

**U.S. Department of Commerce
Strategic Plan
FY 2004 – FY 2009**

***“American Jobs,
American Values”***

Mission:

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness and stewardship.

We are not here to mark time, but to make progress, to achieve results, and to leave a record of excellence.

*President George W. Bush
October 15, 2001*

Secretary's Statement



Deputy Secretary's Statement



[Both statements will be included in the final version of the plan completed in September, 2003.]

Who We Are

History and Enabling Legislation

The Department is one of the oldest cabinet-level departments in the United States Government. Originally established by Congressional Act on February 14, 1903, as The Department and Labor (32 Stat. 826; 5 U.S.C. 591), it was subsequently renamed the U. S. Department of Commerce by President William H. Taft on March 4, 1913, (15 U.S.C. Section 1512). The defined role of the new Department was "to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, and fishery industries of the United States."

Bureaus

Office of the Inspector General
Economic Development Administration
Economics and Statistics Administration
 Bureau of Economic Analysis
Bureau of the Census
International Trade Administration
Bureau of Industry and Security
Minority Business Development Agency
National Oceanic and Atmospheric Administration
U.S. Patent and Trademark Office
Technology Administration
 Office of Technology Policy
 National Institute of Standards and Technology
 National Technical Information Service
National Telecommunications and Information Administration

In addition to these bureaus, Departmental Management (DM) encompasses the responsibilities of the Secretary, Deputy Secretary, Chief Financial Officer and Assistant Secretary for Administration, Chief Information Officer and the Office of General Counsel. DM provides the policies, planning, and administrative guidance that ensure bureau operations are consistent with Secretarial priorities and with the Department's mission.

Location

The Department is headquartered in Washington, D.C., at the Herbert Clark Hoover Building. The Department's Internet address is <http://www.commerce.gov>

Employees

The Department has over 35,000 employees. Temporary staffing levels increase by over 300,000 employees during the Decennial Census.

Our Mission, Vision, Strategic Goals, and Objectives

Mission:

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness and stewardship.

Vision:

For almost 100 years, the Department of Commerce has partnered with U.S. businesses to maintain a prosperous, productive America that is committed to consumer safety and the protection of natural resources. Together, we have a record of innovation in manufacturing, transportation, communications, measurement, and materials that has helped to sustain U.S. leadership of the international marketplace. By assisting the private sector, our vision is that the U.S. continues to lead the world.

Strategic Goals

To achieve this mission and fulfill our vision, we have three strategic goals and a management integration goal. Each strategic goal involves activities that touch American lives every day.

Strategic Goal 1: Provide the Information and Tools to Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers and Consumers.

Activities:

- Collect, analyze, and disseminate demographic and economic data to serve public and private decision makers at all levels, on fiscal and monetary policy, business finance and investment strategy, and personal household economic matters.
- Provide leadership in trade promotion, economic development, and economic analysis.
- Open foreign markets to U.S. exports by ensuring compliance with U.S. negotiated international trade agreements.
- Provide investments, and technical assistance for economic development projects in economically distressed communities.
- Promote private and public sector investment in minority businesses.
- Facilitate the export licensing process, provide guidance to the exporting community, and monitor and support the U.S. defense industrial and technological base.
- Enforce export control and anti-boycott laws consistent with national security and foreign policy objectives.
- Enforce U.S. trade laws to ensure U.S. firms compete on a level playing field.

Strategic Goal 2: Foster Science and Technological Leadership through World-class Research and Innovation.

Activities:

- Facilitate the implementation of new technologies used in both the workplace and home.
- Advise the President on domestic and international communications policy and manage the federal government's use of the radio frequency spectrum.
- Promote the availability, and support new sources, of advanced telecommunications and information services.
- Partner with industry to provide technical leadership for the nation's measurement and standards and technological infrastructure.
- Make commercial transactions and international trade more efficient by establishing national standards and assuring national and international traceability to these standards.
- Ensure the intellectual property system contributes to a strong economy, encourages investment in innovation, and fosters the entrepreneurial spirit.

Strategic Goal 3: Observe, Protect and Manage the Earth's Resources to Promote Environmental Stewardship.

Activities:

- Make possible daily weather reports.
- Alert Americans of impending severe storms.
- Monitor and predict changes in our oceans and global climate.
- Protect and manage our precious coastal resources and fisheries.
- Promote safe navigation by continuing to map uncharted waters and revising previously mapped areas.

Management Integration Goal: Achieve Organizational and Management Excellence.

The Department has established a management integration goal, applicable with equal importance to all bureaus. Just as the first three goals are in line with the forces that will drive the U.S. economy of the future, the management integration goal is in line with the driving trend toward more effective organizational management in both public and private settings.

Our progress in pursuit of these five-year-goals may be assessed in annual increments through the use of specific performance goals and measures, established for each objective. The Department's Annual Performance Plan describes in greater detail the performance goals that we employ to achieve our strategic goals and objectives, and includes our analysis of the capital, information, and other resources that we will require to meet these goals.

Fulfillment of the Department's mission and supporting strategic goals is accomplished through its bureaus. Each bureau has a broad range of responsibilities and functions, described briefly in the following sections.

Strategic Goal 1

Provide the Information and Tools to Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers and Consumers.

The Department's first goal is to encourage and support economic expansion and to increase the prosperity of all Americans, regardless of their geographical location or ethnic origin.

The Economics and Statistics Administration (ESA) monitors and measures socioeconomic and macroeconomic trends. The Bureau of Economic Analysis (BEA) produces the gross domestic product and related economic measures that provide essential information to inform decisions on such matters as monetary, federal and state budget projection, allocation of federal funds to states, and trade negotiations. The Census Bureau supports BEA by collecting statistical information about the economy. The Census Bureau also provides demographic information about U.S. society by conducting regular surveys and decennial censuses that are used by federal, state, and local officials and by private stakeholders to make important policy decisions. Full implementation of the new American Community Survey will in the future provide additional annual data – data that will be more detailed and more timely than are available now. The Census Bureau also provides official measures of electronic commerce (e-commerce) activity and is evaluating how e-commerce affects existing measures of economic activity.

The International Trade Administration (ITA) assists the growth of small export businesses, enforces U.S. trade laws and trade agreements, maintains U.S. trade with established markets, promotes new business with emerging markets such as China, and improves access to overseas markets by identifying and pressing for the removal of tariff and nontariff barriers. ITA also improves access to foreign markets by enforcing compliance with U.S. trade laws and agreements.

The Bureau of Industry and Security (BIS) advances U.S. national security, foreign policy, and economic interests. BIS's activities include regulating the export of sensitive goods and technologies in an effective and efficient manner; enforcing export control, antiboycott, and public safety laws; cooperating with and assisting

other countries on export control and strategic trade issues; assisting U.S. industry to comply with international arms control agreements and monitoring the viability of the U.S. defense industrial base and seeking to ensure that it is capable of satisfying U.S. national and homeland security needs; and promoting public-private partnerships to protect the nation's critical infrastructures.

The Economic Development Administration (EDA) assists economically distressed communities by promoting a favorable business environment through its strategic investments in public infrastructure and technology. These investments help attract private capital investment and jobs that address problems of high unemployment, low per capita income, and severe economic challenges. EDA supports effective decision-making by local officials through its capacity-building programs.

The Minority Business Development Agency (MBDA) helps minority-owned businesses obtain access to public and private debt and equity financing, market opportunities, and management and business information to increase business growth in the minority business community.

Strategic Goal 2 Foster Science and Technological Leadership through World-Class Research and Innovation.

The Department's second strategic goal is to provide the infrastructure that will enable U.S. businesses to maintain their technological advantage in world markets. Globalization and recent technology-driven productivity gains are providing new challenges. Continued partnership, collaboration, and cooperation between the Department and industry will enhance and promote the Nation's technological edge.

Intellectual property is a key issue in the competitive free-enterprise system. By continuing to protect intellectual endeavors, and thereby encourage technological progress, the U.S. Patent and Trademark Office (USPTO) preserves the Nation's technological edge, which is a key to its current and future competitiveness.

Technological advances serve as the drivers for strong economic vitality, solid increases in productivity, increased rates of investment, and high-wage job growth, all of which combine to produce higher standards of living. Maintaining technological innovation preeminence is critical to our Nation because it fuels sustainable economic expansion, improves our quality of life, protects our homeland, helps us meet many future needs, holds promise for the future of education, and improves the standard of living for the world as a whole through export of the resulting products of that innovation. The Technology Administration (TA) serves as a focal point to foster the development, diffusion, and adoption of new technologies; to disseminate information on U.S. and foreign technology strategies and best practices, and to create a business environment conducive to innovation. TA addresses these issues through the Office of Technology Policy (OTP) the National Institute of Standards and Technology (NIST), and the National

Technical Information Service (NTIS). OTP develops recommendations and advocates policies and initiatives to use technology to build economic strength. To assist in fostering innovation, OTP manages the National Medal of Technology program, the highest honor bestowed to America's leading innovators by the President. Through NIST, a world-class, world renown facility, with two Nobel-Prize winners, TA conducts cutting-edge research, develops and disseminates measurement techniques, reference data and materials, test methods, standards, and other infrastructural technologies and services required by U.S. industry to maintain competitiveness. Through NTIS, TA meets the challenge of permanent preservation of and ready access to the taxpayers' investment in research and development through the acquisition, organization, and preservation of the documents or publications added annually to the permanent collection. NTIS also promotes the development and application of science and technology by providing technologically advanced global e-commerce channels for dissemination of specialized information to business, industry, government, and the public and makes public access to the bibliographic database available to all users.

The National Telecommunications and Information Administration (NTIA) advocates for policies and conducts ~~the~~ technical research that supports delivery to all Americans of the latest telecommunications technology and services. NTIA manages federal use of the radio spectrum, promotes the use of spectrum that most efficiently serves all Americans and maintains readiness for response to crises. NTIA supports innovative telecommunications and information technologies through basic research performed at its laboratory, the Institute for Telecommunication Sciences (ITS). ITS performs extensive basic research on the quality of digital speech, audio, and video compression and transmission characteristics. This research has the potential to improve both the performance of telecommunications networks and the availability of digital content on the Internet.

Strategic Goal 3

Observe, Protect and Manage the Earth's Resources to Promote Environmental Stewardship.

The National Oceanic and Atmospheric Administration (NOAA) envisions a 21st century in which environmental stewardship, assessment, and prediction serve as keystones to the enhancement of economic prosperity and quality of life and to the improved protection of lives and property.

The 21st century poses complex challenges for NOAA. Every aspect of NOAA's mission – ranging from managing coastal and marine resources to predicting changes in the Earth's environment – faces a new urgency, given intensifying national needs related to the economy, the environment, and public safety. As the new century unfolds, new priorities for NOAA action are emerging in the areas of climate change, freshwater supply, ecosystem management, and homeland security.

NOAA responds to all of these challenges through its own strategic plan, which forges a path for meeting the needs of the Nation today and addressing the critical issues of tomorrow. NOAA has set an agenda for wise investment of finite resources through four mission goals, namely:

- Protect, restore, and manage the use of coastal and ocean resources through ecosystem-based management.
- Understand climate variability and change to enhance society's ability to plan and respond.
- Serve society's needs for weather and water information.
- Support the Nation's commerce with information for safe, efficient, and environmentally sound transportation.

The elevation of ecosystem management and climate science to high-priority goals is noteworthy to meet the challenges of the 21st century. In recent years, extreme drought and flooding conditions in large regions of the Nation combine to make improved water resources prediction an urgent requirement for NOAA's future weather and climate mission. Human health linkages with weather, climate, and ecosystem goals are also priorities. The emphasis on the Nation's needs for expanded commerce and economic development directly relates to the Administration's focus on a healthy and growing economy.

Management Integration Goal Achieve Organizational and Management Excellence

The Department's management integration goal — to achieve organizational and management excellence — is equally important to all bureaus.

All Departmental bureaus will seek to achieve more efficient and more effective management by:

- Acquiring and managing the fiscal and related resources necessary to support program goals.
- Acquiring, managing, and developing a diverse, skilled, and flexible staff, using information technology as an essential tool.
- Acquiring and managing the technology and related resources to support program goals.

The Department is moving aggressively toward meeting the goals of the President's Management Agenda. The five government-wide management improvement initiatives include strategic human capital management, expanding e-government,

competitive sourcing, strengthening financial management, and more effectively integrating budget and performance management.

Relationship of Departmental Strategic Goals to Bureau Performance Goals

The Department is a diverse organization having a wide variety of roles and responsibilities to satisfy its mission. In developing the strategic goals while integrating the budget with the strategic plan, Commerce identified those strategic goals to which each Bureau applied in measuring their activities and performance. Therefore, performance goals within each bureau are aligned with one of the Department's strategic goals. As such, bureau performance goals and measures serve as a means to evaluate Commerce's progress in achieving its strategic goals and overall mission.

Challenges and Perspectives

The Department faces a number of key challenges. The following are viewed as among the most significant as a result of their importance to our mission, or their complexity, cost, or urgency.

- *Ensuring a Fair Avenue for Trade*

Many of the world's countries are developing increasingly sophisticated techniques to protect their home markets from foreign sales and to provide unwarranted subsidies or other benefits to their own firms. Such actions negatively affect the ability of American firms to sell overseas – and the 10 percent of American jobs that depend on our Nation's international trade. To effectively deal with these foreign behaviors, we face three specific tasks or attitudes. First, we must ensure that our staff has the appropriate skills and training. Secondly, we must effectively engage in bilateral and multilateral negotiations. Finally, we must find and employ more effective ways of encouraging American companies to share with us the necessary data to allow Commerce to successfully protect U.S. interests.

- *Enhancing Information Security Throughout the Department*

The Department will be broadening the protection afforded its information systems and data. Every system throughout the Department and its bureaus is subject to well-managed risk assessments, which include documenting successful testing or a specific plan for taking remedial action. We will be revising our information technology and security policies and requirements to ensure that they reflect federal standards, best practices, and state-of-the-art advances in controls, evaluation, accreditation, and contingency planning.

- *Strengthening Our Stewardship of Marine Resources*

Many of our Nation's fisheries and other living marine resources are at risk due to over-fishing or from other human-induced or environmental changes. The deterioration of our natural resources impacts our food supply, creates losses to our economy, and challenges our ability to meet domestic and international agreements for the protection of these resources. We will vigorously meet these challenges by improving the quality and scope of our science to better assess the state of fisheries and other marine resources, including what factors influence their recovery and sustainability. We will apply this knowledge to formulate the most appropriate policies for ensuring the future health of our Nation's marine resources, such as our plan for restoring salmon runs in the Pacific Northwest. Through such policies we will obtain the greatest economic and social benefits to the Nation from these precious resources.

- *Emergency Preparedness within the Department*

The Nation continues to face significant vulnerabilities in our ability to respond to emergencies. In response to this, the Department developed a complete, viable Continuity of Operations Plan (COOP) this fiscal year, although testing and aspects of implementation are still in progress. Similarly, COOPs for certain of the bureaus and specific field locations are undergoing testing and further refinement. We are currently working to complete all appropriate testing and implementation of these plans, which address all requirements for maintaining essential activities and re-establishing normal operations in the event of an emergency, e.g., human resources, facilities and infrastructure, and information technology systems.

Occupant emergency plans and emergency response structures have been reviewed, revised where necessary, and are in place for most sites. We are continuing to develop enhanced response capabilities for all types of emergencies, recognizing that it is a massive task to ensure our preparedness for many different types of emergencies across the country. The Department will continue to emphasize the importance of effective preparation, work cooperatively with other federal agencies, seek the advice of experts, and allocate resources in the most productive manner possible.

- *EDA Reauthorization*

The Department's EDA was reauthorized in 1998 for five years. We require reauthorization in 2003 so that we may continue providing economic assistance to areas experiencing economic distress. The continuity of these programs helps our Nation promote higher-skill, higher-wage jobs and leverage private sector investment.

- *Planning for Facilities Construction and Renovation*

During this decade, we will spend several billion dollars on 38 construction and renovation projects that are currently in planning or early development stages. To ensure optimal use of funds, we are monitoring the progress, schedule, costs, and plans of each project so that we can identify and correct potential problems as early as possible. Construction projects include a \$1.3 billion leased facility for relocating the USPTO within a single campus for a 20 year period, a \$235 million advanced measurement laboratory to ensure adequate capability to measure increasingly sophisticated and miniaturized products, and \$340 million for two new buildings for our Census Bureau.

- *Meeting Users' Needs for Quality Economic Measures*

The ever-changing U.S. and world economies require our constant diligence to develop new measures and methods to accurately and reliably measure the U.S. economy and its interactions abroad. To meet this challenge, the Department and the experts at the BEA and at the Census Bureau are seeking to develop new estimation methods, improve data sources, increase access to real-time data, and generate more timely measures. These improvements will support our ability to provide the most timely, relevant, and accurate economic measures that are increasingly required by our Nation's business leaders and policy makers.

