

**The
Department of Commerce
Budget in Brief**

Fiscal Year 2012

Gary Locke, Secretary

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Unless otherwise noted, all dollar amounts are in thousands

Departmental Overview:

Supporting the Conditions for Economic Growth and Opportunity

The Department of Commerce helps make American businesses more innovative at home and more competitive abroad by working to create the conditions for economic growth and opportunity. Every day, Commerce promotes innovation, entrepreneurship, competitiveness, and stewardship informed by world-class scientific research and information. The Department of Commerce achieves its mission through the activities of its twelve bureaus and in partnership with U.S. businesses.

Through weather forecasts, climate and ocean monitoring, marine resource management, and support for marine commerce, the National Oceanic and Atmospheric Administration's (NOAA) services have a daily impact on our lives and U.S. commerce. The Economics and Statistics Administration (ESA), including the Census Bureau and Bureau of Economic Analysis, provides the economic and demographic information necessary to evaluate growth, understand markets, and make sound decisions for the future. The National Telecommunications and Information Administration (NTIA), through broadband grants and spectrum reform, is expanding the information highway to propel job growth and competitiveness. The National Institute of Standards and Technology (NIST) and U.S. Patent and Trademark Office (USPTO) are critical to supporting innovation and advancing U.S. commerce. Economic development and commercialization activities supported by the Economic Development Administration (EDA) and the Minority Business Development Agency (MBDA) turn ideas into jobs. Export promotion and economic security activities at the International Trade Administration (ITA) and Bureau of Industry and Security (BIS) directly support our nation's international competitiveness and help U.S. companies sell more of what they make in countries around the world.

The Department's accomplishments in FY 2010 included:

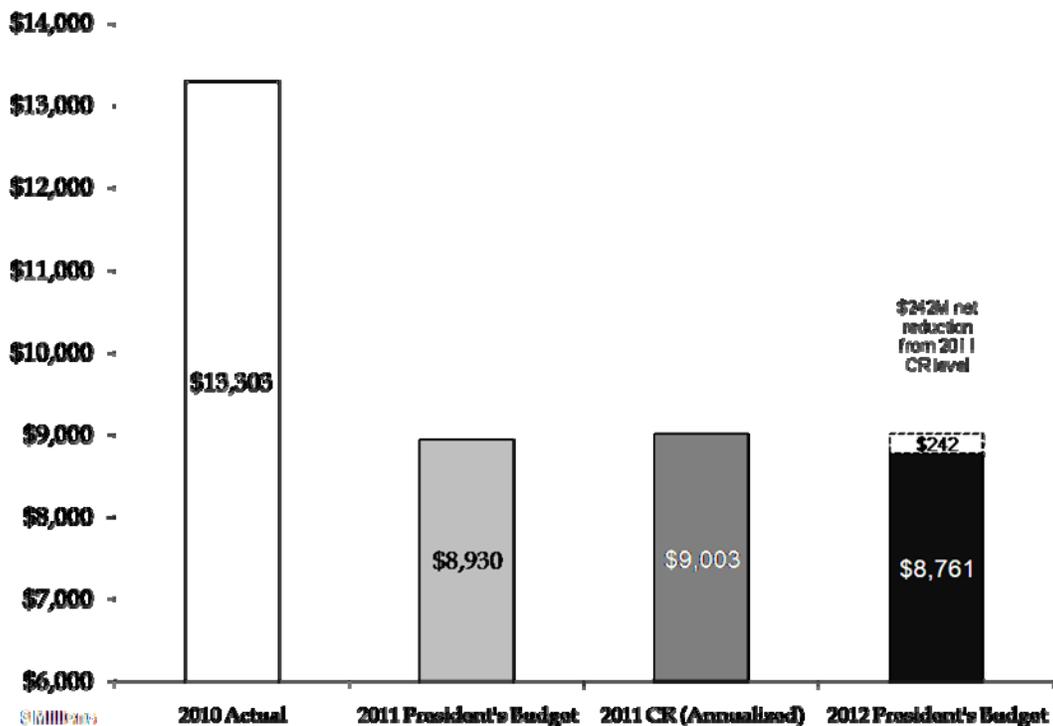
- Jump-starting President Obama's National Export Initiative by pursuing new relationships with the business community and organizing 36 trade missions to 34 countries with 344 companies to promote renewable and nuclear energy, and infrastructure, construction and aerospace sectors.
- Issuing the first regulations in President Obama's export control reform initiative, which will focus controls to better protect national security.
- Supporting innovation through improved patent services, including increasing examiner productivity by more than 20 percent, resulting in all-time records in the number of patents granted; reducing the backlog of unexamined patent applications by more than 10,000 to 708,000 despite an increase of 4 percent in patent filings over FY 2009; and increasing applicant interview time by 40 percent to promote earlier resolution of patentability issues.
- Equipping Americans to prosper in the 21st century economy, by awarding \$4 billion in grants across 230 communities to build broadband networks, outfit public computer centers, and offer training in broadband and other employment skills.
- Conducting the 2010 Census on schedule and under budget, saving taxpayers \$1.87 billion and releasing the first 5-year small area estimates from the American Community Survey.
- Launching the Office of Innovation and Entrepreneurship to accelerate the commercialization of research from the lab to the marketplace and creating jobs for America's workers.
- Responding to the Deepwater Horizon oil spill from the beginning of the crisis – offering scientific expertise on oil spill response, monitoring and protecting seafood safety, protecting wildlife, and assessing environmental damage.
- Guiding economic recovery through new tools for tracking growth and innovation, including: tracking and measuring the impact of the American Recovery and Reinvestment Act; developing new leading financial indicators; improving measures of the increasingly important service sector; and extending measures of R&D and innovation and their effects on economic growth and competitiveness.

- Assisting minority businesses in achieving \$3.3 billion in contract and financial awards.

Commerce's Budget in Context

The FY 2012 President's Budget for the Department of Commerce balances the need for fiscal restraint and actions to reduce the deficit with the recognition that the foundational knowledge and tools produced by the Department will help America compete and win in the future. The Department's FY 2012 President's Budget is \$8.8 billion, which is \$4.5 billion below the FY 2010 Enacted level and \$242 million below the FY 2011 Annualized Continuing Resolution (CR) rate. This amount is 2.7 percent below the annualized CR rate and 1.9 percent below the President's FY 2011 Request of \$8.9 billion. The Department is investing in priorities, keeping our resources focused on activities that will strengthen U.S. global competitiveness, spur economic growth and innovation, advance science and innovation, and promote coastal and ocean stewardship. The Department will support these investments with a commitment to organizational effectiveness, implementing efficiencies and improvements that will benefit both our customers and our employees. The chart below shows the FY 2012 budget, as compared to the FY 2010 Actual funding, the FY 2011 CR (annualized), and the FY 2011 President's Budget request. The FY 2012 Budget is \$242 million below the FY 2011 CR level.

FY 2012 Request and Historical Funding



Note: 2010 Actual includes peak funding of 2010 Census operations.

Making Tough Choices to Invest in the Future

The Department made tough choices about which programs to invest in, and which programs to reduce in FY 2012 in order to fund the highest priority investments to strengthen U.S. global competitiveness, promote cutting-edge science to improve innovation and technology, and support environmental stewardship, while being fiscally responsible. Determining which priorities to fund was a difficult process. The Department reviewed its programs and focused on how well they were aligned with the core mission of the bureaus and, given scarce resources, if the funds were better directed toward higher-priority programs. This resulted in about \$255 million in savings. In all, the Department's FY 2012 budget proposes ending, reducing, or restructuring over 15 lower priority programs for a savings of about \$113 million. Within

this amount, the Department proposes to reduce or eliminate funding for programs that are no longer necessary, such as the Emergency Steel Loan Guarantee program (-\$43.0 million) and the Trade Adjustment Assistance Program (-\$15.8 million), or are a lower priority in a difficult fiscal climate, such as eliminating a number of statistical reports produced by the Census Bureau (-\$11.2 million), the Public Telecommunications Facilities Grant Program (-\$20.0 million), and the Baldrige Performance Excellence Programs (-\$2.1 million).

Investing in Priorities

Within the \$8.8 billion request, the budget proposes investments for the Secretary's high priority goals and initiatives. In FY 2012, the Department will:

- Drive an aggressive innovation agenda that will provide the foundation of future economic growth. The budget requests \$1.0 billion for research and development programs and economic development activities to promote U.S. innovation and competitiveness.
- Strengthen our global competitiveness and foster domestic job growth while protecting American security. The budget requests \$627.9 million for programs to increase U.S. exports and prevent those products that are truly sensitive from falling into the wrong hands.
- Promote better understanding of economic and social data to support economic growth. The budget requests \$1.1 billion for programs to support data collection and production that inform decision-making.
- Create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on unserved and underserved groups. The budget requests \$357.2 million for these activities.
- Support environmental stewardship of marine resources through science and services, strengthen the resiliency of coastal communities, and improve weather forecasting. The budget requests \$5.5 billion for these programs.

Innovation: Building Future Economic Growth

The Department of Commerce is responsible for providing the tools, systems, policies, and technologies that will enable U.S. businesses to maintain their technological advantage in world markets. The USPTO facilitates the generation of innovative and commercially viable processes and products, while protecting the intellectual property rights (IPR) of the inventor. Efficient and thorough review of patents and trademarks optimizes the economic value to investors and improves U.S. competitiveness. NIST and NOAA provide support for cutting-edge research and technology that fosters innovation. Grants administered by EDA play a large role in supporting the innovation ecosystem that is required to foster economic development in distressed communities. Communication technologies are key to business growth and NTIA assists by improving telecommunications performance, optimizing the use of the Federal spectrum, and increasing broadband access.

Promoting Standards for National Priorities – NIST promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology that enhance economic security and improve our quality of life. To carry out its mission, NIST conducts an intramural research program composed of laboratories, technical programs, and national research facilities. The FY 2012 budget recognizes the important role of NIST's programs in advancing innovation under the President's Plan for Science and Innovation, which intends to double NIST's laboratory research budget. The FY 2012 budget requests \$763.5 million for NIST laboratories, including Scientific and Technical Research and Services and construction funds. This funding level keeps NIST on path to double its laboratory research budget. NIST's FY 2012 initiatives focus directly on addressing measurement-related barriers and other technical challenges critical to fostering innovation in the private sector. These initiatives include: ensuring a secure and robust cyber infrastructure; providing measurements to support nanotechnology-based products; establishing interoperability standards for emerging technologies; strengthening measurement services in support of industry needs such as robotics and advanced materials; supporting innovations in biomanufacturing and smart, sustainable manufacturing; enhancing

measurements to support advanced infrastructure delivery and resilience; and strengthening measurements and standards to support increased energy efficiency and reduced environmental impact.

In FY 2012, NIST will expand its programs to support technological innovation specifically targeted at manufacturing. The \$75 million requested for the Technology Innovation Program will continue to fund high-risk, high-reward research targeting the manufacture of advanced materials and technologies needed to improve the efficiency of biomanufacturing. In addition NIST is also launching the Advanced Manufacturing Technology Consortia (AMTech) Program, a novel public-private partnership program for R&D investment aimed at increasing the nation's return on its scientific investment, collapsing the timescale of technological innovation, and ultimately expanding the value added captured by the domestic economy from emerging technologies. The initial \$12.3 million requested for the program will provide grants to industrial consortia to develop road-maps of critical long-term industrial research needs, and provide directed R&D funding to leading universities and government laboratories to meet the identified needs.

Strengthening U.S. Competitiveness through Innovations in Atmospheric and Oceanic Research – NOAA's atmospheric and ocean, coastal and Great Lakes research and applied science is at the forefront of discovery and is a critical component of advancing the goals of the America COMPETES Reauthorization Act of 2010. The President's budget request for FY 2012 includes \$212.0 million for NOAA's Office of Oceanic and Atmospheric Research. A prime example of NOAA's work in advancing innovative technologies for weather forecasting is the adaptation of naval radar technology for use in severe weather and tornado forecasting. This work has the potential to improve the average lead time for tornado warnings. NOAA is also leading the way in weather modeling and research. Since the 1980s, the Agency has more than doubled the accuracy of hurricane track forecasts. In FY 2012, the President's budget invests \$2 million to advance our capabilities to understand and forecast atmospheric conditions to support clean wind energy generation in the United States. The Administration is committed to ensuring NOAA's satellite coverage continuity that is needed for monitoring weather and climate by providing \$1.9 billion to fund the development and acquisition of NOAA's polar-orbiting and geostationary weather satellite systems, satellite-borne measurements of sea level and other climate variables, and other space-based observations.

Protecting Intellectual Property Rights -- The United States Patent and Trademark Office's (USPTO) work in fostering innovation is a crucial driver of job creation, economic recovery, and prosperity. American innovators and businesses rely on the legal rights associated with patents in order to reap the benefits of their innovations. Quality and timely issuance of patents provide certainty in the market, and allow businesses and innovators to make informed and timely decisions on product and service development. Processing patent applications in a quality and timely manner advances economic prosperity by using intellectual property (IP) as a tool to create a business environment that cultivates and protects new ideas, technologies, services and products. For FY 2012, \$6.1 million is requested for projects in the Office of the Chief Economist to document the link between IP rights protection, innovation, exports and economic growth; and to expand the intellectual property rights attaché program in order to address country-specific and regional IP problems in key parts of the world, such as Sub-Saharan Africa, Mexico and countries in Central America.

Addressing unacceptably high patent pendency times and a backlog of unexamined patent applications is a priority goal. The USPTO has committed to achieving an average first action pendency of 10 months, with an average total pendency of 20 months by 2014 and 2015, respectively. The current backlog of over 700,000 patent applications stands as a barrier to innovation and economic growth. The USPTO has committed to reducing the patent backlog to 356,000 by FY 2014.

Advancing the Internet Economy by Promoting Online Privacy, Security, and Trade -- The Internet has the ability to act as a key driver for the creation of enterprises and commercial activity in communities. In FY 2012, NTIA proposes an initiative entitled Internet 3.0 – Internet Innovation, totaling \$1.0 million. Online commerce provides trillions of dollars in revenue for U.S. companies, but many wide-ranging issues must to be addressed in order to maintain this dynamic economic engine and the United States' leadership role. These issues include online privacy, cyber security, and copyright protection, while assuring the free flow of information globally. If not addressed domestically and globally, legitimate and lucrative uses of the Internet could be curtailed. A strong global Internet economy will empower consumers and users in online transactions and will create opportunities for new economic activities. For this reason, Secretary Locke created the Internet Policy Task Force. This initiative will further support the Secretary's goals through establishing ways to set "rules of the road" and providing the assurance that the Internet is a trusted, reliable marketplace.

Expanding the Information Highway – In FY 2012, NTIA will also continue its work in fostering greater access to and use of broadband services throughout the nation. NTIA completed the award of its broadband grants at the end of FY 2010, and now the funded projects are being built and implemented. Funds for these projects are released based on performance of construction milestones, and the projects will continue to be built in FY 2012 and beyond. The budget requests \$12.2 million for management of the program and oversight of individual projects. NTIA also will continue to review Federal use of radio spectrum, looking for opportunities to improve efficiency and free up additional spectrum that can be used by the private sector for wireless broadband applications. These efforts support the President’s Wireless Innovation and Infrastructure Initiative which includes NTIA and the Federal Communications Commission finding an additional 500 MHz of spectrum for wireless broadband use within ten years.

Promoting Entrepreneurship and Technology Transfer – EDA’s Office of Innovation and Entrepreneurship (OIE), authorized under the America COMPETES Reauthorization Act of 2010, is designed to foster innovation ecosystems and the commercialization of new technologies, products, processes, and services with the goal of promoting productivity and economic growth in the United States. Congress authorized OIE to: (1) develop policies to accelerate innovation and advance the commercialization of research and development, including federally funded research and development; (2) identify existing barriers to innovation and commercialization, including access to capital and other resources, and ways to overcome those barriers, particularly in States participating in the Experimental Program to Stimulate Competitive Research; (3) provide access to relevant data, research, and technical assistance on innovation and commercialization; and (4) strengthen collaboration on and coordination of policies relating to innovation and commercialization, including those focused on the needs of small businesses and rural communities.

Information Science: The National Technical Information Service (NTIS) provides the nation a central resource for government-funded scientific, technical, engineering, and business related information. The agency deployed the National Technical Reports Library that provides direct access to full metadata and full text documents within the NTIS collection. The library has substantially improved public access to information, stimulating innovation and discovery. NTIS continues to work with the open government community to expand the dissemination and exchange of federally-funded science and technology research information within scientific communities, the federal government and the public on a self supporting, reimbursable basis. The collaboration stemming from NTIS efforts adds value to content and fosters innovation and entrepreneurship.

International Competitiveness: Job Creation through Trade

Commerce strives to improve the U.S. global competitiveness and foster domestic job growth while protecting American security. The FY 2012 budget request will increase U.S. exports, ensure effective export control and trade compliance, and make certain that trade remedy laws are enforced.

Increasing U.S. Exports – Exporting is good for American business, good for American workers and good for American jobs. That is why President Obama announced the National Export Initiative (NEI) and set the goal of doubling U.S. exports in five years, an increase that will support millions of American jobs and lead to long-term, sustainable economic growth for the United States. The Department of Commerce is committed to working with U.S. companies to help American-made goods and services succeed in the global market. ITA’s export promotion services and advocacy for open markets directly support the NEI.

The FY 2012 budget request for ITA includes an increase of \$81 million to support: (1) expanding programs designed to enhance exports by small and medium-sized enterprises; (2) promoting Federal resources currently available to assist exports by U.S. companies; (3) ensuring that U.S. Government-led trade missions effectively promote exports by U.S. companies; (4) making sure that Commercial Advocacy effectively promotes exports by U.S. companies; (5) improving market access overseas for our manufacturers, fishermen, farmers, and service providers by actively opening new markets, reducing significant trade barriers, and robustly enforcing our trade agreements; and, (6) developing a framework, including policy and export promotion tools, for exports of services.

With this budget request, ITA will continue its efforts to help current exporters expand to more markets. This includes leading more trade missions; helping U.S. companies win more foreign procurement bids; bringing more foreign buyers, distributors, and partners to U.S. trade shows; and providing more business-to-business matchmaking services to U.S. companies. In addition, ITA will continue to assist companies and create trading opportunities by identifying, overcoming, and resolving trade policy issues and ensuring that our trading partners fully meet their obligations under our trade agreements.

ITA will continue to focus on increasing U.S. exports to major emerging markets where there is rapid growth and large numbers of potential customers such as Brazil, India, and China. ITA is also focusing on engaging high-growth, emerging markets with large public procurement-driven opportunities, such as Vietnam, Saudi Arabia, Turkey, Colombia, South Africa, and Indonesia, to reserve a place for U.S. exporters in markets of the future. As these markets may not be the right markets for every company and sector, ITA will avoid a one-size-fits-all approach and continue to link U.S. companies to markets where their prospects for success are most promising.

Aiding National Security by Supporting Economic Security – The Bureau of Industry and Security (BIS) advances U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system, and by promoting continued U.S. leadership in strategic technologies. The FY 2012 President's budget recognizes the important role of BIS programs and supports this national security mission with a request of \$111.2 million. BIS has primary responsibility, in coordination with several other agencies, for implementing U.S. export control policy on dual-use commodities, software, and technology. To accomplish its objectives, BIS administers, and amends as necessary, the Export Administration Regulations (EAR). The EAR set forth license requirements and licensing policy for the exports of dual-use items. Enforcement of the U.S. dual-use export control laws and regulations and the U.S. antiboycott regulations is a critical component of the BIS mission. Enforcement efforts encourage compliance, prevent and deter violations, disrupt illicit activities, and bring violators to justice. BIS achieves these important objectives through a law enforcement program focused on parties engaged in exports of sensitive commodities, software, and technology to end uses, end users, and destinations of concern.

Science in Service to the Nation

The Commerce Department focuses on generating and providing timely data and analysis to support effective decision-making by policymakers, businesses, and the American public in order to promote innovation and new technologies, support economic growth, and improve public safety.

Climate Services – NOAA contributes state-of-the-art applied research in service to the nation. The FY 2012 President's Request includes approximately \$3.5 billion in funding to advance significant areas of science and service. The local, regional, and global-scale impacts of climate variability and change are fueling demand for climate products and services and easily accessible, timely scientific data that helps people make informed decisions in their lives, businesses, and communities. To meet these needs, the Department proposes establishing a dedicated Climate Service organization in NOAA on par with the National Weather Service, which will provide authoritative information products and services on climate variability and change. Scientists project that future changes in climate will be larger and more rapid than those experienced over the past century. These changes will impact public health, natural resources, and major economic sectors, including energy, transportation, agriculture, forestry and fisheries. Business activities accounting for one-third of the U.S. GDP are susceptible to changes in weather and climate. Translating science into services that empower communities, resource managers, and businesses to respond and adapt to these changes is the focus of the NOAA Climate Service.

Data and Analysis Supporting Economic Growth – BEA provides the tools to identify the drivers of growth and fluctuation, and to measure the long-term health and sustainability of U.S. economic activity. One of the valuable services the Department of Commerce provides both the business community – including small, emerging, and well-established businesses – as well as policymakers is timely, accurate and reliable economic data to inform their decision making. These key decision makers deserve innovative statistical tools updated for the dynamic changes in the U.S. economy to make evidenced-based choices about growing their businesses and creating policy that fosters economic expansion. To answer this demand, the Bureau of Economic Analysis (BEA) will focus in FY 2012 on producing new economic statistics and

tools to enhance its evaluation of the economic performance of U.S. industries. These new products will form an economic dashboard that will provide policymakers with both detailed and aggregate level indicators of new opportunities as well as warning signs of systematic risk in the economy. BEA is also proposing a new suite of statistics on the American household. This information will provide policymakers and businesses – especially small businesses – with critical information about aggregate household income, spending, savings, assets, liabilities, and fixed expenses – in other words, the purchasing power of American households and how it varies across different households and over time. Major corporations have staffs of economists, advisors, and consultants assisting in interpreting and understanding the economy and guiding investments – small businesses do not. The new data suite will help give small businesses more tools to grow.

Providing the raw material for understanding our Economy's drivers – The U.S. Census Bureau is the premier source of information about the American people and our economy. More than just numbers, this information supports important policy decisions that help improve the nation's social and economic conditions. The Census Bureau is best known for the decennial census; its major data collection activities for the 2010 Census have just been successfully conducted and major data products are being released. In FY 2012, the Census Bureau turns its attention to early planning for the 2020 Census – with a focus on cost containment and research-based design options.

The Census Bureau's demographic statistics programs provide policymakers with social and economic data needed to make effective policy and program decisions as well as providing source data used to create the U.S. official measures of employment, unemployment, consumer prices, poverty, and widely used measures of income and health insurance coverage. The American Community Survey (ACS) provides data on the nation's people and households and is the primary source of demographic and economic data for small geographic areas. As the Federal government's most comprehensive demographic survey, ACS results are used to distribute over \$400 billion in federal funds. In FY 2012, the Census Bureau plans to expand the ACS sample to improve the reliability of ACS estimates for small geographic areas.

The Census Bureau's economic statistics programs provide source data that supply timely, reliable, and widely used measures of economic activity to public and private decision makers. These data account for nearly three quarters of the data used in compiling quarterly estimates of GDP and are widely used by the Federal Reserve, the Council of Economic Advisors and a host of other public, non-profit, educational, and private sector entities. The Census Bureau's trade statistics program provides the closely watched monthly import, export, and merchandise trade balance numbers. Recent improvements include new quarterly and expanded annual information on rapidly changing service sector industries and new information on the characteristics of workers and the businesses where they work as part of the local employment dynamics program. The quinquennial economic and government censuses underpin the current measures. In FY 2012, the major activities for both of these benchmark programs will be underway. In addition, the President's Budget includes an increase to identify methodologies to collect new data on public sector pension programs covering an estimated \$100 billion in these plans and an estimated \$1 trillion in unfunded liabilities.

Market Development and Commercialization: Turning Ideas into Jobs

The FY 2012 budget request encourages job growth and creation with a focus on environmentally and economically sustainable technologies. The best way to encourage and support economic expansion and to increase the prosperity of all Americans is to create market opportunities. The Department assists in developing markets in disadvantaged or distressed communities through private enterprise job creation.

Creating a Framework for More Effective Economic Development – EDA fosters economic development in distressed communities by promoting a favorable business environment to attract private capital investments and higher-skill, higher-wage jobs through capacity building, planning, infrastructure investments, research grants, and strategic initiatives. EDA's programs are designed to serve as a catalyst for assisting distressed communities in achieving their long-term economic potential through the strategic investment of resources based upon locally and regionally developed priorities. In FY 2012, EDA requests \$284.3 million in grant funding to support the Agency's efforts to accelerate the 21st Century economy by supporting sustainable job growth and regional competitiveness across the United States through the Jobs and Innovation Partnership. At its core, the Jobs and Innovation Partnership puts regional innovation cluster strategies as the platform for linking, aligning, and organizing multiple initiatives across the Federal government and

across the nation's metropolitan and rural areas. It is through the Jobs and Innovation Partnership framework that EDA will advance key priorities in FY 2012, including: the next generation of the successful i6 Challenge and the multi-agency Taskforce for Advancing Regional Innovation Clusters. EDA's i6 challenge and the Energy-Regional Innovation Cluster investment succeed in breaking down silos within the Federal government to offer an aligned funding source for innovative projects that have long-term, sustainable results for job creation and private investment. Additionally, as the only Federal agency devoted exclusively to promoting economic development, EDA will continue its important role in making catalytic investments that help distressed and historically disadvantaged communities and businesses recover and become more competitive through a range of mechanisms.

Promoting Minority Business Development – The Minority Business Development Agency (MBDA) actively promotes the ability of minority business enterprises (MBE) to grow and to participate in the global economy. Today, the minority population in the United States represents 35 percent of the total U.S. population and is expected to represent 54 percent by 2050. According to the U.S. Census Bureau's 2007 Survey of Business owners, there were 5.7 million minority-owned businesses generating \$1 trillion in gross receipts and employing 5.9 million paid workers. The U.S. needs strong minority-owned firms to achieve maximum economic growth for the Nation.

MBDA is a catalyst to build minority-owned firms of size, scale and capacity. The agency fosters the expansion of opportunities for minority-owned businesses in the global marketplace; identifies sources of financial capital for minority-owned firms; develops and upgrades electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities; provides management and technical assistance to minority-owned businesses; and advocates for the increased use of electronic commerce and new technologies by MBEs. In FY 2012, MBDA is requesting \$32.3 million in order to facilitate the creation of over \$2 billion in contracts and financings and over 5,000 new jobs.

Hollings Manufacturing Extension Partnership (MEP) – MEP's mission is to act as a strategic advisor to promote business growth and connect manufacturers to public and private resources essential for increased competitiveness and profitability. MEP Centers know their communities and understand their local manufacturing industries. Across the country, they serve as trusted advisors to their manufacturing clients and help them navigate economic and business challenges, capitalize on opportunities and develop pathways leading to profitable growth. Services provided by MEP are grounded in technology-related activities, sustainability, efficiencies through continuous improvement, the integration of supply chains, and increasing the technical and problem-solving skills of the workforce. The \$142.6 million requested for MEP in FY 2012 will expand the MEP program in support of the Administration's policy initiatives for reinventing domestic manufacturing to create jobs and better respond to future challenges and opportunities. As U.S. manufacturers innovate, MEP plays a critical role of connecting manufacturers with the technological resources and solutions they need to compete in their target marketplaces – solutions that often reside in the existing national research laboratory structure. By filling this gap to better connect manufacturers with available technology resources, MEP increases the effective commercialization of technologies, ensuring that technologies efficiently and effectively get transitioned into manufactured products in the United States. MEP commercialization-related services for manufacturers include: matching technologies to manufacturers' needs for new products and processes, providing innovation-based market diversification services, and working collaboratively with partners to support intellectual property management and alternative financing approaches.

Supporting the Blue Economy and Coastal Communities

Healthy coastal economies rely on a healthy ocean ecosystem. Impacts to water quality, fish stocks, and coastal habitat all impact our coastal communities through potential reductions in tourism, local fishing business, and storm protection. It is the responsibility of the Department of Commerce to sustainably manage our nation's oceans and coasts to promote economic sustainability and to ensure that future generations will also have the ability to enjoy and benefit from these same resources.

Fishery Management and Support – The National Marine Fisheries Service manages living marine resources throughout the Nation's coastal zone and protected areas. Developments in understanding complex ecological connections in the marine environment and the potential socioeconomic impacts on land insure that managers are better able to anticipate

and predict the effects of regulatory actions on both the ecosystem and community. The FY 2012 President's Budget requests \$993 million for the National Marine Fisheries Service, of which \$217 million supports protected species research and management and \$776 million funds fisheries science, management and conservation. Rebuilding our Nation's fisheries is essential to preserving the livelihood of fishermen, the economies of our coastal communities, and a sustainable supply of healthy seafood and to restoring ocean ecosystems to a healthy state. Rebuilding U.S. stocks has the potential to increase the annual commercial dockside value by 54 percent, which is an estimated \$2.2 billion. The FY 2012 budget also requests \$8 million to support a National Working Waterfronts grant program to assist fishing dependent coastal communities impacted by changes in regulations or environmental conditions that affect fishing resources which the community depends. The program would support working waterfronts by conducting socio-economic assessments, providing technical assistance and implementing projects that foster economic diversification.

Managing Ocean and Coastal Resources to Strengthen the Nation's Blue Economy – Our oceans, coasts, and marine resources are a source of untold wealth. America has 95,000 miles of shoreline and the world's largest Exclusive Economic Zone at 3.4 million square nautical miles. The oceans and coasts provide many goods and services to the nation: food from wild fisheries and aquaculture, goods from maritime commerce, ship and boat building, energy, minerals, tourism and recreation, and pharmaceuticals. While large sections of our nation are removed geographically from the oceans, important coastal activities support the heartland's economies. Nearly 80 percent of U.S. imports and exports freight is transported through seaports. NOAA's National Ocean Service is responsible for the nation's coastal and ocean stewardship, and it accomplishes this by observing, measuring, assessing, mapping, and managing coastal and ocean areas, as well as through response and restoration activities. The FY 2012 budget requests \$558.6 million for NOS, including \$157.4 million for navigation, tide and current data, and hydrographic services to facilitate safe, efficient, and environmentally sound transportation. As the use of our oceans and along our coasts continues to increase for multiple purposes, the challenge is to maintain economic and social benefits while protecting marine ecosystem services. The budget also strongly supports the President's National Ocean Policy, proposing \$6.8 million to integrate data across the public and private sectors to inform coastal and marine spatial planning (CMSP) and providing \$20 million in grants to support regional partnerships as they develop comprehensive CMSP plans. This new capability will help resolve conflicts among ocean uses, informs trade-off decisions, and allows managers to assess cumulative environmental impacts.

NOAA's ocean and coastal resource management programs span a broad array of resource and development issues, including coastal zone management, coral reef conservation, national marine sanctuaries, national estuarine research reserves, and coastal land conservation. Balancing ecosystem health with human use of ocean and coastal resources is a challenge met by NOAA's Coastal Zone Management Program (CZMP)—a federal-state partnership that supports states' efforts to conserve and responsibly develop our coastal communities and resources. The Office of Response and Restoration (OR&R) provides comprehensive solutions to environmental hazards caused by oil, chemicals, and marine debris. OR&R provides scientific support for oil and chemical spill response and damage assessments in coastal waters.

Commitment to Organizational Effectiveness

Under the leadership of President Obama and Secretary Locke, the Department of Commerce is undertaking a number of initiatives to streamline government and improve the Department's internal management functions. The Secretary is committed to driving economic growth by transforming the customer experience, by connecting U.S. businesses with Department and partner organization programs, products and services through a central point of contact. We are working across bureaus and across Federal agencies to provide focused input in areas most directly relevant to U.S. commerce. Our goal is to provide enhanced value by efficiently and effectively meeting the needs of individuals and businesses, as well as our government customers.

CommerceConnect – The CommerceConnect initiative is a new business assistance model that better serves the public by unifying Department resources to provide customized person-to-person support to help entrepreneurs and businesses achieve their objectives and generate economic growth. The objective of CommerceConnect is to create American jobs by connecting U.S. businesses with Commerce and other Federal programs, products and services as well as state and local partners to meet client business needs throughout their life cycle. With the FY 2012 request, CommerceConnect will expand services by leveraging existing Commerce Department bureau field offices across the U.S. and integrating them through a Virtual CommerceConnect information technology infrastructure. The dedicated field office and existing

bureau field offices help to target local and regional economic challenges – providing geographically specific business solutions. Virtual CommerceConnect will fully integrate all the components of the CommerceConnect initiative, and will capture, maintain, and share client and program information through a cloud-based computing solution. Virtual CommerceConnect includes an interactive virtual assistance center to intuitively direct businesses to services that meet their needs, a customer relationship management (CRM) system for tracking services to business clients and performance metrics, and the development and maintenance of a robust program knowledgebase for knowledge sharing and cross-training of bureau staff.

Securing DOC Cyber Infrastructure – Cybersecurity is vital to the economic and national security interests of the United States. The Department developed a Cyber Security Strategic Plan that identifies cybersecurity priorities for the Department’s own operations. The FY 2012 budget request for \$23 million will fund cyber security improvements in enterprise-wide security capabilities and functions, including a continuous monitoring infrastructure to implement and monitor key information technology (IT) security controls on assets across the Department. Security functions provided by this infrastructure include patch management, vulnerability scanning and remediation, asset management, configuration management, host-based intrusion prevention and improved anti-virus protection. This request will also fund an enterprise security operations center that will provide support for Department-level security operations, situational awareness, and response. Together, these capabilities will better enable the Department to effectively detect, analyze, respond to, remediate, and manage IT risks.

The Department also supports improvements in cybersecurity practices that span the private and public sectors. In particular, the FY 2012 budget includes \$44.0 million for cyber security related programs at NIST, including \$24.5 million to support the National Strategy for Trusted Identities in Cyberspace (NSTIC), and \$4.0 million to support the National Initiative for Cyber Security Education (NICE). This funding will greatly enhance NIST’s ability to strengthen the cyber security assurance posture of current and future information technologies and improve the trustworthiness of IT components such as claimed identities, data, hardware, and software for networks and devices.

Acquisition Reform – In June 2010, Secretary Locke directed a comprehensive review of the acquisition processes across the Department of Commerce. In his directive, the Secretary called for a review of lessons learned, identification of problems and inefficiencies with the current processes, and implementation of best practices to ensure that effective acquisition processes are in place. The Secretary’s charge resulted in a comprehensive acquisition improvement effort led by the Department’s Chief Financial Officer and Assistant Secretary for Administration. Six projects form the foundation of the improvement effort, each designed to achieve meaningful and sustainable improvements in acquisitions. These projects are focused on improved requirements, stronger planning and risk assessment, strategic sourcing, better defined roles and responsibilities of department management and the bureaus, improved customer service and a stronger acquisition workforce, and a stronger, more user-friendly automated acquisition IT system.

The Department is on target to meet an ambitious set of goals surrounding each initiative. In FY 2012, the Department will save \$30 million to \$50 million through strategic sourcing, strengthen acquisition requirements through a new integrated, enterprise wide approach, implement a new acquisition planning and risk assessment process, launch a new Center of Excellence to service small bureaus, and strengthen department management of acquisition through comprehensive performance metrics, clearly defined roles, and full integration of acquisition into other critical department-wide reform efforts in risk, IT and facilities and management.

The table below shows the theme of the FY 2012 Request to strengthen activities that are necessary for the effective functioning of the Department's existing programs (dollars in millions).

Bureau/ Line Office	Program Name	FY 2012 Request	
		Base Funding	Increase
ESA	Modernization of Statistical Production	\$0.0	\$3.0
NOAA/PS	Commerce Business Systems	\$10.5	\$5.0
NOAA/NWS	NOAA High Performance Computing	\$29.2	\$11.0
NOAA/OMAO	Homeport Facility Lease Costs at Davisville, RI and Newport, OR	\$1.3	\$1.9
NOAA/PS	Facility Maintenance	\$4.5	\$10.0
NOAA/PS	Enterprise IT Security	\$9.3	\$5.1
NOAA/OMAO	Major Repair Period for NOAA ships <i>Ka'imimoana & Miller Freeman</i>	\$0.0	\$11.6
NIST	Building 1 Renovation - Boulder, Co	\$0.0	\$25.4
DM	Cybersecurity	\$0.0	\$27.6
TOTAL		\$54.7	\$100.6

Administrative Savings

The Department of Commerce's FY 2012 budget identifies over \$142 million in administrative cost savings in support of the President's Administrative Efficiency Initiative, providing real reductions to the cost of doing business. Within this amount, \$39.2 million will be reinvested by bureaus to strengthen valuable programs. The Department wants to maximize the value for every dollar spent. The Department is primarily focusing its reductions in the following areas: acquisition reform, human capital, logistics, general administration, and information technology. One of the keys to acquisition reform is strategic sourcing. The goal of the Department in undertaking strategic sourcing is not only to achieve significant savings through lower costs, but to streamline operations, standardize what we buy, improve visibility and transparency into Department-wide acquisition, and improve the terms and conditions on our contracts. The Department will be seeking savings in human capital by reducing the burden caused by workers compensation claims and offering early retirement and separation incentives. The Department will also focus efforts on obtaining savings in travel and transportation costs, facilities consolidation efforts, and in the purchase of office supplies, printing costs, and centralized services. Lastly, we anticipate savings in information technology through data center consolidation and slowing the replacement cycle for computer hardware.

