul style="list-style-type: none"> ● 103 participants 	
	<ul style="list-style-type: none"> ● Train 180-200 participants via Careers in Motion 	<ul style="list-style-type: none"> ● 382 participants 	

FY 2011 STATUS

DM met or exceeded three of the four parts of this measure and was slightly below for the fourth.

FY 2011 MISSED TARGETS

MEASURE	ACQUIRE AND MAINTAIN DIVERSE AND HIGHLY QUALIFIED STAFF IN MISSION-CRITICAL OCCUPATIONS (DM)
Subpart	Meet or exceed the 80-day hiring goals mandated by OPM
Explanation	The deviation from the target was slight. In fact, the target was met in the third and fourth quarters. There was no effect on overall program or activity performance.
Action	Since the target was met in the third and fourth quarters, it is expected to be met in FY 2012. However, services HR offices will continue to refine business processes, increase automation, issue guidance, enhance communication, and maintain accountability in efforts to further reduce the average hiring timeline.

HISTORICAL TRENDS

DM has consistently met the different parts of this measure.

OBJECTIVE 26

Create an optimally-led Department by focusing on leadership development, accountability, and succession planning (DM)

PUBLIC BENEFITS

By creating, sustaining, and strengthening its development of emerging leaders to assume leadership positions within all levels, the Department will ensure effective leadership during the Departmental changes that are sure to come within future decades. A continuous cycle of improved performance will become the culture of the Department by putting systems for accountability in place that will drive performance and excellence.

ACHIEVEMENTS

- Received OPM notification that the Department Senior Executive Service (SES) performance management program was recommended to obtain full OPM and OMB certification for calendar year 2012 – 2013. With a certified appraisal system, the Department has the authority to increase the base salary of superior performing SES members above Executive Schedule level III up to level II and have access to the higher aggregate pay limit. Achieving full or provisional certification requires agency programs to meet specific criteria in the areas of accountability, alignment, measureable results, balance, consultation, organizational assessment and guidelines, oversight, training, and performance differentiation. As of April 2011, only 52 percent of certified SES appraisal systems were fully certified.
- Launched an eight-month Executive Education Program Pilot for the continuing development of current SES members, in accordance with the revised regulations under Title 5, Code of Federal Regulations, Part 412. Upon the pilot's completion, feedback from the 29 SES participants was analyzed and used to support the redesign of the program for FY 2012, which will have a greater focus on the "Leading Change" and "Leading People" Executive Core Qualifications.

SUMMARY OF PERFORMANCE

The Department is in the process of developing measures to evaluate progress toward achieving this objective. Measures will appear in the FY 2012 PAR.

OBJECTIVE 27

Provide an environment that empowers employees and creates a productive and safe workforce (DM)

PUBLIC BENEFITS

In the current economic climate, an effective and efficient workforce will be more critical than ever to the continued success of the Department in achieving its diverse missions. This will require workplaces free of recognized hazards so personnel can conduct their work safely in a variety of environments and the Department can provide its visitors and partners a safe experience. Identifying and controlling exposures to occupational safety and health hazards are an essential part of everyone's duties in the Department. Doing so will enhance the Department's safety culture and ensure that it remains an employer of choice.

The Department focuses on having its executives and managers responsible for safety programs in their bureaus actively participate in safety activities, such as the Department's Safety and Health Council meetings and awareness training opportunities. The Department enhances the role of leadership by making certain that the executives, managers, supervisors, and employees have the knowledge, skills, resources, and commitment in order to control hazards in the workplace and to strengthen efforts to protect employees, contractors, visitors, and others who enter Department workplaces. One method of doing this is conducting a gap analysis and preparing a written strategy to update and continuously improve the Department's Safety and Health Program Manual so that it is a comprehensive policy document to guide the bureaus' occupational safety and health programs to ensure a culture of safety.

ACHIEVEMENTS

- Launched the Organizational Excellence Initiative (OEI) in response to the consultant recommendations resulting from a four-month comprehensive organizational and customer service assessment of the Office of Human Resources Management (OHRM). Leveraging current internal resources and subject matter expertise, more than 75 percent of the OHRM workforce volunteered to participate on four project teams that will produce 30 proposed deliverables to address multiple aspects of organizational design, including customer service, internal processes, technology, culture, strategic partnerships, and organizational structure. The initiative is overseen by top Department leadership on the OEI Governance Board and obtains Agency-wide human resources and finance executive input through the OEI Customer Advisory Board.
- Obtain approval from OPM/OMB for an exception business case to allow the Department to begin to migrate to a Human Resources Management system provided by the Department of Treasury. Migration will begin with the Census Bureau in FY 2012.

SUMMARY OF PERFORMANCE

The Department is in the process of developing measures to evaluate progress toward achieving these objectives. Measures will appear in the FY 2012 PAR.

MANAGEMENT THEMES PROGRAM EVALUATIONS

The following program evaluations were conducted on programs related to the management themes in FY 2011.

BUREAU	REVIEWER	NAME OF EVALUATION	DATE	WEB SITE
DM	OIG	<i>Commerce Has Procedures in Place for Recovery Act Recipient Reporting, but Improvements Should Be Made</i>	07/27/2011	http://www.oig.doc.gov/Pages/Commerce-Has-Procedures-in-Place-for-Recovery-Act-Recipient-Reporting,-but-Improvements-Should-Be-Made-.aspx
DM	OIG	<i>Commerce Needs to Strengthen Its Improper Payment Practices and Reporting</i>	03/25/2011	http://www.oig.doc.gov/Pages/Commerce-Needs-to-Strengthen.aspx
DM	OIG	<i>Commerce Should Strengthen Accountability and Internal Controls in Its Motor Pool Operations</i>	10/27/2010	http://www.oig.doc.gov/Pages/CommerceShouldStrengthenAccountabilityandInternalControlsinItsMotorPoolOperationsOIG-11-004-A.aspx