- *Being a Catalyst for Minority Business Growth*

We will continue to help strengthen America's minority businesses in two areas: access to capital and competing on-line. Minority-owned businesses are concentrated in industries with low rates of capital investment and historical trends show that the rates of minority ownership drop sharply as firm size and need for capital increases. Our experts will design and implement programs to reduce this barrier. In addition, electronic commerce has become a vehicle for contract bundling and on-line auctions. Bundling, which is increasingly used for global sourcing, has introduced additional competitors to America's minority firms. Also, being unfamiliar with reverse auctions, minority firms have tended to bid below costs and place themselves at risk of bankruptcy. Department experts will seek to reduce these barriers to minority business survival and growth.

- *Processing of Patent and Trademark Applications*

Over the past decade, the USPTO has faced an increasing demand for its products and services, particularly the filing of patent and trademark applications. Patent filings, which increased dramatically in FYs 1999 and 2000, increased at a lower rate in FYs 2001 and 2002, consistent with a declining economy. Despite the decrease, the number of applications filed was the fourth highest level ever recorded. Based on indications that the economy is

expected to improve slowly, patent and trademark application filings are expected to grow at a single digit rate during the planning horizon.

In recent years, the greatest growth in patent filings has been in the more complex areas of electrical/computer engineering and biotechnology/bioinformatics technologies. To more effectively manage its workload, the USPTO is focusing on deployment of full electronic application processing, a radical redesign of the entire patent search and examination system, and restructuring the agency's fee schedule to provide incentives to its customers.

In the 21st Century Strategic Plan, the USPTO is committed to controlling patent and trademark pendency times through aggressive timeliness goals. For patents, the USPTO will make available, on average, a first Office action for first-filed U.S. non-provisional patent applications, at the time of 18-month publication, and a patent search report for other patent applications in the same time frame – by far the fastest in the world. At the same time, the USPTO will continue to pursue the ultimate goals of achieving a steady 18-month pendency. Trademark first action pendency and total pendency will be 2 and 12 months respectively in FY 2006 and thereafter. To achieve this, the USPTO has begun implementing its aggressive strategic plan to transform the agency from a one-size-fits-all patent and trademark process into a quality-focused, responsive, market-driven intellectual property system.

The USPTO's *21st Century Strategic Plan* emphasizes quality in every initiative, and productivity as the key to reducing pendency and inventory, while transforming the agency into an information age, e-commerce style, paperless agency that reflects the values of the President's Management Agenda. The plan emphasizes excellence in examiner staffing through certification and recertification of knowledge, skills and abilities; greater use of electronic systems and outside resources to process patent and trademark applications; and a faster, less costly alternative to the courts for challenging patents.

- *Strengthening Our Homeland Security*

The Department is participating in the government-wide effort to establish the Department of Homeland Security. We are assisting with transition planning and helping to ensure the smooth transfer of our resources – including the Critical Infrastructure Assurance Office and our Integrated Hazard Information System – to the new Department.

Through approximately 120 projects, our standards experts will help law enforcement, military, science, emergency services, information technology, airport and building security, and other areas protect the American public from terrorist threats. Examples of our contributions include making buildings and occupants safer from disasters and more effectively detecting dirty bombs.

We will seek to balance the promotion of U.S. trade and the need to restrict the export of commodities and technical information that could prove injurious to our Nation's best interests. Our trade security experts will work cooperatively with counterparts in other federal agencies and the intelligence community to improve coordination in the collective efforts of the federal government. We will streamline our procedures so as to facilitate exports and the identification of risks. The Department will support enactment of a new Export Administration Act (EAA), which has not been comprehensively updated since 1979. A revised EAA that seeks to provide a balanced framework for administering and enforcing export controls in the 21st century would enhance both U.S. national security and U.S. economic interests.

- *Census 2010 Reengineering*

Our Census experts will continue to reengineer plans and processes so as to improve coverage, reduce risk and contain costs for the 2010 Census. We will be exploring technological and methodological innovations. In addition, the federal government and others throughout the country will be more widely using the ACS, which the Census Bureau has been testing since 1996. We expect to establish the survey as a regular, annual data collection instrument to provide yearly information updates on subjects that have been covered in the past by the decennial census "long form." Success with the ACS would substantially simplify the 2010 Census. Using only short forms would enable us to focus resources on improving coverage and efficiency, thereby containing costs.

- *Future Workforce Requirements*

Like other agencies, the Department faces significant challenges in ensuring an appropriately sized and competent workforce. During the next five years, approximately one-half of the Commerce workforce will become eligible for retirement, leading to the potential for significant loss of experience and institutional memory. During the coming decade, we will also face requirements that our workforce become increasingly specialized and expert in several fields in which prospective hires will be in high demand. At the same time, we must ensure that our employees are representative of the Nation's population. To meet these needs, the Department will examine and modify its hiring practices, explore options for more effectively competing with private sector employers, and seek any appropriate changes in laws and regulations needed to allow the Department to enhance its appeal to America's workforce.

President's Management Agenda

Departmental Management (DM) exercises oversight for Department-wide policies and procedures and works with the bureaus to implement government-wide and DM reforms. These reforms, intended to achieve President Bush's vision of a citizen-centered, results-oriented, and market-based government, include the five

crosscutting initiatives established in the President's Management Agenda: (1) strategic management of human capital, (2) competitive sourcing, (3) improved financial performance, (4) expanded electronic government, and (5) budget and performance integration.

1) Strategic Management of Human Capital

Workforce projections show that more than half of the federal workforce will be eligible for retirement within the next five years. To respond to this extraordinary surge in prospective retirements, the Department is taking steps to ensure that it retains vital knowledge, skills, and management capabilities through workforce analyses, recruitment and retention plans and a Senior Executive Service candidate program.

The Department strives to create an environment in which all employees are valued for the diverse mix of talents, skills, and experiences they bring to the workplace; receive the training opportunities needed to effectively carry out ever-evolving program responsibilities; and are able to effectively balance professional responsibilities with family commitments.

2) Competitive Sourcing

The competitive sourcing initiative offers opportunities for the federal government to improve program efficiency and realize significant cost savings through increased competition. Historical data suggest that cost savings in the range of 20 percent to 50 percent can be achieved when federal and private sector service providers compete. The Department is opening competition for performing activities that can be carried out by private firms, such as administrative support and payroll services.

New opportunities for competition continually arise as a result of gradual changes in program responsibilities and private sector capabilities. Using the tools provided by the Federal Activities Inventory Reform Act, the Department is conducting competitions and converting positions. In so doing, we are assessing the appropriateness and cost-effectiveness of using the private sector to perform operations currently performed by the federal government.

3) Improved Financial Performance

Accurate and timely financial information is integral to optimum performance and accountability. The Department continues to work towards producing clean audits to support effective management. The Department is using technology to continue to add new bureaus to the Commerce Administration Management System to improve its overall financial performance. This system, when used by all bureaus, will provide accurate and timely information that supports the Department's performance and is inherent in providing accountability to the American people. The Department will continue to reduce the number of deficiencies that could affect the Department's ability to reliably record, process, or report financial data.

4) Expanded Electronic Government

Expanded electronic government is key to fostering citizen-centered government with a greater volume of service at lower cost. The Department spends almost \$1 billion on IT each year. We will ensure that this investment is wisely used to:

- Safeguard the security and integrity of the Department's IT systems.
- Implement applications to address common requirements such as e-grants, e-regulation, and e-signatures.
- Provide citizen-centered service by creating easy-to-find single points of access to the Department's programs, including a government-wide e-procurement portal.
- Increase the ease of electronic access for persons with disabilities.

5) Budget and Performance Integration

Program results will offer the taxpayers a transparent view of how their tax dollars are being spent at the Federal level. Challenges in assessing program performance in relation to budget resources include improving the way that the Department's programs are assessed, the integration of financial and budget information, and determining how the Department can best report program performance. The Department is ensuring accountability at the highest levels of the organization, including bureau heads, and is integrating analysis, presentation, and execution of budget and performance efforts throughout the Department.

In addition to these five government-wide initiatives, the Department has launched a Departmental initiative to ensure that our employees are able to carry out their program activities in a safe and secure environment.

- A Department Emergency Operations Center has been established and a Departmental continuity of operations (COOP) plan has been developed. We are now testing the COOP plan as well as examining Commerce-specific programs to identify those activities that involve special security requirements.
- The Employee Safety and Health Program is being reinvigorated through the re-establishment of the Department's Safety Council, recruitment of a new Director for Occupational Safety and Health, development of a communications campaign to disseminate educational materials to Department employees, and implementation of a Safety Program Action Plan to address a wide range of concerns such as safety training and awareness, workplace inspections, and health services.

Strategic Goal 1
Provide Information and Tools to Maximize U.S.
Competitiveness and Enable Economic Growth for American
Industries, Workers and Consumers.

The Department is committed to opening and expanding foreign markets for U.S. goods and services and improving America's export performance. We will promote U.S. export growth through the implementation of the Trade Promotion Coordinating Committee (TPCC), consistent with national security and U.S. foreign policy objectives, and will enhance cooperation with our partnership organizations in order that U.S. businesses can benefit from global business opportunities and increase American jobs. Through free market trade negotiations and case-by-case advocacy, we will ensure a "level playing field" for U.S. firms and combat predatory trading practices.

The Department ensures that export controls do not place U.S. firms at a competitive disadvantage in world markets by eliminating outdated controls and streamlining the process for obtaining export licenses for products that remain under export controls. These continual improvements are being made while being mindful of the dual-use nature of some commercial technologies and the national security implications of those technologies.

The Department also provides decision-makers with valuable statistical information related to our economy and our population. Improved economic and demographic statistics are essential to sound business forecasting, and understanding the strength and direction of the Nation's economy. The Department is at the forefront of national efforts to continually improve these statistics. With this in mind, the Census Bureau is endeavoring to fundamentally change the way the federal government conducts the Decennial Census. As part of this effort, the Census Bureau plans to remove the long-form questionnaire from the 2010 Census. The long-form is to be replaced by the American Community Survey (ACS) to produce accurate demographic data on an annual basis.

In support of disadvantaged individuals and communities, the Department promotes private enterprise and job creation in economically distressed communities. The Department also promotes private enterprise, within minority communities.

Bureaus Contributing to this Goal

The ITA works to open foreign markets promote export activity and ensure fair competition and compliance with international trade agreements.

The BIS administers U.S. dual-use export controls; enforces U.S. export control and antiboycott laws; ensures compliance with arms control treaties that impose

requirements on U.S. industry; monitors the viability of the defense industrial base; and assists key nations that export or serve as key transit points for sensitive commodities and technologies in developing effective export control systems.

The BEA produces some of the most closely watched statistics that influence the decisions of government officials, business leaders, households and individuals. BEA's economic statistics play a key role in critical decisions affecting monetary policy, tax and budget projections and business investment plans.

The Census Bureau provides timely and relevant economic and demographic statistics to government officials and the public. These data affect important policy decisions that help improve the U.S.' social and economic conditions.

The EDA works with state and local organizations to support two important public policy objectives: creating wealth and minimizing poverty. EDA provides strategic investments in public infrastructure and local capital markets to provide lasting benefits for economically disadvantaged areas. EDA also provides crucial economic assistance to communities experiencing economic dislocations and environmental disasters.

The MBDA fosters the establishment and growth of minority businesses in the United States by providing business development services to the minority business community. MBDA also establishes strategic public / private sector alliances to assist minority businesses in developing entrepreneurial practices.

Objective 1.1
Partner with Private Sector and Non-Government
Organizations to Develop Infrastructures to Encourage the
Participation of All Americans in Economic Growth.

Performance Goals

- Promote private enterprise and job creation in economically distressed communities (EDA)
- Build community capacity to achieve and sustain economic growth (EDA)
- Increase trade opportunities for U.S. firms (ITA)
- Broaden and deepen U.S. exporter base (ITA)
- Advance the U.S.' international commercial and strategic interest (ITA)
- Improve opportunities for minority-owned businesses to have access to the marketplace (MBDA)
- Improve the opportunities for minority-owned businesses to pursue financing (MBDA)
- Improve organizational effectiveness, responsiveness and efficiencies (MBDA)

Promote private enterprise and job creation in economically distressed communities

The EDA encourages the private sector to make capital investments to produce goods and services and increase productivity, thereby providing the higher-skill, higher-wage jobs that offer opportunity for all Americans. EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities. Potential investments must be market-based and proactive; maximize private capital investment; create higher-skill, higher-wage jobs; and offer a positive return on the taxpayer's investment.

Within the framework of this goal, EDA focuses on two of its programs, the Public Works and Development Facilities, and the Economic Adjustment program. EDA investments in public works serve as catalysts for other public and private investments for the establishment or expansion of commercial and industrial facilities in distressed communities. EDA also provides economic adjustment investments for infrastructure improvements and revolving loan funds to help communities and businesses respond to severe economic dislocations caused by major layoffs, plant shutdowns, trade impacts, natural disasters, and the closure of military bases and energy labs, and similar actions that adversely affect local economies.

Build community capacity to achieve and sustain economic growth

EDA is proud of its active partnership with its economic development partners at the state, regional, and local levels. The partnership approach to economic development is key to effectively and efficiently addressing the economic development challenges facing U.S. communities.

EDA must continue to build upon its partnerships with local development officials; Economic Development Districts; University Centers; faith-based and community-based organizations; and local, state, and federal agencies. But more importantly, EDA will forge strategic working partnerships with private capital markets, and look for innovative ways to spur development.

EDA planning funds support the preparation of Comprehensive Economic Development Strategies that guide EDA public works and economic adjustment implementation investments, including revolving loan funds. Sound local planning also attracts other federal, state, and local funds plus private sector investments to implement long-term development strategies. Evaluations of EDA's public works and defense adjustment programs show that EDA capacity-building programs play a significant role in the successful outcomes of its infrastructure and revolving loan fund projects.

Some of the outcomes that EDA anticipates as a result of its programs, directly by programs under goal 1 (Promote private enterprise), and indirectly by programs under goal 2 (Build local capacity), include:

- An increase in the amount of private sector dollars invested in distressed communities
- An increase in the number of jobs created or retained in distressed communities

Increase trade opportunities for U.S. firms

Working to open previously closed foreign markets is one of the most important contributions the U.S. government can make to achieve the goal of increasing trade opportunities for U.S. firms. The U.S. government attempts to obtain market access through bilateral and multilateral trade negotiations and through government-to-government cooperative efforts to remove non-tariff trade barriers. ITA will support the President in reinvigorating the international trading system by supporting and participating in the new round of global negotiations, a Free Trade Area of the Americas, and other important regional and bilateral negotiations. The passage of Trade Promotion Authority offers new challenges and opportunities for the U.S. to open foreign markets by providing an important tool to break down barriers with all countries. ITA will provide complex industry and economic analysis, conduct and support the negotiations, and measure the impact of the trade agreements. ITA will also work closely with foreign governments and regulatory

officials in the developing world to devise strategies to address regulatory barriers, head off potentially harmful regulations, and help shape regulations and standards that facilitate business and improve the quality of life.

On November 14, 2001 in Doha, Qatar, the members of the World Trade Organization (WTO) agreed on a new work program that includes comprehensive multilateral trade negotiations, that will take place over the next three years. Future WTO work will cover a variety of areas affecting international business and commerce, including industrial tariff and non-tariff barriers, agriculture, services and trade rules. The members will take up additional areas of negotiation, such as investment rules and competition, after the second half of 2003. At the end of the negotiations, U.S. exporters of industrial and agricultural goods and services should find that they have improved access to overseas markets.

Broaden and deepen U.S. exporter base

ITA seeks to increase export opportunity awareness among U.S. companies by proactively identifying potential exporters who need assistance, leveraging electronic and traditional media, centralizing relationships with customers, and developing alliances and partnerships to deliver export messages. ITA's domestic offices are located to capitalize on high export-activity areas identified by trade patterns, and to facilitate aggressive outreach to traditionally under-served rural and minority communities.

ITA focuses on small and medium-sized enterprises (SMEs) with fewer than 500 employees by tailoring existing products and services to their needs; providing technical assistance and matchmaking capability using e-commerce and the Internet; expanding established exporters into additional markets; and coordinating government-wide, collaborative advocacy efforts through the TPCC. The chief aim is to consistently deliver the complete package of export assistance to businesses throughout the U.S. In doing so, ITA hopes to increase the number of U.S. exporting companies as well as increase the value of U.S. exports to new markets. ITA is the only nationwide source of one-on-one export counseling assistance for SMEs.

Changing economic, technological, and social conditions in the last two decades have altered how international trade is conducted. This changing international trading environment presents U.S. exporters with numerous challenges and opportunities. There are new markets to target, new trade barriers to overcome, a need for differing types of export assistance, shifts in industry dynamics, a stronger role for international organizations and alliances, and various policy mandates to be considered, including foreign policy and U.S. security goals.

Advance the U.S.' international commercial and strategic interest

ITA advances U.S. international commercial and strategic interests by creating an infrastructure that encourages economic growth, technological competitiveness, and

sustainable development. This is achieved through mobilization of financing and development of commercial infrastructure in target countries, increased information flow to U.S. exporters about target countries, increased facilitation of business-to-business exchange or contact in target countries, and increased compliance with accepted business standards and avoidance of potential sanctions.