The table below reflects \$142.8 million in Administrative Savings (dollars in millions).

Bureau	Administrative Savings
Departmental Management (DM)	(\$2.8)
Office of the Inspector General (OIG)	(\$0.3)
Economic Development Administration (EDA)	(\$0.4)
Census Bureau	(\$20.0)
Economic and Statistical Analysis (ESA)	(\$0.6)
International Trade Administration (ITA)	(\$10.0)
Bureau of Industry and Security (BIS)	(\$2.0)
Minority Business Development Agency (MBDA)	(\$0.3)
National Oceanic and Atmospheric Administration (NOAA)	(\$67.8)
U.S. Patent and Trademark Office (USPTO)	(\$26.3)
National Institute of Standards and Technology (NIST)	(\$11.6)
National Technical Information Service (NTIS)	(\$0.1)
National Telecommunications and Information Administration (NTIA)	(\$0.6)
TOTAL	(\$142.8)

Overall, the FY 2012 President's Budget for the Department of Commerce balances the needs to assist our evolving economy and reduce the deficit. The FY 2012 Request boosts competitiveness; promotes exports; improves weather forecasting, climate modeling, fisheries management and ocean programs; invests in spectrum; and strengthens statistical programs through investments in strategic programs and difficult program reductions and eliminations.

Departmental Management

Within Departmental Management (DM), the Salaries and Expenses (S&E) account provides funding for the Office of the Secretary, Deputy Secretary, and support staff. DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch and Congressional and private sector groups, and acts as the management and administrative control point for the Department. The S&E account contains two activities: Executive Direction, which develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Department's mission; and Departmental Staff Services, which develops and implements the Department's internal policies, procedures, and other administrative guidelines.

For FY 2012, the Department seeks an increase in the S&E account to fund the CommerceConnect initiative. CommerceConnect links American businesses to a portfolio of DOC and other Federal, state and local partner resources that enable client companies to become globally competitive. These services are provided, faster and more comprehensively, through a coordinated one-stop Federal assistance framework consisting of a web-based portal, a call center, one dedicated field office in Michigan, existing bureau field offices, a customer relationship management (CRM) system and program knowledgebase. In addition, the headquarters office will be responsible for ensuring the resource coordinator network is established and providing the necessary program content to support the initiative.

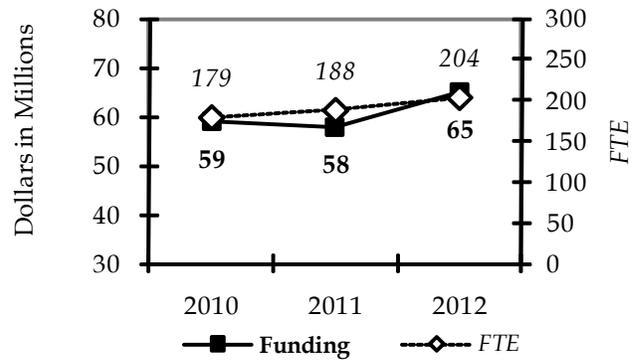
DM seeks an increase in funding to establish an Enterprise Cybersecurity Monitoring and Operations capability. Currently, the Department lacks centralized enterprise-wide cybersecurity capabilities necessary to provide Department-level situational awareness, a single, common operating picture of security for the Department's systems, remediation and response, and other centralized functions necessary to monitor and manage the Department's cybersecurity posture. Commerce plans to establish a multifunction cybersecurity center that will be responsible for security operations, assisting in incident handling and reporting, intelligence gathering, and threat/risk assessment/analysis to ensure confidentiality, integrity, and availability of Commerce data and information systems.

The Herbert C. Hoover Building (HCHB) Renovation and Modernization account will continue activities that focus on the most critical systems to address major building infrastructure deficiencies and security weaknesses. The account will also fund the installation of new IT/Telecommunications networks and the build out of special use spaces for Phase 3.

DM also includes the non-appropriated Advances and Reimbursements (A&R), Working Capital Fund (WCF), and Franchise Fund accounts. The A&R account provides a centralized collection and payment point for special short-term tasks or pass-through costs that encompass several of the Department's bureaus. The WCF finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis, such as legal, security, building management, IT, and procurement services. The Franchise Fund is a fee-for-service organization and recently closed its IT hosting facility. The Department is currently considering the advisability of retaining the Franchise Fund, its operations and the location of the services.

DM also includes the Emergency Steel and Emergency Oil & Gas Guaranteed Loan Programs, enacted in FY 1999 to assist companies in the steel, oil, and gas industries. While loan subsidy for the Steel Program is available, the steel industry has experienced a recovery since the program was created and only three loans have been made through the program – none since 2003. There are no outstanding loans. As a result, the President's Budget proposes to rescind \$43 million of the remaining balance and leave \$5 million in the account to cover any unlikely potential future requirements. Authority for the Emergency Steel Loan Guarantee Board expires on December 31, 2011.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$58,000	\$58,000	\$64,871	\$6,871
Enterprise Cybersecurity Monitoring and Operations	0	0	22,612	22,612
HCHB Renovation and Modernization	22,500	22,500	16,150	(6,350)
Emergency Steel Guar. Loan Program	0	0	(43,000)	(43,000)
TOTAL APPROPRIATION	80,500	80,500	60,633	(19,867)

Transfer from U.S. AID, 22USC2392(a) 1,300

Budget Authority

Salaries and Expenses	59,300	58,000	64,871	6,871
Enterprise Cybersecurity Monitoring and Operations	0	0	22,612	22,612
HCHB Renovation and Modernization	22,500	22,500	16,150	(6,350)
Emergency Steel Guar. Loan Program	0	0	(43,000)	(43,000)
TOTAL DISCRETIONARY BUDGET AUTHORITY	81,800	80,500	60,633	(19,867)

Mandatory Appropriation

Gifts & Bequests Trust Fund	1,241	900	900	0
TOTAL MANDATORY	1,241	900	900	0

FTE

Salaries and Expenses	179	188	204	16
Reimbursable	58	60	60	0
Enterprise Cybersecurity Monitoring and Operations	0	0	12	12
HCHB Renovation and Modernization	0	5	5	0
Working Capital Fund	615	610	612	2
Franchise Fund	11	0	0	0
Total FTE	863	863	893	30

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			188	\$58,000
Adjustments to Base				
<u>Adjustments</u>				
Restoration of base				404
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$43)		
Federal Employees Retirement System (FERS)		71		
Thrift Savings Plan		25		
Federal Insurance Contributions Act (FICA) - OASDI		(17)		
Health insurance		120		
Employees' Compensation Fund		(3)		
Travel				
Per Diem		11		
Mileage		(1)		
Rent payments to GSA		69		
Printing and reproduction		1		
Other services:				
Working Capital Fund		345		
NARA		(1)		
Utilities (Electricity & Water)		218		
General Pricing Level Adjustments:				
Communications and miscellaneous charges		25		
Other services		119		
Supplies and materials		4		
Equipment		23		
Subtotal, other cost changes			0	966
Less Amount Absorbed			0	(653)
TOTAL, ADJUSTMENTS TO BASE			0	717
2012 Base			188	58,717
Administrative Savings			(3)	(1,846)
Program Changes			19	8,000
2012 APPROPRIATION			204	64,871

Note: The distribution of administrative savings reflected in this table are based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Executive Direction	95	\$32,295	95	\$31,337	104	\$37,469	9	\$6,132
Departmental Staff Services	93	27,045	93	27,380	100	27,402	7	22
TOTAL DIRECT OBLIGATIONS	188	59,340	188	58,717	204	64,871	16	6,154
ADVANCES & REIMBURSEMENTS								
COMMITTS	0	4,000		4,000		4,000	0	0
GSA Rent	0	34,080		34,200		34,200	0	0
Other	60	49,900	60	48,800	60	48,800	0	0
Total Reimbursable Obligations	60	87,980	60	87,000	60	87,000	0	0
TOTAL OBLIGATIONS	248	147,320	248	145,717	264	151,871	16	6,154
FINANCING								
Unobligated balance, start of year (Direct)		(1,340)						
Unobligated balance, start of year (Reimbursable)		(1,980)						
Offsetting collections from:								
Federal funds	(60)	(86,000)			(60)	(87,000)		
Subtotal, financing	(60)	(89,320)			(60)	(87,000)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	188	58,000			204	64,871		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Administrative Savings	0	\$0	-3	-\$1,846

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, DM has identified \$1,846,000 in administrative savings, with an additional \$982,000 in savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). The DM reductions include downgrades of personnel, vacancies left unfilled, eliminating FTE, and reducing non-critical contracts such as administrative support and technical support. Other reductions include discontinuation of subscriptions and eliminating intern programs. The Department continues to find alternative solutions to work smarter with less while increasing efficiency with existing resources. The \$2,828,000 in administrative savings identified above represent real reductions to DM's funding level and will help reduce overall spending by the Federal government.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Management Efficiencies	0	\$0	-4	-\$840

Departmental Management requests this decrease as part of the consolidated savings effort to reduce cost and increase efficiencies. In an effort to support the objective to reduce non-security discretionary spending, Departmental Management assessed the priorities and programs within the organization to identify areas for reduction. The reductions include eliminating FTE, travel expenses, and reducing non-critical contracts.

CommerceConnect Coordination	0	\$0	+3	+\$2,410
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CommerceConnect assists American businesses by efficiently and effectively connecting them with Department of Commerce programs, products, and services. This funding increase will be used to setup the headquarters office which will provide oversight to the overall program, and work to formalize the CommerceConnect work plan, establish metrics, and develop policy parameters. In addition, the headquarters office will be responsible for ensuring the resource coordinator network is established and providing the necessary program content to support the initiative, including the web-based portal, the call center, and the customer relationship management system. This office will provide oversight and coordination as new offices are established across the U.S. to help address local and regional economic challenges. This funding increase also includes the establishment of Virtual CommerceConnect, which provides the information technology infrastructure to fully integrate all the components of the CommerceConnect initiative and captures, maintains, and shares client and program information through a cloud computing solution. The funding will be used to support: an interactive virtual assistance center to intuitively direct businesses to services that meet their needs; the customer relationship management (CRM) system for tracking services to business clients and performance metrics; and the development and maintenance of a robust program knowledgebase for knowledge sharing and cross-training of bureau staff. CommerceConnect and the U.S. Small Business Administration (SBA) will explore opportunities for collaboration to enhance responsiveness to the business community through integrated service delivery. CommerceConnect and the Small Business Administration are interested in accelerating their efforts to assist businesses by providing a true one-stop shopping experience for businesses and a no wrong door approach to getting information.

IT Cyber Security	11	\$6,900	+14	+\$5,052
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Increased malicious activities targeting government information systems have caused OMB, the Department of Homeland Security (DHS), and the national intelligence community to mandate that Federal agencies, including the Department of Commerce, implement enhancements to ensure stringent continuous monitoring and reporting of network activity with enhanced incident response capability. This funding requested through the appropriated Salaries and Expenses account will be used to augment enterprise-level forensics support and security, invest in additional IT security capabilities, and reduce the number of external internet connections to reduce the risk of internet based cyber attacks. Without the additional funds, the Department could not extend these services to protect sensitive agency information adequately.

Acquisition Initiative	14	\$2,117	+6	+\$1,378
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During the last decade, the federal government increased its reliance on obtaining needed goods and services from contractors. However, as the acquisition workload has increased, the number of acquisition specialists within the federal government has continued to decrease. The Administration identifies acquisition workforce development as a pillar for strengthened agency acquisition practices and improved government performance. Funds will be used to hire contract specialists and provide training, analytical tools, and increased oversight of the bureaus' acquisition activities.

Appropriation: Enterprise Cybersecurity Monitoring and Operations

Summary of Requirements

	Summary	
	FTE	Amount
2011 CR (Annualized)	0	\$0
Adjustments to Base	0	0
2012 Base	0	0
Program Changes	12	22,612
2012 APPROPRIATION	12	22,612

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Cybersecurity Monitoring & Operations	0	\$0	0	\$0	12	\$22,612	12	\$22,612
TOTAL DIRECT OBLIGATIONS	0	0	0	0	12	22,612	12	22,612
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	0	0	0	0	12	22,612	12	22,612
FINANCING								
Unobligated balance, start of year	0	0			0	0		
Subtotal, financing	0	0			0	0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			12	22,612		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Enterprise Cybersecurity Monitoring and Operations	0	\$0	+12	+\$22,612

DM seeks an increase in funding to establish an Enterprise Cybersecurity Monitoring and Operations capability. The Department lacks centralized enterprise-wide cybersecurity capabilities necessary to provide Department-level situational awareness, a single common operating picture of security for the Department's systems, remediation and response, and other centralized functions necessary to monitor and manage the Department's cybersecurity posture. Commerce plans to establish a multifunction cybersecurity center that will be responsible for security operations, assisting in incident handling and reporting, intelligence gathering, and threat/risk assessment/analysis to ensure confidentiality, integrity, and availability of Commerce data and information systems.

Commerce requests an increase of \$22.6 million and 12 FTEs to establish: an enterprise management system to generate compliance violation alerts; an end-point protection system; a vulnerability scanning system; a remote system deployment; and security event correlation. With this funding, several critical cybersecurity objectives can be met by establishing an initial level of operating capability for enterprise-wide information assurance to receive near real-time cybersecurity monitoring, situational awareness and staffing to support security operations.

Appropriation: HCHB Renovation and Modernization

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	5	\$22,500
Adjustments to Base	(5)	(22,500)
2012 Base	<u>0</u>	<u>0</u>
Program Changes	5	16,150
2012 APPROPRIATION	<u>5</u>	<u>16,150</u>

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
HCHB Renovation & Modernization	5	\$30,693	0	\$0	5	\$16,150	5	\$16,150
TOTAL DIRECT OBLIGATIONS	<u>5</u>	<u>30,693</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>16,150</u>	<u>5</u>	<u>16,150</u>
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	<u>5</u>	<u>30,693</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>16,150</u>	<u>5</u>	<u>16,150</u>
FINANCING								
Unobligated balance, start of year	0	(8,193)			0	0		
Subtotal, financing	<u>0</u>	<u>(8,193)</u>			<u>0</u>	<u>0</u>		
TOTAL BUDGET AUTHORITY / APPROPRIATION	<u>5</u>	<u>22,500</u>			<u>5</u>	<u>16,150</u>		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
HCHB Renovation and Modernization Project	0	\$0	5	+\$16,150

The Department has worked with the General Services Administration (GSA) to develop an eight-phase solution to address major deficiencies in the building's infrastructure (mechanical, electrical, plumbing, fire and life safety, and security). Funds are requested to complete Phase 2 and prepare for Phase 3. The Department's funding will directly impact GSA's construction schedule, which is now funded through the completion of Phase 3. This request reflects the Department's focus on its most critical systems and provides a secure space to move employees during each phase while GSA updates, replaces, and renovates HCHB's major systems. This investment will also allow the Department to address high priority security, information technology/ telecommunications, and emergency power requirements to improve services to employees and contractors by improving their quality of life. The replacement of the antiquated mechanical, electrical, and plumbing systems will result in increased energy and environmental efficiencies. Additionally, the installation of blast resistant windows will not only improve building security, but will further insulate existing windows and thereby increase energy efficiencies as well.

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 Operating Level			610	\$148,661
Adjustments to Base				
<u>Adjustments</u>				
Restoration of base				1,688
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$119)		
Federal Employees' Retirement System (FERS)		199		
Thrift Savings Plan		34		
Federal Insurance Contributions Act (FICA) - OASDI		4		
Health insurance		349		
Travel:				
Mileage		(2)		
Per Diem		22		
Rent payments to GSA		65		
Commerce Business System		194		
General Pricing Level Adjustment:				
Communications and miscellaneous		21		
Printing and reproduction		4		
Other services		609		
Supplies and materials		20		
Equipment		30		
Subtotal, other cost changes			0	1,430
TOTAL, ADJUSTMENTS TO BASE			0	3,118
2012 Base			610	151,779
Administrative Savings			(17)	(6,384)
Program Changes			19	20,335
2012 OPERATING LEVEL			612	165,730

Comparison by Activity

REIMBURSABLE OBLIGATIONS	2011 Operating Level		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Executive Direction	225	\$55,384	225	\$56,313	222	\$61,060	(3)	\$4,747
Departmental Staff Services	385	93,277	385	95,466	390	104,670	5	9,204
TOTAL REIMBURSABLE OBLIGATIONS	610	148,661	610	151,779	612	165,730	2	13,951
FINANCING								
Unobligated balance, start of year		(2,704)						
Offsetting collections from:								
Federal funds	(610)	(145,957)			(612)	(165,730)		
Subtotal, financing	(610)	(148,661)			(612)	(165,730)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Administrative Savings

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Administrative Savings	0	\$0	-17	-\$6,384

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing administrative costs, \$6,384,000 in administrative savings have been identified in the WCF. The WCF reductions include eliminating FTE, filling positions at lower grades, reducing contracts, supplies and overtime. The benefits of these reductions reside with the bureaus that will be able to use these costs savings as part of their administrative savings and apply the funds toward the highest priority programs in the Department. The \$6,384,000 in administrative savings identified above represent real reductions to DM's WCF funding level.

Highlights of Program Changes

Executive Direction

CommerceConnect Field Offices	0	\$0	+5	+\$830
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CommerceConnect aligns American businesses and communities with a portfolio of the Department and other Federal resources that enable client companies to become globally competitive. These services are provided, faster and more comprehensively, through a coordinated one-stop Federal assistance framework consisting of a web-based portal, call centers, and stand alone field office. Funding is being requested for personnel, training, travel, IT support and marketing to operate the CommerceConnect Field Offices. The objective of CommerceConnect is to create American jobs by connecting U.S. businesses with the Department's and other Federal programs, products and services that meet their needs at every point in their life cycle. CommerceConnect plans to expand to other locations across the U.S. to help address local and regional economic challenges.

	<u>Base</u>		<u>Increase / Decrease</u>	
<u>Executive Direction</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>

Paperwork and Regulation Information Management System	0	\$0	0	+\$500
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This increase in funding is requested to integrate the Paperwork and Regulation Information Management Environment (PRIME), which tracks the review and clearance of the Department's regulatory actions, into the Department's Electronic Data Management System (EDMS), an enterprise solution that is being developed to support the document management and workflow system needs of all offices within the Office of General Counsel and several offices in other bureaus at the Department. This request also includes funding for the certification and accreditation of the new system, funding for substantive software improvements, and funding for training the new users of this system.

IT Support for Network Operations	0	\$4,443	0	+\$4,118
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This increase in funding is requested to mitigate a series of IT security weaknesses document by the National Security Agency (NSA), to transition from obsolete technologies, stabilize the eroding Operations and Maintenance base and respond to new customer requirements. The requested funding will be used to enhance the security posture of the HCHB network infrastructure, consolidate system administration, and migrate from a Transport Layer Security (TLS)-based network backbone to a more modern Multi-Protocol Label Switching (MPLS)-based network. Without the requested funding increase, network engineering services will continue to operate in a degraded capacity; support for the HCHB Renovation Project, the Department's financial systems and the human resource systems will be less effective; and implementation of domain name security, network access control, and two factor authentications will be significantly slowed.

IT Customer Service and Help Desk Support	0	\$950	0	+\$957
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This increase in funding is requested to provide the appropriate level of support through the IT Customer Service and Help Desk services contract. This funding request is critical to provide support to the increasing demands for new PC installations, Mobikey installation and support, Blackberry issues, and to answer monthly service telephone calls that have increased by 50% over the past 4 years.

IT Hosting and Relocation	0	\$0	0	+\$700
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This funding is required to cover operation and maintenance costs of the hosting of Office of the Chief Information Officer information systems, required as a result of the migration of the servers from the Springfield VA location.

Departmental Staff Services

Human Resource Management System (HRMS)	0	\$0	0	+\$4,779
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The Office of Human Resource Management (OHRM) is requesting increased funding to implement a Human Resources Management System (HRMS) that complies with the e-gov Human Resources Line of Business (HR LOB) blueprint developed by the Office of Personnel Management (OPM). The manually intensive and non-standardized HR processes that currently exist throughout the Department's various bureaus result in increased costs, increased risk of loss of privacy data, and inefficient organizational management. The HRMS will provide an agency-wide, modern, cost-effective, standardized, and interoperable HR solution that delivers common, core functionality to support the strategic management of human capital and address the manual and inefficient processing of HR transactions across the Department.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>

Departmental Staff Services

Enterprise Application Systems (EAS)	0	\$0	0	+\$3,800
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This program increase is required to cover operation and maintenance costs associated with the maintenance and hosting of Office of the Secretary EAS systems. The Chief Information Officer/ Assistant Secretary for Administration (CFO/ASA) systems were formerly hosted at the Office of Computer Services in Springfield, Virginia, but due to the lease expiration in FY 2010 these systems were migrated to the Department of Transportation, Federal Aviation Administration, Enterprise Services Center (DOT/FAA/ESC) during FY 2010. This initiative provides an efficient and effective solution for infrastructure needs through economies of scale by consolidating infrastructure and application support services to the EAS. The efficiencies are gained through advanced technology, enhanced security and compliance with regulations, and state-of-the art data center services.

Space Management	8	\$1,154	+2	+\$176
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The increase requested is to fully fund 2 positions in the Space Management Office. The Space Management Analyst (Draftsman) and an entry level technician will assist with maintaining the architectural, mechanical and electrical drawings for the Herbert C. Hoover Building (HCHB) as well as managing the space assignments and drawings with specialized facilities software among other responsibilities. These positions will improve customer service by providing quality support services, reducing task completion times, and providing greater efficiency in responding to tasks related to the modernization of HCHB resulting in increased savings to the Department. They will improve information sharing throughout the Department by integrating technology into the business process.

Elevator Maintenance and Building Management	0	\$328	+1	+\$307
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This funding increase is required to accommodate the proposed higher costs for the HCHB elevator maintenance contract and to upgrade a vacant clerical position to an analyst who can provide the required additional Government oversight. As the elevators age and usage increases, the level of repairs increases and the current level of maintenance is insufficient to adequately perform all the required planned and preventative maintenance, conduct inspections, and attend to defects and emergency calls.

Energy and Environmental Program Execution	7	\$1,902	+1	+\$557
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This increase is requested to execute the Department's Energy and Environmental Programs including management of the National Environmental Policy Act (NEPA) program. The requirements of these programs have dramatically increased due to changing Federal regulations and mandates from the President. The Department must increase funding to comply with these directives. This program increase directly reduces the Department's environmental liability, costs for managing and disposing of hazardous waste, use of toxic and hazardous chemicals, and costs of energy consumption and utilities, and addresses the Department's environmental responsibilities and overall program management capabilities.

Investigative and Intelligence Programs (IIP)	6	\$816	+10	+\$2,720
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This increase is requested to enable the Office of Security to continue detecting, preventing, and/or mitigating persistent, evolving, and rapidly expanding mission-critical threats to the Department of Commerce through a cross-cutting effort that protects all Commerce bureaus and operating units. Without this increase, the Department's ability to effectively execute its mission, achieve important Administration objectives, and support the United States' national security interests in the near, mid, and long-terms is jeopardized.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Departmental Staff Services</u>				
Injury and Illness Reporting System	0	\$0	0	+\$691

Departmental Management requests funds to purchase an Injury and Illness Reporting System (IIRS) that is a single point of entry for reports of work-related injuries and illnesses, workers' compensation, property damage (from motor vehicles, air craft, vessels, etc.) and first aid. The IIRS would make it easier for the Department and the bureaus to track the progress of injured workers so they could be brought back to work as soon as they are able. The IIRS would provide more accurate reporting, speed the workers' compensation claims process, support timely and effective analysis and management decision-making, and provide bureaus the capability to allocate injuries down to their organizational components. In addition, the Department would be able to trend its workers' compensation costs, enabling the Department and/or bureau to take action to reverse the trends.

Enterprise Personal Property Management System	0	\$877	0	+\$200
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This funding increase is to acquire a software solution to manage vehicle fleet data. The Office of Administrative Services (OAS) has primary responsibility for managing the fleet inventory across the Department for approximately 2,500 vehicles. OAS has a requirement for a Fleet Management Information System (FMIS) that must be capable of collecting information to manage the fleet, to support internal reporting requirements, to respond to annual budget requests, and conform to the minimum standards identified in the FMR (41 CFR 102-34.347). Additionally, this requirement was cited in a recent OIG audit report, OIG-11-004-A, *Commerce Should Strengthen Accountability and Internal Controls in Its Motor Pool Operations*, in which it recommends the Department develop a centralized FMIS to oversee its fleet inventory and associated costs.

Direct Costs by Office

Offices	2012 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	77	\$22,098
Civil Rights	19	4,126
Financial Management	38	21,576
Security	136	26,282
Administrative Services	92	24,709
Acquisition Management	19	4,384
Office of Privacy and Open Government	2	325
Office of Resource Management	7	1,170
Subtotal, Departmental Staff Services	390	104,670
Chief Information Officer	29	17,682
General Counsel	179	40,290
Chief Financial Officer	5	830
Public Affairs	9	2,258
Total Working Capital Fund	612	165,730

Distribution by Bureau

Bureaus	FY 2012
	<u>Amount</u>
Office of the Secretary	\$11,934
International Trade Administration	35,062
Economic Development Administration	3,637
National Telecommunications and Information Administration	5,575
National Technical Information Service	303
Bureau of the Census	29,012
Economic and Statistics Administration	3,168
National Oceanic and Atmospheric Administration	44,478
National Institute of Standards and Technology	12,496
U.S. Patent and Trademark Office	5,512
Minority Business Development Agency	1,916
Bureau of Industry and Security	9,945
Office of the Inspector General	2,176
Office of Computer Services	0
Total Commerce Bureaus	165,214
Other Agencies	516
Total	165,730

Appropriation: Emergency Oil and Gas Guaranteed Loan Program

Summary of Requirements

	Summary	
	FTE	Amount
2011 CR (Annualized)	\$0	\$0
Adjustments to Base	0	0
2012 Base	0	0
Program Changes	0	0
2012 APPROPRIATION	0	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	0	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	0	0	0	0	0	0	0
Credit Re-estimates	0	0			0	0		
TOTAL DIRECT OBLIGATIONS	0	0			0	0		
FINANCING								
Unobligated balance, start of year	0	(521)				(521)		
Unobligated balance, end of year	0	521				521		
Subtotal, financing	0	0			0	0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$0
Adjustments to Base	0	0
2012 Base	0	0
Program Change	0	(43,000)
2012 APPROPRIATION	0	(43,000)

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	0	0	0	0	0	0	0
SUBTOTAL DISCRETIONARY OBLIGATIONS	0	0	0	0	0	0	0	0
Mandatory, Credit Reestimate	0	0			0	0		
TOTAL, DIRECT OBLIGATIONS	0	0			0	0		
FINANCING								
Unobligated balance, start of year		(48,271)				(48,271)		
Recoveries/Refunds								
Unobligated balance, end of year		48,271				5,271		
Subtotal, financing	0	0			0	(43,000)		
DISCRETIONARY BUDGET AUTHORITY / APPROPRIATION	0	0			0	(43,000)		

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. The DM performance measures now appear in the three different administrative themes (Customer Service, Organizational Excellence and Workforce Excellence), covering four different objectives, one of which is associated with CommerceConnect. Prior performance measures are included among these objectives along with several new measures. The table below shows the new objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the DM section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
<p>Objective 19: Provide streamlined services and single point of contact assistance to customers through better interaction and communication utilizing CommerceConnect, partnerships, branding, and other means of stakeholder involvement.</p>	\$0	\$0	\$2.4
Number of companies engaged by CommerceConnect	N/A	160	464
Number of referrals made by CommerceConnect	N/A	480	1,392
<p>Objective 21: Provide a high level of customer service to our internal and external customers through effective and efficient Department functions with empowered employees.</p>	\$7.0	\$7.0	\$6.5
<p>Objective 22: Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud and abuse of government resources.</p>	\$30.0	\$30.2	\$29.7
<p>Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.</p>	<ul style="list-style-type: none"> Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2010 A-123 assessment of internal controls. 	<ul style="list-style-type: none"> Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2011 A-123 assessment of internal controls. 	<ul style="list-style-type: none"> Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2012 A-123 assessment of internal controls.
<p>Effectively use commercial services management/ competitive sourcing.</p>	<ul style="list-style-type: none"> Department met the goal to increase use of competition by 2%, measure by dollars awarded. Actual accomplishment was a 33% decrease in the dollars awarded noncompetitively. The Department decreased dollars awarded on cost-reimbursement, Time and Materials and Labor Hour contracts by 15% 	<ul style="list-style-type: none"> Increase use of competition by 2%, measured by dollars awarded. Decrease dollars awarded on cost-reimbursement, Time and Materials and Labor Hour contracts by 10%. 	<ul style="list-style-type: none"> Increase use of competition by 2%, measured by dollars awarded. Decrease dollars awarded on cost-reimbursement, Time and Materials and Labor Hour contracts by 10%.
<p>Objective 23: Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness.</p>	\$3.5	\$3.6	\$4.8
Obligate funds through performance-based contracting	<ul style="list-style-type: none"> 37.28% of eligible service contracting dollars 	<ul style="list-style-type: none"> 50% of eligible service contracting dollars 	<ul style="list-style-type: none"> 50% of eligible service contracting dollars

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
<p>Objective 24: Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including addressing cyber security threats.</p>	\$11.9	\$11.8	\$38.8
<p>Improved the management of information technology (IT).</p>	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Completed security and vulnerability assessments for all operating units. Submitted findings and recommendations to operating units and OCIO for review. Implemented Cyber Security Development Program and graduated 20 candidates from the Department's first class. Enrolled candidates in the program's second class. More than 8 candidates have obtained or are planning to obtain security related certifications. Deployed National Security and Emergency Network in the development environment. Received official approval to connect from Defense Intelligence Agency. 	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Perform IT Security Compliance review of all operating units, and ten FISMA systems in CSAM. Increase security training completion rate to 80% for privileged users (role-based). Deploy 80% of the required NCSD 3-10 communications capabilities. Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams. 	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Perform IT Security Compliance review of all operating units, and ten FISMA systems in CSAM. Increase security training completion rate to 80% for privileged users (role-based). Deploy 80% of the required NCSD 3-10 communications capabilities. Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams.
<p>Objective 25: Recruit, develop and retain a high-performing, diverse workforce with the critical skills necessary for mission success including growing the next generation of scientists and engineers.</p>	\$5.4	\$5.4	\$5.2
<p>Acquire and maintain diverse and highly qualified staff in mission critical occupations.</p>	<ul style="list-style-type: none"> Competency models in place for four mission critical occupations (Physical Scientists, Electronic Engineer, Computer Scientist, and Fishery Biologist series). Established hiring baseline was 133 days. Trained 98 ALDP, ELDP, and APCP participants via the leadership development programs. Trained 181 employees via Careers in Motion Program Integrated Commerce Learning Center in program administration to enhance measurement of results. 	<ul style="list-style-type: none"> Have new competency models in place for 3 mission-critical occupations for use in workforce recruitment, training, and development activities. Meet or exceed the 80-day hiring goals mandated by OPM. Train 100-120 participants in leadership development programs via the ALDP, ELDP, LEAD and APCP. Train 180-210* participants via Careers in Motion Program 	<ul style="list-style-type: none"> Have new competency models in place for 3 mission-critical occupations for use in workforce recruitment, training, and development activities. Meet or exceed the 80-day hiring goals mandated by OPM. Train 100-120 participants in leadership development programs via the ALDP, ELDP, LEAD, and APCP. Train 180-210* participants via Careers in Motion Program
Total, Direct Salaries & Expenses	\$57.8	\$58.0	\$64.9
Enterprise Cyber Security	\$0	\$0	\$22.6
Grand Total	\$57.8	\$58.0	\$87.5

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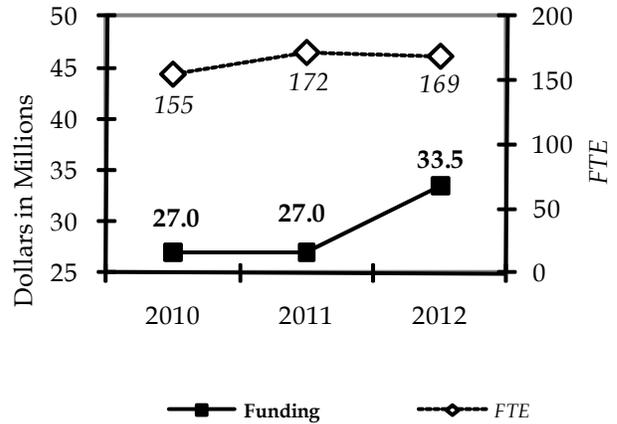
Office of the Inspector General

The Office of the Inspector General (OIG) promotes economy and efficiency in Department of Commerce programs and operations to prevent fraud, waste, and abuse. The OIG monitors and tracks the use of taxpayer dollars through audits, inspections, evaluations, and investigations. The Inspector General is required by law to keep the Secretary and Congress timely informed about problems and deficiencies relating to the administration of programs and operations and the need for corrective action.

The audit function involves performance and financial audits and evaluations. Performance audits address the efficiency, effectiveness, and economy of the Department's programs, activities, and information technology systems. Financial audits focus on compliance with generally accepted accounting principles, management's responsibility for internal controls as defined by the Office of Management and Budget, and financial laws and regulations. Program evaluations are in-depth reviews of specific management issues, policies, or programs, while systems evaluations focus on system development, system acquisitions, operations, and policy of computer systems and other technologies.

The investigative function focuses on alleged or suspected improper and illegal activities involving employees, contractors, recipients of financial assistance, and others responsible for handling Federal resources. OIG focuses on programs and operations with the greatest potential for identifying fraud, recovering funds, precluding unnecessary outlays, and improving management.

Budget Authority and FTE



Summary of Appropriations

<u>Funding Levels</u>	2010	2011 CR	2012	Increase
<u>Appropriation</u>	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Inspector General	\$27,000	\$27,000	\$33,520	\$6,520
Total Budget Authority	27,000	27,000	33,520	6,520
FTE				
Inspector General Direct	155	172	169	(3)
Inspector General Reimbursable	6	6	6	0
Total	161	178	175	(3)

Highlights of Budget Changes

Appropriation: Office of the Inspector General

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			172	\$27,000
Adjustments to Base				
Restoration of Base	4	\$881		
FTEs from Recovery Act Carryover	(22)	0		
Other Changes				
Civil Service Retirement System (CSRS)		(89)		
Federal Employees' Retirement System (FERS)		149		
Thrift Savings Plan		26		
Federal Insurance Contributions Act (FICA) - OASDI		57		
Employees' Compensation Fund		13		
Health insurance		93		
Travel:				
Per Diem		11		
Mileage		(3)		
Rent payments to GSA		29		
Electricity		73		
Water		1		
Other services:				
Working Capital Fund		245		
General Pricing Level Adjustment				
Communications, utilities, and miscellaneous charges		1		
Other Services		27		
Supplies and materials		1		
Equipment		1		
Subtotal, other cost changes			0	635
TOTAL, ADJUSTMENTS TO BASE			(18)	1,516
2012 Base			154	28,516
Administrative Savings			[0]	[221]
Program Changes			15	5,004
2012 APPROPRIATION			169	33,520

Note: The distribution of administrative savings reflected in this table are based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Inspector General	172	\$42,136	154	\$28,516	169	\$33,520	15	\$5,004
TOTAL DIRECT OBLIGATIONS	172	42,136	154	28,516	169	33,520	15	5,004
REIMBURSABLE OBLIGATIONS		6,000		6,000		6,000	0	0
TOTAL OBLIGATIONS	172	48,136	154	34,516	169	39,520	15	5,004
FINANCING								
Unobligated balance, start of year (direct)		(15,136)				0		
Unobligated balance, start of year (reimb.)								
Offsetting Collections		(6,000)				(6,000)		
Subtotal, financing	0	(21,136)			0	(6,000)		
TOTAL BUDGET AUTHORITY/	172	27,000			169	33,520		
APPROPRIATION								

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort, called the Administrative Efficiency Initiative, to curb non-essential administrative spending. In order to be good stewards of taxpayer money, the Federal Government should continue to see ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, OIG has identified \$221,000 in administrative savings. OIG expects to achieve these savings through strategic sourcing and by not filling an existing vacancy in its administrative areas. In addition, \$123,000 in savings has been identified for the OIG through the Department's Working Capital Fund. The \$221,000 in administrative savings identified above will be reinvested in the Office of Audit and Evaluation and the Office of Investigations to better support the Inspector General's mission.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Acquisition and contract oversight	154	\$28,516	+15	+\$1,849

In FY 2012, OIG requests an increase of \$1.8 million and 15 FTEs to provide oversight for Departmental acquisitions and contracts. In FY 2010, the Department planned to spend \$6.4 billion in acquisitions and contracts. Some of these acquisitions and contracts were one-time procurements. Others, such as those for the National Oceanic and Atmospheric Administration's (NOAA) satellite programs, represent only a small portion of a large, ongoing program. Two satellite programs accounted for \$1.1 billion in obligations in FY 2010. Other programs, such as the planning for the 2020 Census, will involve large ongoing contracts. OIG will need to establish audit teams to examine cross-cutting acquisitions and contracts for all the Operating Units. Because of statutory mandates and competing priorities, OIG does not have sufficient personnel available to provide consistent oversight of these expenditures with its existing staffing level.