ITA works with other U.S. government agencies to encourage foreign policies and assistance programs that foster an expanded role for U.S. business in economic development. ITA has had significant success in expanding U.S. exports while supporting U.S. government foreign policy initiatives. To quote President Bush, "...Free trade is also a proven strategy for building global prosperity and adding to the momentum of political freedom..."¹ By generating U.S. exports, ITA simultaneously supports the development of a stronger market-oriented economic system in areas of the world (for example, Africa), contributing both to U.S. economic goals and global stability.

In August 2001, President Bush announced his management agenda, which describes initiatives designed to create a government that is focused on results, is more accessible to its citizens and is client-centered. In support of the Administration's vision for government that is client-oriented, ITA is committed to improving both customer and stakeholder satisfaction. ITA's customers are U.S. businesses. U.S. firms expressed several needs for enhanced products, service offerings, and service delivery capabilities from ITA to export more successfully in a fair trade environment. As ITA is finding from program analysis, U.S. businesses want on-line customized information products and simplified access to ITA services. ITA often partners with other agencies, both public and private, to meet its customers' needs. Other government agencies frequently join ITA in its efforts to promote trade or expand market access. ITA also works with nongovernmental organizations such as trade groups, or other private sector organizations, to fulfill its mission and to address the needs of U.S. businesses.

ITA continues its focus on e-commerce, a major channel to further U.S. exports. The scope of e-commerce influence is broad, covering market access, customs, services, government procurement, and other areas of export promotion. ITA's e-commerce export promotion program has four main goals: helping small businesses use the Internet to find markets overseas, helping established U.S. information technology companies to expand overseas, helping emerging economies make the transition to the digital age, and ensuring that both the Internet and foreign markets are open and accessible. ITA provides exporters with desktop access to the international marketplace, through the use of electronic products and services such as Export.gov and BuyUSA.gov. These two major Internet sites provide basic information on navigating through the steps in the export process, in addition to international market research and online matchmaking services with foreign buyers. BuyUSA.com and Export.gov work in partnership to help SMEs complete export transactions. Using a wide variety of e-commerce tools and services from both

¹ Radio Address of the President to the Nation, April 27, 2002

public and private sector sources, ITA employees help U.S. businesses evaluate new overseas markets and take advantage of foreign sales opportunities.

Some of the outcomes that ITA anticipates as a result of its programs include:

- An increase in the number of U.S. exporters entering new markets.
- An increase in the number of U.S. firms exporting for the first time.
- An increase in the dollar amount of exports in targeted products and markets.

Improve opportunities for minority-owned businesses to have access to the marketplace

The MBDA is an entrepreneurially focused organization that provides business development services to the minority business community via a combination of funded projects and e-commerce. Although an array of business development services are provided and measured, obtaining contracts and financing are the major components of business development. MBDA monitors, verifies, and captures results in its performance database.

Minority business is impacted by the identification of market opportunities. This key indicator of business success must be measured to determine wealth and opportunities necessary for economic security. A strategy designed to provide minority businesses access to the global marketplace leads to increases in innovation, productivity, wealth creation, and global competitiveness, which are necessary for sustained domestic economic growth and expansion.

Improve the opportunities for minority-owned businesses to pursue financing

As the minority business community continues to grow, the demand for capital will increase over the next 20 years. MBDA collects and assesses information about the financing needs of the minority business community. MBDA will disseminate the results to financial institutions, policymakers, and the minority business community. Additionally, MBDA is exploring innovative strategies and instruments to increase capital flow to minority communities. MBDA's funded network contributes to the development of minority businesses.

MBDA will make every effort to ensure that information on financing opportunities is made available to minority-owned businesses through its funded network of organizations and its minority business Internet portal. In addition, MBDA will hold a number of meetings to discuss regulatory reforms that need to be made in order to increase financing opportunities.

Improve organizational effectiveness, responsiveness and efficiencies

MBDA applies an e-commerce and e-government strategy to its market-focused programs and operations that will increase the propensity of minority businesses to utilize information technology.

MBDA will provide access to management and technical assistance resources that can assist minority businesses in their efforts to increase capacity through strategic alliances. In addition, MBDA will work with appropriate federal partners regarding contract opportunities with the federal government.

MBDA will hold several meetings with venture capital firms to discuss increasing the amount of venture capital available for minority business enterprises. In addition, the annual minority enterprise development week conference will have an investor's showcase where minority business enterprises will have the opportunity to present business ideas to venture capitalists.

Some of the outcomes that MBDA anticipates as a result of its programs include:

- An increase in the number of contracts received by assisted minority-owned businesses.
- An increase in the dollar value of financial packages to assisted minority-owned businesses.

Program Evaluation

EDA uses program evaluations to develop valid performance measures and provide a more complete understanding of overall program performance. In FY 2002, EDA completed the following evaluations: *EDA RLFs: Planning Local Structural Change and Overall Performance*, *EDA RLFs – Performance Evaluation*, *The Impact of EDA RLF Loans on Economic Restructuring*, and *The Impact of Planning on EDA RLF Performance*. EDA also conducted the following two evaluations involving capacity building programs: *Evaluation of University Center Program* and *Evaluation of Planning Program*. EDA expects to complete the following evaluations in FY 2003: *Local Technical Assistance Program Evaluation and Economic Adjustment Program Evaluation*.

In support of the “Increase Trade Opportunities for U.S. Firms” performance goal, ITA, together with the TPCC, conducted a survey of U.S. firms that focused on improving assistance to U.S. companies entering and thriving in the world market. The survey also recommended actions that directly address ITA client needs, reflect successful practices of trading partners, and leverage resources across the agencies. The survey recommended a coordinated approach to early identification of project opportunities to assure competition by U.S. firms, improved customer service, and the need for a more effective outreach strategy.

ITA also undertook a review of several overseas offices to assess the performance of U.S. firms in finding potential distributors and buyers, and the research that is conducted to support U.S. firms' best prospects for U.S. goods and services. General reviews of operations were conducted of foreign posts in Venezuela, Greece, and Indonesia, and reviews of administrative operations were conducted in Poland, the Czech Republic and The Hague. Reviews were designed to increase the efficiency and effectiveness of the Foreign Commercial Service's efforts to broaden and deepen the export base in those markets. Findings and recommendations called for strengthening internal management processes. Recommendations are implemented at each post upon completion of the management and program reviews.

A recent study conducted by the TPCC revealed two primary reasons why SMEs don't export: lack of information on how to export, and lack of information about foreign markets. The study also revealed that the federal government is the leading source of four of the top ten export services used, and thus is a significant resource for SMEs. ITA has assessed the effectiveness of the Export.gov Web portal in the quality and efficiency of the delivery of trade-related market research and program information. The findings include recommendations for centralization of a Web development office, improved security and higher quality servers, creation of centralized market research databases, and development of a long-range strategic plan for Export.gov.

ITA's strategic plan (covering fiscal years 2002 through 2006) helped to define ITA's strategic direction and outline a results-based performance agenda. It has served as ITA's roadmap to become more a customer focused, result driven organization. The plan includes themes intended to improve ITA's critical functions and key programs (export promotion, market access and trade compliance, trade policy and negotiations advancement, assessment of unfair trade practices, and generation of trade statistics.) ITA will consider conducting certain program evaluations to ensure effective monitoring of our performance and results based on previously conducted evaluations and assessments. This process is already underway. In FY 2003, ITA completed a Program Assessment Rating Tool (PART) review of the U.S. and Foreign Commercial Service's programs. The PART review has indicated performance management areas where ITA needs to collect and analyze additional information to improve its planning and management process. Presently, ITA is reviewing its current business processes and ITA-wide performance measures to assess progress towards its long-term and annual goals. Operations. Additionally, ITA is determining how to appropriately implement results from the 2003 fee study. The outcome of this work, coupled with evaluations identified in the PART will enable ITA to build a strong foundation for its next strategic plan.

MBDA's Reorganization Plan established an Office of Performance and Program Evaluation that will assess the success of all of its program initiatives and internal operations. This office will review and evaluate performance measurements, and develop and conduct a comprehensive, ongoing evaluation process to assess and improve the effectiveness of Agency programs.

Currently, MBDA conducts performance assessments periodically on each of its funded projects. A detailed, comprehensive source verification process is used to confirm the validity of data. The strategic planning process ensures that performance measurements continue to assess program effectiveness.

MBDA's service providers sign three-year cooperative agreements that are renewed annually. The three-year agreements outline the number and dollar value of contracts, and the number and dollar value of financial transactions required on a quarterly basis during the contract period. Daily, staff monitors input of these measures into the Performance Reporting System. Feedback is provided concerning progress on a quarterly and/or as needed basis. Annually, renewal of the cooperative agreement is based on performance as it relates to achieving the goals. A comprehensive evaluation of the results of the performance of service providers is conducted semi-annually.

MBDA's performance measures will assess the success of all of its program initiatives and internal operations. MBDA will use these benchmarks to evaluate performance, and develop and conduct a comprehensive, ongoing evaluation process to assess and improve the effectiveness of Agency programs.

External Factors

The General Accounting Office (GAO) has recognized that measuring the performance of economic development programs is difficult because of the many external factors that can influence local economies. To ensure strong program performance, EDA targets assistance to projects that can provide direct and lasting benefits to economically distressed communities. EDA programs are not intended to work alone, but to increase the availability of outside capital (both public and private) for sustainable development strategies to create and retain private enterprise and jobs in economically distressed areas. In doing so, EDA recognizes that many factors can influence the level of distress, rate of investment and job creation or retention, and the availability of other public funding and private entities. For example:

- National or regional economic trends, such as slowdowns in the national economy, can cause firms to delay or postpone investments in new products, markets, plants, equipment, and workforce development. Such trends can affect the rate at which jobs are created or retained.

- Changes in business climate and financial markets can impact the level of private capital and degree of risk associated with investment decisions, particularly for firms considering establishing or expanding operations in highly distressed areas.
- Downturns in the national or regional economy can increase the demand for EDA assistance and reduce the availability of state and local funding. EDA regulations provide for waivers or reductions of the nonfederal share, allowing EDA to cover a higher share of total project costs depending on the level of distress demonstrated by the local community.
- Natural disasters and other major events can dramatically impact local economies and create an unanticipated demand for EDA assistance. This can affect performance in several ways, increasing the number of areas that are eligible for assistance and the number of areas in highest distress. Such emergencies can alter funding priorities under regular EDA programs and at times result in emergency supplemental funding. The impact on regular program assistance is more apparent when supplemental funding is delayed or unavailable.

Several external factors affect ITA's accomplishment of its goals. One factor is the strength of the world economy. Another factor is that foreign political instability can affect commercial infrastructure and the means of exchange. New and changing foreign governments can create barriers to access for U.S. companies. Economic shocks can adversely affect the demand for U.S. products. Technological advances and large-scale, unexpected capital movement can play a role in whether ITA achieves its targets.

The expansion of the Internet plays a role in MBDA achieving its targets. In 2000 it was estimated that there were 275 million Internet users and nearly four million unique Web sites. The new Internet-based companies, and even traditional firms, that are producing goods and services are changing their business habits and processes. They are establishing e-commerce operations and procedures in an attempt to lower costs, improve customer service, and increase productivity. Furthermore, driven by the current e-business imperatives and increasing choices by customers, the digital economy is rapidly becoming the new global economy.

Corporate purchasing practices are undergoing a radical change that requires minority suppliers to alter their strategies. Supply-chain management; ISO 9000, an international standard for organizations recognized in the public and private sectors; and business-to-business e-commerce demand that minority businesses also adopt e-commerce technology, be willing to partner with other firms, and reengineer their processes.

Federal government contracting programs are designed to be more cost-effective by bundling small contracts into larger opportunities. Often, these larger opportunities are although beyond the reach of smaller minority firms.

Objective 1.2
Promote Responsible Economic Growth and Trade While Protecting American Security

Performance Goals

- Ensure fair competition in international trade (ITA)
- Enhance the efficiency of the export control system while protecting U.S. national security interests (BIS)
- Ensure U.S. Industry Compliance with the Chemical Weapons Convention (CWC) and, when approved, additional protocol to the International Atomic Energy Agency (IAEA) Safeguards Agreement (BIS)
- Detect illegal export transactions and penalize violators (BIS)
- Assist key nations to establish effective export control programs (BIS)

Ensure fair competition in international trade

The ITA is committed to building a rules-based trading system in which international trade is both free and fair for U.S. firms and workers by combating subsidy of imports; combating dumping, where foreign goods are “dumped” at less than market value; and ensuring compliance with trade agreements. ITA identifies and monitors import surges created by imports that are sold in the U.S. at less than fair market value, foreign governments subsidy practices, and other harmful import trends. ITA defends U.S. industry against injurious trade practices by administering the antidumping (AD) and countervailing duty (CVD) laws of the U.S. ITA deploys attachés to foreign locations to educate foreign governments and businesses about U.S. AD/CVD laws and supports U.S. AD/CVD proceedings in foreign locations. ITA expedites investigations when warranted by import surges and foreign subsidy practices, defends unfair trade practices before the WTO, and coordinates the Department’s role in the Administration’s steel strategy. As the volume of world trade and investment expands and more countries enter into multilateral and bilateral trade agreements with the U.S., ITA ensures compliance with trade agreements through consultation with foreign governments, quick identification of noncompliance by communicating and establishing a relationship with U.S. exporters, improvement of coordination with other agencies, rapid response to illegal acts by mobilizing strike forces, and close collaboration with the Office of the U.S. Trade Representative (USTR) on enforcement actions. ITA’s Trade Compliance Center monitors trade agreements for implementation by foreign governments and for identification of compliance problems.

Enhance the efficiency of the export control system while protecting U.S. national security interests

BIS serves U.S. companies engaged in international trade by analyzing export license applications for controlled commodities in accordance with Export Administration Regulations (EAR). BIS also serves U.S. companies in conjunction with the Departments of Defense, Energy, and State by making prompt decisions regarding license applications and related transactions, and by providing guidance to exporters on how to conform to applicable laws and regulations. BIS is particularly vigilant in evaluating transactions involving advanced technologies and dual-use products that potentially can be diverted for use in development programs for weapons, or missiles used as delivery systems for such weapons. BIS also implements the Defense Production Act by analyzing the defense industrial and technology base to ensure that the United States remains competitive in sectors that are critical to the national security.

Responding to increased concern about the proliferation of weapons of mass destruction, BIS continues to refine U.S. export controls in light of geopolitical and business realities. BIS also seeks to enhance the effectiveness of the EAR by educating exporters and other stakeholders in the export licensing process thereby improving industry compliance with export control regulations. These efforts will increase the efficiency of the license processing system and thus enable exporters to be more competitive in the global economy while deterring transactions that threaten U.S. security interests.

Ensure U.S. Industry Compliance with the CWC and, when approved, additional protocol to the IAEA

BIS is responsible for ensuring compliance by U.S. industry with the treaty requirements of the CWC. BIS collects, validates, and aggregates data from U.S. companies that manufacture or use chemicals covered by the convention; educates those companies on their treaty rights and obligations; and serves as the lead U.S. government agency for hosting international inspections of U.S. business facilities subject to convention requirements. BIS's primary host team role is to ensure that confidential business information is protected during inspections of U.S. firms. In addition, in the event that the U.S. Senate ratifies the IAEA Protocol, BIS similarly will serve as lead U.S. government agency in ensuring compliance by U.S. industry with the Protocol, and will be required to discharge responsibilities similar to those imposed under the CWC.

Detect illegal export transactions and penalize violators

To be effective, export controls must be enforced and violators punished. BIS enforces dual-use export controls for reasons of national security, foreign policy, nonproliferation, anti-terrorism, and short supply. The Bureau also enforces the antiboycott provisions of the EAR, the Chemical Weapons Convention Implementation Act, and the Fastener Quality Act. BIS special agents investigate

potential violations of these laws, and build and present cases for criminal or administrative prosecution.

BIS enforcement personnel also conduct outreach and education programs to train U.S. exporters to identify and avoid illegal transactions. A key element of BIS's preventive enforcement program is the onsite visits made to both current and potential foreign end-users of sensitive technology. In addition, BIS works with its foreign counterpart agencies to encourage other governments to implement enforcement measures to complement the Bureau's export enforcement efforts.

Strong enforcement of U.S. export regulations is critical to protect U.S. security interests. However, U.S. national interests can also be jeopardized if sensitive materials and technologies from other nations reach countries of concern or terrorists. For this reason, BIS's strategy includes promoting the establishment of effective export control systems by other nations. BIS has been assisting the countries of the former Soviet Union and the former Warsaw Pact nations of Central Europe to strengthen their export control and enforcement regimes. As part of its Transshipment Export Control Initiative, BIS is also now extending technical assistance to other countries considered proliferation risks due to their involvement in reexport, transshipment or transit transactions involving sensitive dual-use goods.

Assist key nations to establish effective export control programs

Through a series of bilateral and regional cooperative activities co-sponsored with the State Department, BIS helps the nations with which it works to: (1) develop the procedures and requirements necessary to regulate the transfer of sensitive goods and technologies; (2) enforce compliance with these procedures and requirements; and, (3) promote the industry-government partnerships necessary for an effective export control system to meet international standards.

As a result of such programs, BIS anticipates:

- An increase in the number of cases opened that result in the prevention of a criminal violation or the prosecution of a criminal or administrative case.
- An increase in the number of targeted deficiencies remedied in the export control systems of program nations.

Program Evaluation

In FY 2003, ITA completed a Program Assessment Rating Tool (PART) review of the U.S. and Foreign Commercial Service's programs. The PART review, reinforced by an independent study conducted by the Kenan Flagler Business School, entitled "Report Card on Trade II" has identified several challenges and priorities that require additional review:

- ITA must assess its role in helping exporters deal with overseas governments' complex regulations. This has become increasingly important as U.S. exporters explore more challenging markets and as smaller firms increase their export operations.
- The US&FCS PART review identified that ITA needs to obtain insight and additional understanding of how our trading partners assess their performance.
- ITA needs to evaluate where specific trade issues and opportunities exist in existing posts and where increased U.S. exports can be achieved to improve response times.

In support of the other performance goals under Objective 1.2, the GAO and OIG continued their reviews of BIS's programs and activities. For example, both recommended that BIS increase its monitoring of export license conditions.

In addition to the above outside reviews, BIS's Office of Planning, Evaluation and Management (OPEM) conducted annual reviews of the performance data to ensure that it is complete and accurate. OPEM also produces monthly performance reports for the performance measures tracked by the Export Control Automated Support System (ECASS) and semi-annual reports for other selected measures. During this process, significant deviations from projected targets, if any, are discussed with the appropriate office so that program changes can be made to help meet the BIS performance goals. A recent indicator of BIS's overall program success was its ability to meet targets for nine out of ten performance measures in FY 2002.

External Factors

All trade is subject to sharp changes and is influenced by the domestic economy and world markets. Economic turmoil in foreign markets can adversely affect demand for U.S. exports. Political instability/war can disrupt commercial infrastructure and means of exchange. New/changing governments can create new barriers to access for U.S. companies. Fluidity of exchange rates, such as large scale, unexpected capital movements, and technological advances are just several critical external factors impacting U.S. foreign trade balance.

Unforeseeable shifts in U.S. policy (for example, suspension of activity with a particular country) or in the policies of client nations occasionally may preclude execution of funded, scheduled events or participation of certain national invitees.

The increasing volume and complexity of international commerce directly increases the difficulty of applying and enforcing export controls and, consequently, the difficulty of preventing proliferation. Compliance with export control laws may be compromised if exporters are not aware of pertaining change requirements.

With regard to CWC inspections, the Organization for the Prohibition of Chemical

Weapons (OPCW) establishes the number of CWC inspections based on (1) a mandated minimum number and (2) risk assessments that the OPCW performs. The second factor is outside BIS's control. If the number of inspections increases, the ability of BIS to assist companies in preparing for these inspections could be limited due to budget constraints.

Priorities and resources of the Department of Justice (DOJ) and Office of Chief Counsel/Industry and Security also directly influence the achievement of this goal. BIS may also have to rely on other agencies to conduct certain investigative activities.

BIS must continue to rely on other agencies to fund the technical exchange and other activities relating to international export control cooperation. The process of obtaining this funding while satisfying detailed donor agency requirements is extremely cumbersome and fraught with uncertainty and delay, making some inefficiencies unavoidable. Two factors that drive the scheduling of technical exchange activities are: (1) the interagency coordination process that enables agency experts to participate in the exchanges; and, (2) the priorities of the countries involved.

Objective 1.3
Supply Key Economic and Demographic Data to Support
Effective Decision-Making of Policy-Makers, Businesses, and the
American Public.

Performance Goals

- Meet the needs of policy-makers, businesses and non-profit organizations, and the public for current measures of the U.S. population, economy, and governments (Census)
- Support the economic and political foundations of the U.S. by producing benchmark measures of the economy and population for the administration and equitable funding of Federal, State and local programs (Census)
- Meet constitutional and legislative mandates by implementing a re-engineered 2010 Census that is cost-effective, provides more timely data, improves accuracy, and reduces operational risk (Census)
- Foster an environment that supports innovation, reduces respondent burden, respect individual privacy, and ensures individual privacy (Census)
- Promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner (BEA)

Meet the needs of policymakers, businesses, nonprofit organizations, and the public for current measures of the U.S. population, economy, and governments

Informed decisions require reliable, up-to-date information. The Census Bureau's programs give decision-makers current, timely updates on a wide range of subjects. Examples include unemployment, income, poverty, crime victimization, health insurance coverage, housing starts, retail and wholesale trade sales, international trade, corporate profits, and manufacturers' shipments, orders, and inventories.

- The Census Bureau provides statistics that are critical to understanding current conditions in the country. It does so directly by issuing official statistics and indirectly by providing source data to other agencies.
- Integration of technological and methodological enhancements improves survey processes and contains costs.
- The success of data collection depends on the cooperation and participation of those who provide the data -- individuals, families, businesses, and governments. Minimizing the reporting burden on respondents increases cooperation and holds down costs.

- One of the greatest opportunities for improving current statistical measures arises from integrating various sources of information. Such integration will be carried out in a way that maximizes the utility of the data while maintaining confidentiality.
- Because of the Census Bureau's vast experience in designing, collecting, and disseminating current statistics, it is sought out by national and international public and private sector organizations for advice and operational assistance. This reimbursable work supplies vital information for external clients and provides continuity for the technological and field infrastructures essential to the successful conduct every ten years of the constitutionally required census.

Support the economic and political foundations of the U.S. by producing benchmark measures of the economy and population for the administration and equitable funding of federal, state and local programs

The Census Bureau's benchmark programs are sources of baseline information used to govern the United States. They include the decennial Census of Population and Housing, the quinquennial Economic Census and the Census of Governments, and the Intercensal Demographic Estimates Program.

Census economic statistics programs count and profile U.S. businesses and government organizations in a rapidly evolving economic environment. This includes conducting an Economic Census and a Census of Governments every five years. The Economic Census covers all nonagricultural sectors of the economy, publishes data on the activities of more than 22 million businesses and more than 1,100 industries, and provides detailed geographic information. As a complement to the sectoral Economic Census program components, the Census Bureau also conducts a series of related programs to collect information on topics of special interest, for example, minority and women-owned businesses; the characteristics of the nation's trucking fleet; business expenses; the flow of commodities; and the economies of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands.

The Census of Governments represents the primary source of facts about the structure and function of the public sector of the U.S. economy. It provides essential information to Congress and federal agencies for planning and evaluating programs that involve intergovernmental relationships. The census contributes an important element for constructing composite national economic measures, such as gross domestic product, the Bureau of Economic Analysis's input-output tables that measure market sectors, and the Federal Reserve Board's flow of funds accounts that provide time-series data of financial flows in the economy. The Census of Governments' findings supply vital analytical tools for a wide variety of data users. Among the most prominent are state and local government officials, educational organizations, criminal justice organizations, public interest groups, private

industry, economic research agencies, and the media.

Census demographic programs provide the data used to allocate nearly \$200 billion dollars in federal funds each year, conduct the analyses that underlie the statistical definitions and standards used by the entire federal government in policy decisions, and establish the baseline sample units that underlie virtually every survey conducted in the U.S. by both private and public sectors.

Meet constitutional and legislative mandates by implementing a reengineered 2010 Census that is cost-effective, provides more timely information, improves coverage, and reduces operational risk

Census 2000 was conducted at high cost and at great operational risk. In response, and in striving to better meet the U.S.' ever expanding needs for social, demographic, and geographic information. We have developed a multi-year effort to completely modernize and reengineer the Decennial Census program.

This reengineering effort for the 2010 Decennial Census has four major goals:

1. Improve the relevance and timeliness of census long-form data
2. Reduce operational risk
3. Improve the accuracy of census coverage
4. Contain costs

The reengineered 2010 Decennial Census program consists of three highly integrated activities designed to take advantage of opportunities for innovations made possible through the expanded use of technology, major changes in the Bureau's business process for data collection, and the use of focused coverage improvement procedures:

1. The Census Bureau plans to remove the long-form questionnaire from the 2010 Census and replace it with a large household survey, the American Community Survey (ACS). The ACS will collect and tabulate long-form data on an annual basis. Besides improving the timeliness of these detailed socio-economic data for federal programs and other data users, this will allow the 2010 Census to focus solely on short-form data collection and coverage.
2. The Census Bureau will conduct a multi-year effort to enhance and improve its Master Address File (MAF) and geographic data base (TIGER) by bringing them into alignment with GPS coordinates and by converting the Bureau's home-grown processing environment into one based on commercial off-the-shelf and geographic information system (GIS) software products. This will allow the 2010 Census to utilize GPS-equipped mobile computing devices. This in turn will allow the Bureau to make major improvements in its business process for data collection.

3. The Census Bureau will conduct a multi-year program of integrated planning, development, and testing to completely restructure the management and conduct of a short-form only census in 2010. This effort encompasses time-critical major field tests under census-like conditions in 2004 and 2006, and a full dress rehearsal in 2008.

Some of the outputs and outcomes that the Census Bureau anticipates as a result of its programs include:

- More accurate statistical data as a result of the increase in response rate to Census surveys.
- A stronger 2010 Decennial Census as a result of reaching planning milestones.

Foster an environment that supports innovation, reduces respondent burden, and ensures individual privacy

The successful execution of the Census Bureau's goals and objectives depends on our capabilities as a global resource for statistical, survey and technological research; geographic systems; and information services. Crosscutting programs provide essential support for survey and census collection, processing, and dissemination. Our abilities to exploit technology, acquire and use administrative records, measure and respond to privacy concerns, and apply the latest systems and statistical and survey methodologies, play a critical role in meeting the Census Bureau's mission of providing accurate, timely and relevant measures of the U.S. economy and population. This goal covers:

- An administrative records research program that improves and enhances the processes and products of Census Bureau censuses, surveys, and estimates.
- An integrated Census Bureau privacy and confidentiality research program that leverages ongoing work and complements that work with new research to monitor, understand, respond to, and inform the public's views about privacy and confidentiality.
- Geographic systems, the cornerstone to the Bureau's collection, processing, and dissemination systems, that provide the basic maps, address lists, address and geographic reference files, and associated processing systems needed to meet the geographic requirements of all Census Bureau programs. The geographic support system (GSS) manages large volumes of information from both internal and external sources to establish and maintain a current and complete inventory of housing unit addresses, streets, roads, governmental unit boundaries, and related attribute information.
- Centralized information technology (IT) services that provide stable,

dependable information technology support and the ability to continually increase our capacity for IT innovation are intimately linked to the accuracy, timeliness, and effectiveness of all Census Bureau programs. These IT services must include an IT security program.

- Research, testing, and the prototyping of tools, systems, and new methods to improve data collection, processing, and dissemination across programs that are essential for the Census Bureau to meet its increasing customer demands for more complex data in a timely and efficient manner. Maintaining adequate response rates, minimizing respondent burden, meeting complex data needs, improving data quality, and developing innovative training techniques can all be facilitated through research and the application of core expertise in statistical and survey methodologies.
- The annual compilation and issuance of the *Statistical Abstract of the United States* provides vital program data for policy background and research for congressional staff members and federal, state, and local government officials. The *Statistical Abstract of the United States* is also the principal source for annual statistics describing the social and economic structure of the United States. Information is compiled from more than 250 government, private, and international organizations. There are also cross-cutting periodic supplements such as the *County and City Data Book*, *State and Metropolitan Area Data Book*, and the Census Bureau's *Product Catalog*.

Promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner

The economic statistics produced by the BEA enable government and business decision makers, researchers, and the public to follow and understand the performance of the U.S.' economy; thus, they are critical to sound economic decision-making at all levels, from individuals to the highest-level policymakers. BEA prepares national, regional, industry, and international economic accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the U.S.' position in the world economy. The national economic accounts include the national income and product accounts, which provide a quantitative view of the production, distribution, and use of the U.S.' output and feature GDP, one of the most closely followed of all economic measures. The national accounts also include estimates of the U.S.' stock of fixed assets and consumer durable goods. The regional economic accounts provide estimates and analyses of personal income and earnings by industry for regions, states, metropolitan areas, and counties. They also include estimates of gross state product by industry. The industry economic accounts include the input-output tables, which show how industries interact to provide input to and take output from each other, and the gross domestic product by industry data, which measure the contributions of private industry and government to GDP. The international economic accounts include the international transactions accounts (balance of

payments) and the estimates of U.S. direct investment abroad and foreign direct investment in the U.S. BEA's current estimates usually appear first in news releases, and they also are available on the Internet and in BEA's monthly journal of record, the *Survey of Current Business*.

BEA's statistics must be as timely, relevant, and accurate as possible in order to provide a clear and comprehensive picture of economic activity. By meeting these goals, BEA estimates are most useful to data consumers. In addition, BEA estimates must be provided when expected and be readily accessible in easy-to-use formats.

BEA strives to meet the following goals relating to its programs and services:

- \$ Make BEA's economic accounts and services more responsive to the needs of its customers and partners
- \$ Attract, develop, and retain a highly qualified, diverse workforce prepared to innovate and improve BEA's statistics
- \$ Upgrade resource management to support BEA's strategic goals
- \$ Upgrade BEA's economic statistics by improving statistical methodologies and source data and by using new technologies

Program Evaluation

The Census Bureau's ability to exploit technologies, enhance and apply support systems, and develop and implement improved statistical and survey methodologies is critical to meeting its mission needs of day-to-day and year-to-year measurement of the U.S. economy and population. Evaluations of the Bureau's mission-critical support programs are numerous and ongoing. Examples include Boundary and Annexation Survey respondent reporting rates recorded in production control systems, the annual conduct of the IT Security Self-Assessment survey in accordance with the standards established by the NIST and measures of customer satisfaction with key Census Bureau products in various media.

The Census Bureau's statistical program evaluations are numerous and ongoing. The following are some examples:

Demographic Statistics - The Census Bureau regularly generates quality profiles and management reports for both reimbursable and Bureau-sponsored demographic surveys. These profiles and reports provide statistical measures of reliability and note compliance with or accomplishment of project tasks.

Economic Statistics - Evaluation of programs by the economic statistics staff has led to better measures of capital expenditures by U.S. companies, improved the Census Bureau's ability to capture data on e-commerce activities, clarified what information companies can provide on their pollution abatement activities, and periodically

documented, as required by OMB, the statistical rigor of the methodologies used to produce the principal economic indicators.

Since the ACS is a continuing program, staff at the Census Bureau will continue to evaluate and report on the quality of ACS data. The overall objective of this evaluation project is to demonstrate the feasibility, desirability, and importance of implementing the ACS as a replacement for the decennial census long form. This objective will be achieved through a series of technical and external reports documenting key findings on the performance of nationwide implementation.

One of the major objectives of the MAF/TIGER Enhancements Program is implementation of a comprehensive plan for periodic MAF/TIGER evaluation, quality reporting, and corrective activities. The results of this plan will guide planning for cost-effective coverage and geocoding improvement operations. A quality assurance team is preparing MAF and TIGER error models that include descriptions of frequently found errors, performing a qualitative study to characterize each error's significance, and establishing a priority to guide implementation of quality metrics for each of the other four objectives. For example, the Bureau will develop a statistically sound sampling method for evaluating incoming state, local, and tribal GIS files and location-corrected contractor files using a random sample of 100 GPS quality assurance points for each file provided. Other proposed metrics include overall housing unit coverage (perhaps with separate measures for predominantly rural areas), currency of street and address information, and level of participation by potential geographic partners.

The evaluation of the reengineered 2010 Census will start with evaluations of the 2004 Census Test. Specific evaluations will be conducted to answer each of the research questions we have identified for our test objectives. The Census Bureau will evaluate the proposed methodology tests to ensure that they are well designed and answer critical questions about how the plan for the 2010 Census can be modified to meet the goals of a reengineered census. One of the important evaluations that the Bureau will begin in FY 2004 will assess the effectiveness of using mobile computing devices for non-response follow-up.

Evaluation of BEA programs includes the following:

BEA Advisory Committee: Twice a year, the 13-member BEA Advisory Committee meets to review and evaluate BEA programs and services. The Committee advises the Director of BEA on matters related to the development and improvement of BEA's national, regional, industry, and international economic accounts, especially in areas of new and rapidly growing economic activities arising from innovative and advancing technologies, and provides recommendations from the perspectives of the economics profession, business, and government. The meetings are open to the public.

Customer Satisfaction Survey: BEA conducts an annual survey of its users to

understand their satisfaction with BEA products and services. This survey is critical to BEA's success as users are the final arbitrators of the timeliness, relevance and accuracy of BEA data. Recent improvements in the accounts have been noticed in the survey with increased satisfaction by users. The customer satisfaction survey serves as one of the seven measures used to hold BEA accountable for its performance. The past two surveys have found that users rated BEA with a 4.3 out of 5 on the level of satisfaction with BEA products and services. BEA strives to continue to increase this level of satisfaction with continual improvements to the accounts and investments in the information technology systems used by most users to access BEA data.

In addition to the customer satisfaction survey, BEA monitors its contacts with users.

Strategic Program Evaluation: BEA's 5-year Strategic Plan is the most important evaluation of its programs and performance. The Strategic Plan is a detailed operating plan that guides BEA's planning with over 200 detailed milestones per year over a 5-year time frame. As mentioned in the introduction to this section, the Plan is developed from the Department's goals and objectives and the mission and objectives set by BEA. Managers are responsible to insure that the milestones are met as they feed directly into the performance measures and budget requests of the agency.