	<u>FTE</u>	<u>Base</u> <u>Amount</u>	<u>Increase / Decrease</u> <u>FTE</u>	<u>Amount</u>
Council of the Inspectors General on Integrity and Efficiency	0	\$0	0	+\$455

Also in FY 2012, the OIG requests \$0.5 million to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The Inspector General Reform Act of 2008 (P.L. 110-409) established CIGIE to address integrity, economy, and effectiveness issues that transcend individual government agencies. Its mission is to increase the professionalism and effectiveness of personnel by developing policies, standards and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General. The DOC OIG is a member of CIGIE, and the Act authorizes interagency funding of CIGIE and requires that any department, agency, or entity of the executive branch, which has a member on the Council, shall fund or participate in the funding of its activities.

Federal Audit Clearinghouse	0	\$0	0	+\$2,700
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Finally, in FY 2012, the OIG requests \$2.7 million in support of the Federal Audit Clearinghouse (FAC), to be transferred to the Census Bureau, which operates the FAC. Each year, the Federal Government provides hundreds of billions of dollars in grants to State, local and tribal governments, colleges, universities and other non-profit organizations (non-Federal entities). Of these entities, those expending more than \$500,000 per year in financial assistance must have a financial audit performed to ensure that the funds are spent properly. For audit information on these entities, the FAC is the sole source for Federal program managers, Chief Financial Officers, and Federal Inspectors General. The public further benefits because this audit information is also available for public scrutiny. The Single Audit Act Amendments of 1996 (P.L. 104-156) requires all audit and data collection forms to be submitted solely to the FAC. A direct appropriation to the Census Bureau to support the FAC could result in restrictions on use of the data; therefore, the FAC is funded by a transfer from the OIG, which in addition to being a user of the data, also has an oversight interest in the efficient and effective performance of the FAC as an asset across the government.

Performance Objective and Measures

(Dollars Reflect Obligations in Millions and Includes Reimbursable Funding)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. The OIG performance measures now appear in the administrative theme - Organizational Excellence, under the objective to strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud, and abuse of government resources.

As the Department works to accomplish its mission, OIG provides a unique, independent voice to the Secretary and other senior DOC managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness, and to prevent and detect waste, fraud, and abuse in Department programs and operations. This work is primarily accomplished through audits, inspections, evaluations, and investigations and related activities. In FY 2012, OIG will continue its efforts to help the Department achieve organizational and management excellence by:

- Performing high quality and timely work;
- Concentrating efforts on the Department's most critical programs, operations, challenges, and vulnerabilities;
- Achieving results that allow government funds to be put to better use; and
- Addressing any criminal, civil, or other wrongdoing.

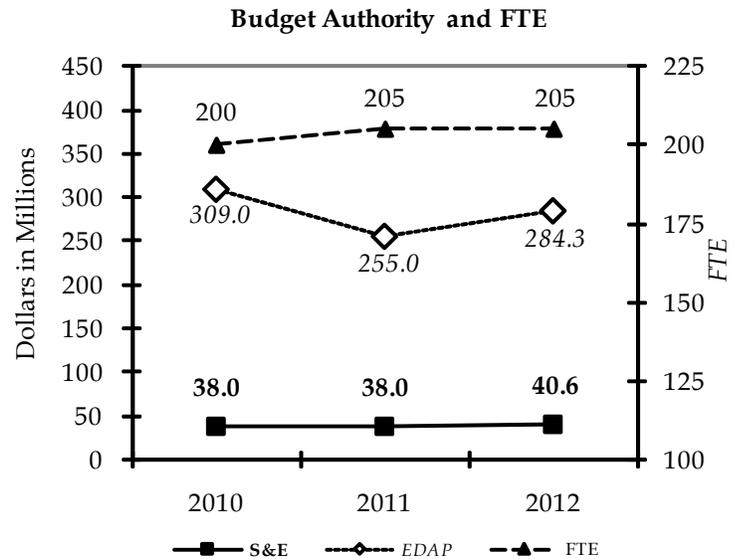
Prior performance measures are included among these objectives along with one new measure. The table below shows the new objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the OIG section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized)/ Targets	2012 Estimate / Targets
Objective 22: Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud, and abuse of government resources.	\$36.2	\$48.1	\$39.5
% of OIG recommendations accepted by departmental and bureau management	100%	95%	95%
% of OIG recommendations accepted that have been implemented by departmental and bureau management	N/A	N/A	TBD
Dollar value of financial benefits identified by OIG	\$47.8M	\$39.0	\$39.0
% of criminal and civil matters that are accepted for prosecution	50%	75%	75%

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Economic Development Administration

The Economic Development Administration (EDA) focuses on accelerating the transition to the 21st Century economy by supporting sustainable job growth and regional competitiveness across the United States through the promotion of the Jobs and Innovation Partnership. At its core, the Jobs and Innovation Partnership puts a premium on regional innovation cluster strategies as the platform for linking, aligning, and organizing multiple initiatives across the Administration and across the nation's economically integrated metropolitan and rural areas. EDA's Jobs and Innovation Partnership agenda reflects the reality that American communities and businesses must embrace the global economy and re-tool to develop the 21st century infrastructure, technology, exportable products and services, and international markets needed to compete.



EDA helps our partners across the Nation (states, regions, and communities) create wealth and minimize poverty by promoting a favorable business environment to attract private capital investments and higher-skill, higher-wage jobs through capacity building, planning, infrastructure investments, research grants, and strategic initiatives. EDA carries out its Economic Development Assistance Program (EDAP) through a network of headquarters and regional personnel that work directly with local organizations and leaders to identify and invest in projects that demonstrate potential for the greatest economic impact in distressed communities.

EDA programs serve as a catalyst for assisting the Nation's distressed communities in achieving their long-term economic potential through the strategic investment of resources based upon locally and regionally developed priorities.

In FY 2010, EDA announced the i6 Challenge, a new \$12 million innovation competition, led by EDA and in partnership with the National Institutes of Health and National Science Foundation, to reward the most innovative ideas to drive commercialization and entrepreneurship in regions across the country. It was designed to foster stronger collaboration among entrepreneurs, investors, universities, private sector companies, non-profits, and state and local governments. EDA plans to continue this effort in FY 2011 through a competitive i6 Challenge focused on promoting innovations in the green economy, and will run the successful challenge grant program again in FY 2012.

EDA will continue to leverage the potential of institutions of higher education to promote economic development. EDA's Office of Innovation and Entrepreneurship has led the federal government's effort to build stronger mechanisms for commercializing research at our universities. And, EDA's University Center program can play an important role in this effort as well; therefore, EDA is proposing to increase investments in university-based economic development investments as part of its FY 2012 budget.

In FY 2012, EDA will expand its efforts to foster globally competitive regions through its new Regional Innovation Program. This program will be specifically targeted to support Growth Zones, a collaborative, multi-agency effort to stimulate regional economic development. Additionally, EDA will utilize its 21st Century Infrastructure Program (successor to Public Works) to support a new loan guarantee program which authorizes EDA to guarantee up to 80 percent of the amount of a loan provided that the maturity date does not exceed the lesser of 30 years or 90 percent of the useful life of any physical asset financed by the loan. EDA will utilize \$7,000,000 in 21st Century Infrastructure Program funds for the subsidy cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990), to remain available until expended.

The Agency has strategically invested resources to support a wide array of critical infrastructure for Regional Innovation Clusters, including science and research parks, broadband/smartgrid technology, business incubators and accelerators, high-tech shipping and logistics facilities, and workforce training centers. For example, the Virginia Tech University Institute for Advanced Learning and Research in Danville established a branch of the University in a very rural area near the North Carolina border. The regional economic impact of this science park may be felt well beyond the state line as it focuses on research in fields of study such as nanotechnology and polymer science and draws companies to the area that want to be close to access this expertise. EDA utilizes its many programs, including its University Center, Partnership Planning (Successor to Planning), and 21st Century Innovation Infrastructure programs, to strengthen the unique regional assets that support and drive cluster development and economic prosperity across the nation.

EDA will continue to provide strategic investments that provide technical assistance for the University Centers; planning support for EDA's network of Economic Development Districts and for Native American Indian Tribes; resources to help distressed communities revitalize, expand, and upgrade their hard and soft infrastructure through the 21st Century Innovation Infrastructure, the Economic Adjustment Assistance, and the Sustainable Economic Development (Successor to Global Climate Change Mitigation Incentive Fund) Programs; and investments to foster cutting-edge tools and data through the Research and Evaluation program.

Summary of Appropriations

Funding Levels

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Appropriation, Discretionary				
Salaries and Expenses	\$38,000	\$38,000	\$40,631	\$2,631
EDAP	309,000	255,000	284,300	29,300
DISCRETIONARY APPROPRIATION	347,000	293,000	324,931	31,931
Transfers from EDAP to S&E	[(1,882)]			
Budget Authority				
Salaries and Expenses	38,000	38,000	40,631	2,631
EDAP	309,000	255,000	284,300	29,300
EDA Revolving Fund	0	0	0	0
Subtotal, Discretionary Budget Authority	347,000	293,000	324,931	31,931
Appropriation, Mandatory				
Wireless Innovation Fund (WIN)	0	0	20,000	20,000
TOTAL BUDGET AUTHORITY	347,000	293,000	344,931	51,931
FTE				
Salaries and Expenses	200	205	205	0
Reimbursable	5	5	5	0
Total	205	210	210	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			205	\$38,000

Adjustments to Base

Restoration of Base Reductions				1,820
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Other Changes

Civil Service Retirement System (CSRS)		(\$106)		
Federal Employees' Retirement System (FERS)		177		
Thrift Savings Plan		30		
Employees' Compensation Fund		(12)		
Federal Insurance Contributions Act (FICA) - OASDI		69		
Health insurance		76		
Travel:				
Mileage		37		
Per Diem		(31)		
Rent payments to GSA		40		
Printing and Reproduction		1		
Water		1		
Electricity		64		
Other services/Working Capital Fund		203		
General Pricing Level Adjustment:				
Rental payments to others		3		
Other services		248		
Supplies and materials		6		
Equipment		5		
Subtotal, other cost changes			0	811
TOTAL, ADJUSTMENTS TO BASE			0	2,631
2012 Base			205	40,631
Administrative Savings				[361]
Program Changes			0	0
2012 APPROPRIATION			205	40,631

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Salaries and Expenses	205	\$43,481	205	\$40,631	205	\$40,631	0	\$0
TOTAL DIRECT OBLIGATIONS	205	43,481	205	40,631	205	40,631	0	0
REIMBURSABLE OBLIGATIONS	5	2,053	5	1,320	5	1,320	0	0
TOTAL OBLIGATIONS	210	45,534	210	41,951	210	41,951	0	0
FINANCING								
Unobligated balance, start of year (Direct)		(5,481)						
Unobligated balance, start of year (Reimb.)		(733)						
Offsetting coll. from Federal funds	(5)	(1,320)			(5)	(1,320)		
Subtotal, financing	(5)	(7,534)			(5)	(1,320)		
TOTAL BUDGET AUTHORITY / TOTAL APPROPRIATION	205	38,000			205	40,631		

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, EDA identified \$361,000 in administrative savings. Of these savings, \$210,000 is tied to the acquisition plans for FY 2012 and \$151,000 in Working Capital Fund savings. The \$361,000 in administrative savings will be reinvested in activities relating to priority programmatic initiatives within EDA.

Appropriation: Economic Development Assistance Programs

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$255,000
2012 Base	0	255,000
Program Changes		29,300
2012 APPROPRIATION	0	284,300

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Sustainable Economic Development (Successor to Global Climate Change)	0	\$25,000	0	\$25,000	0	\$16,500	0	(\$8,500)
21st Century Innovation Infrastr. (Successor to Public Works)	0	163,340	0	158,280	0	121,000	0	(37,280)
Partnership Planning (Successor to Planning)	0	31,000	0	31,000	0	27,000	0	(4,000)
Technical Assistance	0	9,800	0	9,800	0	18,400	0	8,600
Research and Evaluation	0	1,500	0	1,500	0	1,500	0	0
Trade Adjustment Assistance	0	15,800	0	15,800	0	0	0	(15,800)
Economic Adjustment Assistance	0	43,620	0	43,620	0	89,900	0	46,280
Regional Innovation Program (Growth Zones)	0	0	0	0	0	40,000	0	40,000
Category B Appropriations	0	54,991	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	345,051	0	285,000	0	314,300	0	29,300
REIMBURSABLE OBLIGATIONS	0	16,464				15,000		
TOTAL OBLIGATIONS	0	361,515			0	329,300		
FINANCING								
Unobligated balance, start of year (Direct)		(61,515)						
Recoveries of prior year obligations		(30,000)				(30,000)		
Offsetting collections from:								
Federal funds		(15,000)				(15,000)		
Subtotal, financing	0	(106,515)			0	(45,000)		
TOTAL BUDGET AUTHORITY	0	255,000			0	284,300		
Unobligated balance rescission	0				0	0		
TOTAL APPROPRIATION	0	255,000			0	284,300		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Sustainable Economic Development</u>	0	\$25,000	0	-\$8,500

Funding will be decreased for the Sustainable Economic Development (SED) Program (Successor to the Global Climate Change Mitigation Incentive Fund). Its focus is on strengthening the linkages between economic development and environmental quality by financing economic development projects that limit the nation's dependence on fossil fuels, enhance energy efficiency, curb greenhouse gas emissions, and protect natural systems while generating jobs and private investment. Since this focus has been infused into EDA's investment funding priorities and other programs, encouraging them to seek and achieve many of the SED's desired outcomes, this program's funding can be reduced.

<u>21st Century Innovation Infrastructure</u>	0	\$133,280	0	-\$37,280
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EDA requests a reduction in funding for the 21st Century Innovation Infrastructure Program (Successor to Public Works) and a commensurate increase for the Economic Adjustment Assistance Program, which can and does fund similar projects, but has somewhat greater flexibility. The statutory provisions that apply to the Economic Adjustment Assistance Program provide for single application planning and implementation grants that speed assistance to communities suffering sudden and severe economic dislocations, such as those associated with natural disasters and the current economic crisis.

<u>Partnership Planning</u>	0	\$31,000	0	-\$4,000
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Funding will be decreased for EDA's Partnership Planning Program (Successor to Planning) to bring the program to its statutorily required level. The Partnership Planning Program provides a foundation for EDA's infrastructure investments, which are designed to stimulate economic growth in distressed regions. The planning process supports an assessment of the region's economic conditions and the development of a Comprehensive Economic Development Strategy (CEDS) to guide resource allocation and project development. The key value of this process is that it is locally determined and involves participation from all the diverse interests in the community.

<u>Technical Assistance</u>	0	\$9,800	0	+\$8,600
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Funding will be increased for EDA's Technical Assistance Program to bring the expertise of America's world-class universities to bear on the economic challenges faced in almost every region of our country. The University Center (UC) and Technical Assistance sub-programs will increase EDA's ability to foster regional innovation clusters. Specifically, the increase to base resources will enable EDA to strategically invest in projects that stimulate commercialization, promote technology based economic development, and encourage regional economic development. EDA will utilize some of the Technical Assistance funds for FY 2012 to support place-based strategies such as a national competition designed to encourage distressed or transitioning cities to develop comprehensive economic, workforce and sustainable development strategies that can foster economic potential of the community.

<u>Trade Adjustment Assistance</u>	0	\$15,800	0	-\$15,800
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Funding will be eliminated for the Trade Adjustment Assistance for Firms (TAA) Program as the underlying issues that are confronted by these types of investments can be addressed more cost-effectively and more quickly using other EDA programs that can provide critical public infrastructure or strategic technical assistance designed to help communities support business creation and expansion. While EDA proposes eliminating this program, the bureau continues to recognize the significant impacts that trade is having across the country. In order to more effectively address these impacts, EDA has implemented deliberative strategies and investment priorities which enable all of the bureau's programs to be utilized to help mitigate the negative impacts of trade, encourage export potential of business, and increase the competitiveness of regions across the country.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Economic Adjustment Assistance</u>	0	\$38,620	0	+\$46,280

EDA is requesting a shift of funding from the 21st Century Innovation Infrastructure Program, which has somewhat lesser flexibility than the Economic Adjustment Assistance Program. Additionally, EDA is requesting additional funds for this program to expand the Agency's ability to fully support and leverage the promise afforded by the Regional Innovation Clusters framework. The Regional Innovation Clusters component supports early-stage cluster initiative activities to begin planning, asset mapping, and feasibility and implementation studies. It also provides enhanced grant funding for cluster initiative programs that promote the activities of specific regional cluster initiatives, including targeted infrastructure investments that support the growth of clusters. EDA will utilize some of the Economic Adjustment Assistance funds in FY 2012 to support place-based strategies, such as the Taskforce for the Acceleration of Regional Innovation Clusters (TARIC), a collaborative inter-agency group focused on identifying mechanisms for support economic development through promotion of regional innovation cluster framework, Regional Business Plans, and other initiatives.

<u>Regional Innovation Program (Growth Zones)</u>	0	\$0	0	+\$40,000
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In FY 2012, this program will be specifically targeted to support Growth Zones, a collaborative, multi-agency effort to stimulate regional economic development. Specifically, the program will support a nationwide competition to encourage 20 communities to develop and implement regional strategic plans that identify how the community can build on assets and link to drivers of regional economic growth in order to stimulate job creation, business expansion and creation, and enhanced regional prosperity.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

In FY 2012, the Department will complete the reorganization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. EDA's program activities support the theme of Economic Growth, two corresponding goals (Innovation and Entrepreneurship and Market Development and Commercialization), and three objectives – Stimulate high growth business formation and entrepreneurship, through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization (Objective 3); Promote and support the advancement of green and blue technologies and industries (Objective 6); and, Promote competitiveness of disadvantaged and distressed communities and businesses (Objective 7). EDA's GPRA performance measures capture the impact of EDA's investments in terms of job creation and private sector leverage and help EDA assess its performance against its goal of cultivating economic development in communities across the country. EDA's focuses on assessing the outcomes of EDA investments, and identifying mechanisms for ensuring continuous improvement. EDA continues to work to improve its methods for tracking, reporting, and evaluating performance against key goals. EDA has also taken steps to implement new management tools, including a balanced scorecard and a dashboard, and is working to implement a more competitive and standardized grant making process, in order to ensure that the Agency is able to most effectively accomplish its mission. Below are EDA's current performance outcomes and selected measures. A more detailed description of these objectives and measures is in the EDA section of the Department of Commerce budget.

	FY 2010 Actual	2011 CR (Annualized)/ Targets	FY 2012 Estimate/Target
Objective 3: Stimulate high growth business formation and entrepreneurship, through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization ¹	\$107.2	\$107.2	\$134.1
Objective 6: Promote and support the advancement of green and blue technologies and industries	\$25.0	\$25.0	\$16.5
Objective 7: Promote competitiveness of disadvantaged and distressed communities and businesses ¹	\$122.8	\$122.8	\$133.8
Private sector dollars invested in distressed communities as a result of EDA investments ²	\$2,758M from 2001 investments \$2,281M from 2004 investments \$1,544M from 2007 investments	\$261M by 2014 \$652M by 2017 \$1,303M by 2020	\$273M by 2015 \$683M by 2018 \$1,366M by 2021
Jobs created or retained in distressed communities as a result of EDA investments ²	66,527 from 2001 investments 26,695 from 2004 investments 9,159 from 2007 investments	6,330 by 2014 15,825 by 2017 31,650 by 2020	6,642 by 2015 16,605 by 2018 33,210 by 2021
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	89.1%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	87.1%	89%	89%
% of University Center (UC) clients taking action as a result of University Center assistance	75.9%	75%	75%
% of those actions taken by UC clients that achieve the expected results	89.8%	80%	80%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	82.2%	90%	N/A
% of those actions taken by TAAC clients that achieved the expected results	100%	95%	N/A
Total ³	\$255	\$255	\$284.3

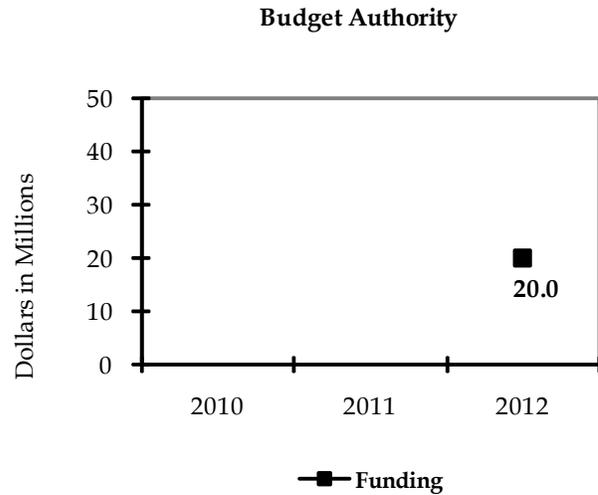
¹ All of EDA's performance measures support DOC Objectives 3 and 7 with the following exception: TAAC performance measures support Objective 7 exclusively.

² For investments made in FY 2010, FY 2011, and FY 2012, long-term outcome results are reported by investment recipients over a period of nine years at three year intervals. EDA's nine-year targets are derived from a mid-1990s Rutgers University research project that identified and analyzed the actual jobs and private investment generated by EDA investments. EDA's three- and six-year targets are estimates of the percentage of the nine-year projection that will be achieved in those respective time periods. These estimates have been found to underestimate actual results. Both of these performance measures support DOC Objectives 3, 6, and 7.

³ All funding amounts do not include reimbursable, one-time costs, and legislative proposal programs since these vary widely from year to year. FY targets are directly dependent on funding amounts, so the funding amount reflects the S&E and EDAP appropriated levels since those are the only certain funding amounts.

Wireless Innovation Fund (WIN)

The President's Wireless Innovation and Infrastructure Initiative (WI3) proposes to reallocate a total of 500 megahertz of Federal agency and commercial spectrum bands over the next 5 years in order to increase Americans' access to wireless broadband. The auctions of reallocated spectrum licenses are expected to raise more than \$27 billion by 2021. Repurposing spectrum will greatly facilitate access for smart phones, portable computers, and innovative technologies that are on the horizon. This effort will also enhance America's public safety, infrastructure, and competitiveness by investing some of the expected receipts in the creation of a broadband network for public safety, expanding access to wireless broadband in rural America, and a Wireless Innovation (WIN) Fund to help develop cutting edge wireless technologies.



As part of this initiative, EDA will participate by creating a WIN challenge program designed specifically to leverage public/private partnerships to build or upgrade the 21st century innovation inputs that foster regional competitiveness. Through the new WIN challenge program EDA will catalyze public and private community investments to demonstrate next generation technologies and applications drawing upon "bottom up" innovations.

Summary of Appropriations

Funding Levels

Appropriation, Mandatory	2010 <u>Actual</u>	2011 CR <u>Annualized</u>	2012 <u>Estimate</u>	Increase (Decrease)
Wireless Innovation Fund (WIN)	\$0	\$0	\$20,000	\$20,000

Highlights of Budget Changes

Appropriation, Mandatory: Wireless Innovation Fund (WIN)

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			0	\$0
Adjustments to Base			0	0
2012 Base			0	0
Program Changes			0	20,000
2012 Mandatory Budget Authority			0	20,000

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$0	0	\$0	0	\$20,000	0	\$20,000
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	20,000	0	20,000
FINANCING								
Unobligated balance, start of year	0	0			0	0		
TOTAL MANDATORY BUDGET AUTHORITY	0	0			0	20,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Wireless Innovation Fund (WIN)	0	\$0	0	+\$20,000

The President's Wireless Innovation and Infrastructure Initiative (WI3) will be an important component of EDA's toolkit for fostering regional competitiveness and economic development in distressed communities. This program will provide EDA with the ability to assist communities in expanding or cultivating new innovation-based infrastructure that will promote the competitiveness of the regional economy. Through this program, EDA will be able to help communities leverage their full economic potential by providing access to a range of innovation related infrastructure.

The rationale for the FY 2012 request for EDA's WIN Program is intuitive: regional economies need 21st century infrastructure if they are to become and remain globally competitive. However, state and local government revenues have plummeted since the current recession began in December 2007 and the communities EDA serve are caught in a declining revenue spiral at precisely the time they need to make significant investments. The newly created WIN program will enable EDA to make strategic investments that create jobs and attract private investment, both of which restore the local tax base. These critical needs require significant financial commitments, at a time when state and local governments are increasingly finding it difficult if not impossible to do so.

Bureau of the Census

The mission of the Bureau of the Census (Census), within the Economics and Statistics Administration, is to serve as the leading source of quality data about the Nation's people and economy. To accomplish this mission, Census measures those trends and segments of our population and economy most critical to continued American success and prosperity.

The President's FY 2012 budget request will enable the Department of Commerce to achieve its goal of generating and communicating new, cutting-edge scientific understanding of technical, economic, social, and environmental systems by improving understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted, and accurate data, standards and services enabling entities to make informed decisions. Census's cyclical programs include the Economic Census and the

Census of Governments, conducted every five years, and the Decennial Census, conducted every ten years. The Census Bureau will continue releasing data from the 2010 Census and conduct evaluations of the census while embarking on a program of research and development for the 2020 Census. In addition, the Census Bureau will continue conducting the American Community Survey. Census also conducts a number of current demographic and economic surveys, produces

population estimates between decennial censuses, and produces new survey samples for Federal statistical programs.

Census continually re-evaluates each of its programs to ensure they best meet the needs of policymakers, businesses, and the public. As part of this ongoing evaluation, the FY 2012 budget includes funding for program enhancements for the 2020 Census, the Government Statistics program, the Current Population Survey, and an initiative to explore the best uses of Administrative Records in data collection. It also includes several non-critical program terminations and reductions to partially offset these higher-priority program enhancements.

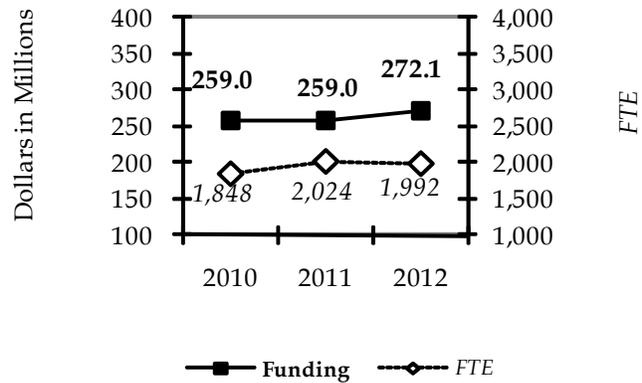
Further details are provided under the "Highlights of Budget Changes" section.

Census is funded through the following appropriations:

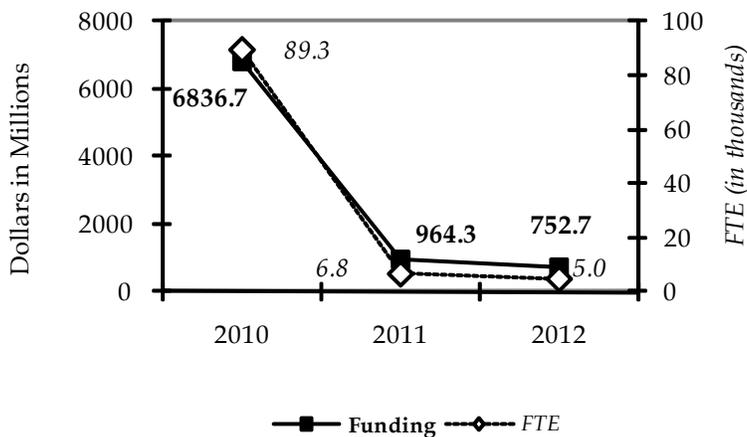
The **Salaries and Expenses** appropriation provides for monthly, quarterly, and annual surveys, and other programs that are used for planning by both the public and private sectors. Census's current economic programs count and profile U.S. businesses and government organizations. Current population and housing surveys and analyses provide detailed and integrated information on the social, demographic, economic, and housing conditions of the United States.

The **Periodic Censuses and Programs** appropriation funds the Decennial Census which is conducted every ten years, and the Economic Census, and the Census of Governments, which are conducted every five years. It also funds other programs, including the American Community Survey (ACS), which produces annual, detailed community-level demographic socio-economic data, and thus allows the Decennial Census to focus on collecting only the basic

Salaries and Expenses



Periodic Censuses and Programs



demographic data. Other programs include Intercensal Demographic Estimates and Geographic Support. All of these data are a valuable resource for both Federal and local decision-makers. Finally, two programs, Demographic Surveys Sample Redesign and Data Processing Systems, provide critical infrastructure to Census Bureau surveys and censuses.

The Personal Responsibility and Work Opportunity Reconciliation Act of FY 1996, also known as the Welfare Reform Act (P.L. 111-291, Extended) established and funded (through mandatory appropriations) the **Survey of Program Dynamics (SPD)**. The SPD provides policy makers with socioeconomic data to evaluate the impact of the welfare reforms on state welfare program recipients.

The Medicare, Medicaid, and State Children's Health Insurance Program Bill (P.L. 106-113) established and funded (through mandatory appropriations) the **State Children's Health Insurance Program (SCHIP)**. The SCHIP produces statistically reliable annual state data on the number of low-income children who do not have health insurance coverage. Data from the SCHIP is used to allocate funds to states based on statistics from the March Income Supplement to the Current Population Survey (CPS). The SCHIP program was recently reauthorized by the Children's Health Insurance Program Reauthorization Act of 2009 (P.L. 111-3).

The **Working Capital Fund (WCF)** is a non-appropriated account used to finance services within Census, which are more efficiently performed on a centralized basis. The WCF also includes reimbursable work Census performs for other Federal agencies, state and local governments, foreign governments, and the private sector.

Summary of Appropriations

Funding Levels

	2010	2011 CR	2012	Increase
	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Discretionary Appropriations				
Salaries and Expenses	\$259,024	\$259,024	\$272,054	\$13,030
Periodic Censuses and Programs	6,965,707	964,315	752,711	(211,604)
Total Discretionary Appropriation	7,224,731	1,223,339	1,024,765	(198,574)
Permanent Appropriation				
Survey of Program Dynamics	10,000	10,000	10,000	0
State Children's Health Insurance Program	20,000	20,000	20,000	0
Rescission from PCP (P.L. 111-224)	(129,000)	0	0	0
Budget Authority				
Salaries and Expenses	289,024	289,024	302,054	13,030
Periodic Censuses and Programs	6,836,707	964,315	752,711	(211,604)
TOTAL BUDGET AUTHORITY	7,125,731	1,253,339	1,054,765	(198,574)
FTE				
Salaries and Expenses	1,848	2,024	1,992	(32)
Periodic Censuses and Programs	89,328	6,838	4,974	(1,864)
Total Discretionary FTE	91,176	8,862	6,966	(1,896)
Mandatory	280	297	274	(23)
Working Capital Fund	2,148	3,368	2,393	(975)
Total FTE	93,604	12,527	9,633	(2,894)

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			2,024	\$259,024
Adjustments to Base				
<u>Adjustments</u>				
Restoration of base/FTE realignment			1	5,499
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$285)		
Federal Employees' Retirement System (FERS)		477		
Thrift Savings Plan		505		
Federal Insurance Contributions Act (FICA) - OASDI		237		
Health insurance		868		
Employees' Compensation Fund		149		
Travel - Per Diem		35		
Travel - Mileage		(355)		
Rent payments to GSA		197		
Printing and reproduction		13		
Other services:				
NARA		(4)		
Working Capital Fund		314		
Commerce Business System		118		
General Pricing Level Adjustment:				
Transportation of things		17		
Communications, utilities, and misc. charges		19		
Other services		2,714		
Supplies and materials		33		
Equipment		63		
Subtotal, other cost changes			0	5,115
Subtotal, adjustments to base			1	10,614
TOTAL, ADJUSTMENTS TO BASE			1	10,614
2012 Base			2,025	269,638
Administrative Savings			(6)	(661)
Program Changes			(27)	3,077
2012 APPROPRIATION			1,992	272,054

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Current surveys and statistics								
Current economic statistics	1,270	\$179,217	1,259	\$185,707	1,233	\$181,928	(26)	(\$3,779)
Current demographic statistics	726	75,821	735	78,396	712	78,524	(23)	128
Survey development and data services	28	3,986	31	5,535	47	11,602	16	6,067
Subtotal, Discretionary Obligations	2,024	259,024	2,025	269,638	1,992	272,054	(33)	2,416
Survey of Program Dynamics	61	10,000	57	10,000	57	10,000	0	0
State Children's Health Insurance Program	236	22,761	217	20,000	217	20,000	0	0
TOTAL DIRECT OBLIGATIONS	2,321	291,785	2,299	299,638	2,266	302,054	(33)	2,416
FINANCING								
Unobligated balance start of year, SCHIP	0	(2,761)	0	0	0	0	0	0
Less Permanent Appropriation	(297)	(30,000)	(274)	(30,000)	(274)	(30,000)	0	0
TOTAL DISCRETIONARY BUDGET AUTHORITY / APPROPRIATION	2,024	259,024	2,025	269,638	1,992	272,054	(33)	2,416

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, the Census Bureau has identified \$20,000,000 in administrative savings, of which \$991,000 is savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details), \$18,348,000 is attributed to the Periodic Censuses and Programs (PC&P) account, and \$661,000 is identified here in the Salaries and Expenses (S&E) account. The S&E savings come in the area of human capital, focusing on position management and control and reduced workers compensation costs. The administrative savings identified above represent real reductions to the Census Bureau's funding level and will help reduce overall spending by the Federal Government.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Current Economic Statistics</u>	1,259	\$185,707	-26	-\$3,779
Administrative Savings	N/A	N/A	-4	-\$443
Current Industrial Reports	35	\$4,012	-35	-\$4,012

The FY 2012 Request includes a decrease of \$4.0 million to terminate the Current Industrial Reports Program to fund higher priority programs. Census continues to measure the manufacturing sector through other current program data collection efforts such as the Annual Survey of Manufacturers (ASM), the Monthly Manufacturers' Shipments, Inventories, & Orders (M3), the Quarterly Financial Report (QFR), the Annual Capital Expenditures, Survey (ACES), and other products.

Measuring E-Business	3	\$2,246	-0	-\$1,500
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This reduction reflects efficiencies gained over the last few years in the production of these data as they have become more integrated with the larger data collection efforts within the Economic Statistics programs.

Revitalize Government Statistics	16	\$1,964	19	+\$2,882
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The Census Bureau requests an increase to revitalize the Government Statistics program by developing new methodologies for measuring revenues, expenditures, and financial assets for publicly sponsored pension plans and for measuring costs and liabilities for other post-employment benefits (e.g. health insurance) for public employees.

Federal Financial Statistics	6	\$706	-6	-\$706
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The FY 2012 Request includes a decrease of \$0.7 million to terminate the Federal Financial Statistics Program to fund higher priority programs.

<u>Current Demographic Statistics</u>	735	\$78,396	-23	+\$128
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Administrative Savings	N/A	N/A	-2	-\$192
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Current Population Survey	110	\$11,574	36	+\$5,000
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The FY 2012 request includes \$5 million to allow the Census Bureau to expand its research and production capacities, and work in coordination with the Bureau of Labor Statistics, to supplement the official poverty measures with annual measures of poverty from the Current Population Survey.

Survey of Income and Program Participation	519	\$51,414	-34	-\$1,000
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This decrease reflects completion of Event History Calendar field tests. The remaining funding will allow the Census Bureau to continue collecting data at the full sample size, and continue the reengineering process.

	<u>Base</u>		<u>Increase/Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Population Distributions	6	\$1,207	-6	-\$1,207

This program is being terminated in order to fund higher priority programs. This termination will eliminate support to the Intercensal Demographic Estimates program through analysis of population estimates data and creation of value-added products that disseminate those data. It will also eliminate updates to the geographic base for the Intercensal Demographic Estimates Program.

Demographic Call Center	5	\$942	-5	-\$942
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The Demographic Call Center is a resource for data users to ask questions about demographic data produced by the Census Bureau. These functions will be transferred to another office, resulting in efficiencies.

Foreign Research and Analyses	12	\$1,531	-12	-\$1,531
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This program is being terminated in order to fund higher priority programs. Funds provided by this program are used principally to update population estimates and projections for nearly 70 countries and areas.

<u>Survey Development and Data Services</u>	31	\$5,535	16	+\$6,067
Administrative Savings	N/A	N/A	-0	-\$26
Statistical Abstract and Supplements	24	\$2,907	-24	-\$2,907

This program is being terminated in order to fund higher priority programs.

Administrative Records	0	\$0	40	+\$9,000
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This program initiative will allow us to enhance the ability of the Federal statistical system to utilize administrative records. We will expand the Census Bureau's administrative records infrastructure to support various cross-cutting administrative records initiatives, including a 2010 Census simulation and a health pilot project involving the National Center for Health Statistics. The Economic Research Service (ERS) will also partner with researchers to analyze food security issues and program participation using relevant state-level administrative data. The Census Bureau shares an interest in these issues, which will improve our understanding of Title 13 nutrition assistance survey data, and may enhance the Supplemental Poverty Measure. ERS proposes several projects using linked administrative data. These pilot projects are designed to address existing barriers to more complete use of administrative data while at the same time contributing substantive topical knowledge in critical fields.