The publicly available Strategic Plan is annually reviewed and a report of successes is made available to the BEA Advisory Committee, the Department, Office of Management and Budget, Congress and the public. It clearly indicates which milestones were met and which were not met with an explanation as to why specific milestones did not get accomplished. In FY 2002, BEA met all of its major milestones and over 86 percent of the total number of milestones. BEA seeks to continue to meet its major milestones and work to improve its record in achieving the rest of the milestones.

Human Capital Management: In FY 2002, BEA contracted with the Office of Personnel Management (OPM) to conduct an employee assessment survey to better understand the strengths and weaknesses of the organization. The assessment results were very positive as BEA employees ranked BEA above other federal agencies in 16 of 17 broad categories. The categories in which employees rated BEA significantly above average were in use of resources, performance measures, diversity, and rewards and recognition. The survey also revealed a number of important challenges. The two challenge areas identified are (1) training and career development and (2) job security and commitment to workforce. The survey also pointed out a need to address employee health and safety issues. The FY 2003 employee assessment survey will be conducted in September of 2003 and in the fall each year after.

Information Technology In the information technology area, several evaluations were completed in support of the modernization of critical BEA software systems and their underlying infrastructure components. In preparation for a major reengineering effort, Booz | Allen | Hamilton completed an end-to-end study of the National Accounts core processing systems. This study resulted in the development of streamlined system requirements for a new unified central processing system. An analysis of BEA's financial management data was completed. This analysis formed the basis for the development of a management information system (MIS), which provides timely budget and cost data to Bureau managers. An evaluation of BEA's Central Publishing System was performed to serve as a foundation for moving forward with proposed improvements to BEA's publication processes. Eagle Design Corporation performed a "usability" assessment of BEA's web site. The results of this study will be incorporated into a redesign of BEA's web site, which will improve customer access to BEA data. Additional independent evaluations performed included: a requirements analysis of expanding the detail of information provided on BEA's web site, a examination of the alternatives for expansion of BEA's electronic reporting capabilities, and a review of the current capabilities and future requirements of BEA's telecommunication system.

In addition:

- BEA completed an annual self-assessment of management processes and procedures followed for IT capital planning, IT security and IT architecture. Our programs received above average rankings based on levels provided by the Department.
- Two tests and evaluations were made of BEA's disaster recovery capabilities. Each test focused on specific program areas. Testing successfully verified that BEA was capable of producing its critical data estimates at an off-site location in support of key mission activities.

External Factors

Privacy and Confidentiality Concerns

Public perception of both government and nongovernment intrusion into personal and business information privacy is increasingly negative. This affects the response to surveys and censuses and will be a significant factor affecting the future performance of the Census Bureau. Any concerns about privacy of information in the Internet age, about confidentiality of information provided to the government, and about intrusiveness of government programs, are potential challenges to the Census Bureau in collecting information in its surveys and censuses.

One major mitigation strategy for this problem is to continually inform the public of the Bureau's privacy and confidentiality policies for all Census Bureau activities. This involves publishing policy statements via the Census Bureau web site and carrying out other information activities.

Changing Customer Needs

Meeting the needs of our customers is at the heart of our vision to be the preeminent collector and provider of information. The Census Bureau has a varied and diverse customer base that ranges from the most sophisticated analyst to the inexperienced one-time user. Recent technological advances allow the Census Bureau to make more information available more quickly to more users. However, there are challenges associated with creating a single data dissemination tool that meets everyone's needs. A system that frustrates some customers will be seen as a failure even if it effectively serves the needs of most.

With technological advances, the tension between providing access to information and protecting confidentiality is growing. The Census Bureau must continue to explore options that achieve both.

Quality of Source Data

BEA is highly dependent on other government agencies and private organizations for the source data it uses to produce its economic accounts statistics. Thus, BEA's ability to provide timely, relevant, and accurate economic data and to move forward with improvements in its economic accounts is constrained by the quality and availability of that source data. BEA works closely with its data sources to obtain the best and most complete data possible and continually refines its estimation methods to improve its measures, especially in areas with source data deficiencies.

Strategic Goal 2
**Foster Science and Technological Leadership through World-Class
Research and Innovation.**

Working with U.S. industry to develop and apply technology measurements and standards has been a “growth area” for Commerce. Commerce supports technology development that can lead directly to breakthroughs in innovative manufacturing and production methods. Technological advances create jobs and enable the Nation’s economy to thrive.

Our laboratories ensure that the U.S. has the measurement capability needed by industry to continually improve products and services by conducting research and providing needed infrastructural technologies, such as measurements, standards, reference materials, and test methods.

Intellectual property is a potent force in, and a fundamental component of, the global economy. Commerce strives to preserve the Nation’s competitive edge by protecting intellectual property and encouraging technological innovation. In market-driven economic systems, innovation provides a catalyst for economic prosperity through the accumulation of scientific knowledge, introduction of new products and services, and improvements in the productivity levels of land, labor, and capital resources.

Bureaus contributing to this goal:

The TA leads civilian technology for Commerce and works with U.S. industries to promote economic competitiveness. TA is the parent organization for NIST, NTIS, and OTP.

- NIST promotes U.S. economic growth by working with industry to develop and apply technology, measurements, and standards.
- NTIS operates a central clearinghouse of scientific, technical and business-related information that industry can use to advance its understanding of science, create new products, identify new market opportunities, and allocate research and development resources, all of which serve to enhance America's competitiveness in world markets.
- OTP works with industry to promote competitiveness and advocates integrated policies for maximizing the impact of technology on economic growth.

The USPTO provides patent and trademark protection to inventors and entrepreneurs, and small and large businesses for their inventions and corporate and

product identification. Through the timely issuance of high-quality patent and trademark registrations, the USPTO responds to market forces by promoting advances in technology, expanding business opportunities and creating jobs. In addition, the USPTO is working with its partners to create a stronger, better-coordinated and more streamlined framework for protecting intellectual property around the world.

The NTIA Institute for Telecommunication Sciences participates in technology transfer and commercialization efforts by fostering cooperative telecommunications research with industry where benefits can directly facilitate U.S. competitiveness and market opportunities. ITS has participated for a number of years in Cooperative Research and Development Agreements with private sector organizations to design, develop, test, and evaluate advanced telecommunication concepts. Because of the great commercial importance of many new emerging telecommunication technologies, including PCS, wireless local area networks, digital broadcasting, audio and visual quality standards, and intelligent transportation systems, ITS pursues technology transfer to the private sector through CRADAs and thereby contributes to the rapid commercialization of these new technologies.

Objective 2.1
**Provide and Develop Tools and Capabilities that Improve the Productivity,
Quality, and Efficiency of Research .**

Performance Goals

- Provide leadership in promoting national technology policies that facilitate U.S. pre-eminence in key areas of science and technology and leverage technological innovation to strengthen American global competitiveness (OTP)
- Research and develop the measurements and standards needed to support emerging science and technology-intensive industries (NIST)
- Develop and efficiently disseminate the measurements and standards needed to support the nation's strategic interests in homeland security (NIST)
- Assure the availability and efficient transfer of measurement and standards capabilities essential to established industries (NIST)
- Catalyze and reward quality and performance improvement practices in U.S. business and other organizations (NIST)
- Enhance public access to worldwide scientific and technical information through improved acquisition and dissemination activities (NTIS)

Provide leadership in promoting national technology policies that facilitate U.S. pre-eminence in key areas of science and technology and leverage technological innovation to strengthen American global competitiveness

The TA's Office of the Under Secretary (USOTP) serves as a ~~key~~-focal point within the federal government for leadership on civilian technology policy. It supports technology-based growth through a range of programs and policy development activities, addressing both domestic and international matters by identifying key policy needs and options, strengthening the capacities for technological innovation by the U.S.' industry and science and technology (S&T) community, and hastening the transfer of new scientific and technological advances to the private sector for commercial development.

USOTP plays an important role in developing and coordinating national technology policy, working in partnership with industry and the S&T community and serving as an advocate for policies that leverage the benefits of new technology and enhance the strength of the U.S.'s economy.

In working to achieve the performance goal, TA's efforts are focused on the following four general goals. These goals are:

- Support and improve the American innovation system.
- Advance the role technology plays in U.S. economic growth and homeland security.
- Strengthen the competitive position of the Nation's technology industries.
- Strengthen TA's organization, capabilities, and resources to maximize the effectiveness of its activities and services.

For each of TA's goals and objectives, performance metrics rely chiefly on milestone accomplishments in achieving specific activities.

Research and develop the measurements and standards needed to support emerging science and technology-intensive industries

Through its broad and vigorous measurement research, NIST works to anticipate the infrastructure needs of next-generation technologies and industries in the U.S. This forward-looking research not only yields improvements in NIST's measurement services, but also generates new knowledge, capabilities, and techniques that are transferred to industry, universities, and government.

Next-generation measurement needs require NIST to focus its long-term research efforts on specific interdisciplinary technology areas where inadequate technical infrastructure is a barrier to development, commercialization, and public benefit: health care quality assurance, information / knowledge management, and nanoscale measurements and data. NIST currently has a broad range of competencies to draw on in each area, but emerging measurement and standards needs require a higher level of strategic focus, internal and external collaboration, and organizational commitment. Through its strategic planning processes, NIST has determined that these areas offer the greatest potential for increasing NIST's long-term impact on productivity, trade, and quality of life.

In general, new research does not begin to generate tangible new outputs and outcomes until at least two years after funding and thereafter. Since this goal centers on conducting research for potential future applications, NIST relies most heavily on external peer review to evaluate performance in the current year. In addition, NIST will track a surrogate measure of new knowledge generated by the NIST Laboratories: the number of technical publications produced.

Develop and efficiently disseminate the measurements and standards needed to support the nation's strategic interests in homeland security

NIST plays a distinct role in national efforts to improve homeland security. As in other times of national emergency, NIST responded to the initial terrorist attacks by quickly and effectively deploying its measurement and standards expertise to solve critical needs: technical support for mail irradiation; investigating and analyzing the World Trade Center, Pentagon, and Senate Hart Office Building sites; and accelerating development of protective equipment guides for first responders. NIST's competencies and capabilities build on measurements, standards, and technical advice that for years have helped federal, state, and local agencies and the private sector protect U.S. citizens from terrorist, military, natural disaster, and other types of threats. NIST plans include focusing on four urgent dimensions of homeland security:

- Standards, technology, and practices for buildings and first responders, which will use an analysis of the technical cause of the collapse of the World Trade Center towers and the pattern of response to that crisis to develop cost-effective ways to strengthen buildings against attacks or natural disasters and assess ways to improve the safety and efficacy of first responders
- Standards for biometric identification, as needed to support the USA Patriot Act
- Measurement infrastructure for homeland security, focusing on measurements, testing methods, and performance standards needed to improve the cyber security of federal information systems and to support certification needs for technologies designed to detect and respond to chemical, biological, radiological, nuclear, and explosive threats
- Measurements, standards, data, and testing methods to accelerate the development of quantum computing for cryptography and secure communications.

A major component of the Department's mission is to promote U.S. competitiveness by strengthening and safeguarding the U.S.' economic infrastructure. The economy and measurement infrastructure depend on accurate measurements and direct traceability to international standards. Measurement equivalency among international, national, and local laboratories is critical for the acceptance of test results for commerce, international trade, and health and safety.

Assure the availability and efficient transfer of measurement and standards capabilities essential to established industries

NIST maintains the national measurement and standards system and provides high-accuracy primary measurement services to anchor the Nation's industrial enterprise to international primary standards. U.S. industry requires a high quality measurement infrastructure for product development, testing, instrumentation,

process monitoring, and product performance enhancement. NIST's measurement services provide a common infrastructure for measurement functions in existing industries, allowing customers to verify and gain domestic and international acceptance of their measurement results by tracing them back to the primary national and international standards.

Measurement services for the U.S. originate at NIST and are disseminated through calibrations, artifacts, and reference data, which ensure product attributes, normalize the U.S.' productive output, and facilitate domestic and international trade. NIST measurement services derive directly from NIST research efforts and are transferred through measurement standards, data, and technical services generated in the NIST Laboratories. Through these services, NIST provides its customers in industry, government, and the scientific community in general with measurement uniformity, traceability, and equity in domestic and international commerce.

In addition to peer review and retrospective impact studies, NIST also tracks three output measures: Standard Reference Materials available, Standard Reference Data titles available, and the number of items calibrated to NIST measurement standards. While NIST has diverse measurement and standards outputs, these three products and services represent major channels through which NIST delivers measurement and standards capabilities to established industries.

Catalyze and reward quality and performance improvement practices in U.S. business and other organizations

The Baldrige National Quality Program (BNQP) catalyzes quality and performance practices by providing a systems perspective for understanding performance measurement. The BNQP provides criteria for performance excellence in three areas: business, health care and education. These criteria reflect validated, leading-edge management practices against which an organization can measure itself. With their acceptance nationally and internationally as the model for performance excellence, the Criteria represent a common language for communication among organizations for sharing best practices. The large number of applications to the BNQP and Baldrige-based state and local awards, reflects high-level corporate commitment to quality and high-performance business practices throughout the country. The BNQP rewards quality and performance improvement practices through the BNQP. This award given annually to winners in the three aforementioned categories has become a signature standard of excellence in these three areas and is highly regarded within those communities.

Enhance public access to worldwide scientific and technical information through improved acquisition and dissemination activities

NTIS continues to meet the challenge of permanent preservation of and ready access to the taxpayers' investment in research and development through the acquisition, organization, and preservation of the titles added annually to the permanent

collection. NTIS promotes the development and application of science and technology by providing technologically advanced global e-commerce channels for dissemination of specialized information to business, industry, government, and the public. NTIS is implementing a new initiative to provide the public with increased access to government information. The NTIS bibliographic database (from 1997 to the present) will be available via the Internet free of charge. NTIS will allow users to download any item in its collection that NTIS has in electronic format for a single low fee, or at no charge if it is short. In addition, NTIS will create links that will hyperlink customers to other agency Web sites that offer documents for free download. These recent developments and initiatives are a result of NTIS' new business model that maximizes utilization of the World Wide Web and e-commerce in its information collection and dissemination activities.

Program Evaluation

Program evaluation for the NIST laboratories involves a combination of specific output tracking, cross cutting peer review, and economic impact analyses.

The NIST Laboratories are reviewed annually by the National Research Council (NRC) Board on Assessment. The NRC provides an independent, technically sophisticated, and extensive review of:

- The technical merit / quality of the laboratory programs relative to the state-of-the-art worldwide
- The effectiveness with which the laboratory programs are carried out and the results disseminated to their customers
- The relevance of the laboratory programs to the needs of their customers
- The ability of the Laboratories' facilities, equipment, and human resources to enable the Laboratories to fulfill their mission and meet their customers' needs.

The most recent NRC report is available online at:

http://www.7.nationalacademiies.org/NIST/NIST_reports.html .

NIST also receives external review from Visiting Committee on Advanced Technology (VCAT), a legislatively mandated panel of advisors that meets quarterly to review NIST's general policy organization, budget, and programs. In addition, the performance of BNQP is evaluated by the Board of Overseers, a federal panel of national quality experts from business and academia that advises the Secretary of Commerce. An important part of the board's responsibility is to assess how well BNQP is serving the national interest. The board reviews all aspects of BNQP, including the adequacy of the Baldrige *Criteria* and processes for making Baldrige Awards, and reports its recommendations to the Secretary. Other annual

external reviews are provided to NIST by the Panel of Judges and the Foundation for the BNQP. See <http://www.quality.nist.gov> for additional information.

NIST supplements the external review process with retrospective studies that seek to estimate the long-term benefits that derive from specific NIST products or services. Collectively, these studies indicate the types and levels of public benefits that will likely derive from investments in NIST laboratory research.

The OIG prepared an evaluation of NTIS' new business model. The model reflects NTIS' commitment to maximize dissemination of unclassified scientific, technical, engineering, and business-related information to U.S. business, industry and the public. The OIG recommendations were to: (1) make it clear that there are major uncertainties associated with the business model's estimates during future discussions and presentations of the model, (2) periodically review the projections to determine whether they are realistic and achievable, and (3) evaluate the impact of the new business model on NTIS' operations on a monthly basis, and determine whether the new model is achieving the desired results or whether modifications are needed.

USOTP is currently considering a number of options for establishing an appropriate program evaluation process.

External Factors

Technology is a fundamental component of economic growth and rising living standards. Technological progress drives national productivity growth, provides U.S. industries with a competitive edge in world markets, and serves as a linchpin for effective national security. As such, it is critical that federal policies remain abreast of national and international trends and promote a positive environment for technological and business innovation. The associated policy issues are diverse and numerous, including technology transfer and productive partnerships among the many public and private organizations that conduct research and drive commercialization of innovative products and processes; the health of the U.S.' investment in R&D (public, private industry, venture capital); the strength of the human and physical infrastructure supporting the U.S.'s innovation system; and sustaining business conditions (such as taxes, trade, intellectual property protection, government regulations) that facilitate technological innovation and market risk-taking.