Appropriation: Periodic Censuses and Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			6,838	\$964,315
FTE Reduction	(144)		(144)	0
Adjustments to Base				
<u>Adjustments:</u>				
FTE Realignment			44	0
Reduction of 2011 Pay Raise			0	(2,295)
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$418)		
Federal Employees' Retirement System (FERS)		699		
Thrift Savings Plan		740		
Federal Insurance Contributions Act (FICA) - OASDI		356		
Health insurance		1,215		
Employees' Compensation Fund		3,716		
Travel - Per Diem		166		
Travel - Mileage		(1,355)		
Rent payments to GSA		272		
Printing and reproduction		42		
Working Capital Fund		(798)		
General Pricing Level Adjustment:				
Transportation of things		22		
Communications, utilities, and misc. charges		70		
Other services		1,431		
Supplies and materials		42		
Equipment		158		
Subtotal, other cost changes			0	6,358
Subtotal, adjustments to base			(100)	4,063
Less Amount Absorbed			0	(2,743)
TOTAL, ADJUSTMENTS TO BASE			(100)	1,320
2012 Base			6,738	965,635
Administrative Savings			(61)	(18,348)
Program Changes			(1,703)	(194,576)
2012 APPROPRIATION			4,974	752,711

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Economic statistics programs:								
Economic censuses	596	\$113,494	601	\$113,503	662	\$124,292	61	\$10,789
Census of governments	61	8,376	61	8,206	78	10,471	17	2,265
Subtotal, Economic statistics	657	121,870	662	121,709	740	134,763	78	13,054
Demographic statistics programs:								
Intercensal demographics estimates	72	10,741	71	10,603	71	10,092	0	(511)
2010 Decennial census program	5,708	813,243	5,572	716,638	3,456	430,856	(2,116)	(285,782)
2020 Decennial census	0	0	0	0	284	67,000	284	67,000
Subtotal, Demographic statistics	5,780	823,984	5,643	727,241	3,811	507,948	(1,832)	(219,293)
Demographic surveys sample redesign	74	12,054	71	11,772	62	9,833	(9)	(1,939)
Geographic support	327	68,849	362	69,163	361	67,735	(1)	(1,428)
Data processing system	0	35,559	0	35,750	0	32,432	0	(3,318)
TOTAL DIRECT OBLIGATIONS	6,838	1,062,316	6,738	965,635	4,974	752,711	(1,764)	(212,924)
FINANCING								
Unobligated balance, start of year	(144)	(1,838,001)	0	0	0	0	0	0
Unobligated balance, expiring	0	1,740,000	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY/ APPROPRIATION	6,694	964,315	6,738	965,635	4,974	752,711	(1,764)	(212,924)

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, the Census Bureau has identified \$20,000,000 in administrative savings, of which \$991,000 is savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details), \$661,000 is attributed to the Salaries and Expenses (S&E) account, and \$18,348,000 is identified here in the Periodic Censuses and Programs (PC&P) account. The Census Bureau has targeted a number of areas in PC&P to achieve its savings. Acquisition plans for FY 2012 account for \$9,920,000 in savings. In the area of human capital, the Census Bureau expects to reduce its costs by \$5,736,000 through position management and control and reduced workers compensation costs. Another \$1,357,000 in administrative savings has been identified in logistics plans and in general administrative support by limiting discretionary travel and printing, as well as consolidating facilities. The Census Bureau has also identified \$1,335,000 in savings tied to IT related items, through closing, ahead of schedule, a data center established for the 2010 Census. The administrative savings identified above represent real reductions to the Census Bureau's funding level and will help reduce overall spending by the Federal Government.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Economic Census</u>	601	\$113,503	61	+\$10,789
Administrative Savings			-4	-\$1,878
Cyclical Program Change			65	+\$12,667

The Census Bureau conducts the economic census every five years. It is integral to the Bureau of Economic Analysis (BEA) estimates of Gross Domestic Product (GDP) and industry inputs and outputs. It provides decision-makers with comprehensive, detailed, and authoritative facts about the structure and functioning of the U.S. economy. It is the foundation of the nation's economic statistics programs, providing core information on virtually all non-farm businesses and related data on business expenditures, commodity flows, minority and women-owned businesses, and other topics. Fiscal Year 2012 is the third year of the six-year 2012 Economic Census funding cycle. The focus of activity for FY 2012 is the development of the collection instruments and processing systems to be used in the 2012 Economic Census. Specific activities include outreach with over 1,500 of the largest companies about the census, development and creation of electronic tools and the Business Help Site to service respondent needs, conduct of a classification mailing in preparation of the census mail list, creation of the mail frame through the processing of 100+ million administrative records, printing of millions of report forms, and development of the processing systems to be used in the 2012 Economic Census.

<u>Census of Governments</u>	61	\$8,206	17	+\$2,265
Administrative Savings			0	-\$409
Cyclical Program Change			17	+\$2,674

The Census Bureau conducts the census of governments every five years. Like the Economic Census, it is integral to the BEA's estimates of GDP. It is the only source of comprehensive and uniformly classified data on the economic activities of more than 90,000 state and local governments, which account for about 12 percent of GDP and nearly 16 percent of the U.S. workforce. The 2012 Census of Governments consists of three components: government organization, public employment, and government finances. Fiscal Year 2012 funding is requested primarily for data collection and processing in the organization component; data preparation and initiation of data collection and processing in the employment component; and the preparation for and start of data collection and processing in the finance component. Key objectives of the FY 2012 work are the identification of the universe, collection of data about the universe characteristics, and the start of employment and finance data collection.

<u>Intercensal Demographic Estimates</u>	71	\$10,603	0	-\$511
Administrative Savings			0	-\$511

This reduction reflects program's share of the Administrative Efficiency Initiative described previously.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>2010 Decennial Census Program</u>	5,572	\$716,638	-2,116	-\$285,782
Administrative Savings	N/A	N/A	-44	-\$9,767
2010 Census Cyclical Program Change	2,921	\$455,206	-2,193	-\$284,693

As mandated in the U.S. Constitution, the decennial census provides the official population counts for determining the allocation to states of seats in the U.S. House of Representatives, and for determining how the districts are defined for those seats. The program also provides data for small geographic areas and population groups that federal agencies need to implement legally mandated programs. In FY 2012, activities will focus on continuing the evaluations, assessments, and experiments related to 2010 Census operations; conducting the Count Question Resolution Program; developing and disseminating the 2010 Census data products; working to archive response data and questionnaire images; conducting ongoing maintenance and support of the Data Access and Dissemination System (DADS), including continued incremental implementation of the DADS II system; and conducting closeout activities of 2010 Census contracts.

American Community Survey Program Change	2,544	\$247,544	130	+\$8,814
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FY 2012 funds will continue the full implementation of the American Community Survey, annualizing the increase in the nationwide sample size initiated in FY 2011.

MAF/TIGER Enhancement Program Change	107	\$13,888	-9	-\$136
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This reduction reflects funding efficiencies achieved in field offices.

<u>2020 Decennial Census</u>	0	\$0	284	+\$67,000
Administrative Savings			-12	-\$2,257
2020 Census Cyclical Program Change			296	+\$69,257

Fiscal Year 2012 is the first year of a three-year research and testing phase of the 2020 Census. The Census Bureau is committed to designing and conducting a 2020 Census that costs less per housing unit than the 2010 Census while maintaining high quality results. To achieve its cost and quality targets and meet its strategic goals, the Census Bureau is evaluating fundamental changes to the design, implementation, and management of the decennial census. Substantial innovation and improvements are necessary to prevent another large increase in costs, while still maintaining high quality. The FY 2012 key program activities lay the foundation for managing and testing new decennial census systems and methods. Consequently, the 2020 Census program management, systems engineering, and research and testing efforts in FY 2012 center on:

- Developing study plans and conducting qualitative test for evaluating response options, including electronic modes;
- Developing administrative records research plans and supporting alternative systems to focus on decennial needs;
- Developing study plans and concept models for measuring the error in the Master Address File in support of the Geographic Support program;
- Finalizing critical plans for ensuring integrated and effective management of the 2020 Census program, such as risk management;
- Completing systems engineering activities for laying the foundation to development standards and methods as well as beginning architectural development, placing the IT infrastructure for the 2020 Census within the Census Bureau's architecture;
- Developing qualitative and field test plans for operationalizing and assessing the research agenda; and

- Benchmarking the integrated IT infrastructure and field automation logic and high-level requirements for early prototyping.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Demographic Surveys Sample Redesign</u>	71	\$11,772	-9	-\$1,939
Administrative Savings			0	-\$439
Program Change			-9	-\$1,500

The budget contains a decrease in funds for research and development into improvements to the program in order to fund higher priority programs. The level of funding in the FY 2012 request will allow the program to meet its ongoing objectives.

<u>Geographic Support</u>	362	\$69,163	-1	-\$1,428
Administrative Savings			-1	-\$1,428

This reduction reflects program's share of the Administrative Efficiency Initiative described previously.

<u>Data Processing Systems</u>	0	\$35,750	0	-\$3,318
Administrative Savings			0	-\$1,659
Program Change			0	-\$1,659

The data processing systems activity funds information technology services supporting Census Bureau enterprise needs. A funding reduction is included in the FY 2012 request to reflect diminished needs resulting from reductions and terminations to other programs in the FY 2012 request.

Performance Objectives and Measures

(Dollars reflect obligations in Millions and Include Reimbursable Funding)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of Census's program activities support the theme of Science and Information and corresponding goal of Generating and communicating new, cutting-edge scientific understanding of technical, economic, social, and environmental systems while appearing within one objective – Improve understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions (Objective 14). A more detailed description of these outcomes and their measures can be found in the Census section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
Objective 14: Improve understanding of the U.S. economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions	\$6,438.1	\$1,690.2	\$1,329.2
Produce timely, relevant, and accurate measures showing the dynamics of local job markets and identifying the changing structure of the U.S. economy and its effect on jobs.	New	New	For states that provide wage records on schedule, Census will produce Quarterly Workforce Indicators for at least 90 percent of those states on time every quarter.
Release monthly export statistics on schedule	New	New	100%
Achieve pre-determined collection rates for Census Bureau surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public.	90% of key censuses and surveys met or exceeded their pre-determined collection rates at planned levels of reliability.	At least 90% of key surveys meet or exceed pre-determined collection rates at planned levels of reliability.	At least 90% of key surveys meet or exceed pre-determined collection rates at planned levels of reliability
Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public.	(1) 100% of economic indicators were released on schedule. (2) At least 90% of other data products from key censuses and surveys were released on schedule.	(1) 100% of economic indicators released on schedule. (2) At least 90% of other data products from key censuses and surveys released on schedule.	(1) 100% of economic indicators released on schedule. (2) At least 90% of other data products from key censuses and surveys released on schedule.
Meet or exceed overall Federal score of customer satisfaction on the E-Government American Customer Satisfaction Index.	Score was lower in 2 of 4 quarters	Meet or exceed overall Federal score.	The Census Bureau will develop a new measure of Customer Satisfaction and implement it in FY 2012.
Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public and meet constitutional and legislative mandates.	At least 90% of key preparatory activities were completed on time	At least 90% of key preparatory activities completed on schedule.	At least 90% of key preparatory activities completed on schedule
Correct street features in TIGER database to more effectively support Census Bureau censuses and surveys; facilitate the geographic partnerships between federal, state, local and tribal governments; and support the E-Government Initiative in the President's Management Agenda.	Increase TIGER update submissions electronically by 51%.	N/A	N/A

High Priority Performance Goals

High priority performance goals (HPPG) are a clear statement of the specific, measurable, ambitious near-term priority targets chosen by the senior leaders of major federal agencies. The HPPGs communicate the performance improvements each agency is trying to accomplish relative to its priorities using existing legislative authority, previously appropriated funds, and funding at levels proposed in the President’s FY 2012 Budget. The HPPGs constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes the HPPGs from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

Census has the following high priority performance goal along with three associated measures: Effectively execute the 2010 Census, and provide the states with accurate and timely redistricting data. (Timely completion of milestones to conduct the 2010 Census and provide redistricting data as mandated by law.)

- Achieve an accuracy level of an overall net coverage error at the national level of less than one-half of one percent.

The overall net coverage error is determined by an independent follow-up survey which measures the accuracy of the census results. The survey estimates both the number of households missed and those either mistakenly counted or counted multiple times. The undercount and overcount percentages are derived by subtracting the number of people counted in the census from the number of people measured in the survey and then dividing by the estimate of the total population according to the survey. A net overcount occurs if the resulting percentage is negative, while a positive percentage indicates a net undercount. Results from the survey do not appear until FY 2012.

	FY 2012
Measure	Target
Achieve an accuracy level of an overall net coverage error at the national level of less than one-half of one percent.	+/-0.5%

Census had the following milestones six of which it achieved in FY 2010 and one that is ongoing.

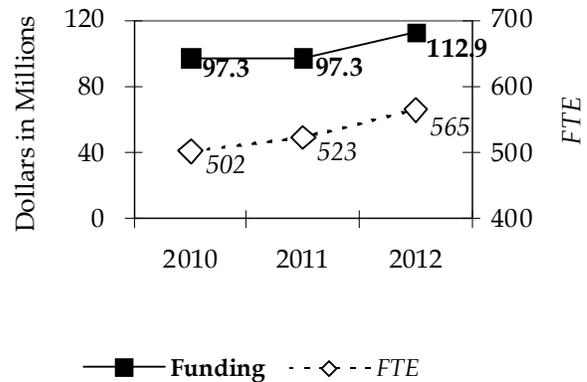
Milestone	Completion Date	
	Estimated	Actual
Deliver 2010 Census Questionnaires: Delivered 2010 Census questionnaires which consisted of the mailing of advance letters, initial questionnaires, reminder postcards, and replacement mailings.	4/10/2010	4/9/2010
Update Leave and Update Enumerate: Conducted update leave and update enumerate operations in which enumerators deliver census questionnaires or conduct interviews in communities that may not have a house number and street name address.	5/29/2010	6/1/2010
Group Quarters Enumeration: Conduct enumeration of group quarters. The operation consists of the field enumeration of individuals in group quarters, such as college dormitories, correctional facilities, military vessels, and nursing facilities.	7/6/2010	7/27/2010
Nonresponse Follow-up: Conducted nonresponse follow-up operation which includes follow-up visits and phone calls to all housing units that did not respond to the mailout questionnaires.	7/10/2010	7/10/2010
Coverage Follow-up: Conduct coverage follow-up operation which resolves erroneous information in initial census operations.	8/13/2010	8/14/2010
Vacant Delete Check: Conduct vacant delete check operation by confirming vacant or nonexistent housing unit statuses identified during nonresponse follow-up.	8/25/2010	8/25/2010
Census Coverage Measurement: Operations for census coverage measurement. These are independent of the other census operations. They are designed to provide estimates of net coverage error and erroneous enumerations for persons in housing units and for the housing units themselves.	5/15/2011	Ongoing

Economic and Statistical Analysis

Includes the Bureau of Economic Analysis and the Economics and Statistics Administration Headquarters

The United States is widely recognized as the world’s economic information leader, due in large part to the timely, relevant, and accurate data and analyses produced by the Economics and Statistics Administration’s (ESA) Bureau of Economic Analysis (BEA) and the Bureau of the Census. BEA produces some of the Nation’s most important economic statistics, including the gross domestic product (GDP) and the balance of payments; the Bureau of the Census conducts the quinquennial Economic Census and produces important economic measures, including durable goods, wholesale and retail trade, and new construction. ESA provides economic policy analysis that is used by the President and Congress and business leaders in decision-making, and ultimately affects the lives of all Americans.

Budget Authority and FTE



ESA includes: **ESA Headquarters, the Bureau of Economic Analysis (BEA), and the Bureau of the Census.**

ESA Headquarters staff consists of the Office of the Under Secretary for Economic Affairs, economists and policy support staff, and support personnel. The Under Secretary for Economic Affairs provides leadership and executive oversight of all ESA activities including BEA and the Census Bureau. ESA’s economists provide real time, sophisticated economic research and policy analysis directly in support of the Secretary of Commerce and the Administration. ESA monitors and interprets economic developments and domestic fiscal and monetary policies, and analyzes economic conditions and policy initiatives of major trading partners.

Bureau of Economic Analysis (BEA). Funding requested in FY 2012 will help BEA achieve its mission to promote a better understanding of the U.S. economy by providing timely, relevant and accurate economic accounts data in an objective and cost-effective manner. Although BEA is a relatively small agency, it produces economic statistics that are among the Nation’s most closely watched. These statistics influence critical decisions made by policy makers, business leaders, households and individuals that affect interest and exchange rates, tax and budget projections, business investment plans, and the allocation of over \$300 billion in Federal funds to states and local communities.

The National Income and Product Accounts (NIPAs), which feature the GDP statistics and related measures, are the cornerstone of BEA’s statistics. Since their inception, BEA has continuously improved and expanded them to keep pace with the constantly changing nature of the U.S. economy. Today, BEA prepares national, regional, industry and international economic accounts that present essential information on such issues as regional economic development, inter-industry relationships, and the Nation’s position in the world economy.

The FY 2012 budget allows BEA to maintain the relevance of all of its economic accounts, as outlined in its five-year Strategic Plan, which provides a detailed outline for improving the quality and accuracy of BEA economic statistics. The BEA Strategic Plan, which is reviewed and provided to stakeholders annually, calls for a number of ambitious undertakings to improve its measures in FY 2012 to better meet its mission.

The **Bureau of the Census** budget is discussed in its own section of the Budget in Brief, as it receives its funding from a separate appropriation.

Summary of Appropriations

Funding Levels

Appropriation	<u>2010 Actual</u>	<u>2011 CR (Annualized)</u>	<u>2012 Estimate</u>	<u>Increase (Decrease)</u>
Salaries and Expenses	\$97,255	\$97,255	\$112,937	\$15,682
TOTAL, BUDGET AUTHORITY	97,255	97,255	112,937	15,682
 FTE				
Salaries and Expenses	502	523	565	42
Reimbursable	30	37	37	0
Revolving Fund	9	0	0	0
TOTAL	541	560	602	42

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			523	\$97,255
Adjustments to Base				
<u>Adjustments</u>				
Restoration of Base			3	1,730
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$66)		
Federal Employees' Retirement System (FERS)		111		
Thrift Savings Plan		44		
Federal Insurance Contributions Act (FICA) - OASDI		(24)		
Health insurance		246		
Employees' Compensation Fund		(3)		
Travel: Per Diem		19		
Travel: Mileage		(1)		
Rent payments to GSA		1,456		
Printing and reproduction		3		
NARA		2		
Other services: Working Capital Fund		49		
General Pricing Level Adjustments				
Communications, utilities, and miscellaneous charges		52		
Other services		309		
Supplies		26		
Equipment		36		
Subtotal, other cost changes			0	2,259
Total, Adjustments to Base			3	3,989
2012 Base			526	101,244
Administrative Cost Savings			0	(511)
Program Changes			39	12,204
2012 APPROPRIATION			565	112,937

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Bureau of Economic Analysis	505	\$93,484	508	\$97,150	547	\$108,843	39	\$11,693
Policy Support	18	3,929	18	4,094	18	4,094	0	0
TOTAL DIRECT OBLIGATIONS	523	97,413	526	101,244	565	112,937	39	11,693
REIMBURSABLE OBLIGATIONS	37	7,766	37	7,661	37	7,661	0	0
TOTAL OBLIGATIONS	560	105,179	563	108,905	602	120,598	39	11,693
FINANCING								
Unobligated balance, start of year (Direct)		(158)						
Offsetting collections from:								
Federal funds	(35)	(7,566)			(35)	(7,461)		
Non-Federal sources	(2)	(200)			(2)	(200)		
Subtotal, financing	(37)	(7,924)			(37)	(7,661)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	523	97,255			565	112,937		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Administrative Savings	0	\$0	0	-\$511

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, ESA and BEA have identified \$0.5 million in administrative savings. These administrative savings represent reductions to ESA and BEA's funding level and will help reduce overall spending by the Federal government. In addition, \$0.1 million in savings was identified in the Department's Working Capital Fund.

Highlights of Program Changes

A New Economic Dashboard	0	\$0	21	+\$5,198
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In an effort to maximize the Federal Government's ability to provide the right information at the right time in the future, the Bureau of Economic Analysis proposes to expand the statistical coverage of the business and government sectors, and to develop new data series that will better serve the statistical and regulatory communities' evolving needs. Specifically, BEA proposes to bring online new measures of GDP-by-Industry on a quarterly basis (currently only available on an annual basis) as well as new detail and breakouts of the business sector, with an emphasis on small businesses. These new data series will provide far greater tools than currently exist for analysts, policy-makers, and regulators to monitor the economy and identify risks.

	<u>FTE</u>	<u>Base Amount</u>	<u>Increase / Decrease</u>	
			<u>FTE</u>	<u>Amount</u>
Everyday Economics – The American Household	0	\$0	+15	+\$3,870

Understanding how changes in the economy impact the household is limited by assessments currently available. To address this problem, BEA proposes publishing a new suite of measures of household income, expenses, debt, and savings. America’s path to economic recovery will require a new mix of consumption and savings. Developing a key new indicator suite detailing household spending power, debt, and the composition of savings will provide a roadmap, a gauge of progress, and critical tools necessary to identify signs of weakness in the future.

Modernization of Statistical Production	0	\$0	0	+\$2,952
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This initiative will lead directly to an increase in the operational efficiency and security of BEA’s statistical production and analysis and will benefit all of BEA’s programs. As a statistical production and analytical agency, IT systems are not secondary support structures, but are central to the core function of the Bureau. Funds provided by this initiative will allow BEA to address critical IT challenges and consolidate systems and data stores into integrated components, with state-of-the-art analytic capabilities, significantly faster processing cycles, flexibility to incorporate methodological improvements, and enhanced internal and external data access. This initiative will provide more timely and accurate statistics to BEA’s entire range of customers – statistics that the Department and Administration use to promote exports and trade, and that small businesses use to make business investment decisions and create jobs.

Energy’s Economic Impact	0	\$0	+8	+\$1,200
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The most pressing public policy issues of today call for new and expanded statistics that extend GDP beyond the long-established boundaries. This initiative proposes to extend the accounts to include energy usage in the U.S. economy. Increases in world commodity prices, including energy prices, dramatically affect U.S. living standards, production methods, and U.S. production overall. At present, the GDP accounts contain limited type-of-energy information within the GDP. More accurate, comprehensive, and integrated measures for the energy sector are critical – such data are essential for developing a comprehensive U.S. energy policy built on accurate forecasts of energy supply and consumption and for identifying infrastructure enhancements that will improve the domestic supply chain for energy goods and services. With this initiative, BEA will improve both the accuracy of its GDP statistics and its estimates of supply and consumption of energy. It will provide key statistics for analyzing this sector’s contribution to U.S. economic growth, productivity, inflation, the trade balance, and income. The new account will introduce quarterly industry statistics that will improve the accuracy of BEA’s measures of consumer spending on energy goods and services.

Reduction of County Level Statistical Production	0	\$0	-5	-\$1,016
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As the economic climate in the United States has changed, BEA has evaluated its current programs and planned program improvements in light of these differences. As a result, BEA proposes to discontinue its plans both to produce GDP by county and to develop price estimates at the county level to produce real (inflation-adjusted) measures of local area product and income in order to support higher priority programs.

Performance Objective and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of ESA/BEA's program activities support the theme of Science and Information and corresponding goal of Generating and communicating new, cutting-edge scientific understanding of technical, economic, social, and environmental systems while appearing within one objective - Improve understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions (Objective 14).

BEA's mission is to "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." To monitor progress toward achieving this mission, BEA has developed four performance measures for FY 2011 to assess long-term performance and track efforts to accomplish specific budget initiative requests. The following table shows the measures that BEA uses to evaluate its performance. A more detailed description of this outcome and these measures is in the BEA section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
Objective 14: Improve understanding of the U.S. economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions	\$104.6	\$105.2	\$120.6
Reliability of delivery of economic data (number of scheduled releases issued on time)	61 (55 scheduled)	62 of 62	TBD ¹
Customer satisfaction with quality of products and services (mean rating on a 5 point scale)	4.4	Greater than 4.0	Greater than 4.0
Percent of GDP estimates correct	88%	Greater than 85%	Greater than 85%
Improvement of GDP and the economic accounts	All strategic plan milestones completed	Successful completion of Strategic Plan milestones	Successful completion of Strategic Plan milestones

1. FY 2012 targets will be added when the schedule is made available to OMB and published in the *Survey of Current Business* in the fall of the preceding year

International Trade Administration

The mission of the International Trade Administration (ITA) is to create prosperity by promoting trade and investment, ensuring fair trade and compliance with trade laws and agreements, and strengthening the competitiveness of U.S. industry.

ITA's goals and objectives are accomplished through five program areas:

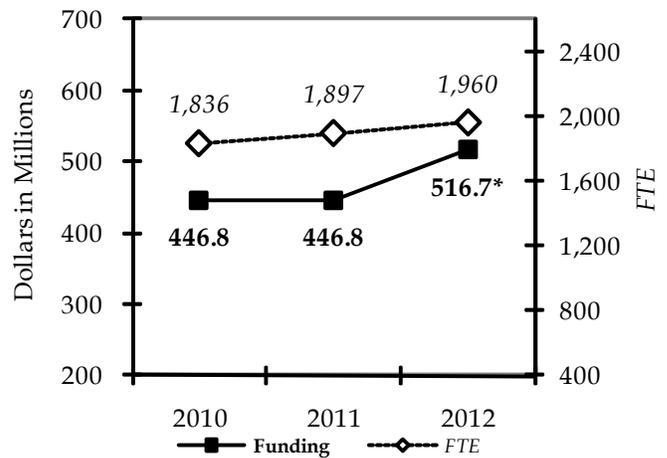
Manufacturing and Services (MAS) advances the international competitiveness of U.S. industries by leveraging its in-depth sector and analytical expertise in the development of global sector export strategies. MAS provides critical economic and policy analysis and information to strengthen U.S. industry's export performance; ensures appropriate industry and other stakeholder input into trade policy development, negotiations and implementation; and participates in ITA trade policy and negotiation advancement initiatives.

Market Access and Compliance (MAC) concentrates on the development of strategies to overcome market access obstacles faced by U.S. businesses. MAC monitors foreign country compliance with numerous trade-related agreements and identifies compliance problems and other market access obstacles. MAC works with other U.S. Government agencies to rapidly address barriers and helps ensure that U.S. firms know how to use market opening agreements. It provides information on foreign trade and business practices to U.S. firms and works to find opportunities and to develop current and long-term market strategies in traditional and emerging markets, including information needed to conduct trade negotiations to open markets. MAC also continues to provide support for the operation of the established Free Trade Agreement Secretariats (i.e. NAFTA).

Import Administration (IA) helps ensure fair trade by administering the U.S. antidumping (AD) and countervailing duty (CVD) laws in a manner consistent with U.S. international obligations. IA works extensively with U.S. businesses to educate them about U.S. trade laws related to dumping and foreign government subsidies and how to access U.S. government assistance if they are injured by those practices. IA detects, and where appropriate, confronts unfair competition by monitoring economic data from our global competitors and investigates evidence of unfair subsidization and market distortions. IA also administers the Foreign Trade Zones Program and programs involving imports of textiles and apparel.

Trade Promotion and the U.S. & Foreign Commercial Service (US&FCS) broadens and deepens the base of U.S. exports, particularly small and medium-sized firms (SMEs), by conducting trade promotion programs. US&FCS provides U.S. companies with reliable advice on the range of public and private assistance available and knowledgeably supports all other Federal trade promotion services. Specifically, US&FCS assists exporters by providing information, referral and follow-up services through an integrated global field network. US&FCS includes the Trade Promotion Coordinating Committee (TPCC) secretariat. The TPCC, chaired by the Secretary of Commerce, is composed of ITA plus 19 Federal agencies that work together to coordinate and streamline trade promotion and financing services. US&FCS also leads interagency advocacy efforts for major overseas projects, including early involvement in project development and assistance to resolve post-export transaction problems.

Budget Authority and FTE



* ITA's full 2012 appropriation is \$526.1 million due to an additional \$9.4 million in offsetting receipts

Executive Direction and Administration (ExAd) directs policy and planning functions to effectively plan and manage ITA. ExAd delivers administrative services to enable ITA’s programs to advance their program goals. These administrative services include information technology support systems, strategic planning, performance management services, human capital planning, financial management, and general administrative assistance.

Summary of Appropriations

Funding Levels

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Appropriation				
Operations and Administration	\$446,765	\$446,765	\$516,652	\$69,887
Total, Discretionary Appropriation	446,765	446,765	516,652	69,887
Mandatory Appropriation				
Grants to Manufacturers of worsted wool fabrics	5,332	5,332	5,332	0
TOTAL BUDGET AUTHORITY	452,097	452,097	521,984	69,887
FTE				
Operations and Administration	1,836	1,897	1,960	63
Reimbursable	30	22	31	9
Total	1,866	1,919	1,991	72

Highlights of Budget Changes

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			1,897	\$446,765
FY 2011 Fee Collections				9,439
FY 2011 Gross Appropriation			1,897	456,204

Adjustments to Base

Adjustments

Plus: Restoration of Adjustments to Base for 2011 (less Pay Raises) 6,142

Other Changes

2011 Pay raise [for Locally Engaged Staff only]	\$220		
2012 Pay raise [for Locally Engaged Staff only]	941		
Civil Service Retirement System(CSRS)	(184)		
Federal Employees' Retirement System(FERS)	1,087		
Thrift Savings Plan	52		
Federal Insurance Contributions Act (FICA) - OASDI	68		
Health insurance	946		
Employees' Compensation Fund	(7)		
Travel:			
Mileage	(25)		
Domestic per diem	266		
Foreign per diem	164		
Rent payments to GSA	258		
Rental Payments to GSA [Cost of Renovated Space]	1,516		
Electricity	628		
Water	17		
Printing and reproduction	18		
Other services: (Itemized)			
Working Capital Fund (WCF)	1,357		
Commerce Business System (bureau specific)	52		
International Cooperative Admin. Support Services (ICASS)	320		
Non ICASS local guard service	15		
Military pouch	9		
General Pricing Level Adjustment:			
Transportation of things	19		
Rent payments to others	5		
Communications, utilities, and miscellaneous charges	24		
Other Services	590		
Supplies	23		
Equipment	64		
Overseas price increases	261		
Subtotal, other cost changes		0	8,704

TOTAL, ADJUSTMENTS TO BASE

2012 Gross Base

	0	14,846
Administrative Savings	(9)	(8,631)
Program Changes	72	63,672
2012 GROSS APPROPRIATION	1,960	526,091
FY 2012 Fee Collections		(9,439)
2012 NET APPROPRIATION	1,960	516,652

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Manufacturing and Services	209	\$49,606	209	\$51,011	186	\$48,804	(23)	(\$2,207)
Market Access and Compliance	204	46,739	204	44,584	219	52,477	15	7,893
Import Administration	331	68,670	331	70,556	334	72,335	3	1,779
Trade Promotion and U.S. Foreign Commercial Service	1,041	259,662	1,041	267,552	1,109	313,554	68	46,002
Executive Direction / Administration	112	28,614	112	27,908	112	29,482	0	1,574
TOTAL DIRECT OBLIGATIONS	1,897	453,291	1,897	461,611	1,960	516,652	63	55,041
REIMBURSABLE OBLIGATIONS	22	21,037	22	21,037	31	22,090	9	1,053
TOTAL OBLIGATIONS	1,919	474,328	1,919	482,648	1,991	538,742	72	56,094
FINANCING								
Unobligated balance, start of year (direct)								
Offsetting collections from:								
Federal funds	(17)	(11,598)			(26)	(12,651)		
Non-Federal sources	(5)	(9,439)			(5)	(9,439)		
Subtotal, financing	(22)	(21,037)			(31)	(22,090)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	1,897	453,291			1,960	516,652		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. ITA has identified \$10 million in administrative savings through business process reengineering in areas such as acquisition, human capital, IT related items, logistics plans and general administrative support. Within this total is a reduction of \$1.4 million in cost savings identified through the Department's Working Capital Fund and \$8.6 million in other administrative cost savings. The \$10.0 million in administrative savings represents real reductions to ITA's funding level and will help reduce overall spending by the Federal government.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>National Export Initiative</u>	1,897	\$461,611	+131	+\$78,468

ITA is requesting an increase of 131 FTE and \$78.5 million to support an agency-wide, comprehensive, multi-year export expansion strategy, the National Export Initiative (NEI). The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace.

Through the NEI, ITA would:

- Expand the overseas presence (officers and locally engaged staff) of the Commercial Service in high-growth markets such as China, India, and Brazil. This would enhance the global network and allow identification of more export opportunities, counsel exporters more rapidly, and provide commercial diplomacy and advocacy service.

- Increase trade compliance attachés overseas to support U.S. exporters who are experiencing impediments from unfair trade (AD/CVD) cases brought against them and/or to remove government imposed non-tariff barriers such as standards or technical barriers and subsidies, and develop and implement anti-corruption programs. Additional funds would be dedicated to the recruitment of Washington-based specialists to provide the necessary policy guidance and analytical input to overseas staff to optimize advocacy and support for U.S. exporters.
- Increase funding for innovative public-private partnerships to promote exports. Enhance public-private partnerships, including expanded outreach to the States and corporate/strategic partners and provide \$2.0 million for additional Market Development Cooperator Program (MDCP) grants.
- Increase outreach and guidance to SMEs that currently export to one market and are capable of entering more challenging high-growth markets (e.g. China). Launch a new nationwide export education and awareness campaign, a national series of export conferences, and a program of assistance, outreach and education tailored to SMEs, leveraging TPCC Agencies and corporate partners. Expand SME exporters to two or more additional more challenging markets.
- Develop a comprehensive program to identify market opportunities for export-intensive, high-growth industry sectors (e.g. environmental goods and services, renewable energy, health care, bio-tech, etc.) and increase the number and size of various trade event activities to promote these technologies in critical markets, giving U.S. firms more opportunities to make export deals with foreign buyers and distributors.
- Increase the number and size of U.S. government-led trade missions and reverse trade missions to the U.S. focused on critical sectors (e.g., environmental goods, health care, biotechnology, and aviation). Recruit Reverse Trade Missions bringing potential foreign buyers to U.S. companies, focused on 10 sectors (6 manufacturing and 4 services). Increase the number of foreign buyers to U.S. trade shows. This includes hiring Locally Engaged Staff (LES) or contractors to recruit/lead delegations and domestic staff to get the right "matchmaking" clients.
- Increase capacity of the Trade Information Center to handle exporter inquiries. Increase technology and communication infrastructure/tools which includes new sites domestically and internationally (e.g. Client Tracking System, Trusted Internet Connection (TIC), on-line tool kits for SMEs, virtual trade information center, Web 2.0, redesign of Export.gov, Webcasts and Videos).
- Implement an export promotion plan targeted at top services sectors in export value (e.g. travel and tourism industry, construction services, etc.). Identify high-growth foreign markets for these sectors, address market barriers and track successes. Provide a benchmark of state-level services trade data to better understand the importance of services to the U.S. economy.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>ITA Organizational Optimization</u>	1,897	\$461,611	-73	-\$20,212

ITA has closely examined its organization to optimize its program structure, both administratively and programmatically, to meet the Administration’s deficit reduction goals while still supporting the NEI more efficiently and effectively and is requesting a decrease of 73 FTE and \$20.2 million. As part of this effort, ITA will focus its resources on high priority posts and industries; eliminate thirteen low-return-on investment foreign posts; eliminate its presence at multilateral development banks, trade associations, and the World Bank; redeploy Foreign Commercial Service Officers to front line NEI posts; optimize the Manufacturing and Services program and take other smaller cost-cutting actions throughout the Agency to meet NEI goals and contribute toward deficit reduction. Within this amount, reductions of 9 FTE and \$8.6 million were taken in administrative reductions consistent with the government-wide Accountable Government Initiative.

<u>Market Access and Compliance</u>	204	\$44,584	+5	+\$2,500
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ITA is requesting an increase of 5 FTE and \$2.5 million to provide direct funding and enhance the Commercial Law Development Program (CLDP). This longstanding and successful program provides technical assistance to developing countries, helps create transparent legal systems and fair regulations that enable those countries to comply with international and bilateral trade obligations, and promotes the rule of law.

<u>Termination of Unrequested Congressional Projects</u>	0	\$5,715	-0	-\$5,715
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ITA proposes to eliminate \$5.2 million in funding for Congressionally designated projects identified in House Report 111-366 and \$0.5 million in separate funding for human rights training included in the accompanying conference report.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the reorganization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of ITA's program activities support the theme of Economic Growth and two corresponding goals: Market Development and Commercialization, and Trade Promotion and Compliance. Within these goals, ITA supports three objectives: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries (Objective 8); increase U.S. export value through an emphasis on trade promotion, market access, compliance, and interagency collaboration (including support for small and medium sized enterprises); (Objective 9); and, vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with antidumping/countervailing duty remedies (Objective 12). The following table shows the measures that ITA uses to track its performance. A more detailed description of these outcomes and measures can be found in the ITA section of the Department of Commerce budget.