Outputs associated with coordination and leadership functions depend in part upon the interest and commitment of numerous public and private sector participants operating at the state and federal levels. USTA can influence but not control other participants.

Because of the nature of research and development, the immediate impact of many of NIST's programs cannot be determined. Therefore, NIST depends on outside

peer reviews to provide them with recommendations on how to improve their programs.

Industry-specific business conditions and technological developments affect the level and range of demand for NIST products and services over time. For instance, annual demand for calibrations – only one of numerous outputs of the NIST laboratories – can fluctuate due to several factors outside NIST's control, including changes in the calibration intervals of large customers, changes in the average calibration interval rate in any given year, consolidation of calibration activities within large R&D organizations, and industry consolidation (as, for example, in defense-related industries). In general, NIST seeks to mitigate the effects of (external technological and market uncertainties by maintaining varied and close relationships with its customer base. Through conferences, workshops, technology roadmaps, and many other forms of interaction with its customers, NIST regularly evaluates and adjusts to the direction and level of demand for measurements, standards, reference data, test methods, and related infrastructural technologies and services.

The Baldrige Award's ability to further promote quality awareness and performance excellence will depend in part upon acquiring the formal authority to conduct research, develop data on best practices and generate self-assessment primers and other educational materials.

NTIS' work in operating a central clearinghouse of scientific and technical information depends on revenue that comes from (1) the sale of technical reports to business and industry, schools and universities, state and local government offices, and the public at large; and (2) from services to federal agencies that help them communicate more effectively with their employees and constituents.

Collection of scientific and technical information from various contributors, and dissemination of that information to an even larger audience is highly dependent on external factors and therefore, not entirely controllable. For example, the amount of new material available is highly dependent on budgetary and program decisions made by other agencies. NTIS' efforts to ensure the public easy access to available scientific and technical information enhanced acquisition and dissemination activities are implemented and monitored through performance measures.

Objective 2.2
Protect Intellectual Property and Improve the Patent and Trademark System.

Performance Goals

- Create a more flexible organization through transitioning patent and trademark applications to e-Government operations, and participating in intellectual property development worldwide (USPTO)
- Improve the quality of patent products and services and optimize patent processing time (USPTO)
- Improve the quality of trademark products and services and optimize trademark processing time (USPTO)

The USPTO's 21st Century Strategic Plan is a far-reaching and aggressive plan designed to transform the USPTO into an organization that is responsible to the global economy in which it operates. After implementation of the Plan, market forces will drive the USPTO's business model, geography and time will be irrelevant when doing business with the Agency, products and services will be tailored to customer needs, and examination will be our core expertise. The Plan is centered around three strategic themes:

- **Agility: Address the 21st Century Economy by Becoming a More Agile Organization** – USPTO will create a flexible organization and work processes that can handle the increasing expectations of our markets, the growing complexity and volume of our work, and the globalization that characterize the 21st century economy. USPTO will work, both bilaterally and multilaterally, with our partners to create a stronger, better-coordinated and more streamlined framework for protecting intellectual property around the world. USPTO will transform the USPTO workplace by radically reducing labor-intensive paper processing.
- **Capability: Enhance the Quality Through Workforce and Process Improvements** – USPTO will make patent and trademark quality our highest priority by emphasizing quality in every component of this strategic plan. Through the timely issuance of high-quality patents and trademarks, USPTO will respond to market forces by promoting advances in technology, expanding business opportunities and creating jobs.
- **Productivity: Accelerate Processing Times Through Focused Examination** – USPTO will control patent and trademark pendency,

reduce time to first Office action, and recover our investments in people, processes and technology.

In support of *The 21st Century Strategic Plan*, the USPTO will pursue its aggressive timeliness goals to reduce patent and trademark pendency and substantially cut the size of the work backlog. The Strategic Plan will ensure 27-month average interim pendency time in patents by 2008, while the USPTO continues to pursue the ultimate goal of 18-month total pendency time. In trademarks, the USPTO will achieve a 12-month pendency time by 2006. These will be accomplished through a radical redesign of the entire search and examination systems based upon multi-examination tracks; procedures that give greater choice and flexibility to applicants; increased reliance on commercial service providers; and variable, incentive-driven fees.

Some additional outcomes that USPTO anticipates as a result of its programs include:

- Market forces will drive our business model.
- Our products and services will be tailored to meet the needs of customers.
- Independent inventors, U.S. industry and the public will benefit from stronger, more enforceable intellectual property rights and reduced duplication of effort worldwide.

Program Evaluation

- Proofs of Concept – In the 21st Century Strategic Plan, the USPTO has committed to subjecting the initiatives proposed in the plan to thorough evaluations. Pilot projects will be initiated and tested wherever necessary. Evaluation plans will incorporate, where appropriate, measurable objectives, critical measures of success, baseline data, and conditions for full implementation. This will ensure that the USPTO proposes appropriate changes to patent and trademark laws, makes changes to internal processes that provide benefits and increased efficiency, and makes sound investment decisions.
- Quality Assurance -- The USPTO also is committed to enhancing quality through the consolidation of quality assurance activities. Quality will be assured throughout the process by hiring the people who make the best patent and trademark examiners, certifying their knowledge and competencies throughout their careers at the USPTO, and focusing on quality throughout the examination process. In lieu of the standard end-process reviews, the USPTO will expand the review program to check the quality of the work product during all stages of examination, from first action to issue or abandonment or registration. The results of these reviews

will be used as part of a continuous quality improvement program to identify problem areas and determine appropriate training needs or other corrective actions.

- Accountability – Responsibility for providing performance data lies in the Patent and Trademark organizations. The USPTO holds program managers accountable for ensuring procedures are in place regarding the accuracy of their data and that the performance measurement source is complete and reliable.

External Factors

Several external factors affect the degree to which USPTO meets its performance targets including the following:

- Business factors that foster dramatic increase or decreases in patent and trademark application filings.
- The degree to which USPTO customers - inventors, entrepreneurs, and patent and trademark attorneys – take advantage of the USPTO's e-government environment systems to conduct business with the Office electronically.
- Support for other patent offices in structuring new bilateral and multilateral initiatives.

Objective 2.3

Provide the Infrastructure for Global e-Commerce and Support the Development of Global e-Commerce and Enhance Telecommunications and Information Services.

Performance Goals

- Promote competition within the telecommunications sector and promote universal access to telecommunication services for all Americans (NTIA)
- Ensure that all allocation of radio spectrum provides the greatest benefit to all people (NTIA)
- Promote the availability, and support new sources, of advanced telecommunications and information services (NTIA)

The telecommunications and information sectors account for approximately 10 percent of U.S. GDP. Driven in large part by growth of wireless services and the Internet, this figure is predicted by some experts to approach 20 percent of GDP by 2004. One of the NTIA's primary missions is to serve as the President's principal policy advisor on telecommunications and information issues and to be the Administration's primary voice on them. NTIA fulfills this policy-setting role in a number of ways: preparing and issuing special reports on topics that emerge over time; testifying before Congress and other organizations that are concerned with telecommunications policy; providing the Administration's views on actions proposed by the Federal Communications Commission (FCC); issuing requests for public comment on specific issues; and encouraging dialogue with the private sector through sponsorship and participation in conferences, workshops, and other forums.

Promote competition within the telecommunications sector and promote universal access to telecommunication services for all Americans

As a result of NTIA's FY 2002 spectrum summit, NTIA will examine an array of spectrum management policy issues dealing with innovative approaches to spectrum management and the effectiveness of current processes. This examination will be conducted in tandem with the FCC's proceeding on spectrum management policy in which NTIA will participate on behalf of the Administration. NTIA also will participate on behalf of the Administration in FCC and congressional proceedings on telecommunications policies, including the development of appropriate regulatory treatment for broadband services deployment. A number of Internet-related policy issues will require NTIA action, including Internet Corporation of Assigned Names and Numbers reform and continuing Internet privatization, domain name management both domestically and internationally, proposals to regulate Internet services and content, and the combination of Internet and

telecommunications addressing Telephone Number Mapping (ENUM). NTIA will pursue policies promoting international trade in telecommunications products and services, promoting consistent international approaches to telecommunications policies, and improving relations with Western Hemisphere neighbors. All of these activities will require substantial coordination among NTIA's program offices, as well as interagency coordination to develop the Administration's positions.

Ensure that all allocation of radio spectrum provides the greatest benefit to all people

The availability of the radio frequency spectrum is key to the development and implementation of innovative telecommunications technologies such as ultra wideband (UWB) and third generation (3G) wireless services. The NTIA's spectrum management activities are therefore intertwined with its policy activities in that existing uses of spectrum by both the private and federal sectors must be examined to determine where spectrum will be made available for new and innovative spectrum-using services that provide benefits to all consumers. Recent examples include actions to provide spectrum for 3G and UWB wireless services. NTIA's activities include (1) identifying and supporting new wireless technologies that promise innovative applications for customers of the federal and private sectors; (2) providing the 56 federal agencies with the spectrum needed to support their missions for national defense, law enforcement and security, air traffic control, national resource management, and other public safety services; (3) developing plans and policies to use the spectrum effectively; (4) satisfying the U.S.' future spectrum needs globally through participation with the 190 other countries of the International Telecommunication Union in establishing binding treaty agreements through world radio-communication conferences; and (5) improving through telecommunications research and engineering the understanding of radio-wave transmission, and thereby improving spectrum utilization and the performance of radio-communications systems.

Promote the availability, and support new sources, of advanced telecommunications and information services

In addition to its policy-related activities, the NTIA supports innovative telecommunications and information technologies through basic research performed at its laboratory, the ITS. ITS performs extensive basic research on quality of digital speech, audio and video compression, and transmission characteristics. This research has the potential to improve both the performance of telecommunications networks and the availability of digital content on the Internet. Basic research at ITS also supports U.S. positions in international standard-setting bodies and NTIA's development of Administration policies related to the introduction of new technologies, such as UWB and 3G wireless services.

Program Evaluation

NTIA management reviewed and assessed policy and program priorities in the development of FY 2003 and 2004 budgets. The broadband summit and ENUM roundtable served to inform NTIA of state and local government views as well as those of consumers and industry. In addition, NTIA convened a spectrum summit in FY 2002 to begin an inquiry on how to better manage and allocate this finite resource among competing uses. The results of the FY 2002 spectrum summit led to the development of a series of spectrum management reform priorities and objectives. This ongoing inquiry will yield information about new and innovative ideas for spectrum policy and management that encourages spectrum efficiency; that provides spectrum for new technologies; and that improves the effectiveness of the domestic and international spectrum management process. To meet its current obligations and to address improvements, NTIA's spectrum management functions will continue to consume the largest share of agency resources.

External Factors

Consideration of telecommunications and information policy issues is affected by the activities of independent regulatory agencies such as the FCC and the Federal Trade Commission, and by priorities established for NTIA by the Department, the White House, and Congress. Rapid developments in the Internet and telecommunications industries, along with supporting technologies, sometimes make it difficult for government institutions to coordinate timely policy responses to issues as they arise. Regular interagency meetings on policy issues will assist in the development of timely Administration positions.

Congress, from time to time, has required some changes in federal use of radio frequency spectrum, which can affect availability of frequencies to suit federal needs. The speed of development and implementation of wireless technologies will affect the level and type of demand by federal agencies for certain frequencies. The FCC initiates numerous spectrum-related proceedings in which NTIA participates on behalf of the Administration.

Strategic Goal 3

Observe, Protect and Manage the Earth's Resources to Promote Environmental Stewardship.

The Department plays a significant role in the stewardship of our natural resources to ensure that the economic benefits of those resources are available, on a sustainable basis, to the Nation as a whole.

Success in a global economy is linked not only to our ability to respond or react to events but to anticipate or forecast them. As NOAA moves forward into the 21st century, the ability to deliver effective climate services is as important to economies and societies as weather forecasting is today. NOAA's improved climate predictions enable resource managers in the climate sensitive sectors such as agriculture, water, energy and health management to alter strategies and ensure sustainable and efficient operations in the future. Foresight of climate-related events will reduce economic and human vulnerability, and secure America's competitive edge in the global marketplace.

There is also a strong linkage between the economic necessity for environmental prediction and stewardship, and scientific necessity. Societal and economic decisions need to be strongly coupled with a comprehensive understanding of the environment. A major part of Commerce's mission is to ensure sustainable economic opportunities, and this requires managing the Nation's marine and coastal resources and predicting how changes in the Earth's environment will affect those resources.

Bureau contributing to this goal:

The NOAA mission touches every part of the American economy. Marine ecosystem management supports coastal communities and businesses; climate information is increasingly important to many economic sectors, especially agriculture and energy; weather and water information is a vital part of decision - making every day; and information services for commerce and transportation are essential for the safety and efficiency of operations in every transport mode.

Objective 3.1

Understand and predict changes in the Earth's Environment to Meet America's Economic, Social and Environmental Needs

Performance Goals

- Understand climate variability and change to enhance society's ability to plan and respond (NOAA)
- Serve society's needs for weather and water information (NOAA)

Understand climate variability and change to enhance society's ability to plan and respond

Society exists in a highly variable climate system, with conditions changing over the span of seasons, years, decades, and longer. Weather- and climate-sensitive industries, both directly and indirectly, account for about one-third of the Nation's GDP, or \$3 trillion.

Seasonal and interannual variations in climate, like El Nino, led to economic impacts on the order of \$25 billion for 1997-98, with property losses of over \$2.5 billion and crop losses approaching \$2 billion. Given such stresses as population growth, drought, increasing demand for fresh water, and emerging infectious diseases, it is essential for NOAA to provide reliable observations, forecasts, and assessments of climate, water, and ecosystems to enhance decision-makers' ability to minimize climate risks. This information will support decisions regarding community planning, public policy, business management, homeland security, natural resource and water planning, and public health preparedness. In the U.S. agricultural sector alone, better forecasts can be worth over \$300 million in avoided losses annually.

To enable society to better respond to changing climate conditions, NOAA, working with national and international partners, will employ an end-to-end system comprised of integrated observations of key atmospheric, oceanic, and terrestrial variables; a scientific understanding of past climate variations and present atmospheric, oceanic, and land-surface processes that influence climate; application of this improved understanding to create more reliable climate predictions on all time scales; and service delivery methods that continuously assess and respond to user needs with the most reliable information possible.

These activities will accelerate the development of a structure and process for improving the relevance of climate science to assist decision-makers in their development of national, regional and sectoral adaptation responses (actions to reduce vulnerability, seize opportunities, and enhance resilience) to variability and

long-term changes in the climate, particularly for industry, natural resource and water managers, community planners, and public health professionals.

NOAA anticipates that it will accomplish the following outcomes:

- Increased use and effectiveness of climate observations to improve long-range climate, weather, and water predictions.
- Increased use and effectiveness of climate information for decision-makers and managers (e.g., for industry, natural resource and water managers, community planners, and public health professionals).
- Increased use of the knowledge of how climate variability and change affect commerce.

NOAA will invest in needed climate quality observations and encourage other national and international investments to provide a comprehensive observing system in support of climate assessments and forecasts. NOAA will work with national and international partners to increase understanding of the dynamics and impacts of coupled atmosphere/ocean/land systems through research on climate variability and change. NOAA will improve its intraseasonal and interannual climate forecasts to enable regional and national managers to plan better for the impacts of climate variability and change and will provide improved regional, national, and international assessments and projections to support policy decisions with objective information. NOAA will work with users of climate information to enable and increase the application of climate information for health and safety, environmental, economic, and community planning, especially for freshwater supply, water quality, and coastal impacts.

Serve society's needs for weather and water information

On average, hurricanes, tornadoes, tsunamis, and other severe weather events cause \$11 billion in damages per year. Weather, including space weather, is directly linked to public safety and about one-third of the U.S. economy (about \$3 trillion) is weather sensitive. With so much at stake, NOAA's role in observing, forecasting, and warning of environmental events is expanding, while economic sectors and its public are becoming increasingly sophisticated at using NOAA's weather, air quality, and water information to improve their operational efficiencies and their management of environmental resources, and quality of life.

NOAA is strategically positioned to conduct sound science and provide integrated observations, predictions, and advice for decision makers to manage many aspects of environmental resources—from fresh water to coastal ecosystems and air quality. Bridging weather and climate time scales, NOAA will continue to collect environmental data and issue forecasts and warnings that help protect life and property and enhance the U.S. economy.

NOAA is committed to excellent customer service. NOAA depends on partners in the private sector, academia, and government to help disseminate critical environmental information. NOAA will work even closer with our existing partners and will develop new partnerships to achieve greater public and industry satisfaction with the weather, air quality and water information. NOAA will expand our services to support evolving national needs, including space weather, freshwater and coastal ecosystems, and air quality predictions throughout the Nation.

NOAA anticipates that it will accomplish the following outcomes:

- Increased accuracy and amount of lead-time by category of storm type e.g., hurricanes.
- Increased satisfaction with and benefits from NOAA information and warning services, as determined by surveys and analysis of emergency managers, first responders, natural resource and water managers, public health professionals, industry, government and the public.