	FY 2010 Actual	2011 CR (Annualized)/Targets	FY 2012 Estimate / Targets
Objective 8: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$50.5	\$49.8	\$64.0
Exports generated annually from public-private partnerships	\$86M	\$86M	\$154M
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$647M	\$350M	\$350M
Objective 9: Increase U.S. export value through an emphasis on trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises)	\$329.6	\$325.4	\$370.2
Number of Commercial Diplomacy Success (annual)	112	131	152
Ratio of US&FCS Export Value to US&FCS Costs	N/A	\$130	\$140
Number of clients assisted by U.S.& Foreign Commercial Service	18,784	19,723	20,709
Dollar value of U.S. export content in advocacy cases won	N/A	N/A	\$19B
Number of SME NTM firms / SME firms exporting to two to nine markets (annual)	3.11%	5.00%	Discontinued
Annual number of SMEs US&FCS assists in exporting to a second or additional country	NEW	NEW	3,307
Objective 12: Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with antidumping/ countervailing	\$102.4	\$101.4	\$109.7
Percent of identified unfair trade practices affecting U.S. parties addressed through informal / formal intervention of dispute settlement	27%	20%	30%
Number of new antidumping / countervailing duty petitioners counseled	44	50	50
Percent of industry-specific trade barriers addressed removed or prevented	35%	20%	20%
Percent of industry-specific trade barrier milestones completed	75%	55%	55%
Number of compliance and market access cases initiated	221	210	239
Number of compliance and market access cases resolved successfully	98	80	91
Total Funding	\$482.5	\$476.6	\$543.9

Bureau of Industry and Security

The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership.

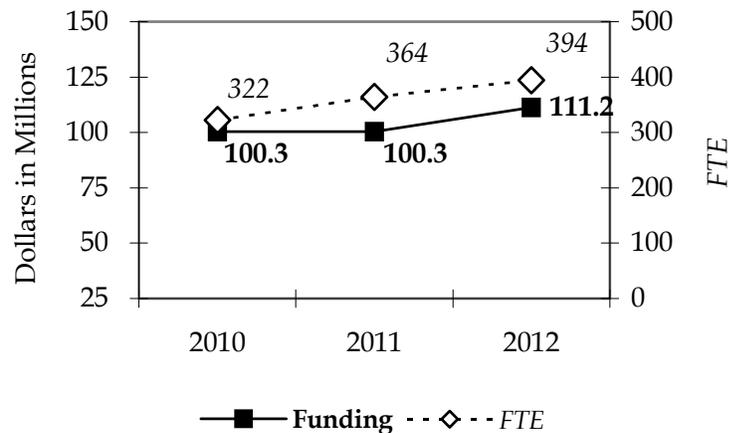
BIS accomplishes this mission through the following activities:

- Regulating the export of sensitive “dual use” goods and technologies in an effective and efficient manner;
- Enforcing export control, anti-boycott, and public safety laws;
- Cooperating with and assisting other countries on export control and strategic trade issues;
- Assisting U.S. industry in complying with international arms agreements; monitoring the viability of the U.S. defense industrial base;
- Evaluating the effects on national security of foreign investments in U.S. companies; and,
- Supporting continued U.S. technology leadership in industries that are essential to national security.

BIS’s mission priorities are to:

- **Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system:** BIS administers and enforces controls on exports of dual-use goods and technologies to counter proliferation of weapons of mass destruction, combat terrorism, and pursue other national security and foreign policy goals. BIS also serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC) and the International Atomic Energy Agency (IAEA) Additional Protocol, which allows the IAEA complimentary inspection authority in order to develop a comprehensive picture of a country’s nuclear and nuclear-related activities. BIS’s enforcement efforts detect, prevent, and prosecute illicit dual-use export activity, with a primary focus on weapons of mass destruction, terrorism, and military diversion.
- **Integrate non-U.S. actors to create a more effective global export control and treaty compliance system:** The effectiveness of U.S. export controls is enhanced by strong controls in other nations that export or transship sensitive goods and technologies. BIS works to improve the participation and compliance of existing members of multilateral export control regimes and cooperates with other countries to help them establish effective export control programs. As part of policy formulation and implementation toward key trading partners and transshipment countries, BIS engages in a robust end-use visit program.
- **Ensure continued U.S. technology leadership in industries that are essential to national security:** BIS works to ensure that the United States remains competitive in industry sectors and sub-sectors critical to national security. To this end BIS analyzes the impact of export controls and trade policies on strategic U.S. industries, administers the Federal Government’s Defense Priorities and Allocations System (DPAS), reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

Budget Authority and FTE



Summary of Appropriations

<u>Funding Levels</u>	2010	2011 CR	2012	Increase
Appropriation	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations and Administration	\$100,342	\$100,342	\$111,187	\$10,845
Total Appropriation	<u>100,342</u>	<u>100,342</u>	<u>111,187</u>	<u>10,845</u>
TOTAL, BUDGET AUTHORITY	100,342	100,342	111,187	10,845
 FTE				
Operations and Administration	322	364	394	30
Reimbursable	2	2	2	0
Total	<u>324</u>	<u>366</u>	<u>396</u>	<u>30</u>

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE*</u>	<u>Amount</u>
2011 CR (Annualized)			364	\$100,342
Adjustments to Base				
Adjustments to support level in FY 2011 President's Budget			2	\$879
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$44)		
Federal Employees' Retirement System (FERS)		72		
Thrift Savings Plan		13		
Federal Insurance Contributions Act (FICA/OASDI)		(28)		
Health insurance		174		
Travel - Mileage		(12)		
Rent payments to GSA		89		
Printing and reproduction		3		
Other services:				
Working Capital Fund		528		
NARA		1		
Water		2		
Electricity		185		
Fuel		(13)		
General Pricing Level Adjustment				
Transportation of things		2		
Communications, utilities, and miscellaneous		11		
Other services		211		
Supplies		15		
Equipment		60		
Subtotal, other cost changes			0	\$1,269
TOTAL, ADJUSTMENTS TO BASE			2	2,148
2012 Base			366	102,490
Administrative Savings			0	(1,718)
Program Changes			28	10,415
2012 APPROPRIATION			394	111,187

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Management & Policy Coordination	11	\$6,045	11	\$6,182	11	\$6,162	0	(\$20)
Export Administration	187	54,379	188	55,565	188	54,007	0	(1,558)
Export Enforcement	166	40,208	167	40,743	195	51,018	28	10,275
TOTAL DIRECT OBLIGATIONS	364	100,632	366	102,490	394	111,187	28	8,697
REIMBURSABLE OBLIGATIONS	1	7,912	1	2,000	1	2,000	0	0
TOTAL OBLIGATIONS	365	108,544	367	104,490	395	113,187	28	8,697
FINANCING								
Unobligated balance, start of year (Direct)		(290)						
Unobligated balance, start of year (Reimbursable)		(5,912)						
Offsetting collections from:								
Federal funds	(1)	(1,050)			(1)	(1,050)		
Non-Federal sources		(950)				(950)		
Subtotal, financing	(1)	(8,202)			(1)	(2,000)		
TOTAL BUDGET AUTHORITY /	364	100,342			394	111,187		
APPROPRIATION								

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, BIS has identified \$2,000,000 in administrative savings. BIS has targeted a number of areas to achieve these savings. Of these savings, \$1,418,000 is tied to its Information Technology (IT) plans for FY 2012 (see the details in the program change below). In the area of acquisition, BIS expects to reduce its costs by \$300,000 utilizing strategic sourcing opportunities negotiated by the Department. BIS also expects \$282,000 in savings through the Department of Commerce Working Capital Fund. The \$2,000,000 represents a real reduction to BIS's funding level and will help reduce overall spending by the Federal government.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Management and Policy Coordination</u>	15	\$6,182	0	-\$20
Administrative Savings	N/A	N/A	0	-\$20

This reduction reflects the program's share of the Administrative Efficiency Initiative described above.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Export Enforcement (EE)</u>	167	\$40,743	28	+\$10,275
Administrative Savings	N/A	N/A	0	-\$140
Office of Export Enforcement Enhancement Initiative	167	\$40,743	28	+\$10,415

In FY 2012, EE will continue to improve upon the aggressive posture it has assumed in response to the Administration’s various mandates in the arena of counter proliferation and export enforcement. Doing so will place BIS in the best possible position to execute its critical mission of ensuring that sensitive U.S. dual-use goods and technologies are not misused by proliferators, terrorists and others working contrary to the national security interests of the United States, and will significantly enhance outreach and education efforts directed to promote and encourage compliant exports. EE has several significant ongoing investigations, operations, and outreach efforts which highlight the current need for more investigators and program enhancements to pursue these national security imperatives.

The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (WMD Commission) has recommended enhancement of the U.S. Government’s counter proliferation efforts. BIS is seeking additional resources to increase the number of positions in the Office of Export Enforcement (OEE) to support increased counter proliferation, counterterrorism and national security programs and investigations. Seized Computer Evidence Recovery Specialist (SCERS) enhancements are also required to support this initiative as recent investigations have yielded great results utilizing these analytical technologies.

One of the core recommendations of the WMD Report was the expansion of BIS Special Agent resources in the field. An expanded presence will result in better access to industries and technologies with associated proliferation concerns, which have thus far been difficult to reach due to the limited OEE footprint across the country. In FY 2012, BIS will place four Resident Agent in Charge (RAC) offices in Arizona, Georgia, Ohio and Oregon. The RAC presides over a particular geographic area of operation within a Special Agent in Charge area. A typical RAC office is staffed by one GS-1811-14 RAC: approximately four Special Agents and one Export Control Specialist. This increase in OEE’s investigative posture will allow the agency to more efficiently execute its duties within new regional areas of responsibility enhancing its ability to prevent the proliferation of dual-use goods and technology contrary to the national security interests of the United States. In addition, this expanded local presence will expand BIS’s export promotion capabilities. Having permanent agents in a locale builds relationships with the resident industries and provides an accessible resource to explain licensing obligations, which some businesses may see as a barrier to international trade. Outreach seminars conducted by agents in the field help demystify the export process.

Additionally, BIS seeks to increase the number of Office of Enforcement Analysis (OEA) analyst positions to support increased coordination and liaison with the intelligence community in support of counter proliferation, counterterrorism and other national security programs. OEA analysts substantiate assertions of risk or actual violations of export controls, and factually describe events or actions of specific entities involved in specific transactions. Transaction-level analysis is then used to reveal patterns and trends of violations and potential violations of export control laws and regulations. OEA’s Intelligence Analysis Division (IAD) develops law enforcement lead packages for BIS Special Agents in domestic field offices and supports investigations into exports violations, conducts risk assessments in support of Verified End-User program and Entity List determinations, and provides analytical and research support to other BIS offices.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Export Administration (EA)</u>	188	\$55,565	0	-\$1,558
Administrative Savings	N/A	N/A	0	-\$1,558

Through an Executive Memorandum on August 30, 2010, the President made a decision to move towards a single export control system rather than continuing to support the multiple, disparate systems that exist today. As a result, the accelerated development of the Export Control Automated Support System Redesign moves BIS away from an antiquated legacy system and toward a “Single Information Technology System” (as directed by the Administration’s fundamental reform of the U.S. export control system). This will decrease the overall requirement for engineering and development services, and the completion of one-time build-out charges and hardware purchases associated with the Compartmentalized Application Infrastructure supporting the high security requirements of our IT systems. BIS estimates savings of \$1.4 million as a result of these actions. BIS anticipates an additional \$0.1 million in savings from implementing strategic sourcing – gaining better pricing by working with the Department to coordinate and consolidate purchases across bureaus.

Performance Objective and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of BIS’s program activities support the theme of Economic Growth, appearing under the goal of Trade Promotion and Compliance and within one objective – Implement an effective export control reform program to advance national security and overall economic competitiveness. BIS has continued to refine its performance measures to: (1) focus on results, (2) measure work under its control, (3) use representative data, and (4) create new measures to support new initiatives / programs.

	2010 Actual	2011 CR (Annualized)/Targets	2012 Estimate / Targets
Objective 10: Implement an effective export control reform program to advance national security and overall economic competitiveness	\$102.5	\$102.5	\$113.6
Percent of licenses requiring interagency referral referred within nine days	90%	98%	98%
Median processing time for new regime regulations (months)	3	2	2
Percent of attendees rating seminars highly	94%	93%	93%
Percent of declarations received from U.S. industry in accordance with CWC Regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations	100%	100%	100%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	806	850	1,157
Percent of Shipped Transactions in Compliance with the Licensing Requirements of the Export Administration Regulations (EAR)	98%	99%	99%
Percentage of Post-Shipment Verifications completed and categorized above the “Unfavorable” classification	256 PSVs / 93%	315 PSVs / 85%	315 PSVs / 85%
Percentage of leads that result in a prevention of a violation and cases which result in a criminal and/or administrative action	New	New	30/80%
Number of end-use checks completed	708	850	850
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%	100%

Minority Business Development Agency

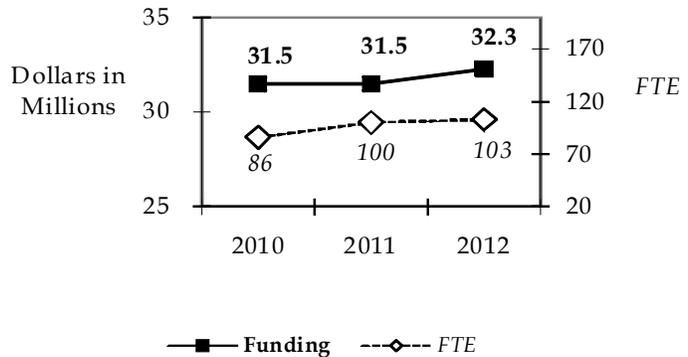
The Minority Business Development Agency (MBDA) actively promotes the ability of Minority Business Enterprises (MBEs) to grow and to participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services.

In FY 2012, MBDA will continue to support the national growth and expansion of U.S. businesses that are minority-owned. An objective of MBDA is to achieve entrepreneurial parity for minority business enterprises. Entrepreneurial parity is defined as reaching proportionality between the minority population percentage and the percentage share of business development

measures such as number of firms, gross receipts, and employment. In pursuit of entrepreneurial parity, MBDA has engaged in a Strategic Growth policy. The Strategic Growth policy is designed to address the issue of sustainable business value for minority firms operating in high-growth industries, such as green technology and clean energy. MBDA works to provide these firms with access to capital and markets.

MBDA will continue to develop additional avenues by which it can leverage its resources while expanding the availability of services to MBEs. This includes the use of the Internet to establish information clearinghouses and national referral centers for minority-owned businesses of any size, which will provide a wider access to public and private business development resources. MBDA will also expand its automated matching capabilities related to contracting opportunities. MBDA will continue to use the MBDA Business Centers (MBCs) and Native American Business Enterprise Centers (NABECs) to provide management and technical assistance, contract opportunities, and financial transactions for businesses that are minority-owned.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	2010 Actual	2011 CR (Annualized)	2012 Estimate	Increase (Decrease)
Minority Business Development	\$31,500	\$31,500	\$32,322	\$822
FTE				
Minority Business Development	86	100	103	3

Highlights of Budget Changes

Appropriation: Minority Business Development

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			100	\$31,500
Adjustments to Base				
<u>Adjustments</u>				
Restoration of Base				386
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$1)		
Federal Employees' Retirement System (FERS)		2		
Federal Insurance Contributions Act (FICA) - OASDI		(11)		
Health insurance		46		
Employees' Compensation Fund		(58)		
Travel:				
Per Diem		24		
Mileage		(1)		
Rent payments to GSA		32		
Electricity		44		
Water		1		
Printing and reproduction		1		
Other services:				
Working Capital Fund		175		
General Pricing Level Adjustments				
Communications, utilities, and miscellaneous charges		1		
Other services		33		
Supplies		2		
Equipment		1		
Rental of office copying equipment		1		
Subtotal, other cost changes			0	292
Total, Adjustments to Base			0	678
2012 Base			100	32,178
Administrative Cost Savings			{0}	{171}
Program Changes			3	144
2012 APPROPRIATION			103	32,322

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Minority Business Development	100	\$31,535	100	\$32,178	103	\$32,322	3	\$144
TOTAL DIRECT OBLIGATIONS	100	31,535	100	32,178	103	32,322	3	144
REIMBURSABLE OBLIGATIONS	0	300	0	300	0	300	0	0
TOTAL OBLIGATIONS	100	31,835	100	32,478	103	32,622	3	144
FINANCING								
Unobligated balance, start of year (Direct)		(35)						
Offsetting collections from:								
Federal funds		(300)				(300)		
Subtotal, financing	0	(335)			0	(300)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	100	31,500			103	32,322		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money, the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings, where possible. After reviewing its administrative costs, MBDA has identified \$171,000 in administrative savings with an additional \$79,000 in savings identified through the Department’s Working Capital Fund (see Departmental Management Working Capital Fund section for more details). MBDA has targeted the closure of regional facilities in FY 2011 to achieve these savings. The \$171,000 in administrative savings will be reinvested in the MBDA Business Center Program to better support the Department’s mission.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
MBDA Business Centers	6	\$14,000	0	+\$600

MBDA is requesting \$600,000 to fund two additional MBDA Business Centers. The additional centers would provide a full array of business development services, including loan packaging assistance, the identification of contracting opportunities, and general minority business advocacy. The centers will be selected through a competitive grant process focused in areas of the country where minority businesses have been most affected by the current economic downturn.

Office of Native American Business Development	1	\$200	3	+\$644
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MBDA is requesting \$644,000 in funding for the Office of Native American Business Development (ONABD). The Department of Commerce has never received appropriated funds to implement the Native American Business

Development, Trade Promotion, and Tourism Act of 2000 or to implement the Indian Tribal Regulatory Reform and Business Development Act of 2000. The ONABD has operated with one expert liaison dedicated to the execution of the Native American Business Development, Trade Promotion, and Tourism Act of 2000. The initiative would expand the staff from just one liaison to also include: one program manager, two business development specialists and one program analyst. In addition to the increase in staff, the proposed budget includes the funding for Native American trade promotion research and a report on economic disparities on Indian Territories. The expansion of the ONABD will support Native American business development, trade promotion and tourism and the hiring of an experienced program manager will increase the office’s effectiveness and foster improved relations between Indian tribes and the Federal government.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Termination of Unrequested Congressional Projects	0	\$1,100	0	-\$1,100

MBDA proposes to eliminate funding for congressionally designated spending items as identified in House Report 111-366.

Performance Objective and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of MBDA’s program activities support the theme of Economic Growth and corresponding goal of Market Development and Commercialization while appearing within one objective – Promote competitiveness of disadvantaged and distressed communities and businesses (Objective 7). MBDA will continue to develop and refine its performance measures as a key management tool for benchmarking program impact. The following table shows the measures that MBDA uses to gauge its performance. A more detailed description of this objective and these measures may be found in the MBDA section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized) / Target	2012 Estimate / Target
Objective 7 Promote competitiveness of disadvantaged and distressed communities and businesses	\$31.8	\$31.8	\$32.6
Dollar value of contract awards to minority business enterprises	\$1.5B	\$1.1B	\$1.17B
Dollar value of financial awards obtained	\$1.8B	\$0.9B	\$0.94B
Number of new job opportunities created	5,845	5,000	5,300
Satisfaction rating for the American Customer Satisfaction Index (ACSI)	N/A ¹	75%	N/A ¹
Cumulative economic impact	\$22.7 B	N/A ²	N/A ²

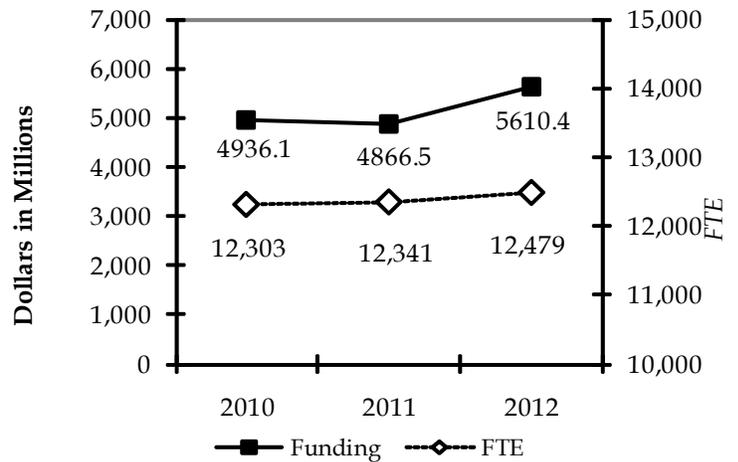
1. The ACSI occurs only in odd years so no target appears in FY 2010.

2. This long-term outcome measure has incremental five-year targets with the long-term goal of achieving \$30B in cumulative economic impact by 2020. The next five year target is in FY 2015, set at \$25B.

National Oceanic and Atmospheric Administration

The National Oceanic and Atmospheric Administration (NOAA) budget is divided into two primary accounts: Operations, Research and Facilities (ORF) and Procurement, Acquisition and Construction (PAC). These two accounts make up over 98 percent of the total FY 2012 NOAA appropriation. Other accounts include Pacific Coastal Salmon Recovery, Coastal Impact Assistance Fund, Fishermen’s Contingency Fund, Foreign Fishing Observer Fund, Fisheries Finance Program Account, Promote and Develop American Fishery Products and Research Pertaining to American Fisheries Fund, Damage Assessment and Restoration Revolving Fund, Coastal Zone Management Fund, Federal Ship Financing Fund, Limited Access System Administration Fund, Marine Mammal Unusual Mortality Event Fund, and Medicare-Eligible Retiree Healthcare Fund, NOAA Corps Commissioned Officers Retirement, Western Pacific Sustainable Fisheries Fund, Fisheries Enforcement Asset Forfeiture Fund, and Sanctuaries Enforcement Asset Forfeiture Fund.

Budget Authority and FTE



For Fiscal Year (FY) 2012, the National Oceanic and Atmospheric Administration (NOAA) requests a total appropriation of \$5,497.7 million, an increase of \$749.3 million or 15.8 percent over the FY2010 enacted level. This increase includes \$111.1 million in inflationary (\$75 million) and other adjustments (\$36.1million).

Operations, Research and Facilities (ORF) and Procurement, Acquisition and Construction (PAC)

The President’s budget requests a net decrease of \$42.3 million (from the FY 2012 Base) in program changes for ORF and a net increase of \$703.7 million in program changes for PAC (from the FY 2012 Base). These two accounts fund the following NOAA elements that provide nearly all of NOAA's services. In FY 2012, NOAA proposes to establish a new line office for climate services, as described below.

National Ocean Service (NOS): NOS delivers a range of nationwide coastal and Great Lakes scientific, technical, and resource management services in support of safe, healthy, resilient coastal communities; sustainable, robust coastal economies; and productive oceans and coasts. In carrying out its diverse programs and services, NOS forges partnerships to integrate expertise and efforts across all levels of government and with other nongovernmental organizations. This coordinated approach is an essential component of NOS’ national effort to protect, maintain, and sustain the viability of healthy, resilient and productive coastal communities, economies, and ecosystems. NOS also manages the Papahānaumokuākea Marine National Monument, marine sanctuaries, and, through partnerships with coastal states, the nationally significant estuarine research reserves. The President’s FY 2012 Budget requests a net decrease of \$20.2 million for NOS from the FY 2010 enacted level. This includes \$7.4 million in inflationary adjustments.

National Marine Fisheries Service (NMFS): NMFS is responsible for the management and conservation of living marine resources within the 200-mile U.S. Exclusive Economic Zone (EEZ). NMFS is dedicated to the stewardship of living marine resources through science-based conservation and management. NMFS conserves, protects, and manages living marine resources in a way that ensures their continuation as functioning components of marine ecosystems, affords economic opportunities, and enhances the quality of life for the American public. NMFS also provides critical support and scientific and policy leadership in the international arena, and plays a key role in the management of living marine resources in coastal areas under state jurisdiction. The President’s FY 2012 Budget requests a net increase of \$20.9 million for NMFS over the FY 2010 enacted level (including the Pacific Coastal Salmon Recovery Fund). This includes \$19.9 million in inflationary adjustments.

Oceanic and Atmospheric Research (OAR): OAR is NOAA’s centralized research and development (R&D) line office and it is the engine of innovation that strengthens the scientific underpinnings necessary to improve NOAA climate,

weather, coastal and ocean services. Through its network of over fifty Federal laboratories and university-based research programs, OAR supplies the scientific information to advise national policy decisions in areas such as climate change, mitigation of severe weather impacts, coastal resource management, air quality, and stratospheric ozone depletion. OAR promotes economic growth through the development of environmental observation technologies; extreme weather preparedness; the sustainable use of coastal, marine, and Great Lakes resources; and the application of innovative techniques, such as in marine biotechnology. The President's FY 2012 Budget proposes to transfer the majority of climate research, modeling, and services activities of this office to create a new Climate Service line office. The President's FY 2012 Budget requests a net decrease of \$11.2 million for OAR from the FY 2010 enacted level, after a technical transfer of \$225.9 million in programs to the new Climate Service. This includes \$2.8 million in inflationary adjustments.

Climate Service (CS): The CS will be established to identify, produce, and deliver authoritative and timely information about climate variations, trends, and their impacts on built and natural systems. CS will consolidate climate research, modeling, services, and data management from other line offices, while maintaining the integrity of existing programs. The local-to-global scale impacts of climate variability and change have fueled a growing public demand for easily accessible climate services, and timely scientific data and information about climate that helps people make informed decisions in their lives, businesses, and communities. For decades, NOAA and its partners have been providing climate information that is essential to many aspects of policy, planning, and decision-making. The consolidation of NOAA's climate activities within CS will enable NOAA to more effectively provide climate services from regional to national to global scales. The CS will build upon and continue achievements gained over decades of engagement with interagency, academic, and private sector partners. The President's FY 2012 Budget requests a net decrease of \$3.0 million for CS, from the FY 2010 enacted level of the programs transferred from other line offices. This includes \$4.1 million in inflationary adjustments.

National Weather Service (NWS): NWS provides weather and water forecasts and warnings for the United States, its territories, adjacent waters, and ocean areas, for the protection of life and property and the enhancement of the national economy. NWS data and products form a national information database and infrastructure which can be used by other government agencies, the private sector, the public, and the global community. The Budget proposes to transfer the Climate Prediction Center to the new Climate Service line office. The President's FY 2012 Budget requests a net increase of \$3.1 million for NWS over the FY 2010 enacted level, after the technical transfer of \$15.0 million in programs to the new Climate Service. This includes \$16.8 million for inflationary adjustments.

National Environmental Satellite Service (NESS): The budget proposes to rename the National Environmental Satellite, Data, and Information Service to the National Environmental Satellite Service which reflects the proposed transfer of data and information management archive activities to the new Climate Service line office. NESS is responsible for the procurement, launch, and operation of the Nation's civil polar-orbiting and geostationary operational environmental satellites. NESS provides the Nation with specialized expertise and computing systems that process, analyze, and distribute satellite-derived products and services using data from NOAA, DoD, and NASA environmental satellites, as well as foreign and commercial spacecraft. These products and services are provided to the National Weather Service and other national and international users 24 hours per day, 7 days per week and are used to accurately track the location, extent, and duration of severe weather; support development of flash flood warnings; track volcanic ash clouds and severe winds that threaten aviation safety; detect remote wild land fires; monitor coastal ecosystem health such as coral bleaching; identify and monitor maritime hazards from sea ice; and assist the U.S. Coast Guard in satellite-assisted search and rescue activities. The President's FY 2012 Budget requests a net increase of \$727.9 million for NESS over the FY 2010 enacted level, after technical transfers of \$108.4 million in programs to the new Climate Service and \$2.6 million to NOAA's Corporate Services activity in Program Support. This includes \$2.3 million in inflationary adjustments.

Program Support (PS): Program Support includes Corporate Services, the NOAA Education Program, Facilities, and the Office of Marine and Aviation Operations (OMAO). Through Corporate Services, NOAA provides overall management, planning and administrative support for NOAA, including acquisition and grants, budget, accounting, and human resources. The Education Program focuses on NOAA's strategic cross-cutting priorities of promoting environmental literacy and developing, valuing, and sustaining a world-class workforce. The Facilities program provides for repair, restoration and other construction efforts, along with NOAA-wide environmental compliance and safety issues. OMAO operates and maintains NOAA's ships and aircraft and uses them to collect data to support NOAA's mission. OMAO also provides technical and management support through the NOAA Commissioned Corps, assists with outsourcing for ship and aircraft support, plans and implements the modernization of the NOAA fleet, and provides centralized guidance for NOAA's small-boat safety program. OMAO also operates the NOAA Dive program, the Teacher at Sea program, and

the Teacher in the Air pilot program. The President's FY 2012 Budget requests a net increase of \$38.9 million for PS over the FY 2010 enacted level (including estimates for the Medicare-Eligible Retiree Healthcare Fund and NOAA Corps Retirement Pay), after certain technical transfers. This increase includes \$21.8 million in inflationary adjustments.

Other NOAA Accounts

Pacific Coastal Salmon Recovery Fund was established in FY 2000 to fund State, Tribal and local conservation initiatives to help recover Pacific salmon and steelhead populations that are listed as threatened or endangered, or identified by a State as at risk of such listing, and to maintain populations necessary for exercise of tribal treaty fishing rights or native subsistence fishing. The FY 2012 President's Request includes \$65 million for the Pacific Coastal Salmon Recovery Fund, a decrease of \$15 million from the FY 2010 enacted level.

The **Coastal Impact Assistance Fund (CIAF)** receives deobligations from the Coastal Impact Assistance Program (CIAP) grants. CIAP was authorized by Congress in 2001 to assist states in mitigating the impacts from Outer Continental Shelf (OCS) oil and gas production. Congress appropriated \$150 million in FY 2001 to seven coastal states to implement this program. Funds were expended according to Coastal Impact Assistance Plans developed by the states. NOAA was charged with implementing this program at the Federal level. FY 2001 was the only year NOAA received an appropriation for these activities; however, NOAA continues to receive deobligations from this grant program, which are deposited in this account.

NOAA uses the **Fishermen's Contingency Fund** to compensate domestic fishermen for the damage or loss of fishing gear and resulting economic loss due to obstructions related to oil and gas exploration, development or production in the Outer Continental Shelf. The funds come from fees collected annually by the Secretary of the Interior from the holders of leases, explorations, permits, easements, and rights of way. The FY 2012 President's Request includes \$350 thousand for the Fisherman's Contingency Fund.

The **Foreign Fishing Observer Fund** provides observer coverage of foreign fishing activities within the 200-mile EEZ. Fees collected from foreign governments with fishing vessels within the exclusive fishery jurisdiction of the U.S. finance the fund and are used to pay salaries, administrative costs, data entry, and other expenses associated with the placement of observers aboard foreign fishing vessels.

The **Fisheries Finance Program Account** provides direct loans that promote building sustainable fisheries. The program provides Individual Fishing Quota (IFQ) financing at the request of a Fishery Management Council. The program also makes long term fixed rate financing available to U.S. citizens who otherwise do not qualify for financing and refinancing of the construction, reconstruction, reconditioning, and in some cases, the purchasing of fishing vessels, shoreside processing, certain aquaculture, and mariculture facilities. These loans provide stability to at least one aspect of an otherwise volatile industry.

The **Promote and Develop American Fishery Products & Research Pertaining to American Fisheries Fund** receives 30 percent of the import duties the Department of Agriculture collects on fishery-related products. NOAA will use a portion of these funds to offset the ORF appropriation in FY 2012. NOAA uses the remaining funds to promote industry development through competitively-awarded external grants for innovative research and development of projects in the fishing industry.

The **Damage Assessment and Restoration Revolving Fund (DARRF)** receives proceeds from claims against responsible parties, as determined through court settlements or agreements, for damages to natural resources for which NOAA serves as trustee. In FY 1999 and prior years, NOAA transferred funds to the ORF account for purposes of damage assessment and restoration. Beginning in FY 2000, funds were expended in the DARRF and treated as mandatory budget authority. NOAA utilizes funds transferred to this account to respond to hazardous materials spills in the coastal and marine environments, by conducting damage assessments, providing scientific support during litigation, and using recovered damages to restore injured resources.

The **Coastal Zone Management Fund (CZMF)** was established under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-158, Sec. 6201-6216) to receive repayments from the Coastal Energy Impact Program (CIAP). The President's FY 2012 Budget permanently cancels all balances in the CZMF and treats any future receipts in accordance with the Federal Credit Reform Act.

The **Federal Ship Financing Fund** manages the loan guarantee portfolio that existed prior to the enactment of the Federal Credit Reform Act of 1990.

The **Limited Access System Administration Fund (LASAF)** was established under the authority of the Magnuson-Stevens Fisheries Conservation and Management Act, Section 304(d)(2)(A), which stated that NMFS must collect a fee to recover the incremental costs of management, data collection, and enforcement of Limited Access Privilege Programs (LAPPs). These fees are deposited into the LASAF and are not to exceed 3 percent of the ex-vessel value of fish harvested under any such program. Also, a Regional Council can consider, and may provide, a program to collect royalties for the initial or any subsequent distribution of allocations; revenues from these royalties are deposited in the LASAF. The LASAF shall be available, without appropriation or fiscal year limitation, only for the purposes of administering the central registry system; and administering and implementing the Magnuson-Stevens Act in the fishery in which the fees were collected.

The **Environmental Improvement and Restoration Fund** was created by the Department of the Interior and Related Agencies Act, 1998, for the purpose of carrying out marine research activities in the North Pacific. These funds will provide grants to Federal, State, private or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean.

Marine Mammal Unusual Mortality Event Fund provides funds to support investigations and responses to unusual marine mammal mortality events.

Medicare-Eligible Retiree Healthcare Fund finances the cost of Tricare retirement health care benefits accrued by the active duty members of the NOAA Commissioned Corps.

NOAA Corps Commissioned Officers Retirement provides a measure of financial security after release from active duty for uniform service members and their survivors. It is an important factor in the choice of a career in the uniformed services and is mandated by Federal statutes under Title 10, United States Code. NOAA transfers retirement pay funds to the Coast Guard, which handles the payment function for retirees and annuitants. Health care funds for non-Medicare-eligible retirees, dependents, and annuitants are transferred to the U.S. Public Health Service, which administers the health care program.

The **Western Pacific Sustainable Fisheries Fund** was established under Section 204(e) of the 2006 amendments to the Magnuson-Stevens Fishery Conservation and Management Act. Funds collected from any permit payment received for foreign fishing and fines and penalties from violations within the U.S. EEZ around Johnston Atoll, Kingman Reef, Palmyra Atoll, and Jarvis, Howland, Baker and Wake Islands, sometimes known as the Pacific remote island areas (PRIA) are deposited into this Fund. Funds can only be used to support the conservation and management objectives under a marine conservation plan developed for the region by the appropriate governor and the Western Pacific Regional Fishery Management Council.

The **Fisheries Enforcement Asset Forfeiture Fund** was established under the authority of Section 311(e)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) which allows the Secretary of Commerce to pay certain enforcement-related expenses from fines, penalties and forfeiture proceeds received for violations of the Magnuson-Stevens Act, or of any other marine resource law enforced by the Secretary. Certain fines, penalties and forfeiture proceeds received by NOAA are deposited into this Fund, and subsequently used to pay for certain enforcement-related expenses.

Sanctuaries Enforcement Asset Forfeiture Fund receives proceeds from civil penalties and forfeiture claims against responsible parties, as determined through court settlements or agreements, for violations of NOAA sanctuary regulations. Penalties received are held in sanctuary site-specific accounts from year to year and the funds are spent on resource protection within the sanctuary site where the penalty or forfeiture occurred. Funds are expended for resource protection purposes which may include all aspects of law enforcement (from equipment to labor), community oriented policing programs, and other resource protection and management measures such as the installation of mooring buoys or restoration of injured resources.