NOAA will use cost-effective observation systems that meet diverse and expanding societal needs for accuracy, parameters observed, and temporal and geographic coverage. NOAA will invest in new technologies, techniques, and weather and water forecast modeling. NOAA will improve forecast and warning capabilities to reduce uncertainty and increase economic benefits. NOAA will promote appropriate responses to hazardous weather- and water-related conditions, in order to enhance human preparedness. Traditional delivery methods, the Internet, and other e-commerce approaches will be used to deliver products that customers need for safety-related decisions, operating efficiencies, and better resource management. NOAA will also provide information to support effective air quality decision-making.

Program Evaluation

NOAA's Office of Oceanic and Atmospheric Research (OAR) conducts periodic reviews of the activities of its Environmental Research Laboratories. NOAA's National Environmental Satellite, Data and Information Service (NESDIS) holds management performance reviews several times a year. NOAA's National Weather Service (NWS) conducts reviews of the National Centers for Environmental Prediction (NCEP). Programs are also evaluated by the National Science Foundation (NSF) and the National Research Council. NOAA holds annual constituent workshops at which NOAA's seasonal climate forecast efforts are discussed with the community of climate and weather forecast users, and input is solicited to shape future efforts.

NOAA's programs are routinely evaluated by a variety of outside reviewers. The NOAA Science Advisory Board, made up completely of private sector, university, and federal agency scientists, provides input on climate and air quality research.

NOAA's Office of Global Programs, funded in OAR's Climate and Global Change research line item, receives review from international science agencies, universities, and private sector scientists, as well as the National Research Council and the National Science Foundation. The NOAA Research Laboratories are reviewed on a regular basis. The Sea Grant Colleges are visited at least every two years by a review panel.

NOAA's vision for FY 2008 is to provide significantly improved weather and water forecast products and services that enhance public safety and the economic productivity of the U.S. While it is difficult to see the improvements on an annual basis because of the scientific nature and seasonal variations of weather events, historical trends have shown that NOAA continues to improve the accuracy and advance warning lead-time of severe weather hazards.

Program evaluations at NWS field offices are conducted annually. Quality control procedures are followed to ensure the highest reliability of gathered data and weather products. The National Academy of Sciences is also involved in program analysis and evaluation processes on a national level.

External Factors

The science of climate change crosses generations and has progressed as a result of evolving technology. NOAA's ability to measure performance is contingent upon many external factors, including the advancement of climate change itself. While the time frame of these processes spans decades and even centuries, the reporting periods extend over years.

A number of factors unique to the atmospheric sciences must be considered when reviewing the performance measures for this goal. The primary factor to consider is the natural variation of this goal related to annual fluctuations in meteorological conditions. Another factor concerns the damage to critical equipment (for example, supercomputer fire and satellite outages) that can affect daily operations for extended periods, even though numerous safety measures and backup procedures are in place.

A major failure of Earth observing and computing infrastructure would impair NOAA's ability to produce seasonal to interannual forecasts. NOAA has been looking for backup outside the organization. For example, the Department of the Navy provides backup to the National Centers for Environmental Prediction mainframe computer.

Although the performance for these goals may improve, the impact on society may not be obvious because of factors beyond NOAA's control. For example, hurricane warnings may become more accurate, but because of the increase in population along the coastlines, the deaths, injuries, and/or damage estimates may increase.

NOAA relies on its partners in the media, private sector, and the state and local emergency management community to disseminate weather warnings.

Objective 3.2
**Conserve and Manage Coastal and Marine Resources to Meet America's Economic,
Social and Environmental Needs.**

Performance Goals

- Protect, restore, and manage the use of coastal and ocean resources through ecosystem-based management. (NOAA)
- Support the Nation's commerce with information for safe, efficient, and environmentally sound transportation. (NOAA)

Protect, restore, and manage the use of coastal and ocean resources through ecosystem-based management

Coastal areas are among the most developed in the Nation, with over half of our population residing within less than one-fifth of the land area in the contiguous U.S. Coastal counties are growing three times faster than counties elsewhere, adding more than 3,600 people a day to their populations. Coastal and marine waters support over 28 million jobs, generate over \$54 billion in goods and services a year, and provide a tourism destination for 180 million Americans a year. The value added to the national economy by the commercial fishing industry is over \$28 billion annually, and about 18 million Americans engage in marine recreational fishing every year. 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.

NOAA has identified three strategic objectives to further delineate what it does related to protecting, restoring and managing the coastal and ocean resources goal:

- A. Protect and restore ocean, coastal, and Great Lakes resources;
- B. Recover protected species; and
- C. Rebuild and maintain sustainable fisheries.

NOAA recognizes that these three objectives are scientifically, socially, and economically interdependent and is moving toward managing living marine and other ocean and coastal resources using a truly integrated ecosystem management approach. Until ecosystem approaches are adopted, NOAA will continue to manage on a more narrowly focused species- and site-specific basis. However, NOAA will be improving the science, management, and regulatory processes to implement a more comprehensive ecosystem approach that will allow us to make better management decisions for the Nation's ocean, coastal, and Great Lakes resources. In a first move toward this integrated approach, the strategies and measures under

Objective A also apply to protected resources and fishery management that have been placed under Objectives B and C. Increasingly, NOAA will turn to international cooperation to protect large marine ecosystems and areas beyond our national jurisdiction.

In the short term, NOAA will apply this new focus by giving increased priority to: habitat protection and restoration for all species; interactions of target species management decisions with nontarget species and ecosystem effects; and partnerships with international organizations, foreign governments, federal agencies, state and local governments, academia, and nongovernmental organizations in applying ecosystem approaches to coastal, ocean, and Great Lakes resource management.

In the longer term, NOAA will strive to manage multiple aspects of sustainable ecosystems, including fisheries resources, threatened and endangered species, marine mammals, biodiversity, important habitats that support those resources, and the impacts of ecosystem-based management decisions on the economy and communities. Ecosystem management will also require improved understanding of the pressures--both natural and human-induced--that change ecosystems.

Regarding Objective A, "Protecting, Restoring and Managing Use of Ocean, Coastal, and Great Lakes Resources," NOAA and its partners will monitor and observe aspects of ocean, coastal and Great Lakes areas and associated communities to provide basic information on habitats, resources, human activities, and uses that may impact coastal ecosystems. NOAA will characterize coastal, ocean, and Great Lakes resources and conduct research to understand and describe the linkages among the resource components and processes and human impacts on them, and will develop new tools and techniques to facilitate sound management decisions. NOAA will develop and implement models and integrate data sets to assess current ecosystems and predict their future state and the causes for ecological changes. NOAA will ensure that decision-makers are well informed about safe and wise uses of ocean, coastal and Great Lakes resources, and about factors, especially hazards, that affect environmental health and safety. NOAA will also endeavor to provide the state-of-the-art tools and techniques needed for effective resource management. NOAA will develop and implement appropriate plans, regulations, permits, and enforcement activities for the protection, restoration, and wise use of ocean, coastal, and Great Lakes resources.

Regarding Objective B, "Recover Protected Species," NOAA will monitor and observe all aspects of protected resources to provide basic information on those resources, their habitats, and human activities that affect them. NOAA will conduct research to understand and describe the ecological and biological population aspects of protected species as a basis for sound management decisions. NOAA will develop and implement models and integrated data sets to assess current protected species populations and predict their future abundance. NOAA will ensure that decision-makers and the public are well informed about the condition, and adverse effects of human interactions with, protected species. NOAA will also endeavor to

provide the state-of-the-art tools and techniques needed for effective resource management. NOAA will develop and implement appropriate plans, regulations, permits, and enforcement activities for the conservation and restoration of protected resources.

Regarding Objective C, “Rebuilding and Maintaining Sustainable Fisheries,” NOAA will monitor and observe all aspects of fish species to provide basic information on fish species, their habitats, and the human activities that affect them. NOAA will conduct research to understand and describe the ecological and biological aspects of fish species and social and economic impacts as a basis for sound management decisions. NOAA will develop and implement models and integrated data sets to assess fish species populations and predict their future abundance. NOAA will ensure that decision-makers are well informed about the health of fish species and impacts of fishing or other activities on fish species. NOAA will also endeavor to provide the state-of-the-art tools and techniques needed for effective resource management. NOAA will develop and implement appropriate plans, regulations, permits, and enforcement activities for the conservation, rebuilding, and wise use of fish species.

NOAA anticipates that it will accomplish the following outcomes:

- Increased number of coastal and marine ecosystems maintained at a healthy and sustainable level.
- Increased social and economic value of the marine environment and resources (e.g., seafood, recreation, and tourism).
- Increased number of acres and stream-miles restored for coastal and ocean species.
- Increased number of protected species in a stable condition or an upward trend.
- Increased number of managed species that are at optimum levels.
- Improved ecological conditions in coastal and ocean protected areas.

Support the Nation’s commerce with information for safe, efficient, and environmentally sound transportation

Safe and efficient transportation systems are crucial economic lifelines for the Nation. NOAA’s information products and services are essential to the safe and efficient transport of goods and people at sea, in the air, and on land and waterways. More accurate and timely warnings associated with severe weather threats, marine navigation products and services, and improved positioning data can better support the growing commerce on our road, rail and waterways through improvements in

transportation safety and “just-in-time” efficiencies. For example, the U.S. Marine Transportation System (MTS) ships over 95 percent of the tonnage and more than 20 percent by value of U.S. foreign trade through America’s ports, including 48 percent of the oil needed to meet U.S. energy demands. Waterborne cargo alone contributes more than \$740 billion to the U.S. GDP and creates employment for over 13 million citizens. Every year, 134 million passengers are ferried to work and other destinations on U.S. waterways, along with five million cruise ship passengers. Better aviation weather information could significantly reduce the \$4 billion that is lost through economic inefficiencies as a result of weather-related air traffic delays. Improved surface forecasts and specific user warnings would likely reduce the 7,000 weather-related fatalities and 800,000 injuries annually from vehicle crashes.

As U.S. dependence on surface and air transportation grows over the next 20 years with significant increases in the volume of land transportation and the projected doubling of maritime trade, better navigation and weather information will be critical to protect lives, cargo, and the environment. NOAA is committed to improve the accuracy of its marine forecasts, provide advanced electronic navigational charts and real-time oceanographic information, and maintain a precise positioning network GPS that mariners need to navigate with confidence. Consistent, accurate and timely positioning information derived from NOAA’s positioning services is critical for air and surface activities such as aircraft landings and to improve the safety and efficiency of road and railroad delivery.

NOAA partners in the academic, government, and private sectors are essential to realize this goal. Improved NOAA information will enable the private weather sector to provide better weather related forecasts and information to their clients helping to realize improved efficiencies. NOAA will work with the FAA and the private sector to reduce the impacts of weather on aviation without compromising safety through better forecasts. Reducing the risk of marine accidents and oil spills, better search and rescue capabilities, and other efficiencies that can be derived from improved navigation and coastal and ocean information and services could be worth over \$300 million annually around the Nation’s coasts. NOAA will work with port and coastal communities, and with federal and state partners, to ensure that port operations and development proceed efficiently and in an environmentally sound manner. On land, improvements in weather information will be used more effectively to reduce the \$42 billion annual economic loss and the 500 million vehicle-hour delays attributed to weather-related crashes.

NOAA anticipates that it will accomplish the following outcomes:

- Increased use and effectiveness of environmental information for planning for marine, air, and surface transportation systems.
- Reduced number of and harm from navigation-related accidents due to grounding and allisions (hitting fixed objects).

- Increased number of ports where the environmental consequences of port development and operations are minimized.
- Increased number of ports with an improved vessel cargo carriage capacity due to use of NOAA's marine navigation information products and services.
- Increased safety and productivity of transportation systems.
- NOAA will expand its advanced technology monitoring and observation

NOAA will expand its advanced technology monitoring and observation systems to provide accurate, up-to-date environmental data, such as weather and oceanographic observations, hydrographic surveys, and precise position coordinates. NOAA will develop and apply new technologies, techniques, and models. NOAA will develop and implement sophisticated assessment and prediction capabilities to support decisions on aviation, marine, and surface navigation efficiencies, coastal resource management, and transportation system management, operations and planning. NOAA will work at the national and regional levels and will use advanced delivery systems, such as the Internet and other e-commerce approaches, to provide customers with the products and services, the need for safety-related decisions, operating efficiencies, better management of coastal resources, and improved transportation system management and planning.

Program Evaluation

Virtually every aspect of the NOAA's fisheries science and coastal programs is peer-reviewed, either internally or outside the agency. For example, reviews are conducted by the National Academy of Sciences or the NSF. NOAA also relies on extensive informal networks of university partnerships and laboratories throughout the U.S. for conducting work and reviews. Moreover, reviews often occur by opposing parties' scientists in the court system when fisheries management decisions are litigated.

NOAA's navigation services program has incorporated numerous recommendations made by independent analyses to improve operations and products. National Research Council Marine Board studies from 1992 to 1996 and congressional reviews concurrent with the Hydrographic Services Improvement Acts of 1998 and 2002 provided opportunities to evaluate NOAA's capabilities for acquisition and dissemination of hydrographic data, standards and formats development for hydrographic services, contracts for the acquisition of hydrographic data, and digital production techniques. NOAA implemented study recommendations on such areas as reducing the survey backlog, implementing new digital production techniques, and delivering new electronic chart products to mariners. NOAA now also contracts out over 50 percent of its annual critical area hydrographic survey requirements while maintaining federal competence and expertise with existing and developing surveying technologies.

In 1998, Congress authorized the Height Modernization study to evaluate the technical, financial, legal, and economic aspects of modernizing the national height system with GPS. The study demonstrated the significant benefits to the U.S. in terms of dollars and lives saved associated with GPS technology, and it led to current development of the vertical component of the NSRS. In 1999 NOAA completed an assessment of its tidal currents program to develop guidelines for future current surveys to update U.S. reference stations for the Tidal Current Tables. Finally, the September 1999 Report to Congress that assessed the U.S. Marine Transportation System (MTS) further articulated the need for coordinated federal leadership to achieve the MTS vision of becoming the world's most technologically advanced, safe, efficient, globally competitive, and environmentally responsible system for moving goods and people. NOAA's navigation safety support functions underwent substantial review to identify opportunities for greater integration among federal agencies. NOAA continues its lead role on the Interagency Committee for the Marine Transportation System to support this integration effort.

External Factors

Various external factors may affect NOAA's ability to reach its targets. These factors include the impact of climate, biological, and other natural conditions, such as El Niño, on its efforts to recover protected species and maintain the status of healthy species. In addition, the effect of national and/or local economic conditions may have an impact.

Changes in climate, biological, and other natural conditions may affect NOAA's ability to carry out activities to sustain healthy coasts. In addition, many of these coastal stewardship activities depend on contributions from multiple partners, particularly states, territories, and other federal agencies. The failure of one or more of these partners to fulfill their cooperative contributions could have very serious consequences on the overall effort to sustain healthy coasts.

Weather has a significant impact on the promotion of safe navigation activities. Both in-house and contract hydrographic survey schedules can be affected by adverse weather conditions (storms, winds, and high seas) and equipment failure, as can aerial photography flights scheduled for shoreline photogrammetry. Storm damage frequently renders water-level stations inoperable, affecting surveying capabilities and real-time observations of water levels and currents so critical to safe navigation. Natural disasters such as earthquakes and hurricanes can elevate the critical priority of an area because of shoreline changes or obstruction accumulation; man-made impacts such as shifts in shipping patterns, newly regulated shipping lanes, port expansions, or wrecks will also increase NOAA's designated critical areas. NOAA also receives requests to survey areas not identified as critical. For example, ship groundings frequently prompt requests from the U.S. Coast Guard and others to survey noncritical areas, diverting efforts away from the survey schedule. Finally, in addition to mission activities, NOAA ships and aircraft provide immediate response capabilities for unpredictable events such as recovery and

search efforts after the TWA Flight 800 and EgyptAir Flight 990 crashes; damage assessments after major oil spills such as the Exxon Valdez, the Persian Gulf War, and the New Carissa; and severe hurricanes.

<p style="text-align: center;">Management Integration Goal: Achieve Organizational and Management Excellence</p>

The Department has established a management integration goal, applicable with equal importance to all bureaus. This goal is in line with the driving trend toward more effective organizational management in both public and private settings.

Offices contributing to this goal:

The OIG continues to work closely with the Department and bureaus in many of the specific critical areas identified in the Strategic Plan.

DM provides policy direction, oversight and administrative services to bureaus within Commerce. Bureau managers work collaboratively with DM to ensure that administrative functions, such as budgeting and financial management, information technology, procurement and financial assistance, and human resources management, operate efficiently and uniformly across organization lines. Success in these efforts enables our bureaus to maximize the effectiveness and efficiency with which programmatic activities are carried out and service is provided to the American public.

Performance Goals:

- Ensure effective resource stewardship in support of the Department's programs (DM)
- Strategic management of human capital (DM)
- Acquire and manage the technology resources to support program goals (DM)
- Ensure that OIG's work and related activities emphasize maximal efficiency and effectiveness of the critical programs and operations of The Department (IG)
- Performance quality audits, inspections, evaluations, and investigations and complete them within appropriate time frames (IG)
- Effectively communicate with DOC officials, Congress, and other stakeholders, as appropriate, to keep them informed of OIG's work plans, activities, and results (IG)

Ensure effective resource stewardship in support of the Department's programs

The Department must have the capacity to do business as successfully as possible with the public and its partner agencies, both as a \$5 billion, worldwide enterprise and as an integrated set of individual programs. This requires that it identify, adopt, and maintain the business practices needed to successfully operate any such organization; use its resources wisely; and effectively implement the laws that affect it. Because this performance goal inherently encompasses a wide range of administrative and operational tasks, the measures used to assess DM's progress are by necessity highly diverse. DM is continuing efforts begun in FY 2003 to ensure that these measures are meaningful and reflect particularly significant activities.