Summary of FTE

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	12,015	12,130	12,274	144
ORF Reimbursable	782	706	706	0
Procurement, Acquisition & Construction (PAC)	240	190	184	(6)
Pacific Coastal Salmon Recovery	1	0	0	0
Limited Access System Administration Fund	35	0	0	0
Damage Assessment & Restoration Revolving Fund	7	16	16	0
Promote & Develop American Fishery Products	2	4	4	0
Coastal Impact Assistance Fund	1	0	0	0
Fishermen's Contingency Fund	0	1	1	0
TOTAL	13,083	13,047	13,185	138

Summary of Appropriations

(Dollars in Thousands)

<u>Appropriation</u>	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	\$3,356,178	\$3,305,178	\$3,377,607	\$72,429
Procurement, Acquisition & Construction (PAC)	1,332,353	1,358,353	2,052,777	694,424
Coastal Zone Management Fund	3,000	3,000	0	(3,000)
Fishermen's Contingency Fund	0	0	350	350
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	80,000	80,000	65,000	(15,000)
Medicare-Eligible Retiree Healthcare Fund	1,822	1,822	1,936	114
TOTAL APPROPRIATION	4,773,353	4,748,353	5,497,670	749,317
Transfers:				
<u>Operations, Research & Facilities</u>				
FROM: Promote & Develop Fishery Products	104,600	68,231	66,200	(2,031)
Coastal Zone Management Fund	3,000	3,000	0	(3,000)
Pacific Coastal Salmon Recovery	80	0	0	0
Procurement, Acquisition and Construction	1,358	0	0	0
Fisheries Finance Program Account	0	0	0	0
Santuaries Asset Forefeiture Fund	0	0	0	0
Fisheries Asset Forefeiture Fund	0	0	[-3,000]	0
Subtotal, ORF	109,038	71,231	66,200	(5,031)
<u>Coastal Zone Management Fund</u>				
TO: ORF	(3,000)	(3,000)	0	3,000
<u>Pacific Coastal Salmon Recovery</u>				
TO: ORF	(80)	0	0	0
<u>Procurement, Acquisition & Construction (PAC)</u>				
TO: ORF	(1,358)	0	0	0
<u>Fisheries Asset Forefeiture Fund</u>				
FROM: Reimbursable Offsetting collections	0	0	[3,000]	0
<u>Promote & Develop American Fishery Products (P&D)</u>				
TO: ORF	(104,600)	(68,231)	(66,200)	2,031
FROM: Department of Agriculture (mandatory funds)	113,371	68,231	71,200	2,969
Subtotal, P&D	8,771	0	5,000	5,000
TOTAL TRANSFERS	113,371	68,231	71,200	2,969
Unobligated balances, rescission				
Foreign Fishing Observer Fund	0	0	(350)	(350)
TOTAL UNOBLIGATED BALANCES, RESCISSION	0	0	(350)	(350)

	2010	2011 CR	2012	Increase
	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Mandatory Accounts				
Damage Assessment & Restoration Revolving Fund	\$3,222	\$3,300	\$3,000	(\$300)
Fisheries Finance Program Account	5,744	9,910	0	(9,910)
Environmental Improvement and Restoration Fund	9,870	378	1,467	1,089
CZMF mandatory offsetting collections	(284)	(1,500)	(1,500)	0
Federal Ship Financing Fund	(212)	0	0	0
NOAA Corps Retirement Pay	26,116	28,269	28,269	0
Western Pacific Sustainable Fisheries	1,000	1,000	1,000	0
Limited Access System Administration Fund	3,882	8,576	9,675	1,099
TOTAL BUDGET AUTHORITY	4,936,062	4,866,517	5,610,431	743,914
Mandatory Funds	162,709	118,164	113,111	(5,053)
Discretionary Budget Authority				
Operations, Research & Facilities (ORF)	3,465,216	3,376,409	3,443,807	67,398
Sanctuaries Asset Forfeiture Fund	0	0	1,000	1,000
Fisheries Asset Forfeiture Fund	0	0	8,000	8,000
P&D Transfer	(104,600)	(68,231)	(66,200)	2,031
Procurement, Acquisition & Construction (PAC)	1,330,994	1,358,353	2,052,777	694,424
Medicare-Eligible Retiree Healthcare Fund	1,822	1,822	1,936	114
Fishermen's Contingency Fund	0	0	350	350
Foreign Fishing Observer Fund	0	0	(350)	(350)
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	79,920	80,000	65,000	(15,000)
TOTAL DISCRETIONARY	4,773,352	4,748,353	5,506,320	757,967
BUDGET AUTHORITY				
OFFSETTING RECEIPTS:				
Fisheries Finance Negative Subsidy Receipt Account	(6,929)	(8,001)	(9,831)	(1,830)
Fisheries Asset Forfeiture Funds	0	0	(5,000)	(5,000)
Sanctuaries Asset Forfeiture Funds	0	0	(1,000)	(1,000)
Adjustment to reflect reestimates				0
Total, Negative Subsidy	(6,929)	(8,001)	(15,831)	(7,830)

Highlights of Budget Changes

Appropriation: Operations, Research and Facilities

Summary of Requirements

	<u>FTE</u>	<u>Detailed</u> <u>Amount</u>	<u>FTE</u>	<u>Summary</u> <u>Amount</u>
2011 CR (Annualized)			12,130	\$3,305,178
<u>Transfers</u>				
From Promote and Develop American Fisheries		\$68,231		
Transfer of Unobligated Balance, P&D		\$0		
From Coastal Zone Management Fund		3,000		
Subtotal, Transfers				71,231
Adjustments to Base:				
<u>Adjustments</u>				
Adjustment to accommodate P&D transfer reduction		36,369		
Restoration of FY 2011 Adjustments-to-Base	41	44,454		
Transfer PAC to ORF	6	4,314		
Subtotal, Adjustments			47	85,137
<u>Other Cost Changes</u>				
Annualization of 2011 Pay Raise (Military: NOAA Corps)		172		
Pay raise (Military: NOAA Corps)		597		
OMAO Wage Marine Overtime on NOAA Ships		104		
Civil Service Retirement System(CSRS)		(1,081)		
Federal Employees' Retirement System(FERS)		1,838		
Thrift Savings Plan		309		
Federal Insurance Contributions Act (FICA) - OASDI		(155)		
Health insurance		5,061		
Employees Compensation Fund		(1,310)		
Travel:				
Per diem		3,832		
Mileage		(301)		
Rent payments to GSA		1,449		
Printing and reproduction		120		
Electricity		126		
NARA Storage & maintenance costs		10		
Other services:				
Working Capital Fund		(52)		
Postage		0		
Commerce Business System		182		

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
General Pricing Level Adjustment (FY2012):				
Transportation of things		\$224		
Rental payments to others		291		
Communications, utilities and miscellaneous charges		708		
Other services		11,666		
Supplies & Materials		1,155		
Equipment		822		
Grants		589		
Fuel Cost - OMAO		4,249		
Subtotal, other cost changes			0	30,605
TOTAL, ADJUSTMENTS TO BASE			47	30,605
2012 Base			12,177	3,492,151
Program Changes			97	(42,344)
TOTAL REQUIREMENTS			12,274	3,449,807
Recoveries from prior year obligations in FY 2012				(6,000)
Transfers:				
From Promote and Develop American Fishery Products and Research				(66,200)
2012 APPROPRIATION			12,274	3,377,607

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
National Ocean Service	1,229	\$519,578	1,230	\$529,605	1,242	\$511,219	12	(\$18,386)
National Marine Fisheries Service	2,818	923,997	2,860	922,974	2,892	910,412	32	(12,562)
Oceanic & Atmospheric Research	744	435,021	469	227,514	472	212,013	3	(15,501)
Climate Service	0	0	583	316,899	610	321,827	27	4,928
National Weather Service	4,613	882,897	4,569	901,156	4,573	896,788	4	(4,368)
National Environmental Satellite Service	678	197,700	409	112,827	409	117,890	0	5,063
Program Support	2,048	463,783	2,057	481,176	2,076	479,658	19	(1,518)
DIRECT OBLIGATIONS	12,130	3,422,976	12,177	3,492,151	12,274	3,449,807	97	(42,344)
NOAA Corp Retirement (mandatory)	0	28,269	0	28,269	0	28,269	0	0
TOTAL DIRECT OBLIGATIONS	12,130	3,451,245	12,177	3,520,420	12,274	3,478,076	97	(42,344)
REIMBURSABLE OBLIGATIONS								
From Offsetting Collections	706	363,898	706	242,000	706	239,000	0	(3,000)
TOTAL OBLIGATIONS	12,836	3,815,143	12,883	3,762,420	12,980	3,717,076	97	(45,344)
FINANCING								
Unobligated balance, start of year	0	(171,154)	0	0	0	0	0	0
Transfer of unobligated P&D balance	0	(312)	0	0	0	0	0	0
Offsetting Collections	(706)	(239,000)	(706)	(242,000)	(706)	(239,000)	0	3,000
Deobligations	0	0	0	(6,000)	0	(6,000)	0	0
Subtotal, Financing	(706)	(410,466)	(706)	(248,000)	(706)	(245,000)	0	3,000
TOTAL BUDGET AUTHORITY	12,130	3,404,677	12,177	3,514,420	12,274	3,472,076	97	(42,344)
Transfers / Mandatory	0	(99,500)	0	(97,469)	0	(94,469)	0	3,000
APPROPRIATION, ORF	12,130	3,305,178	12,177	3,416,951	12,274	3,377,607	97	(39,344)

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, NOAA has identified \$67,750,000 in administrative savings, of which \$56,977,000 is saved within the Operations, Research and Facilities (ORF) account. Within ORF \$1,389,000 in savings is identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details); \$8,872,000 is saved within the National Ocean Service; \$16,271,000 is saved within the National Marine Fisheries Service; \$3,235,000 is saved within the Office of Oceanic and Atmospheric Research; \$4,564,000 is saved within the new Climate Service line office; \$13,055,000 is saved within the National Weather Service; \$1,856,000 is saved with the National Environmental Satellite Service (formerly the National Environmental Satellite, Data, and Information Service; \$3,274,000 is saved within Program Support activities in addition to the WCF savings and \$935,000 in savings in the Under Secretary and Associated Offices; \$3,526,000 is saved within the Office of Marine and Aviation Operations. Within the Procurement, Acquisition and Construction (PAC) account \$10,773,000 in savings is identified. These administrative savings represent real reductions to NOAA's funding level and will help reduce overall spending by the Federal Government.

Highlights of Major Program Changes

Program Changes are summarized by line office at the sub-activity level below.

National Ocean Service (NOS)

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Navigation Services</u>	550	\$167,412	0	-\$10,050

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,000 to fund an Integrated Ocean and Coastal Mapping (IOCM) Data Processing Center, which maximizes mapping data collection efficiencies and the use of taxpayer dollars (to support implementation of the Ocean and Coastal Mapping Integration Act (OCMIA) of 2009).

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$750 for the development and demonstration of Unmanned Surface Vehicles used for hydrographic survey operations since NOAA does not plan to transition this technology to operation in the near term.
- A decrease of 0 FTE and \$4,800 to reflect the completion of the installation of meteorological sensors at National Water Level Observation Network (NWLON) stations, for the “hardening” of NWLON stations damaged by recent hurricanes, and for the design, installation, maintenance and operations of the Physical Oceanographic Real-Time System (PORTS®).
- A decrease of 0 FTE and \$5,500 for Regional Geospatial Modeling Grants. Grants were award in FY 2010 and all projects will be completed within the award amounts.

<u>Ocean Resources Conservation & Assessment</u>	428	\$191,075	+11	-\$2,547
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NOAA requests the following increases for this sub-activity:

- An increase of 9 FTE and \$6,770 to develop an agency-wide capability to conduct and support comprehensive coastal and marine spatial planning (CMSP) in U.S. waters.
- An increase of 2 FTE and \$4,000 to reduce the vulnerability of coastal communities and the U.S. economy to the hardship and costs associated with climate-related natural hazards.
- An increase of 0 FTE and \$2,000 to develop and pilot in the Gulf region an integrated topographic/bathymetric dataset to address a range of high-priority coastal issues.
- An increase of 0 FTE and \$8,500 to develop and improve marine sensors that will detect and sample ocean biological and physical parameters at multiple spatial and temporal scales.
- An increase of 0 FTE and \$74 to support existing requirements in the Coastal Storms Program.
- An increase of 0 FTE and \$5,000 to implement the U.S. IOOS® Surface Current Mapping plan using High Frequency Radar. This program change will be implemented by the IOOS Regional Coastal Ocean Observing Systems to deliver real-time surface current data to the national High Frequency Radar surface current monitoring network.
- An increase of 0 FTE and \$2,900 to develop an oil spill research and development program.
- An increase of 0 FTE and \$1,000 for Coastal Ecosystem Science efforts to maintain and enhance NOAA's Mussel Watch Program, to conduct essential laboratory equipment maintenance and refresh.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$2,312 for inter-disciplinary science, information and decision support tools to improve coastal management and stewardship. All projects initiated with this funding will be completed within the award amounts.
- A decrease of 0 FTE and \$199 for the NCCOS extramural competitive research program. All projects awarded in FY2010 and FY 2011 are fully funded by the award amount.

- A decrease of 0 FTE and \$2,000 for Oceans and Health.
- A decrease of 0 FTE and \$2,273 to terminate a competitive funding program for external coral reef institutes. These institutes are encouraged to apply for funding through NOAA’s Coral Reef Conservation Program’s existing grant program and the National Fish and Wildlife Foundation’s Coral Fund.
- A decrease of 0 FTE and \$6,000 for NOAA’s Coastal Services Center that supported the Community Resilience Networks program. Funding for coastal resilience is provided in other initiatives.
- A decrease of 0 FTE and \$1,000 for the Office of Response and Restoration Base to terminate a one-time solicitation for an independent undersea threats assessment.
- A decrease of 0 FTE and \$12,445 for IOOS Regional Observations to terminate funding provided in FY 2010 but not required in FY 2012 for a competitive extramural regional test bed for the Atlantic and Gulf coasts, for a consortium for testing and advancing new sensor technologies, and for a competitive regional ocean observing systems solicitation.
- A decrease of 0 FTE and \$1,812 for the Estuary Restoration Program. All projects initiated with these funds will be completed within award amounts.
- A decrease of 0 FTE and \$4,750 ending the competitive grant program targeted at advancing regional coastal resource priorities identified by the Gulf of Mexico Alliance. Previous recipients of these grants will be eligible to compete for funding under the new regional ocean partnership grants.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Ocean and Coastal Management</u>	252	\$155,498	+1	+\$18,003

NOAA requests the following increase for this sub-activity:

- An increase of 1 FTE and \$20,000 for a targeted competitive grant program to advance regional ocean management through support for regional ocean partnerships, including coastal and marine spatial planning.
- An increase of 0 FTE and \$8,000 for a Working Waterfronts Initiative to support fishery dependent coastal communities adversely impacted by changes in fishery management practices or changing environmental conditions affecting the local fishery.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$1,200 for NOAA’s role in off-shore energy project licensing, permitting and appeals. NOAA plans to issue a rule for commercial ocean thermal energy conservation facility license permits in FY 2013.
- A decrease of 0 FTE and \$2,000 for coastal zone management grants to terminate a competitive program to modernize and improve state information systems. Grants were provided as one-time funds to various states and all grant funded projects will be completed within the award amount.
- A decrease of 0 FTE and \$1,174 for estuarine research reserves. All essential operations at the estuarine research reserves are supported at the requested level of resources.
- A decrease of 0 FTE and \$872 for Marine Protected Areas (MPAs). The request level for MPAs will support planned FY 2012 science, outreach, training, technical assistance and coordination within the program.
- A decrease of 0 FTE and \$4,051 for the Marine Sanctuary Program. All essential operations at for the Nation’s 13 marine sanctuaries and the Papahānaumokuākea Marine National monument are supported at the requested level of resources.

<u>Congressionally Directed Projects</u>	0	\$15,620	0	-\$15,620
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NOAA requests a decrease of 0 FTE and \$15,620 to terminate the funding level that would continue under an annualized FY 2011 continuing resolution associated with the Congressionally directed projects indentified in the Conference Report that accompanied the Consolidated Appropriations Act, 2010.

National Marine Fisheries Service (NMFS)

	FTE	Base Amount	Increase / Decrease FTE	Amount
<u>Protected Species Research and Management</u>	817	\$206,563	+12	+\$10,018

NOAA requests the following increases for this sub-activity:

- An increase of 2 FTE and \$2,500 to conduct protected species stock assessments at a frequency required to adequately support effective conservation decisions making.
- An increase of 7 FTE and \$3,000 to meet the growing demand for consultations under Section 7 of the Endangered Species Act (ESA).
- An increase of 0 FTE and \$8,000 for the conservation and recovery of marine and anadromous species under NMFS jurisdiction and listed under the Endangered Species Act (ESA) through the Species Recovery Grants Program.
- An increase of 0 FTE and \$2,668 to monitor Pacific Salmon reintroductions, evaluate the effectiveness of restoration efforts, and expand NMFS genetic stock identification capability.
- An increase of 3 FTE and \$1,000 to support the Water Operations Oversight and Coordination activities under the CALFED Bay Delta program.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$500 for the Atlantic Salmon program. The request increases funding for several activities that will directly benefit atlantic salmon.
- A decrease of 0 FTE and \$2,302 for Marine Mammals to reflect completed protection projects related to Hawaiian monk seals and Pacific Island cetaceans.
- A decrease of 0 FTE and \$4,348 for Marine Turtles to reflect completed protection projects related to Hawaiian sea turtles.

<u>Fisheries Research and Management</u>	1,366	\$440,274	+28	+\$35,750
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NOAA requests the following increases for this sub-activity:

- An increase of 10 FTE and \$36,600 to accelerate and enhance implementation of a National Catch Share Program.
- An increase of 5 FTE and \$5,400 to support the creation of Integrated Ecosystem Assessments.
- An increase of 10 FTE and \$15,000 to expand stock assessments by increasing number of stocks with adequate assessments to help verify that overfishing is no longer occurring.
- An increase of 3 FTE and \$3,000 to significantly improve the timeliness and quality of catch monitoring in recreational fisheries to meet fisheries management requirements.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$13,500 for Salmon Management Activities to reflect completion of activities related to the implementation of the Pacific Salmon Treaty.
- A decrease of 0 FTE and \$750 for Fisheries Research and Management Programs.
- A decrease of 0 FTE and \$10,000 for Salmon Management Activities related to Columbia River hatcheries. These hatcheries are eligible for funding through the Pacific Coastal Salmon Recovery Fund.

	FTE	Base	Increase / Decrease	
		Amount	FTE	Amount
<u>Enforcement and Observers/Training</u>	385	\$109,822	0	-\$3,615

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$600 for Fisheries Enforcement to terminate funds used to install electronic log books on shrimp boats in FY 2010.
- A decrease of 0 FTE and \$3,015 for Fisheries Observers and Training Program to terminate funds used to augment the Hawaiian Longline Observer Program in FY 2010.

<u>Habitat Conservation and Restoration</u>	149	\$51,056	0	+\$2,544
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NOAA requests the following increase for this sub-activity:

- An increase of 0 FTE and \$5,044 for the community based restoration program to implement larger-scale ecological restoration projects.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$1,500 to terminate the NOAA Great Lakes Habitat Restoration Program. The Environmental Protection Agency (EPA), through the President’s Great Lakes Restoration Initiative, provides NOAA with funding to implement cross-agency efforts focused on habitat restoration projects.
- A decrease of 0 FTE and \$1,000 to reflect the termination of certain grant funding provided in FY 2010 for the Open River Initiative. FY 2012 funding is not required to complete any of the awarded projects.

<u>Other Activities Supporting Fisheries</u>	143	\$81,484	-8	-\$7,213
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NOAA requests the following increases for this sub-activity:

- An increase of 1 FTE and \$2,352 to support the NOAA/USDA Alternative Feeds Initiative to develop alternative aquaculture feeds.
- An increase of 4 FTE and \$5,000 to support the Chesapeake Bay Executive Order and NOAA’s Chesapeake Bay restoration efforts.

NOAA requests the following decreases for this sub-activity:

- A decrease of 13 FTE and \$4,565 for Cooperative Research.
- A decrease of 0 FTE and \$1,000 for temporary leases at the Southwest Fisheries Science Center.
- A decrease of 0 FTE and \$9,000 for New England Fisheries Assistance.

<u>Congressionally Directed Projects</u>	0	\$33,775	0	-\$33,775
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NOAA requests a decrease of \$33,775 to terminate the funding level that would continue under an annualized FY 2011 continuing resolution associated with the Congressionally directed projects identified in the Conference Report that accompanied the Consolidated Appropriations Act, 2010.

Oceanic and Atmospheric Research (OAR)

<u>Weather and Air Quality Research</u>	183	\$50,647	0	+\$3,075
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$2,000 for wind boundary layer research to support clean energy generation.
- An increase of 0 FTE and \$6,000 to continue research to demonstrate the potential for Multi-Function Phased Array Radar technology to replace aging operational weather and aircraft tracking radars.
- An increase of 0 FTE and \$25 to support a Cooperative Institute scientist to develop improvements in tornado modeling within the Weather & Air Quality Research Laboratories and Cooperative Institutes.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$1,300 to The Observing System Research and Predictability Experiment (THORPEX). THORPEX has been a successful international partnership program that will complete projects sooner than originally planned.
- A decrease of 0 FTE and \$3,000 for Unmanned Aircraft Systems to reflect the planned completion of the High Altitude Long Endurance (HALE) UAS testing and demonstration program.
- A decrease of 0 FTE and \$650 for Nutrient & Mercury Speciation Measurement Stations.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Ocean, Coastal & Great Lakes Research</u>	163	\$121,972	+3	+\$4,106

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,500 for the NOAA Ship *Okeanos Explorer's* ROV and Telepresence capabilities and additional sea days.
- An increase of 3 FTE and \$6,100 to complement, accelerate, and enhance NOAA's current ocean acidification activities and provide comprehensive research, dedicated monitoring, and enhanced forecasting capabilities leading to improved management of the living marine resources impacted by ocean acidification.
- A net increase of 0 FTE and \$885 to support Sea Grant's regional research, training, and technology transfer to enhance the resiliency of coastal communities to persistent natural hazards such as climate-induced sea level rise and to extreme events such as coastal storms.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$478 for the Sea Grant National Marine Aquaculture Initiative. Requested funding will implement a two-pronged approach to address marine aquaculture: competitive extramural research and transfer of research by Sea Grant Extension. These efforts will complement, accelerate, and enhance current aquaculture activities in the National Marine Fisheries Service (NMFS) and address research gaps.
- A decrease of 0 FTE and \$2,900 for Ocean Exploration & Research to reflect the completion research missions in the Black Sea and eastern Mediterranean.
- A decrease of 0 FTE and \$1,001 for the Aquatic Invasive Species program.

<u>Info. Technology, R&D, & Science Education</u>	13	\$13,213	0	+\$53
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NOAA requests the following increase for this sub-activity:

- An increase of 0 FTE and \$53 to for the Information Technology, R&D, & Science Education program to acquire additional supercomputing computational hours.

<u>Congressionally Directed Projects</u>	0	\$19,500	0	-\$19,500
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NOAA requests a decrease of \$19,500 to terminate the funding level that would continue under an annualized FY 2011 continuing resolution associated with the Congressionally directed projects identified in the Conference Report that accompanied the Consolidated Appropriations Act. 2010.

Climate Service (CS)

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Climate Research</u>	252	\$137,497	+17	+\$19,092

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$4,700 for Carbon ¹⁴CO₂ Measurements to Capture the Distribution of Fossil Fuel Emissions, which is critical for separating human from natural emissions and for identifying and verifying regional changes in greenhouse gas emissions.
- An increase of 10 FTE and \$6,980 for Earth System Modeling to enable continued development and use of state-of-the-art Earth System Models to address urgent climate issues, including sea level rise and Arctic climate change.
- An increase of 7 FTE and \$8,000 for the Carbon Observing and Analysis System to complete and sustain an observation and analysis system to determine uptake and emissions of carbon dioxide and greenhouse gases across North America.
- An increase of 0 FTE and \$7,672 for Water Resources Research to Operations to research, develop and implement Integrated Water Resource Services, a NOAA Regional Collaboration Priority.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$2,200 for atmospheric chemistry research activities to focus on other priority areas, including regional climate services.
- A decrease of 0 FTE and \$6,060 for international activities currently performed by the International Research Institute as part of an effort to restructure NOAA's priorities for climate services, especially domestically.

<u>Integrated Climate Services</u>	7	\$29,017	+5	+\$2,039
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NOAA requests the following increases for this sub-activity:

- An increase of 3 FTE and \$1,000 for Assessment Services to enhance the capability to produce climate assessments at national and regional scales.
- An increase of 2 FTE and \$1,500 for the NOAA Climate Services Portal to support development of a new web portal that will provide easy public access to NOAA's climate data, information, and services.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$461 for Regional Climate Services to provide regionally-tailored climate products and service delivery in six U.S. regions.

<u>Observations, Monitoring & Predictions</u>	324	\$141,440	+5	-\$2,694
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,384 for Global Ocean Observing System activities needed to better understand and quantify sea level rise. NOAA will focus its overall effort to predict sea level rise on existing tide gauge stations.
- An increase of 1 FTE and \$3,000 for Arctic Watch to make progress toward completing and sustaining Arctic observations as part of the U.S. contribution to the International Arctic Observing Network and the associated Global Ocean Observing System (GOOS).
- An increase of 2 FTE and \$2,000 for Data Center Operations to provide NOAA the operational capability to close the gap in long-term safe storage of and access to the Nation's environmental data and information.
- An increase of 2 FTE and \$8,000 for Climate Data Records to transform raw satellite data into unified and coherent long-term environmental observations and products that are critical to climate modelers and decision

makers concerned with advancing climate change understanding, prediction, mitigation and adaptation strategies, policies, and science.

- An increase of 0 FTE and \$38 to increase the utilization of coastal and oceanographic data using web-based search/access and GIS techniques .

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$17,116 for the Climate Data Modernization Program which focuses on preserving and digitizing key paper climate records.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Congressionally Directed Projects</u>	0	\$8,945	0	-\$8,945

NOAA requests a decrease of \$8,945 to terminate the funding level that would continue under an annualized FY 2011 continuing resolution associated with the Congressionally directed projects identified in the Conference Report that accompanied the Consolidated Appropriations Act. 2010.

National Weather Service (NWS)

<u>Operations and Research</u>	4,381	\$791,852	+4	+\$14,583
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$4,000 to resolve sustainment gaps in the National Data Buoy Center’s (NDBC) ocean observation capabilities, which include Coastal Weather Data Buoys (CWB) and Coastal-Marine Automated Network (C-MAN) stations.
- An increase of 0 FTE and \$5,042 to fully fund the acquisition cost of the global positioning satellite (GPS) radiosondes for all 102 NOAA/NWS Upper Air (UA) observing stations utilizing GPS tracking capability and GPS radiosondes.
- An increase of 0 FTE and \$2,000 to make required IT security improvements to the Nation’s National Critical Space Weather System required to maintain its authority to operate.
- An increase of 4 FTE and \$26,944 to fund planned third year Next Generation Air Transportation System (NextGen) development activities. This requested increase will support initial operational deployment of a NextGen 4-Dimensional Weather Data Cube for aviation users in2014 and lay the foundation for the development of follow-on capabilities as required by the NextGen Integrated Work Plan. The NextGen 4-Dimensional Weather Data Cube will integrate observed and forecast weather information and enable its use within an automated, multi-agency coordinated, air traffic management system.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$3,203 to achieve a target reduction in its telecommunications costs across all its programs and will take the reduction from Local Warnings and Forecasts base. This reduction can be achieved by the utilization of the new, more efficient GSA Network contract.
- A decrease of 0 FTE and \$19,000 to terminate direct NOAA support for the National Mesonet Network.
- A decrease of 0 FTE and \$1,200 to phase out approximately 1,000 Cooperative Observer Program observing sites that will be replaced as part of the U.S. Historical Climate Network modernization in the Climate Service.

<u>Systems Operation and Maintenance</u>	188	\$103,079	0	+\$329
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$127 to support operations and maintenance of the new Washington State radar that will become operational in September 2011.
- An increase of 0 FTE and \$202 to fund increasing maintenance support for ASOS.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Congressionally Directed Projects</u>	0	\$6,225	0	-\$6,225

NOAA requests a decrease of \$6,225 to terminate the funding level that would continue under an annualized FY 2011 continuing resolution associated with the Congressionally directed projects identified in the Conference Report that accompanied the Consolidated Appropriations Act. 2010.

National Environmental Satellite Service (NESS)

<u>Environmental Satellite Observing Systems</u>	409	\$112,827	+0	+\$6,919
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$3,108 for product, processing and distribution to improve Information Technology (IT) Satellite Security.
- An increase of 0 FTE and \$3,811 for Product, Processing and Distribution (PPD) to process and distribute NPOESS Preparatory Project (NPP) environmental products on a 24X7 basis.

Program Support

<u>Corporate Services</u>	960	\$216,272	+13	+19,029
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,000 for NOAA General Counsel to provide necessary legal support to NOAA programs.
- An increase of 0 FTE and \$4,345 to support acquisition and grants services for NOAA.
- An increase of 1 FTE and \$1,113 to support implementation of a DOC-wide acquisition intern program.
- An increase of 4 FTE and \$795 to build acquisition capacity within DOC to handle the increasing workload of grants and contracts.
- An increase of 0 FTEs and \$5,000 to migrate the NOAA instance of the Commerce Business System from the existing operating system to a DOC standard operating system.
- An increase of 2 FTE and \$4,000 to acquire, install, operate, and maintain the NOAAnet Single Enterprise Wide Area Network (WAN).
- An increase of 6 FTE and \$5,100 to fortify critical Enterprise IT security by decreasing risks and enabling NOAA to increase the capabilities of the NOAA Cyber Security Center (NCSC) and to enhance critical nationwide 24x7 security monitoring and incident response.

NOAA requests the following decrease for this activity:

- A decrease of 0 FTE and \$935 from efficiencies and savings in on-going activities in the Under Secretary and Associated Offices.
- A decrease of 0 FTE and \$1,389 for the DOC Working Capital Fund to reflect the impact of Department-wide savings initiatives on NOAA's contribution to the DOC Working Capital Fund.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Education</u>	21	\$38,710	0	-\$17,870

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$7,200 for the Bay Watershed Education and Training (BWET) Regional Program for competitive funding to local and state education offices, government agencies, academic institutions, and non-profit organizations.
- A decrease of 0 FTE and \$6,957 for Competitive Educational Grants and Programs for improvement in America's science education enterprise. Requested funding will support approximately 4 new awards in FY 2012.
- A decrease of 0 FTE and \$3,000 for the Global Learning and Observations to Benefit the Environment (GLOBE) program for teacher training in environmental, science and math education. GLOBE will continue to be funded by contributions from NASA.
- A decrease of 0 FTE and \$713 for the Education Program/Initiative line for coordination and strategic planning for education activities across NOAA.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Facilities</u>	46	\$31,005	+1	+\$10,758

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$10,000 to support major restoration and modernization projects to address critical facility condition deficiencies, and improve safety and operating conditions in support of NOAA's mission.
- An increase of 1 FTE and \$758 to restore funding for the long-term property transfer and environmental monitoring activities on Pribilof Islands.

<u>Congressionally Directed Projects</u>	0	\$15,230	0	-\$15,230
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NOAA requests a decrease of \$15,230 to terminate the funding level that would continue under an annualized FY 2011 continuing resolution associated with the Congressionally directed projects identified in the Conference Report that accompanied the Consolidated Appropriations Act. 2010.

<u>Marine Operations & Maintenance</u>	923	\$131,969	+5	+\$192
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- An increase of 5 FTE and \$790 to continue improvements to the NOAA Dive Center.
- An increase of 0 FTE and \$1,902 for Homeport Facility Lease Costs.

NOAA requests the following decrease for this activity:

- A decrease of 0 FTE and \$2,500 for an integrated bridge system for a small vessel for the National Ocean Service (NOS) Sanctuaries Program.

<u>Fleet Planning & Maintenance</u>	3	\$17,470	0	+\$9,565
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NOAA requests the following increases for this sub-activity:

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$6,200 for Preventative, Corrective, and Deferred Ship Maintenance.
- An increase of 0 FTE and \$3,365 for Environmental Compliance for Vessels.

<u>Aviation Operations</u>	104	\$30,520	0	-\$1,162
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NOAA requests the following decrease for this activity:

- A decrease of 0 FTE and \$1,162 in Operating Funds for NOAA Aircraft Services.

Detailed Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
NATIONAL OCEAN SERVICE								
Navigation Services:								
Mapping & Charting	272	\$96,204	272	\$98,591	272	\$98,841	0	\$250
Geodesy	154	34,323	154	35,042	154	29,542	0	(5,500)
Tide & Current Data	124	33,259	124	33,779	124	28,979	0	(4,800)
Total, Navigation Services	550	163,786	550	167,412	550	157,362	0	(10,050)
Ocean Research Conservation and Assessment:								
Ocean Assessment Program (OAP)	113	106,607	111	103,883	122	104,759	11	876
Response and Restoration	118	26,904	118	27,670	118	27,758	0	88
National Centers for Coastal Ocean Science	197	54,054	199	59,522	199	56,011	0	(3,511)
Total, Ocean Res. Conservation & Assessment	428	187,565	428	191,075	439	188,528	11	(2,547)
Ocean and Coastal Management:								
Coastal Management	69	104,117	70	105,411	71	128,165	1	22,754
Ocean Management (Marine Sanctuary Program)	182	48,655	182	50,087	182	46,036	0	(4,051)
Total, Ocean & Coastal Management	251	152,772	252	155,498	253	174,201	1	18,703
Congressionally Directed Projects	0	15,455	0	15,620	0	0	0	(15,620)
Administrative Efficiency Initiative					0	(8,872)	0	(8,872)
TOTAL, NOS	1,229	519,578	1,230	529,605	1,242	511,219	12	(18,386)
NATIONAL MARINE FISHERIES SERVICE								
Protected Species Research & Management	799	202,767	817	206,563	829	216,581	12	10,018
Fisheries Research and Management	1,353	439,009	1,366	440,274	1,394	476,024	28	35,750
Enforcement & Observers/Training	375	107,278	385	109,822	385	106,207	0	(3,615)
Habitat Conservation & Restoration	149	51,178	149	51,056	149	53,600	0	2,544
Other Activities Supporting Fisheries	142	90,347	143	81,484	135	74,271	(8)	(7,213)
Congressionally Directed Projects	0	33,418	0	33,775	0	0	0	(33,775)
Administrative Efficiency Initiative					0	(16,271)	0	(16,271)
TOTAL, NMFS	2,818	923,997	2,860	922,974	2,892	910,412	32	(12,562)
OCEANIC & ATMOSPHERIC RESEARCH								
Climate Research:								
Laboratories & Cooperative Institutes	249	54,358	110	22,182	110	22,182	0	0
Climate Data & Information	3	11,992	0	0	0	0	0	0
Competitive Research Program	107	151,709	0	0	0	0	0	0
Climate Operations	0	903	0	0	0	0	0	0
Other Partnership Programs	0	0	0	0	0	0	0	0
Total, Climate Research	359	218,962	110	22,182	110	22,182	0	0
Weather and Air Quality Research:								
Laboratories & Cooperative Institutes	188	54,622	162	41,037	162	39,412	0	(1,625)
Weather & Air Quality Research Programs	21	9,372	21	9,610	21	14,310	0	4,700
Other Partnership Programs	0	312	0	0	0	0	0	0
Total, Weather and Air Quality Res.	209	64,306	183	50,647	183	53,722	0	3,075

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Ocean, Coastal and Great Lakes Research:								
Laboratories & Cooperative Institutes	119	\$21,677	119	\$22,409	119	\$22,409	0	\$0
National Sea Grant College Program	27	62,350	27	63,140	27	62,546	0	(594)
Ocean Exploration and Research	17	30,404	17	30,923	17	29,523	0	(1400)
Other Ecosystems Programs	0	0	0	5,500	3	11,600	3	6,100
Other Partnership Programs	0	26	0	0	0	0	0	0
Total, Ocean, Coastal and Great Lakes Research	163	114,457	163	121,972	166	126,078	3	4,106
Info Technology and R&D	13	12,961	13	13,213	13	13,266	0	53
Congressionally Directed Projects	0	24,335	0	19,500	0	0	0	(19,500)
Administrative Efficiency Initiative					0	(3,235)	0	(3,235)
TOTAL, OAR	744	435,021	469	227,514	472	212,013	3	(15,501)
CLIMATE SERVICE								
Climate Research:								
Modeling	0	0	74	24,245	84	31,225	10	6,980
Physical Sciences	0	0	52	10,938	52	18,610	0	7,672
Chemical Sciences	0	0	40	18,049	40	15,849	0	(2,200)
Global Monitoring and Research	0	0	41	14,184	48	26,884	7	12,700
Competitive Research Program	0	0	45	70,081	45	64,021	0	(6,060)
Total, Climate Research	0	0	252	137,497	269	156,589	17	19,092
Integrated Climate Services:								
NIDIS	0	0	1	13,591	1	13,591	0	0
Regional Services	0	0	6	4,888	6	4,427	0	(461)
Assessment Services	0	0	0	9,000	3	10,000	3	1,000
Communication & Education	0	0	0	1,538	2	3,038	2	1,500
Total, Integrated Climate Service	0	0	7	29,017	12	31,056	5	2,039
Observations and Monitoring:								
Ocean Observations	0	0	19	45,187	20	49,571	1	4,384
Climate Data and Information Services	0	0	152	53,809	156	46,693	4	(7,116)
Ocean Data and Information Services	0	0	55	13,984	55	14,022	0	38
Geophysical Data and Information Services	0	0	48	6,050	48	6,050	0	0
Environmental Services	0	0	0	10,083	0	10,083	0	0
Atmospheric Observations	0	0	3	5,284	3	5,284	0	0
Observations, Monitoring, and Prediction for CPC	0	0	47	7,043	47	7,043	0	0
Total, Observations & Monitoring	0	0	324	141,440	329	138,746	5	(2,694)
Congressionally Directed Projects	0	0	0	8,945	0	0	0	(8,945)
Administrative Efficiency Initiative					0	(4,564)	0	(4,564)
TOTAL, CS	0	0	583	316,899	610	321,827	27	4,928