Strategic management of human capital

There is no issue more critical to the Department's continued effective functioning than that of current and projected turnover in mission-critical positions, and the domino effect it precipitates. Separation projections are high among economists, fish biologists, mathematicians, statisticians, meteorologists, and engineers. By 2007, 71 percent of the Department's existing Senior Executive Service corps and 39 percent of the senior staff in grades 13 through 15 will become eligible for retirement. Departures from the Department due to retirement only represent approximately 21 percent of overall turnover. In the prior fiscal year, transfers to other federal agencies represented approximately 23 percent of separations and resignations comprised another 49 percent. Commerce is further analyzing the resignation data to learn more about those losses. These conditions could produce an unprecedented drain on its institutional memory, on our capacity to provide mature leadership to the next generation of employees, and, thus, on its capacity to serve the public.

Acquire and manage the technology resources to support program goals

As American 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, private sector, other levels of government, and other federal agencies. This requires that DM develop and implement new approaches to electronic communication and that its existing systems are able to perform at the highest levels.

Ensure that OIG's work and related activities emphasize maximal efficiency and effectiveness of the critical programs and operations of The Department

The Department must have the capacity to successfully do business with other entities and the public—both on a global level as a worldwide enterprise, and on a parochial or issue-specific level, as an integrated set of individual programs. To achieve this balance, Commerce will identify, adopt, and maintain the best practices that promote operational soundness and efficiency; use its resources wisely; and

effectively implement laws that affect all Americans. Therefore, it becomes critical that the OIG's work and related activities emphasize the maximal efficiency and effectiveness of the Department's critical programs and operations. Because this performance goal inherently encompasses a wide range of administrative and operational tasks, measures for assessing the OIG's progress are by necessity diverse. Thus, OIG will continue efforts begun in FY 2003 to ensure that these measures are meaningful and reflect particularly significant activities.

Conduct quality performance audits, inspections, evaluations, and investigations and complete them within appropriate time frames

To ensure that OIG effectively detects and prevents waste, fraud, and abuse of Departmental programs and operations, it must execute thorough and high-quality audits, inspections, evaluations, and investigations within appropriate time frames. The OIG will routinely issue reports that meet planned schedules as well as internal and external quality standards; the OIG must obtain feedback from key stakeholders on the effectiveness and usability of its work. The OIG will continue efforts begun in FY 2003 to ensure that the measures of its performance are meaningful and reflect particularly significant activities.

Effectively communicate with DOC officials, Congress, and other stakeholders, as appropriate, to keep them informed of the OIG's work plans, activities, and results

OIG must effectively convey to its stakeholders, including Commerce officials, Congress, the Office of Management and Budget, the President's Council on Integrity and Efficiency, the Executive Council on Integrity and Efficiency, and interested public, full information about the meaning and purpose of its agenda. Effective communication is critical for acceptance of its mission and the work associated with it. OIG will continue efforts begun in FY 2003 to ensure that these measures are meaningful and reflect particularly significant activities.

Program Evaluation

The Department uses reviews and reports generated by the OIG, OMB, GAO, other congressional organizations, government-wide task forces, and other objective sources to evaluate all activities of the Department. For example, DM works closely with OMB on implementing the five government-wide management initiatives established in the President's Management Agenda and is rated quarterly on its success in implementing them. In addition, many of the laws pertaining to these activities have separate reporting requirements, which highlight both strengths and weaknesses of the Department's administrative functions. The Department uses the results of these efforts as needed to assess achievement of performance targets.

In addition, many of the laws pertaining to IT management have separate reporting requirements, which highlight both strengths and weaknesses of the Department's IT programs. The Department uses the results of these efforts as needed to assess

achievement of performance targets. Although the operating units assess and report their progress on each of the measures, the Department's Office of the Chief Information Officer is requiring that operating units develop corrective action plans to achieve performance targets, to provide regular reports on their progress, and to undergo independent reviews to verify accuracy of reporting. With CIOs established and in place at all the operating units, the structure will be in place to strengthen the management of IT at all levels.

External Factors

Many external factors affect Commerce' ability to achieve these goals. Among them are:

- The Department's customers are diverse and often have a broad array of needs and expectations that cannot be adequately addressed by a universal approach.
- The Department's programs face continually increasing demands for greater productivity and increased services against a backdrop of limited federal funds. Program operations are adjusted as needed to meet these evolving needs.
- The Department's programs must be managed from within aging physical facilities (including its headquarters building and other facilities across the nation), which require modernization in order to meet technical and scientific needs and to ensure the safety of staff, information, and customers.
- The growing technological orientation of its work means DM is increasing its engagement in a highly competitive marketplace for individuals with skills in science, technology, and related fields.
- The increasing diversity in the U.S. workforce requires DM to recruit, train, and retain workers in new ways.
- The public sector's perception of the federal government is that it is unattractive and lacks the flexibility sought by new professionals.
- The rapidly changing IT environment, including changes in hardware, software, applications, Internet use, and the user community, all impact the DM's IT function. The activities that are described above will assist the Department in responding to these challenges by planning how it will invest IT funds, ensuring that it has a cohesive and well-constructed IT architecture, and safeguarding the integrity and availability of the Department's IT systems.

Overarching Key Factors Affecting Achievement of the Department's Goals

The Department's wide range of activities means that a number of factors can impact our ability to achieve our goals. We see the following factors having significant impact over the next five years:

- National and International Economic Conditions including regional economic conditions, changes in the business climate, upswings and downturns in the national and international economy, strength of the U.S. dollar, and the level of expansion of U.S. and foreign markets.
- U.S. and International Foreign Policy including both U.S. and other nations' foreign trade policy, diplomatic relations between nations, and even wars such as that against terrorism or rogue nations.
- Natural Environment including short and long-term weather conditions and patterns, and monitoring a variety of atmospheric phenomena.
- U.S. Demographic trends including changes in urbanization, concentrations of the population along coastlines, the number and location of economically distressed communities, and the changing racial and ethnic makeup of our population.
- Infrastructure including Commerce buildings and other infrastructure (ships, satellites, etc.) as well as the infrastructure of the nation such as highways and bridges, all of which can have a significant impact on our economy.
- Technological advances including number of patents filed, the increase or decrease in research & development investments, particularly high-risk investments, advanced computer modeling, and further enhancement of telecommunications technologies.
- Human Capital including the make-up of all Department staff, with a particular emphasis in the expected and required shift in skills as a large number of our staff approach retirement and demands continue for greater productivity.
- Other Agencies including federal, state, local and private organizations that provide information to Commerce and share Commerce information with constituents. They also include agencies that provide Commerce with funds and assistance in conducting programs that help to achieve our goals.

Cross-Cutting Programs

The Department has numerous crosscutting programs involving several bureaus, other federal, state and local agencies, foreign governments, and private enterprise. Federal programs dealing with economic and technology development, the natural environment, international trade, and demographic and economic statistics play a major role in advancing the welfare of all Americans. Commerce continues to work with other government agencies in furthering efforts in these areas for the American public. Examples of crosscutting programs include the following:

- Commerce leads and the Secretary chairs the federal government's Trade Promotion Coordinating Committee that consists of at least 20 agencies, seeks to establish a government-wide strategy for export promotion activities.
- EDA works with NOAA on disaster mitigation, protection of natural resources, development of eco-industrial parks; with NIST on technology deployment and assistance; with NTIA on upgrading telecommunications infrastructure; and with MBDA on minority business development and entrepreneurship.
- EDA builds partnerships with federal, state and local entities including: the Federal Emergency Management Agency, the Environmental Protection Agency, the Department of Energy, the Department of Labor, the Department of Agriculture, the Department of Transportation, the Department of Housing and Urban Development, the Appalachian Regional Commission, and the Denali Commission.
- BEA and Census cooperatively examine and assess joint and individual statistical problems.
- BEA relies on the Bureau of Labor Statistics (BLS) and the Internal Revenue Service as data sources. Census provides BLS with monthly unemployment data. BEA also works closely with other agencies producing statistics including USDA, the Department of Defense (DOD), the Education Department, DOE, the Department of Health and Human Services (HHS), DOT, and the Treasury Department.
- BEA works with the International Trade Administration to develop the Travel and Tourism Satellite Accounts, which provides a detailed picture of the travel and tourism industries and their role in the U.S. economy.
- Census performs work under reimbursable agreements for the Departments of Agriculture, Labor, Health and Human Services, Housing and Urban Development, Energy, and Justice; the Bureau of Justice Statistics, the National Center for Education Statistics, the Bureau of Transportation Statistics, the Federal Reserve Board, the Environmental Protection Agency, and the Agency for Health Care Research and Quality.

- Within Commerce, Census works with ITA to produce customized statistics on export services. Census works with NOAA on issues related to the GPS and geodetic control. Census also receives information from BEA, ITA, USPTO and NOAA, other federal agencies and private organizations in compiling the Statistical Abstract of the United States and the County and City Data Book.
- Census works with state governments to make data available locally to the public through a variety of channels. Census also works with foreign governments through the International Programs Center to assist in the use of statistics.
- ITA works closely with the Office of General Counsel on guidance for interpreting existing international trade agreements and defining the rights of U.S. firms and workers. ITA works with NIST on international standards and with NOAA on trade initiatives involving environmental programs. ITA works with MBDA in identifying potential exporters who may need assistance.
- ITA also works with numerous other federal agencies involving trade issues such as: the Small Business Administration (SBA), DOE, DOT, the Education Department, DOD, the Department of State, USDA, and the Agency for International Development (USAID). ITA works with the USTR to develop strategies for solving market access disputes and to participate in major trade negotiations. ITA also works with Customs, State, and Justice involving AD/CVD issues and litigation.
- BIS works with the US&FCS to send attaches overseas to conduct end-use checks and works with host governments on export control cooperation. BIS also works with Census, DOJ, the State Department, Customs Service, Federal Bureau of Investigations, U.S. Postal Service, and the intelligence community on data sharing and other law enforcement matters.
- BIS works with State, DOD, DOE, Treasury, Justice, and the intelligence community to develop and implement U.S. export control policy and programs, works with U.S. industry to implement the treaty requirements of the Chemical Weapons Convention, and participates in multilateral regimes.
- MBDA works with NIST and NOAA to include minority-owned businesses in programs involving new and emerging technology. MBDA works with Census to expand the survey on minority-owned businesses. MBDA has collaborated with EDA to establish Business Development Centers where EDA has funded infrastructure projects.

- MBDA has initiated intergovernmental partnerships with the SBA, Export-Import Bank and USAID. MBDA has collaborated with the National Economic Council (NEC), Treasury, the Comptroller, the Federal Reserve Bank, and HUD on the New Markets Program and The Department Capital Access Task Force.
- With the support of EDA, MBDA, and NIST, along with enlisting the support of USDA, SBA and Labor, NOAA will play a key role in mitigating the impact of critical resource conservation decisions in the transition to economically sustainable communities.
- NOAA works closely with EDA and NIST on the Federal Natural Disaster Initiative. NOAA also works closely with FEMA, the Corps of Engineers, the Bureau of Reclamation, DOD and state and local governments to complement their meteorological services. NOAA works with the Coast Guard concerning marine forecasts, the Federal Aviation Administration (FAA) regarding aviation forecasts and National Aeronautics and Space Administration concerning launch forecasts.
- In partnership with TA, NTIA, and other civil agencies, NOAA participates on the Interagency GPS Executive Board, which, with DOD, manages the GPS satellite program.
- NOAA works with a variety of partners to integrate coastal science, assessment, monitoring, education and management activities. NOAA has developed partnerships with Maine, Washington, Oregon and California to promote the recovery of salmon and steelhead.
- Through a unique partnership with the private sector, NOAA provides weather and climate services to the public and industry. NOAA also works with other federal, state, and local agencies, academia, foreign government agencies and international organizations on climate forecasts.
- OTP works with NIST, NOAA, and NTIA on technology transfer issues; the USPTO on intellectual property matters; NTIA on telecommunications issues; BIS on technology export issues; and ITA on international technology issues.
- OTP works with Education and Labor on workforce and education issues; State and USTR on international issues; USPTO, and a variety of agencies on technology transfer activities and on intellectual property rights issues; HHS, the National Institutes of Health (NIH), and the Food and Drug Administration (FDA) on medical technology issues; all the major federal science and technology agencies on technology transfer issues; and with the Office of Science and Technology Policy on international science and technology issues.

- OTP works closely with private industry and the science and technology community to develop and coordinate national technology policy. OTP also serves as an advocate for policies that best leverage the benefits of new technology and contribute to the nation's economy.
- NTIS provides a variety of services that assist other agencies in developing, producing, and disseminating their information in a variety of media.
- NTIA works with ESA on Internet use measurements analysis and with USPTO on domain name and intellectual property issues relating to digital rights management.
- NTIA works with the White House and other federal agencies to develop and coordinate Administration-wide telecommunications policy statements, and represents the Administration on telecommunications and information policy issues before Congress and the FCC. NTIA serves as the manager of federal government spectrum while the FCC manages the non-federal spectrum. Since spectrum is often shared, NTIA and the FCC regularly engage in coordination of spectrum uses and policies.
- NTIA obtains private-sector views on a broad range of telecommunications and information policy issues through formal proceedings, where public comments are solicited, and through public conferences, workshops, and meetings on specific subjects.
- USPTO awards partnership contracts to several private sector companies for the electronic filing of patent applications. The partnerships are "no cost contracts" which means that the companies will be providing their services to USPTO customers at no cost to the agency.
- USPTO collaborates with the European Patent Office (EPO) to deliver high quality products through implementing electronic patent processing.
- DM works with all bureaus, most other government agencies and the private sector in four key areas: policy development and program management, human resources, financial management, and IT policy development and program management.

Program Evaluations

The Department considers outside evaluations to be an important part of the strategic planning process. We have found that outside evaluations play an important role in determining what performance goals and measures best reflect how the Department accomplishes its mission. Some of the GAO and IG reports that will be conducted are listed below:

- The OIG prepares annual audit plans for those areas that are subject to audit or inspection. The Department's Chief Financial Officer will have an opportunity to review the draft plan.
- NOAA programs are peer reviewed, either internally or outside the agency by, for example, the National Academy of Sciences, the National Science Foundation, the National Research Council or NOAA's Science Advisory Board. Constituent input is an important part of the evaluation process and is solicited regularly through constituent workshops. Moreover, reviews often occur by opposing parties' scientists in the court system, as in the case of NOAA fisheries, when fisheries management decisions are litigated.
- The NIST laboratories are reviewed annually by the National Research Council (NRC). The NRC performs a comprehensive evaluation of the technical merit and quality, effectiveness, and relevance of the laboratory program. Their findings are published in a report generally available in October; the most recent report is available at: http://www7.nationalacademies.org/NIST/NIST_reports.html.
- The NIST extramural programs are reviewed several times per year by their individual review boards with each advisory summarizing their observations and recommendations in a written report. In addition, the Visiting Committee on Advanced Technology (VCAT) evaluates programmatic and management policies for the entire organization on a quarterly basis. Additional information about the VCAT, including its most recent annual report is available at: <http://www.nist.gov/director/vcat/index.htm>. OMB reviews BEA as part of the budget process.
- BEA was included in the new OMB PART assessment on which BEA scored the second highest rating. BEA has an expert Advisory Committee that reviews BEA programs twice a year. BEA conducts both an annual Customer Satisfaction Survey to evaluate programs and services to users and an annual Organizational Assessment Survey through OPM to evaluate employee quality of work life and organizational needs. As part of BEA's Strategic Planning process, senior staff annually review and update the 5-year Strategic Plan which is then made available to staff and users for their comments and evaluations. BEA also takes part in a number of independent IT evaluations.

- BIS was evaluated in the following the following reports: Nonproliferation: Strategy needed to Strengthen Multilateral Export Control Regimes. GAO-03-43, Improvements Are Needed to Better Enforce Dual-Use Export Control Laws, IPE-15155, Stronger Management Controls are Needed for BIS's Export Enforcement Firearms Program, IPE-15155-1, Interagency Review of Federal Enforcement Efforts, D-2003-069
- And, ITA developed an internal strategic plan covering fiscal years 2002 through 2006 that helps define strategic direction and outline an agenda for the next five years. It is ITA's roadmap to become a leader in providing customer-focused, responsibly managed Federal government export promotion, trade agreements compliance, trade agreement negotiations and the elimination of unfair trade practices. ITA plans to conduct Program Evaluations to ensure effective monitoring of mission accomplishments. This process begins in FY 2003 with the Program Assessment Rating Tool (PART) and Foreign Commercial Service's programs. Presently, ITA is reviewing current programs and operations contributing to the ITA mission accomplishments and cooperating with the OIG, GAO and other Federal organizations to develop an evaluation schedule.