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
NATIONAL WEATHER SERVICE								
Operations & Research:								
Local Warnings & Forecasts	4,118	697,088	4,121	718,011	4,125	732,594	4	14,583
Central Forecast Guidance	307	78,694	260	73,841	260	73,841	0	0
Total, Operations & Research	4,425	775,782	4,381	791,852	4,385	806,435	4	14,583
Systems Operation and Maintenance	188	100,956	188	103,079	188	103,408	0	329
Congressionally Directed Projects	0	6,159	0	6,225	0	0	0	(6,225)
Administrative Efficiency Initiative					0	(13,055)	0	(13,055)
TOTAL, NWS	4,613	882,897	4,569	901,156	4,573	896,788	4	(4,368)
NATIONAL ENVIRONMENTAL								
SATELLITE SERVICE								
Environmental Satellite Observing Systems:								
Satellite command and control	174	46,904	174	48,594	174	48,594	0	0
Product processing and distribution	123	32,372	123	33,307	123	40,226	0	6,919
Product develop, readiness & appl.	102	27,916	102	28,435	102	28,435	0	0
Office of Space Commercialization	5	643	5	661	5	661	0	0
Group on Earth Observations (GEO)	0	495	0	506	0	506	0	0
Commercial Remote Sensing Lic. & Enf.	5	1,290	5	1,324	5	1,324	0	0
Total, Environmental Satellite	409	109,620	409	112,827	409	119,746	0	6,919
Observing Systems								
NOAA Data Centers & Information Services:								
Archive, access & assessment	230	66,851	0	0	0	0	0	0
Coastal data development	16	4,517	0	0	0	0	0	0
Regional Climate Centers	0	3,463	0	0	0	0	0	0
NOAA Regional Climate Center program	0	0	0	0	0	0	0	0
Environmental data systems modern.	23	9,432	0	0	0	0	0	0
Integrated Env. Appl. & Info. Ctr.	0	8	0	0	0	0	0	0
Tot., NOAA Data Centers & Info. Serv.	269	84,271	0	0	0	0	0	0
Congressionally Directed Projects	0	3,809	0	0	0	0	0	0
Administrative Efficiency Initiative					0	(1,856)	0	(1,856)
TOTAL, NESS	678	197,700	409	112,827	409	117,890	0	5,063
PROGRAM SUPPORT								
Corporate Services:								
Under Secretary & Assoc. Office	219	\$28,282	154	\$28,855	154	\$28,920	0	\$65
NOAA-wide Corporate Services	790	\$177,266	806	\$178,085	811	\$187,949	5	\$9,864
Office of Chief Info. Officer	0	8,996	0	9,332	8	18,432	8	9,100
Sub-total, Corporate Services	1,009	214,544	960	216,272	973	235,301	13	19,029
NOAA Education Program	10	38,730	21	38,710	21	20,840	0	(17,870)
Facilities Mgmt, Construct & Maint.	4	30,061	46	31,005	47	41,763	1	10,758
Congressionally Directed Projects	0	15,069	0	15,230	0	0	0	(15,230)
Administrative Efficiency Initiative					0	(3,274)	0	(3,274)
Total, Corporate/Education/Facilities	1,023	298,404	1,027	301,217	1,041	294,630	14	(6,587)

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Office of Marine and Aviation Operations (OMAO)								
Marine Operations								
Marine Services	918	119,154	923	131,969	928	132,161	5	192
Fleet planning & maintenance	3	16,974	3	17,470	3	27,035	0	9,565
Sub-total, Marine Ops & Maint.	921	136,128	926	149,439	931	159,196	5	9,757
Aviation Operations	104	29,251	104	30,520	104	29,358	0	(1,162)
NOAA Corps pension & health benefits	0	0	0	0	0	0	0	0
Administrative Efficiency Initiative					0	(3,526)	0	(3,526)
Total, OMAO	1,025	165,379	1,030	179,959	1,035	185,028	5	5,069
TOTAL, PROGRAM SUPPORT	2,048	463,783	2,057	481,176	2,076	479,658	19	(1,518)
DIRECT OBLIGATIONS	12,130	3,422,976	12,177	3,492,151	12,274	3,449,807	97	(42,344)
NOAA Corps retirement pay (mand.)	0	28,269	0	28,269	0	28,269	0	0
TOTAL DIRECT OBLIGATIONS	12,130	3,451,245	12,177	3,520,420	12,274	3,478,076	97	(42,344)
REIMBURSABLE OBLIGATIONS								
From Offsetting collections	706	363,898	706	242,000	706	239,000	0	(3,000)
TOTAL OBLIGATIONS, ORF	12,836	3,815,143	12,883	3,762,420	12,980	3,717,076	97	(45,344)
FINANCING								
Unobligated balance, start of year	0	(171,154)	0	0	0	0	0	0
Transfer of unobligated P&D balance	0	(312)	0	0	0	0	0	0
Offsetting Collections	(706)	(239,000)	(706)	(242,000)	(706)	(239,000)	0	3,000
De-obligations (direct)	0	0	0	(6,000)	0	(6,000)	0	0
Subtotal, Financing	(706)	(410,466)	(706)	(248,000)	(706)	(245,000)	0	3,000
TOTAL BUDGET AUTHORITY, ORF	12,130	3,404,677	12,177	3,514,420	12,274	3,472,076	97	(42,344)
FINANCING FROM:								
NOAA Corps retirement pay (mandatory)	0	(28,269)	0	(28,269)	0	(28,269)	0	0
From Promote and Develop American Fisheries	0	(68,231)	0	(66,200)	0	(66,200)	0	0
From Coastal Zone Management	0	(3,000)	0	(3,000)	0	0	0	3,000
Subtotal, Transfers / Mandatory	0	(99,500)	0	(97,469)	0	(94,469)	0	3,000
APPROPRIATION, ORF	12,130	3,305,178	12,177	3,416,951	12,274	3,377,607	97	(39,344)

Appropriation: Procurement, Acquisition and Construction

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR Annualized			190	\$1,358,353
Adjustments to Base			0	0
<u>Adjustments</u>				
Deobligations		\$2,000		
Transfer of PAC WFO Construction to ORF Local Warnings & Forecasts	(6)	(4,314)		
TOTAL, ADJUSTMENTS TO BASE			(6)	(2,314)
2012 Base			184	1,356,039
Program Changes			0	703,738
TOTAL REQUIREMENTS			184	2,059,777
Recoveries from prior year obligations in FY 2012			0	(7,000)
2012 APPROPRIATION			184	2,052,777

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
National Ocean Service								
Construction / Acquisition								
Coastal and Estuarine Land Conserv. Prg.	1	\$20,288	1	\$20,000	1	\$25,000	0	\$5,000
NERRS	0	4,008	0	3,890	0	1,690	0	(2,200)
Marine Sanctuaries	0	13,057	0	13,000	0	5,495	0	(7,505)
Other NOS Construction/Acquisition	0	3,228	0	0	0	0	0	0
Congressionally Directed Projects	0	4,000	0	4,000	0	0	0	(4,000)
Administrative Efficiency Initiative					0	(451)	0	(451)
Total, NOS PAC	1	44,581	1	40,890	1	31,734	0	(9,156)
National Marine Fisheries Service								
Systems Acquisition / Construction	0	1,524	0	0	0	0	0	0
Total, NMFS PAC	0	1,524	0	0	0	0	0	0
Oceanic and Atmospheric Research								
Systems Acquisition	0	10,539	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0
Total, OAR PAC	0	10,539	0	0	0	0	0	0
Climate Service								
Climate Research								
Research Supercomputing			0	10,379	0	10,379	0	0
Observations and Monitoring								
Regional Historical Climatology Network Modernization			0	3,734	0	3,700	0	(34)
EOS & Advanced Polar Data Processing, Distribution, & Archiving System			0	990	0	990	0	0
Data Center Modernization			0	2,846	0	2,846	0	0
CLASS			0	18,476	0	6,476	0	(12,000)
Total, CS PAC	0	0	0	36,425	0	24,391	0	(12,034)

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
National Weather Service								
Systems Acquisition	31	90,443	29	86,489	29	88,270	0	1,781
Construction	0	27,327	0	0	0	3,150	0	3,150
Congressionally Directed Projects	0	14,000	0	14,000	0	0	0	(14,000)
Administrative Efficiency Initiative					0	(230)	0	(230)
Total, NWS PAC	31	131,770	29	100,489	29	91,190	0	(9,299)
National Environmental Satellite Service:								
Systems Acquisition								
Geostationary Satellites - N	24	\$57,683	20	\$53,945	20	\$33,967	0	(\$19,978)
Geostationary Satellites - R	46	667,559	46	667,500	46	617,390	0	(50,110)
Polar-Orbiting Systems - POES	22	43,307	22	43,135	22	34,816	0	(8,319)
Jason-3	0	20,000	0	20,000	0	53,000	0	33,000
DSCOVR	0	0	0	0	0	47,300	0	47,300
COSMIC-2	0	0	0	0	0	11,300	0	11,300
Polar-Orbiting Systems - JPSS (formerly NPOESS)	61	382,601	61	382,200	61	1,070,000	0	687,800
EOS data processing & archiving	0	990	0	0	0	0	0	0
CIP - single pt. of failure	0	2,772	0	2,772	0	2,772	0	0
CLASS	0	18,482	0	0	0	0	0	0
Climate Sensors	0	0	0	0	0	30,400	0	30,400
NPOESS Data Exploitation	0	4,458	0	4,455	0	4,455	0	0
Subtotal	153	1,197,852	149	1,174,007	149	1,905,400	0	731,393
Construction	0	2,228	0	2,228	0	2,228	0	0
Administrative Efficiency Initiative					0	(10,092)	0	(10,092)
Total, NESS PAC	153	1,200,080	149	1,176,235	149	1,897,536	0	721,301
Program Support / Construction								
Fairbanks, AK CDA	0	989	0	0	0	0	0	0
NOAA Construction	0	982	0	0	0	900	0	900
Construction Projects	0	99	0	0	0	0	0	0
Subtotal	0	2,070	0	0	0	900	0	900
Program Support / Office of Marine & Aviation Operations								
Fleet Replacement	5	2,190	5	2,000	5	14,026	0	12,026
Aircraft Replacement	0	0	0	0	0	0	0	0
Subtotal	5	2,190	5	2,000	5	14,026	0	12,026
Total, Program Support, PAC	5	4,260	5	2,000	5	14,926	0	12,926
TOTAL OBLIGATIONS, PAC	190	1,392,754	184	1,356,039	184	2,059,777	0	703,738
Unobligated balance, start of year	0	(32,401)	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
De-obligations	0	(2,000)	0	(7,000)	0	(7,000)	0	0
TOTAL APPROPRIATION, PAC	190	1,358,353	184	1,349,039	184	2,052,777	0	703,738

The Procurement, Acquisition and Construction (PAC) appropriation captures the cost of acquiring and improving capital assets used by NOAA in carrying out its varied missions. It is grouped by line office into three common activities: "Systems Acquisition," which contains projects associated with modernizing NOAA's weather and climate programs including satellite procurement; "Construction," which contains projects involving new construction or major modification of existing facilities; and "Fleet and Aircraft Replacement," which contains funding to support

modernization of NOAA’s fleet of ships and aircraft either through new construction, major modification to existing assets, or long-term acquisition of capacity from third parties.

Highlights of Program Changes

National Ocean Service (NOS)

	<u>Base</u>		<u>Increase/Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Acquisition</u>	1	\$20,000	+0	+\$5,000

NOAA requests the following increase for this activity:

- An increase of 0 FTE and \$5,000 for the Coastal and Estuarine Land Conservation Program (CELCP) to provide grants to local governments for the protection of important coastal and estuarine areas.

<u>Construction</u>	0	\$16,890	-0	-\$9,705
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NOAA requests the following decreases for this activity:

- A decrease of 0 FTE and \$2,200 for National Estuarine Research Reserve System (NERRS) acquisition and construction activities. Under the Omnibus Lands Act, CELCP funds are available for acquisitions benefitting NERRS
- A decrease of 0 FTE and \$7,505 for Marine Sanctuaries Construction. The FY 2012 budget requests \$5,495 for planned projects.

Climate Service (CS)

<u>Observations & Monitoring</u>	0	\$26,046	-0	-\$12,034
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NOAA requests the following decreases for this activity:

- A decrease of 0 FTE and \$34 for the Regional Historical Climatology Network Modernization project.
- A decrease of 0 FTE and \$12,000 for the Comprehensive Large Array Data Stewardship System (CLASS).

National Weather Service (NWS)

<u>Systems Acquisition</u>	29	\$86,489	0	+\$1,781
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NOAA requests the following increases for this activity:

- An increase of 0 FTE and \$11,000 for Weather and Climate Supercomputing to (1) transition NOAA’s operational high performance computing (HPC) to a new HPC contract; (2) support on-going Hurricane Forecast Improvement Project (HFIP) modeling activities; and (3) to continue regular improvements to numerical weather prediction (NWP) modeling.
- An increase of 0 FTE and \$364 to AWIPS Technology Infusion program to support on-going software development.

NOAA requests the following decreases for this activity:

- A decrease of 0 FTE and \$2,157 for Next Generation Weather Radar (NEXRAD) Product Improvement to reflect the nearing completion of the NEXRAD Product Improvement project.
- A decrease of 0 FTE and \$5,406 for the NOAA Weather Radio Improvement Project (WRIP) to reflect the planned completion and installation of the NWR Broadcast Management System (BMS) and associated hardware at all 122 Weather Forecast Offices (WFO).
- A decrease of 0 FTE and \$2,020 to extend the ongoing modernization of the 20-year old NOAA Profiler Network (NPN).

	<u>Base</u>		<u>Increase/Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Construction</u>	0	\$0	0	+\$3,150

NOAA requests the following increase for this activity:

- An increase of 0 FTE and \$3,150 for Weather Forecast Office (WFO) construction projects in Alaska and the Pacific Regions and replacement of the heating, ventilating, and air conditioning (HVAC) systems at WFOs with modern, high efficiency (green) units.

National Environmental Satellite Service (NESS)

<u>Systems Acquisition</u>	149	\$1,174,007	0	+\$731,393
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NOAA requests the following increases for this activity:

- An increase of 0 FTE and \$687,800 to continue the development of the Joint Polar Satellite System (JPSS) afternoon orbit satellite, which is critical for the National Weather Service’s early detection and forecasts prediction ability.
- An increase of 0 FTE and \$33,000 to continue development of the Jason- 3 satellite altimetry mission that will monitor global sea-level rise, a key indicator of climate change.
- An increase of 0 FTE and \$30,400 for the Climate Sensors Restoration program.
- An increase of 0 FTE and \$11,300 to initiate the Constellation Observing System for Meteorology, Ionosphere, and Climate (COSMIC-2) Program which will follow-on the current COSMIC constellation.
- An increase of 0 FTE and \$47,300 for the refurbishment of the Deep Space Climate Observatory (DSCOVR) satellite and Coronal Mass Ejection (CME) instrument for space weather observations.

NOAA requests the following decreases for this activity:

- A decrease of 0 FTE and \$50,110 for the Geostationary Operational Environmental Satellite (GOES)-R program to reflect a reassessment of the annual requirement to mitigate development risks. The request also initiates funding for the GOES-T and U satellites, which will extend geostationary satellite coverage to 2036.
- A decrease of 0 FTE and \$19,978 for the Geostationary Operational Environmental Satellite (GOES)-N program to reflect reduced NASA support requirements following the successful launch of the last GOES-N series satellite.
- A planned reduction of 0 FTE and \$8,319 for the Polar-orbiting Operational Environmental Satellite (POES) program for reduced requirements following the launch of the last POES satellite.

Program Support / Office of Marine and Aviation Operations

<u>Construction</u>	0	\$0	0	+\$900
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NOAA requests the following increase for this activity:

- An increase of 0 FTE and \$900 to support on-going project management needs after construction is completed at the Main Facility at the new Pacific Regional Center (PRC) on Ford Island in Honolulu, HI.

<u>Fleet Replacement</u>	5	\$2,000	0	+\$12,026
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NOAA requests the following increases for this activity:

- An increase of 0 FTE and \$11,626 to accelerate a planned FY 2013 Major Repair Period (MRP) on NOAA Ship *Miller Freeman* into FY 2012 and for priority repairs for the NOAA Ship *Ka’Imimoana*.
- An increase of 0 FTE and \$1,400 to provide project management and change margin funds for Fisheries Survey Vessel 6 (FSV 6) being constructed with American Recovery and Reinvestment Act funds.

NOAA requests the following decrease for this activity:

- A decrease of 0 FTE and \$1,000 for temporary berthing of the NOAA Ship *Henry B. Bigelow*.

Appropriation: Pacific Coastal Salmon Recovery Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$80,000
Less Terminations	0	0
Adjustments to Base	0	0
2012 Base	0	80,000
Program Changes	0	(15,000)
2012 Appropriation	<u>0</u>	<u>65,000</u>

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$80,008	0	\$80,000	0	\$65,000	0	(\$15,000)
FINANCING								
Unobligated balance, end of year	0	(8)	0	0	0	0	0	0
TOTAL APPROPRIATION	<u>0</u>	<u>80,000</u>	<u>0</u>	<u>80,000</u>	<u>0</u>	<u>65,000</u>	<u>0</u>	<u>(15,000)</u>

NOAA requests \$65 million for the Pacific Coastal Salmon Recovery Fund (PCSRF). This account funds State, Tribal and local conservation initiatives to help recover Pacific salmon populations. State and local recipients of this funding will provide matching contributions of at least thirty-three percent of Federal funds. In addition, funds will be available to Tribes that do not require matching dollars.

Appropriation: Limited Access System Administration Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 Mandatory Appropriation	0	\$8,576
Adjustments	0	1,099
2012 Base	0	9,675
Program Changes	0	0
2012 Mandatory Appropriation	0	9,675

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$20,446	0	\$9,675	0	\$9,675	0	\$0
TOTAL OBLIGATIONS	0	20,446	0	9,675	0	9,675	0	0
FINANCING								
Unobligated balance, start of year	0	(11,870)	0	0	0	0	0	0
TOTAL APPROPRIATION	0	8,576	0	9,675	0	9,675	0	0

This fund was established by Title III of Public Law 104-297. Fee collections equaling no more than three percent of the proceeds from the sale or transfer of limited access system fishing permits are deposited into the Fund. These deposits to the Fund are used to administer an exclusive central registry system for the limited access system permits.

Appropriation: Fishermen's Contingency Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	1	\$0
Adjustments	0	0
2012 Base	1	0
Program Changes	0	350
2012 Appropriation	1	350

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Administrative Expenses	1	\$10	1	\$0	1	\$0	0	\$0
Payment of Claims & Other Services	0	0	0	0	0	350	0	350
TOTAL OBLIGATIONS	1	10	1	0	1	350	0	350

NOAA requests \$350 thousand to support the level of expected claims from this fund. This activity is funded totally through user fees however these funds can only be expended to the extent authorized in appropriations acts. The Fishermen's Contingency Fund is authorized under Section 402 of Title IV of the Outer Continental Shelf Lands Act Amendments of 1978. NOAA compensates U.S. commercial fishermen for damage or loss of fishing gear, vessels, and resulting economic loss caused by obstructions related to oil and gas exploration, development, and production in any area of the Outer Continental Shelf. The funds used to provide this compensation are derived from fees collected by the Secretary of the Interior from the holders of leases, exploration permits, easements, or rights-of-way in areas of the Outer Continental Shelf.

Appropriation: Foreign Fishing Observer Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$0
Adjustments	0	0
2012 Base	0	0
Program Changes	0	0
2012 Appropriation	0	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	0	0	0	0	0	0	0
FINANCING								
Unobligated balance, soy	0	(522)		(522)		(522)	0	0
Unobligated balance, eoy	0	522		522		172	0	(350)
TOTAL BUDGET AUTHORITY	0	0	0	0	0	(350)	0	(350)
Rescission of unobligated balance	0	0	0	0	0	350	0	350
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

NOAA does not anticipate foreign fishing in the U.S. EEZ requiring funds from this account. NOAA requests that \$350 thousand of the unobligated balance available be rescinded.

The Foreign Fishing Observer Fund is financed through fees collected from owners and operators of foreign fishing vessels fishing within the U.S. EEZ (Such fishing requires a permit issued under the Magnuson-Stevens Act). This includes longline vessels fishing in the Atlantic billfish and shark fishery and other foreign vessels fishing in the EEZ. The fund is used by NOAA to pay salaries, administrative costs, data editing and entry costs, and other costs incurred in placing observers aboard foreign fishing vessels. The observer program is conducted primarily through contracts with the private sector. NOAA/NMFS places these observers aboard foreign fishing vessels to monitor compliance with U.S. fishery laws and to collect fishery management data. Amounts available in the fund can be disbursed only to the extent and in amounts provided in appropriation acts.

In FY 1985 Congress approved the establishment of a supplemental observer program. The program provided that foreign vessels without federally funded observers are required to obtain the services of private contractors certified by the Secretary of Commerce.

Appropriation: Fisheries Finance Program Account

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$0
Adjustments	0	0
2012 Base	0	0
Program Changes	0	0
2012 Appropriation	0	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Credit Reestimates	0	\$9,910		\$0		\$0	0	\$0
Cost of Loan Subsidy	0	0		0		0	0	0
TOTAL OBLIGATIONS	0	9,910	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year	0	(2,668)	0	(2,668)	0	(2,668)	0	0
Unobligated balance, end of year	0	2,668	0	2,668	0	2,668	0	0
Transfer to ORF	0	0	0	0	0	0	0	0
Less Permanent Indefinite Authority	0	(9,910)	0	0	0	0	0	0
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

NOAA proposes no funds for the Fisheries Finance Program (FFP) account. This account was established in FY 1997 to cover the cost of financing direct loans as authorized by Title XI of the Merchant Marine Act of 1936. The request proposes a loan level of \$24 million for individual fishing quota loans and \$59 million for traditional loans. These loans do not require an appropriated subsidy, as they have a negative subsidy rate.

Appropriation: Promote and Develop American Fishery Products & Research Pertaining to American Fisheries

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)				\$0
<u>Transfers</u>				
From Department of Agriculture	4	\$68,231		
To NOAA ORF	0	(68,231)		
Total, Transfers			4	0
Adjustments to Base			0	0
2012 Base			4	0
Program Changes			0	5,000
TOTAL REQUIREMENTS			4	5,000
<u>Transfers</u>				
From Department of Agriculture			0	(71,200)
To NOAA ORF			0	66,200
2012 Appropriation			4	\$0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	4	\$0	4	\$0	4	\$5,000	0	\$5,000
TOTAL OBLIGATIONS	4	0	4	0	4	5,000	0	5,000
FINANCING								
Unobligated balance, start of year	0	(312)	0	0	0	0	0	0
Transfer of unobligated balance to ORF	0	312						
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	4	0	4	0	4	5,000	0	5,000
TRANSFERS								
Transfer to P&D Discretionary	0	0	0	0	0	0	0	0
Transfer from USDA	0	(68,231)	0	(68,231)	0	(71,200)	0	(2,969)
To NOAA ORF	0	68,231	0	68,231	0	66,200	0	(2,031)
TOTAL APPROPRIATION	4	0	4	0	4	0	0	0

The American Fisheries Promotion Act of 1980 authorized a grants program for fisheries research and development projects to be carried out with Saltonstall-Kennedy (S-K) funds. S-K funds are derived from duties on imported fisheries products; 30 percent of these duties are transferred from the Department of Agriculture to the Department of Commerce. The FY 2012 budget estimate of the transfer is \$71.2 million. Of this amount, \$5.0 million will be used for the grants program and the remaining \$66.2 million will be transferred to offset the ORF appropriation. This program supports the NOAA strategic plan goal to build sustainable fisheries.

Appropriation: Damage Assessment and Restoration Revolving Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 Mandatory Appropriation	16	\$0
Adjustments	0	0
2012 Base	16	0
Program Changes	0	0
2012 Mandatory Appropriation	16	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	16	\$47,726	16	\$8,000	16	\$8,000	0	\$0
REIMBURSABLE OBLIGATIONS	0	7,600	0	7,600	0	7,600	0	0
TOTAL OBLIGATIONS	16	55,326	16	15,600	16	15,600	0	0
FINANCING								
Estimated collections	0	(7,600)	0	(7,600)	0	(7,600)	0	0
Unobligated balance, start of year	0	(30,426)	0	0	0	0	0	0
Transfer of budget authority from DOI	0	(3,300)	0	(3,000)	0	(3,000)	0	0
Transfer of unobligated balances from DOI	0	0	0	(5,000)	0	(5,000)	0	0
TOTAL MANDATORY APPROPRIATION	16	0	16	0	16	0	0	0

This fund was established in 1990 to facilitate oil and hazardous material spill response, as well as assessment and restoration activities for damages to natural resources for which NOAA serves as trustee. The Fund retains sums transferred by responsible parties or government entities for future use. The sources of these funds are settlements and awards by the courts. Receipts from settlements are expected to be \$7.6 million in FY 2012.

Appropriation: Coastal Zone Management Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$3,000
<u>Transfers</u>		
Transfer to ORF	0	(3,000)
Total, Transfers	0	(3,000)
2012 Base	0	0
Program Change	0	0
TOTAL BUDGET AUTHORITY	0	0
Total, Transfers	0	0
2012 Appropriation	0	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL APPROPRIATION	0	3,000	0	0	0	0	0	0
Transfer to ORF	0	(3,000)	0	0	0	0	0	0
Discretionary Budget Authority	0	0	0	0	0	0	0	0
Less: Offsetting collections, Mandatory	0	(1,500)	0	(1,500)	0	(1,500)	0	0
TOTAL MANDATORY BUDGET AUTHORITY	0	(1,500)	0	(1,500)	0	(1,500)	0	0

Loans under this program were made prior to 1992, but balances were not transferred to the General Fund in accordance with the Federal Credit Reform Act of 1990 (FCRA), even though the account effectively serves as a liquidating account. To resolve this inconsistency, the Budget proposes to cancel all balances in the Coastal Zone Management Fund, make future payments to the Fund subject to FCRA, and eliminate the annual transfer from this account to the Operations, Research, and Facilities account.

Appropriation: Federal Ship Financing Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 Mandatory Appropriation	0	\$0
Transfers	0	0
Adjustments	0	0
2012 Base	0	0
Program Changes	0	0
2012 Mandatory Budget Authority	0	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$200	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	200	0	0	0	0	0	0
FINANCING								
Less: offsetting collections	0	(200)	0	0	0	0	0	0
TOTAL MANDATORY BUDGET AUTHORITY	0	0	0	0	0	0	0	0

Premiums and fees collected under the Fishing Vessel Obligations Guarantee program for loan commitments made prior to October 1, 1991 are deposited in this fund to pay the costs of defaults, foreclosures, and federal up-keep activities. Proceeds from the sale of collateral are also deposited in the fund for defaults on loans committed prior to October 1, 1991.

Appropriation: Environmental Improvement and Restoration Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 Mandatory Appropriation	0	\$378
Adjustments	0	1,089
2012 Base	<hr/>	<hr/> 1,467
Program Change	0	0
2012 Mandatory Appropriation	<hr/>	<hr/> 1,467

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$10,248	0	\$1,467	0	\$1,467	0	\$0
TOTAL OBLIGATIONS	<hr/>	<hr/> 10,248	<hr/>	<hr/> 1,467	<hr/>	<hr/> 1,467	<hr/>	<hr/> 0
FINANCING								
Unobligated balance, start of year	0	(9,870)	0	0	0	0	0	\$0
TOTAL MANDATORY BUDGET AUTHORITY	<hr/>	<hr/> 378	<hr/>	<hr/> 1,467	<hr/>	<hr/> 1,467	<hr/>	<hr/> 0

This fund was established by Title IV of P.L. 105-83, the Department of the Interior and Related Agencies Appropriations Act of 1998. Twenty percent of the interest earned from this fund is made available to the Department of Commerce. Funds are to be used to provide grants to Federal, State, private or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean. Research priorities and grant requests are reviewed and approved by the North Pacific Research Board with emphasis placed on cooperative research efforts designed to address pressing fishery management or marine ecosystem information needs. This program supports the NOAA strategic plan goal to protect, restore, and manage the use of coastal and ocean resources through ecosystem-based management.

Appropriation: Marine Mammal Unusual Mortality Event Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$0
Adjustments	0	0
2012 Base	0	0
Program Changes	0	0
2012 Appropriation	0	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$206	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	\$206	0	\$0	0	\$0	0	\$0
FINANCING								
Unobligated balance, start of year	0	(406)	0	0	0	0	0	0
Unobligated balance, end of year	0	200	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	0	0	0	0	0	0	0	0

In response to the death of more than 700 bottlenose dolphins on the East Coast of the United States in 1987-88, NMFS established the Marine Mammal Health and Stranding Response Program, and its Working Group on Unusual Marine Mammal Mortality Events. This program determines when an unusual mortality event is occurring, and directs responses to such events. Funding from this account will be made available to members of the Marine Mammal Stranding Network for costs incurred in investigating the death of marine mammals.

Appropriation: Medicare-Eligible Retiree Healthcare Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$1,822
Adjustments	0	114
2012 Base	0	1,936
Program Changes	0	0
2012 Appropriation	0	1,936

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$1,822	0	\$1,936	0	\$1,936	0	\$0
TOTAL OBLIGATIONS	0	1,822	0	1,936	0	1,936	0	0
Transfer of unobligated balances	0	0	0	0	0	0	0	0
TOTAL APPROPRIATION	0	1,822	0	1,936	0	1,936	0	0

This account includes amounts necessary to finance the cost of Tricare retirement health care benefits accrued by the active duty members of the NOAA Commissioned Corps. The Ronald W. Reagan National Defense Authorization Act for 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance these costs for all uniformed service members.

Appropriation: Western Pacific Sustainable Fisheries Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 Mandatory Appropriation	0	\$1,000
Adjustments	0	0
2012 Base	0	1,000
Program Changes	0	0
2012 Appropriation	0	1,000

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$2,001	0	\$1,000	0	\$1,000	0	\$0
TOTAL OBLIGATIONS	0	\$2,001	0	\$1,000	0	\$1,000	0	\$0
FINANCING								
Unobligated balance, end of year	0	(1,001)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	0	1,000	0	1,000	0	1,000	0	0

Section 204(e) of the 2006 amendments to the Magnuson-Stevens Fishery Conservation and Management Act authorizes the establishment of the Western Pacific Sustainable Fisheries Fund. The purpose of this Fund is to allow foreign fishing within the U.S. Exclusive Economic Zone (EEZ) in the Western Pacific through a Pacific Insular Area Fishery Agreement. Before entering into such an Agreement, the Western Pacific Fishery Management Council must develop a Marine Conservation Plan that provides details on uses for any funds collected by the Secretary of Commerce. Marine Conservation Plans must also be developed by the Governors of the Territories of Guam and American Samoa and of the Commonwealth of the Northern Mariana Islands and approved by the Secretary or designee.

The Western Pacific Sustainable Fisheries Fund serves as a repository for any permit payments received by the Secretary for foreign fishing within the U.S. EEZ around Johnston Atoll, Kingman Reef, Palmyra Atoll, and Jarvis, Howland, Baker and Wake Islands, sometimes known as the Pacific remote island areas (PRIA). Also, in the case of violations by foreign vessels occurring in these areas, amounts received by the Secretary attributable to fines and penalties shall be deposited into the Western Pacific Sustainable Fisheries Fund. Additionally, any funds or contributions received in support of conservation and management objectives under a Marine Conservation Plan for any Pacific Insular Area other than American Samoa, Guam, or the Northern Mariana Islands shall be deposited in the Western Pacific Sustainable Fisheries Fund.

Appropriation: Fisheries Enforcement Asset Forfeiture Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$0
Adjustments	0	0
2012 Base	0	0
Program Change	0	5,000
2012 Appropriation	0	5,000

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$8,000	0	\$8,000
TOTAL OBLIGATIONS	0	\$0	0	\$0	0	\$8,000	0	\$8,000
FINANCING								
Transfer of unob. Balance	0	0	0	0	0	(3,000)	0	(3,000)
TOTAL Appropriation	0	0	0	0	0	5,000	0	5,000

The **Fisheries Enforcement Asset Forfeiture Fund** was established under the authority of Section 311(e)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) which allows the Secretary of Commerce to pay certain enforcement-related expenses from fines, penalties and forfeiture proceeds received for violations of the Magnuson-Stevens Act, or of any other marine resource law enforced by the Secretary. Certain fines, penalties and forfeiture proceeds received by NOAA are deposited into this Fund, and subsequently used to pay for certain enforcement-related expenses.

Appropriation: Sanctuaries Enforcement Asset Forfeiture Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)		\$0
Adjustments		
2012 Base	0	0
Program Change		1,000
2012 Appropriation	0	1,000

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$1,000	0	\$1,000
TOTAL OBLIGATIONS	0	\$0	0	\$0	0	\$1,000	0	\$1,000
FINANCING								
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	0	0	0	0	0	1,000	0	1,000

Sanctuaries Enforcement Asset Forfeiture Fund receives proceeds from civil penalties and forfeiture claims against responsible parties, as determined through court settlements or agreements, for violations of NOAA sanctuary regulations. Penalties received are held in sanctuary site-specific accounts from year to year and spent on resource protection within the sanctuary site where the penalty or forfeiture occurred. Funds are expended for resource protection purposes which may include all aspects of law enforcement (from equipment to labor), community oriented policing programs, and other resource protection and management measures such as the installation of mooring buoys or restoration of injured resources.

Performance Objectives and Measures

(Dollars reflects obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. Goals serves as the first level below themes with objectives serving as the second level below the themes with the performance measures and funding corresponding to objectives. NOAA’s program activities support the two themes of Science and Information and Environmental Stewardship, supporting the following six objectives:

- Objective 13: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety;
- Objective 14: Improve understanding of the US economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions
- Objective 15: Enhance weather, water, and climate reporting and forecasting;
- Objective 16: Support climate adaptation and mitigation;
- Objective 17: Develop sustainable and resilient fisheries, habitats, and species; and,
- Objective 18: Support coastal communities that are environmentally and economically sustainable

Objective 14 represents NOAA’s diverse observing system assets, including satellites, manned and unmanned aircraft, sea-going vessels, and submersibles. NOAA is increasing its focus on information management standards and strategies to improve access, interoperability, and usability. To achieve this objective, NOAA will continue to gather environmental data by developing, deploying, and operating systems to collect remote and in-situ observations, and manage and share data through partnerships and standards. NOAA will continue the planned development of the next generation of satellites to serve future space-based observations and provide data continuity; maintain and develop the next generation of research vessels and aircraft to serve multiple observation requirements; and assimilate and optimize use of the data from the varied observing systems.

NOAA has developed performance measures for each of its objectives as shown in the following table. These measures indicate the outcomes of NOAA’s programs, and are used by NOAA to track progress. A more detailed description of these objectives and measures is in the NOAA section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
Objective 13: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety	\$294.9	\$273.2	\$219.7
Percentage of weather-related research projects transitioned to NWS operations during each two-year period (i.e., for each year and the immediately prior year)	New	16	16
Objective 14: Improve understanding of the US economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions	\$1,646.2	\$1,501.8	\$2,279.6
Objective 15: Enhance weather, water, and climate reporting and forecasting	\$1,093.2	\$1,126.2	\$1,095.6
Lead time (minutes), accuracy (%) and False Alarm Rate (FAR) (%) for tornado warnings (storm based)	12/74%/74%	12/70%/72%	13/72%/71%
Lead time (minutes) and accuracy (%) for flash flood Warnings	76/82%	38/72%	40/74%
Hurricane forecast track error (48 hour) (nautical miles)	70	87	87
Hurricane forecast Intensity error (48 hour) (difference in knots)	18	13	12

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
Accuracy (%) (threat score) of Day 1 precipitation forecasts	35%	30%	31%
Lead time (hours) and accuracy (%) for winter storm Warnings	21/90%	15/90%	19/90%
Accuracy (%) of forecast for marine wind speed and wave height	74/75	69/74	70/75
Accuracy (%) and False Alarm Rate (%) of forecasts of ceiling and visibility (3 miles / 1000 feet) (aviation forecasts)	66%/36%	65%/41%	66%/41%
Objective 16: Support climate adaptation and mitigation	\$436.6	\$343.6	\$382.8
U.S. temperature forecasts (cumulative skill score computed over the regions where predictions are made)	18	21	21
Reduce uncertainty of the North American (NA) carbon sink to better understand the contribution of human activities toward increasing atmospheric CO2 and methane	400 Million tons Carbon/Yr	400 Million tons Carbon/Yr	400 Million tons Carbon/Yr
Reduce the Error in global measurement of sea surface temperature	0.50C	0.50C	0.50C
Annual percentage of U.S. states and territories that use NOAA climate information and services to improve decision making in the face of a changing climate.	New	Baseline TBD	TBD
Improved climate model performance and utility based on model advancements (planned milestones), model evaluations, and formal assessments benefited	New	Baseline TBD	TBD
Percentage improvement in the quality of relationship between engagement personnel and the public they serve	New	Baseline - 0	10%
Objective 17: Develop sustainable and resilient fisheries, habitats, and species	\$1,125.8	\$1,124.6	\$1,070.1
Fish Stock Sustainability Index (FSSI) (High Priority Performance Goal - see below)	582.5	586	600
Percentage of fish stocks with adequate population assessments and forecasts	57.4%	60.4%	60.4%
Percentage of protected species with adequate population assessments and forecasts	<u>20.1%</u>	18.6%	21.9%
Number of protected species designated as threatened, endangered or depleted with stable or increasing population levels	<u>29</u>	28	30
Number and percentage of recovery actions ongoing or completed	TBD	N/A	TBD
Number of habitat acres restored (annual)	6,907 ¹	77,888	80,457
¹ Coastal Salmon Recovery Fund actions		FY 2010 actual does not include acres restored through the Pacific	
Objective 18: Support coastal communities that are environmentally and economically sustainable	\$686.9	\$654.2	\$590.3
Annual number of coastal, marine, and Great Lakes ecological characterizations that meet management needs	<u>48</u>	50	51
Cumulative number of coastal, marine, and Great Lakes issue-based forecasting capabilities developed and used for management	<u>42</u>	45	46
Percentage of tools, technologies, and information services that are used by NOAA partners/customers to improve ecosystem-based management	<u>88%</u>	87%	88%
Annual number of coastal, marine, and Great Lakes habitat acres acquired or designated for long-term protection	<u>21,341</u>	<u>19,447</u>	<u>6,550</u>
Percentage of U.S. coastal states and territories demonstrating 20% or more annual improvement in resilience capacity to weather and climate hazards (%/yr.)	29% (pilot)	30%	<u>36%</u>
Reduce the hydrographic survey backlog within navigationally significant areas (sq. nautical miles surveyed per year)	4,395	3,200	<u>3,250</u>

	2010 Actual	2011 CR (Annualized) / Targets	2012 Estimate / Targets
Percentage of U.S. counties rated as fully enabled or substantially enabled with accurate positioning capacity	79%	83%	86%
Percent of all coastal communities susceptible to harmful algal blooms verifying use of accurate HAB forecasts	N/A	TBD	TBD
Total¹	\$5,283.6	\$5,023.6	\$5,638.1

1. NOAA does not break out reimbursable obligations by objective. Amounts reflect Direct Obligations only.

High Priority Performance Goals

High priority performance goals (HPPG) are a clear statement of the specific, measurable, ambitious near-term priority targets chosen by the senior leaders of major federal agencies. The HPPGs communicate the performance improvements each agency is trying to accomplish relative to its priorities using existing legislative authority, previously appropriated funds, and funding at levels proposed in the President’s FY 2011 Budget. The HPPGs constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes the HPPGs from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

NOAA has the following high priority performance goal along with three associated measures: Ensure environmentally and economically resilient oceans, coasts, and Great Lakes communities, with healthy and productive ecosystems.

1. Ensure that all 46 federal fishery management plans have required catch limits to end overfishing in place by the end of 2011.
2. Reduce the number of stocks subject to overfishing to zero by the end of 2011.
3. Improve the Fish Stock Sustainability Index (FSSI) to 586 by the end of 2011.

The first measure tracks the number of federal fishery management plans with required annual catch limits (ACL) and accountability measures to end overfishing in place by the end of 2011. NOAA staff track the status of ACL implementation using information from the eight regional Fishery Management Councils and NOAA Fisheries regional offices. Congress established the fishery management process and the role of the Fishery Management Councils in developing fishery management plans. The second measure states the number of nonexempt overfishing stocks not being fished under an annual catch limit. Assessments in future years will confirm that overfishing has ended. The third measure reflects stock assessments, overfishing, and population status. The target represents a four percent increase above the FSSI score at the end of 2009. (Because the FSSI does not score a stock as “not subject to overfishing” until such status has been confirmed through subsequent survey and analysis, the improvements sought in overfishing will not be fully reflected in the 2011 FSSI level.) The third measure is also an ongoing GPRA measure, occurring under the aforementioned objective 17.

Measure	FY 2010		FY 2011
	Target	Actual	Target
Ensure that all 46 federal fishery management plans have required catch limits to end overfishing in place by the end of 2011.	5	5	23
Reduce the number of stocks subject to overfishing to zero by the end of 2011	15	14	0
Improve the Fish Stock Sustainability Index (FSSI) to 586 by the end of 2011	580	582.5	586

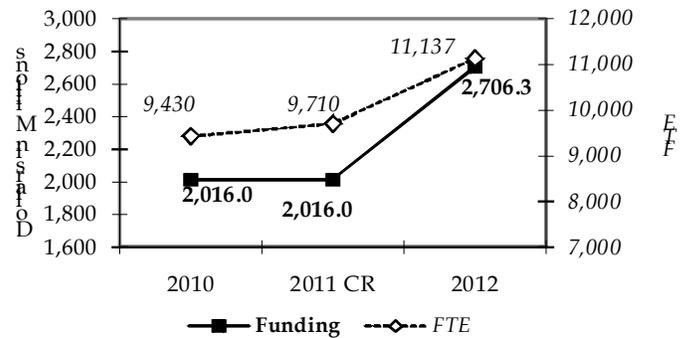
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U.S. Patent and Trademark Office

The mission of the U.S. Patent and Trademark Office (USPTO) is to foster innovation, competitiveness and economic growth, domestically and abroad by providing high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property (IP) policy, and delivering IP information and education worldwide. This mission is accomplished by the USPTO through its two distinct business lines, Patents and Trademarks, which administer the patent and trademark laws [15 U.S.C. 113 and 35 U.S.C. 41 and 376]. These laws provide protection to inventors and businesses for their inventions and corporate and product identifications, and encourage innovation and scientific and technical advancement of American industry through the preservation, classification, and dissemination of patent and trademark information. In addition to the examination of applications for patents and trademark registrations, the USPTO provides technical advice and information to Executive Branch agencies on IP matters and trade-related aspects of IP rights, and assists governments of other countries in establishing regulatory and enforcement mechanisms to meet their international obligations relating to the protection of IP.

Funding requested for FY 2012 will be used in support of USPTO's strategic and management goals to optimize patent and trademark quality and timeliness, provide domestic and global leadership to improve IP policy, protection and enforcement worldwide, and achieve organizational excellence.

Total Funding and FTE



Summary of Appropriations

Funding Levels	2010	2011 CR	2012	Increase
	Actual	(Annualized) ¹	Estimate	(Decrease)
New Offsetting Collections/Program Level*	\$2,016,000	\$2,016,000	\$2,706,313	\$690,313
Base Fee Collections	(2,068,543)	(2,198,621)	(2,443,706)	(245,085)
Patent Fee Collection Surcharge ²		0	(262,607)	(262,607)
Unappropriated Fee Collections, Available for Obligation, subject to further appropriation ³	52,543	182,621		(182,621)
TOTAL APPROPRIATION	0	0	0	0
Budget Authority				
New Offsetting Collections/Program Level*	2,016,000	2,016,000	2,706,313	690,313
Base Fee Collections	(2,068,543)	(2,198,621)	(2,443,706)	(245,085)
Patent Fee Collection Surcharge ²			(262,607)	(262,607)
Total Budget Authority ³	(52,543)	(182,621)	0	182,621
FTE ⁴	9,430	9,710	11,137	1,427

* Excludes collections for reimbursables.

¹ The FY 2011 CR (Annualized) level is being shown, however USPTO is assuming that funding will be appropriated for updated fee estimate along with a 15% Patent Fee Surcharge in FY 2011.

² FY 2012 fee estimates include a 15% surcharge on Patent fees.

³ Fee collections in FY 2010 and FY 2011 CR (Annualized) are above authorized spending levels resulting in negative Budget Authority.

⁴ FY 2011 CR (Annualized) FTE increase over FY 2010 due to the impact of the FY 2010 \$129M Supplemental on Patent hiring.

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized) Appropriation				\$0
2011 CR (Annualized) Fee Collections			9,710	\$2,016,000
Re-estimate of USPTO fee collections ¹			10,246	2,346,227
Unavailable offsetting collections				0
Other Income/Recoveries				23,000
USPTO Funding from Operating Reserve				10,123
Funds currently available, 2011			10,246	2,379,350
Adjustments to Base				
<u>Other Changes</u>				
Full year cost in 2012 for positions financed for part-year in FY 2011	458	\$49,122		
Other Compensation Adjustments		43,062		
Civil Service Retirement System (CSRS)		(2,282)		
Federal Employees' Retirement System (FERS)		3,813		
Thrift Savings Plan		652		
Federal Insurance Contributions Act (FICA) - OASDI		1,962		
Health insurance		6,562		
Rent payments to GSA		2,354		
Printing and reproduction		1,180		
OPM Transfer for OPEB - Mandatory Requirements		4,798		
Working Capital Fund		(293)		
General Pricing Level Adjustment:		8,007		
TOTAL, ADJUSTMENTS TO BASE			458	118,940
2012 Base			10,704	2,498,290
Administrative savings ²				[26,000]
Program Changes			433	101,103
TOTAL REQUIREMENTS			11,137	2,599,393
Total Offsetting Fee Collections ³				(2,706,313)
Other Income/Recoveries				(23,000)
USPTO Funding from Operating Reserve				129,920
2012 NET APPROPRIATION				0

¹ Assumes funding will be appropriated for updated fee estimate along with a 15% Patent Fee Surcharge in FY 2011.

² Of the administrative savings, \$5M in strategic sourcing savings reduce Total Requirements and increase the Operating Reserve, while \$21M in savings are accrued from decisions made in prior years.

³ Includes \$2,444M under existing fee structure and \$262M for requested Patent Surcharge

Note: the distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Patents	NA	\$1,928,871	9,801	\$2,254,851	10,215	\$2,352,547	416	97,696
Trademarks	NA	225,682	903	235,439	921	238,846	17	3,407
DIRECT OBLIGATIONS	9,710	2,154,553	10,704	2,490,290	11,137	2,591,393	433	101,103
Reimbursables		8,000		8,000		8,000	0	0
TOTAL OBLIGATIONS	9,710	2,162,553	10,704	2,498,290	11,137	2,599,393	433	101,103
FINANCING								
Fees		(2,198,621)				(2,706,313)		
Other Income/Recoveries		(23,000)				(23,000)		
USPTO Funding from Operating Reserve		(123,553)				129,920		
Subtotal Financing		(2,345,173)			0	(2,599,393)		
TOTAL BUDGET AUTHORITY	9,710	(182,621)			11,137	0		
Unappropriated Fee Collections, Available for Obligation, subject to further appropriation		182,621				0		
TOTAL APPROPRIATION	9,710	0			11,137	0		

Note: the distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, the USPTO has identified \$26,000,000 in administrative savings, of which \$5,000,000 is from strategic sourcing, reducing Total Requirements and allowing USPTO to increase its Operating Reserve. Another \$21,000,000 is accrued from decisions made in prior years, with an additional \$293,000 in savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). These administrative savings will be reinvested back into the Patent organization, which will re-engineer its business processes so that the Patents End-to-End (PE2E) information technology project will be built independent of legacy systems, with no mandates to re-use those legacy systems or to build interim interfaces unless they cannot be avoided. The business process re-engineering effort will also result in savings that will be reinvested in creating and maintaining the system.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Patent Process	9,801	\$2,254,851	416	+\$97,696

Resources requested in FY 2012 will be used for examining patent applications, granting patents, and continuing to reengineer the quality management program. USPTO will continue its aggressive patent pendency reduction agenda to reduce overall pendency and backlog over the next three years.

Trademark Process	903	\$235,439	17	+\$3,407
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The FY 2012 Budget provides resources for examining trademark applications, registering trademarks, maximizing the use of e-government for conducting business with applicants and registrants, and improving trademark practices worldwide.

Performance Objectives and Measures

(Dollars reflect direct obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of USPTO's program activities support the theme of Economic Growth and the Innovation and Entrepreneurship goal. Within this goal, USPTO supports two objectives: Facilitate intellectual property protection by reducing patent and trademark pendency and increasing quality of issued patents and trademarks (Objective 1), and Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights (Objective 2). The following table shows the measures that USPTO uses to track its performance. A more detailed description of these measures can be found in the USPTO section of the Department of Commerce budget.

	2010 Actuals	2011 CR (Annualized) /Targets ¹	2012 Estimate/Targets
Objective 1: Facilitate intellectual property protection by reducing patent and trademark pendency and increasing quality of issued patents and trademarks			
	\$1,890.3M	\$2,318.8M	\$2,528.3M
Patent Quality Composite ²	N/A	Baseline	TBD
In-process compliance rate	94.9%	94.6%--95.6%	94.6%--96.0%
Final disposition compliance rate	96.3%	95.6%--96.5%	95.6%--96.7%
Patent average first action pendency (months)	25.7	23.0	22.3
Patent average total pendency (months)	35.3	34.5	32.1
Patent backlog	New	659,000	549,600
Patent applications filed electronically	89.5%	90.0%	90.0%
Trademark first action compliance rate	96.6%	95.5%	95.5%
Trademark final compliance rate	96.8%	97.0%	97.0%
Trademark first action pendency (months)	3.0	2.5 to 3.5	2.5 to 3.5
Trademark average total pendency (months)	10.5	12.5	12.5
Trademark applications processed electronically	68.1%	68.0%	70.0%
Objective 2: Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights			
	\$48.7M	\$60.6M	\$71.1M
Percentage of prioritized countries for which country teams have implemented at least 75% of action steps in the country-specific action plans toward progress in institutional improvements of IP enforcement entities, IP office administration, and the establishment of government-to-government cooperative mechanisms to improve IP laws and regulations	75%	75.0%	75.0%
Total	\$1,939.0M	\$2,379.4M	\$2,599.4M

¹ Resources and Estimate/Targets assume funding will be appropriated for updated fee estimate along with a 15% Patent Fee Surcharge in FY 2011. See Highlights of Budget Changes for re-estimate of USPTO fee collections level.

² Patent Quality composite will subsume Final disposition compliance rate and In-Process compliance rate

Priority Goals

Priority goals are clear statements of the specific, measurable, ambitious near-term priority targets chosen by the senior leaders of major federal agencies. They communicate the performance improvements each agency is trying to accomplish relative to its priorities using existing legislative authority, previously appropriated funds, and funding at levels proposed in the FY 2012 President's Budget Request. They constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes the priority goals from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

USPTO has the following priority goal along with three associated measures: Reduce patent pendency for first action and for final actions from the end of 2009 levels of 25.8 and 34.6 months respectively by the end of 2011, as well as the patent backlog.

4. First action patent pendency
5. Final action patent pendency
6. Patent backlog

All of these measures are ongoing GPRA measures, occurring under the aforementioned objective 1. The first measure tracks the timeliness of first office actions on patent applications, measuring the time in months from the application filing date to the date of mailing the first office actions. The second measure identifies the timeliness related to issuance of the patent or abandonment of the application, measuring the average time in months from the application filing date to the date of issue or abandonment. The third measure tracks the number of patent applications awaiting first action review by an examiner. The previous table shows the FY 2010 actual and FY 2011 and FY 2012 targets. The following table provides all the targets and actuals from 2003 – 2015.

Fiscal Year	First action patent pendency		Final action patent pendency		Patent backlog	
	Target	Actual	Target	Actual	Target	Actual
2003	18.4	18.3	27.7	26.7	484,700	457,254
2004	20.2	20.2	29.8	27.6	524,000	508,878
2005	21.3	21.1	31.0	29.1	594,800	586,580
2006	22.0	22.6	31.3	31.1	680,700	674,333
2007	23.7	25.3	33.0	31.9	801,000	737,288
2008	26.9	25.6	34.7	32.2	801,300	750,596
2009	27.5	25.8	37.9	34.6	741,400	718,835
2010	25.4	25.7	34.8	35.3	698,000	708,535
2011 ¹	23.0	--	34.5	--	659,000	--
2012	22.3	--	32.1	--	549,600	--
2013	15.2	--	29.1	--	427,300	--
2014	10.4	--	23.6	--	352,400	--
2015	10.6	--	19.3	--	332,500	--

¹Targets assume funding will be appropriated for updated fee estimate along with a 15% Patent Fee Surcharge in FY 2011. In addition, the USPTO had the following milestones associated with this high priority performance goal, the details of which can be found in the *USPTO 2010-2015 Strategic Plan* and the FY 2010 Performance and Accountability Report (PAR).

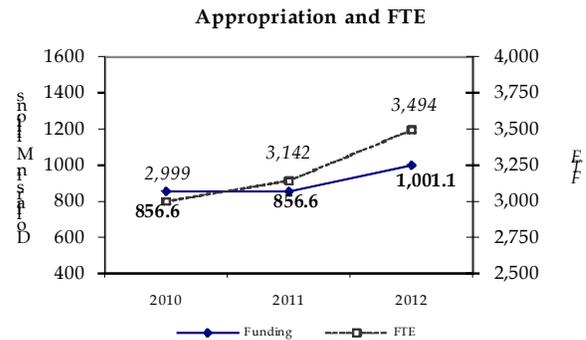
- Re-engineer the Examiner Count System
- Project Exchange
- Institutionalize Compact Prosecution of Applications

-
- Measurement and Tracking of Patent Quality
 - Improve and Provide More Effective Training
 - Ombudsman Pilot Program
 - Develop and Implement the Patent End-to-End Processing System
 - Prioritize Work - Green Technology Acceleration
 - Hire Patent Examiners
 - Target Overtime to High Backlog Areas.
 - Institute a "Nationwide Workforce"
 - Reformulate Performance Appraisal Plans

National Institute of Standards and Technology

The mission of the National Institute of Standards and Technology (NIST) is to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards and technology in ways that improve economic security and our quality of life. NIST develops and disseminates measurement techniques, reference data, test methods, standards, and other technologies and services needed by U.S. industry to compete in the 21st century.

NIST Laboratories are part of the President's Plan for Science and Innovation that, consistent with the goals of the America COMPETES Reauthorization Act of 2010, proposes to double funding for research at key basic research agencies. The FY 2012 budget request proposes more than \$100 million above the FY 2010 enacted level to support NIST's two core programs that are critical to promoting American innovation and competitiveness:



- The **NIST Laboratories** directly support U.S. innovation and industrial competitiveness by developing new measurement instruments and facilities to address critical barriers to innovation; disseminating validated measurement methods and protocols; providing reference data, reference materials, and calibration services to ensure that industry-performed measurements are traceable to NIST standards; and developing testing protocols and supporting laboratory accreditation programs. The request includes a net program increase of \$168 million for NIST Laboratories and User Facilities, including the redirection of administrative savings to laboratory programs and excluding congressionally directed projects.
- NIST's **Construction of Research Facilities (CRF)** appropriation supports projects for new buildings and the renovation and maintenance of current buildings and laboratories. The CRF account has a net program change of -\$41.6 million. Under CRF, NIST will drop-out \$47 million in FY 2010 congressionally designated projects and also not continue to fund the \$20 million for the congressionally directed competitive construction grants program. The request includes an increase of \$25.4 million for the renovation of Building 1 in Boulder, Colorado.

NIST's FY 2012 request for these core programs total \$763.5 million, a net increase of \$111.1 million.

NIST also has four extramural programs supported by the FY 2012 budget request.

Hollings Manufacturing Extension Partnership (MEP)

The request continues the Administration's commitment to increase funding for the Hollings Manufacturing Extension Partnership (MEP) program. Through public (Federal-state-local) and private sector partnerships, MEP provides technical and business assistance to small- and medium-sized manufacturers through a network of centers in all 50 states and Puerto Rico. The request includes a program increase of \$17.6 million for MEP.

Technology Innovation Program (TIP)

The TIP statute originated in the America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Sciences (COMPETES) Act of 2007 (P.L. 110-69). The COMPETES Act was recently reauthorized as the

America COMPETES Reauthorization Act of 2010 (P.L. 111-358). TIP was established to support, promote, and accelerate innovation in the United States through high-risk, high-reward research in areas of critical national need. The merit-based competitive program funds cost-shared R&D projects by small- or medium-sized businesses, as well as joint ventures that may include higher education institutions, nonprofit research organizations, and national laboratories. Areas that TIP has supported include civil infrastructure, manufacturing and biomanufacturing. TIP aims to speed the development of high-risk, transformative research targeted to key societal challenges that are not being addressed elsewhere. The request includes a program increase of \$5.2 million for TIP.

Advanced Manufacturing Technology Consortia (AMTech) Program

The request includes \$12.3 million for a new Advanced Manufacturing Technology Consortia (AMTech) that will provide grants to leverage existing consortia or establish critical new industry-led consortia. These consortia will develop roadmaps of critical long-term industrial research needs as well as fund facilities, equipment and research at leading universities and government laboratories directed at meeting these needs. This new program would be based on NIST's experience with the Nanoelectronics Research Initiative (NRI) partnership and would expand and improve on that model.

Baldrige Performance Excellence Program (BPEP)

The Baldrige Performance Excellence Program (BPEP) provides global leadership in the learning and sharing of successful strategies and performance practices, principles, and methodologies to strengthen U.S. organizations. The program promotes organizational excellence through education, outreach, and an annual Presidential awards program. The Baldrige Award is given to organizations in six categories: manufacturing, service, small business, health care, education, and nonprofit. BPEP works closely with these organizations to recognize and disseminate proven best practices for management and operation, leading to organizations that are more strategic, innovative, competitive, and effective. The request includes \$7.7 million, \$1.9 million below the FY 2010 enacted level, for criteria development, best practices disseminations, and the award process. In FY 2012 NIST proposes to work with stakeholders to evaluate alternative sources of funding and reforms that would generate efficiencies and reduce program overhead. While the program has been useful in disseminating information on organizational excellence, the program's functions could be supported without Federal funding, following a careful transition.

The initiatives in the *Highlights of Program Changes* under STRS, CRF, and ITS outline the Administration's FY 2012 investment priorities for NIST.

Summary of Appropriations

Funding Levels

Appropriation	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
DISCRETIONARY ACCOUNTS				
Scientific and Technical Research and Services	\$515,000	\$515,000	\$678,943	\$163,943
Recovery Act	0	0		0
Industrial Technology Services	194,600	194,600	237,622	43,022
Construction of Research Facilities	147,000	147,000	84,565	(62,435)
Total Appropriation, Discretionary Accounts	<u>856,600</u>	<u>856,600</u>	<u>1,001,130</u>	<u>144,530</u>
Transfers of funds from Election Assistance	3,500	3,500	3,250	(250)
Transfers of funds from Community Oriented Working Capital Fund, STRS	1,500 [1,443]	1,500 [0]	0 [8,834]	(1,500)
Budget Authority				
Scientific and Technical Research and Services	520,000	520,000	682,193	162,193
Industrial Technology Services	194,600	194,600	237,622	43,022
Construction of Research Facilities	147,000	147,000	84,565	(62,435)
TOTAL, BUDGET AUTHORITY	<u>861,600</u>	<u>861,600</u>	<u>1,004,380</u>	<u>142,780</u>
Reorganization from STRS		(9,627)		
Reorganization to IIS		9,627		
Budget Authority (Revised)				
Scientific and Technical Research and Services	520,000	510,373	682,193	171,820
Industrial Technology Services	194,600	204,227	237,622	33,395
Construction of Research Facilities	147,000	147,000	84,565	(62,435)
TOTAL, BUDGET AUTHORITY	<u>861,600</u>	<u>861,600</u>	<u>1,004,380</u>	<u>142,780</u>
FTE				
DISCRETIONARY ACCOUNTS				
Scientific and Technical Research and Services	2,064	2,072	2,421	349
Industrial Technology Services	158	210	199	(11)
Construction of Research Facilities	119	119	119	0
Working Capital Fund	658	741	755	14
Total	<u>2,999</u>	<u>3,142</u>	<u>3,494</u>	<u>352</u>

Highlights of Budget Changes

Appropriation: Scientific and Technical Research and Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			2,124	\$515,000
Reorganization to ITS			(52)	(9,627)

Adjustments to Base

Adjustments

Restoration of FY 2011 deobligation offset	\$1,000		
Restoration of FY 2011 adjustments to base	7,779		
Subtotal, Adjustments		0	8,779

Other Changes

Civil Service Retirement System (CSRS)	(237)		
Federal Employees' Retirement System (FERS)	396		
Thrift Savings Plan (TSP)	5		
Federal Insurance Contribution Act (FICA) - OASDI	(169)		
Health Insurance	941		
Employees' Compensation Fund	(54)		
Travel - Mileage	(1)		
Travel - Per Diem	325		
Rental Payments to GSA	1		
HCHB electricity	1		
Electricity rate decrease	(2,701)		
Natural Gas rate decrease	(2,949)		
Other services:			
Commerce Business Systems (CBS)	139		
NARA storage costs	2		
Working Capital Fund (Departmental Management)	288		
Supplies and materials:			
Scientific journal subscriptions	119		
Helium rate increase	69		
General pricing level adjustment:			
Transportation of things	15		
Rental payments to others	12		
Communications, utilities, and miscellaneous charges	42		
Printing and reproduction	5		
Other services	755		
Supplies and materials	262		
Equipment	557		
Subtotal, other cost changes		0	(2,177)

TOTAL, ADJUSTMENTS TO BASE

2012 Base

Administrative Savings

Program Changes

TOTAL REQUIREMENTS

Recoveries from Prior Year Obligations

2012 APPROPRIATION

	0		(2,177)
	0		6,602
	2,072		511,975
			[11,569]
	349		167,968
	2,421		679,943
			(1,000)
	2,421		678,943

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Laboratory Programs								
Strategic & emerging research initiative fund	33	\$10,640	33	\$9,823	33	\$9,823	0	0
Physical Measurement Laboratory	492	122,949	492	124,416	542	146,701	50	\$22,285
Material Measurement laboratory	427	99,515	427	99,962	492	132,479	65	32,517
Engineering Laboratory	256	62,668	256	62,328	303	91,387	47	29,059
Information Technology Laboratory	346	83,696	346	68,143	446	126,227	100	58,084
NIST Center for Neutron Research	165	41,894	165	42,193	165	42,193	0	0
Center for Nanoscale Science & Technology	80	28,191	80	27,741	108	42,152	28	14,411
Innovations in Measurement Science Program	73	20,343	73	20,404	73	20,404	0	0
Postdoctoral Research Associates Program	92	11,544	92	11,303	109	14,282	17	2,979
Subtotal, Laboratory Programs	1,964	481,440	1,964	466,313	2,271	625,648	307	159,335
Corporate Services								
Computer Support	7	6,627	7	6,467	7	6,467	0	0
Business System	34	11,076	34	10,767	34	10,767	0	0
Research Support Services	11	2,119	11	2,379	11	2,379	0	0
Subtotal, Corporate Services	52	19,822	52	19,613	52	19,613	0	0
Standards Coordination and Special Programs								
Standards Coordination and Special Programs	56	18,542	56	15,549	98	29,098	42	13,549
Congressionally Directed Projects	0	10,500	0	10,500	0	0	0	(10,500)
Subtotal, Standards Coordination and Special Programs	56	29,042	56	26,049	98	29,098	42	3,049
TOTAL DIRECT OBLIGATIONS	2,072	530,304	2,072	511,975	2,421	674,359	349	162,384
REIMBURSABLE OBLIGATIONS:								
NTIA Convert Box and BTOP		827					0	0
TOTAL OBLIGATIONS	2,072	531,131	2,072	511,975	2,421	674,359	349	162,384
FINANCING								
Unobligated balance, start of year - direct		(18,931)					0	0
Unobligated balance, start of year - reimbursable		(827)						
Recovery of prior year obligations		(1,000)		(1,000)		(1,000)	0	0
Subtotal, financing	0	(20,758)	0	(1,000)	0	(1,000)	0	0
TOTAL BUDGET AUTHORITY	2,072	510,373	2,072	510,975	2,421	673,359	349	162,384
Transfers from EAC		(3,500)		0		(3,250)		(3,250)
Transfers from COPS, DoJ		(1,500)		0		0		0
Transfers to Working Capital Fund						8,834	0	8,834
Reorganization	52	9,627		0		0	0	0
TOTAL APPROPRIATION	2,124	515,000	2,072	510,975	2,421	678,943	349	167,968

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing

its administrative costs, NIST has identified \$11,569,000 in administrative savings. NIST has targeted a number of areas to achieve these savings. Of these savings, \$6,406,000 is tied to more efficient acquisition processes for FY 2012. In the area of human capital and general administrative support, NIST expects to reduce its costs by \$4,481,000 by keeping its administrative budgets relatively flat from FY 2011 to FY 2012. NIST identified savings of \$364,000 in utilities and travel. And an additional \$318,000 in savings was identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). Portions of the administrative savings are reinvested back into additional laboratory program initiatives that will benefit the economy and better support the Department's mission.

Highlights of Program Changes

Note that increase/decrease amounts are net of administrative cost savings.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Measurement Science, Services, and Programs	2,072	\$510,975	+349	+\$167,968

1. Ensuring a Secure and Robust Cyber Infrastructure			+67	+\$43,442
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The request would provide improvements to cybersecurity in support of the Comprehensive National Cybersecurity Initiative (CNCI), the Federal Information Security Management Act (FISMA), and other national priorities such as the Administration's National Strategy for Trusted Identities for Cyberspace (NSTIC) and National Initiative for Cybersecurity Education (NICE). This initiative includes \$24.5 million to support an NSTIC National Program Office to help foster an environment in which sensitive online transactions can be carried out with greater levels of trust.

2. Interoperability Standards for Emerging Technologies			+69	+\$22,835
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This initiative funds efforts to catalyze the development of standards and conformity assessment systems and associated architectural frameworks for emerging technologies that address national priorities such as Smart Grid, Healthcare Information Technology (Health IT) and Cloud Computing (CC).

3. Strengthening Measurement Services in Support of Industry Needs			+37	+\$20,016
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Funds requested will strengthen the national time and synchronization measurement system which underpins a substantial part of the national and global technology infrastructure, such as telecommunications and information networks, electric power distribution, positioning and navigation systems such as GPS, and many crucial applications in national defense, intelligence, and homeland security. Funds will also be used to update and expand the electrical measurement infrastructure required to support the measurement needs of other Federal agencies, especially the Department of Defense (DoD) and Department of Energy (DoE), which rely upon NIST to provide the primary traceability path for precision measurements for defense and nuclear programs. The advances and capabilities developed by the proposed programs will also meet the ever increasing measurement demands of high-tech industries, such as aerospace, semiconductor, electronics, and test equipment manufacturers.

4. Advanced Materials for Industry			+23	+\$14,242
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This request funds efforts to develop the measurement science, tools and standards necessary to enable greatly improved efficiency in the Nation's development and manufacture of new products and services based on innovative materials. The funds would enable NIST to extend its expertise in the development and use of materials modeling and simulation directed at manufacturing, and to create a National measurement and standards infrastructure that would substantially lower the cost of design and manufacturing for industries seeking to realize the benefits of computer-based materials discovery and optimization.

5. Innovations for 21st Century U.S. Manufacturing: Faster, Smarter and Cleaner	+18	+13,331
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This initiative funds effort to develop the measurement science, tools and standards that will provide the infrastructure for manufacturing that is faster, more intelligent and more environmentally sustainable. Funds requested also support efforts to develop advanced robotics technologies that allow the U.S. to retain manufacturing and respond rapidly to new products and changes in consumer demand, and will fund programs that will promote sustainable operations and improve energy efficiency in both the manufacturing and construction sectors of the economy.

6. Measurement Science and Standards to Support Biomanufacturing	+18	9,526
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This initiative funds efforts to create the measurement and standards infrastructure necessary for efficient and effective manufacture and characterization of biologic drugs. Within the current manufacturing paradigm for the biotechnology industry, manufacturing costs are high, production efficiency is low, process understanding is limited, and manufacturing processes and product quality remain largely frozen. This NIST initiative will develop measurement methods, protocols, and standards for improved, real-time measurement of biologic products during manufacturing. NIST will work closely with industry, the Food and Drug Administration, and other standards organizations with the goal of developing metrology infrastructure to achieve greater process understanding, higher quality biologic products through continuous improvement of manufacturing processes, and agile biomanufacturing processes required for next generation products such as stem cells and personalized biotherapeutics.

7. Measurements to Support the Manufacture and Production of Nanotechnology-based Products	+58	28,256
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This initiative supports a number of projects and improvements that will enable industry to fully take advantage of recent innovations in nanotechnology. Economic recovery and economic growth are the pre-eminent priorities for the Department of Commerce and the Administration. A strong economy hinges on revitalizing U.S. manufacturing by fostering innovation, commercializing new products, and creating new jobs. This initiative focuses on addressing four key areas that will enable significant innovations and breakthroughs in manufacturing through adoption and development of nanotechnology. The key areas are (1) recapitalization of the NIST Center for Nanoscale Science and Technology, (2) Nanomaterial Environmental, Health and Safety (Nano-EHS), (3) High-Volume Nanomanufacturing with Advanced Materials, and (4) Measurements to Enable the Manufacture of Advanced 3rd Generation Photovoltaics.

8. Measurements and Standards to Support Increased Energy Efficiency and Reduced Environmental Impact	+23	13,270
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Developing innovative energy technologies is an important component to reducing energy usage and greenhouse gas emissions that can negatively impact the climate. To assess whether these new technologies are truly reducing energy usage and greenhouse gas emissions, high-accuracy measurement techniques and standards are necessary. To address both of these issues, this request focuses on two high-priority areas: (1) net-zero energy, high-performance buildings and (2) greenhouse gas inventory measurements.

9. Measurements to Support Advanced Infrastructure Delivery and Resilience	+19	10,571
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This request funds efforts to provide improvements to our physical infrastructure that will increase the resilience of our building infrastructure to damage from earthquake, windstorms, and fire. Funds will additionally provide for research that will enable U.S. industry to improve productivity by transforming the delivery of construction and infrastructure projects.

10. Postdoctoral Research Associateship Program	+17	2,979
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The Administration continues to be committed to strengthening science, technology, engineering, and mathematics (STEM) education. The request will increase the number of postdoctoral research opportunities at NIST.

11. Non-Recurring Congressional Projects		-10,500
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NIST will not recur amounts provided previously for congressionally directed projects.

STRS Initiative Name	Physical Measurement Laboratory	Material Measurement Laboratory	Engineering Laboratory	Information Technology Laboratory	Center for Nanoscale Science and Technology	Postdoctoral Research Associates Pprogram	Standards Coordination and Special Programs	External Projects	Working Capital Fund	Total*
Ensuring a Secure and Robust Cyber Infrastructure				\$42,140					\$1,302	\$43,442
Interoperability Standards for Emerging Technologies				\$9,134			\$13,549		\$152	\$22,835
Strengthening Measurement Services in Support of Industry Needs	\$16,916								\$3,100	\$20,016
Advanced Materials for Industry		\$10,682		\$3,560						\$14,242
Innovations for 21st Century U.S. Manufacturing: Faster, Smarter and Cleaner			\$13,331							\$13,331
Measurement Science and Standards to Support Biomanufacturing		\$7,276							\$2,250	\$9,526
Measurements to Support the Manufacture and Production of Nanotechnology-based Products	\$5,369	\$8,476			\$14,411					\$28,256
Measurements and Standards to Support Increased Energy Efficiency and Reduced Environmental Impact		\$6,083	\$5,687						\$1,500	\$13,270
Measurements to Support Advanced Infrastructure Delivery and Resilience			\$10,041						\$530	\$10,571
Postdoctoral Research Associateship Program						\$2,979				\$2,979
Dropout of Directed Grants								(\$10,500)		(\$10,500)
STRS TOTAL	\$22,285	\$32,517	\$29,059	\$54,834	\$14,411	\$2,979	\$13,549	(\$10,500)	\$8,834	\$167,968

*Total amounts reflect administrative savings taken and reinvested in program initiatives.

Appropriation: Construction of Research Facilities

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			119	\$147,000
Adjustments to Base				
<u>Adjustments</u>				
Restoration of FY 2011 ATBs		\$574		
Construction and major renovations cost		(22,000)		
Subtotal, adjustments			0	(21,426)
<u>Other Changes</u>				
Full year cost in FY 2012 of positions financed in FY 2011				
Civil Service Retirement System (CSRS)		(11)		
Federal Employees' Retirement System (FERS)		18		
Federal Insurance Contribution Act (FICA) - OASDI		(8)		
Health Insurance		48		
Employees' Compensation Fund		22		
Travel - Per Diem		2		
General pricing level adjustment:				
Communications, utilities, and miscellaneous charges		1		
Other services		496		
Supplies and materials		40		
Equipment		2		
Subtotal, other cost changes			0	610
TOTAL, ADJUSTMENTS TO BASE			0	(20,816)
2012 Base			119	126,184
Program Changes			0	(41,619)
2012 APPROPRIATION			119	84,565

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Construction & Major Renovations	119	\$180,004	119	\$126,184	119	\$84,565	0	(\$41,619)
TOTAL DIRECT OBLIGATIONS	119	180,004	119	126,184	119	84,565	0	(41,619)
REIMBURSABLE OBLIGATIONS		953					0	0
TOTAL OBLIGATIONS	119	180,957	119	126,184	119	84,565	0	(41,619)
FINANCING								
Unobligated balance, start of year (Direct)		(33,004)				0		
Offsetting collections from:								
Non-Federal sources		(953)				0		
Subtotal, financing		(33,957)				0		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	119	147,000			119	84,565		

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Construction and major renovations	119	\$126,184	0	-\$41,619
Renovation of Building 1 at NIST in Boulder, Colorado			+0	+\$25,381

NIST requests an increase to continue with the long-term plan to renovate Building 1 of the NIST Boulder, Colorado laboratories, which houses the majority of NIST Boulder research and measurement. The FY 2012 initiative for approximately \$25.4 million will complete the interior renovations of Wings 3, 5, and a portion of Wing 6. The remaining interior wing renovations will be completed with future funding requests.

Reductions -\$67,000

NIST requests a decrease of \$47 million to terminate the funding level that would continue under an annualized FY 2011 continuing resolution associated with the congressionally directed projects identified in the Conference Report that accompanied the Consolidated Appropriations Act, 2010. In addition, NIST proposes to terminate \$20 million for the competitive construction grant program provided in the Act.

Appropriation: Industrial Technology Services
Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			158	\$194,600
Reorganization from STRS			52	9,627
Adjustments to Base				
<u>Adjustments</u>				
Restoration of FY 2011 ATBs		\$434		
Restoration of FY 2011 Deobligation Offset		3,800		
Subtotal, adjustments				4,234
<u>Other Changes</u>				
Full year cost in FY 2012 of positions financed in FY 2011				
Civil Service Retirement System (CSRS)		(26)		
Federal Employees' Retirement System (FERS)		43		
Thrift Savings Plan (TSP)		18		
Federal Insurance Contribution Act (FICA) - OASDI		(18)		
Health Insurance		103		
Travel - Per Diem		27		
Communications, utilities, and miscellaneous charges:				
Electricity rate decrease		(180)		
Natural Gas rate decrease		(212)		
General pricing level adjustment:				
Transportation of things		1		
Rental payments to others		2		
Communications, utilities, and miscellaneous charges		6		
Other services		151		
Supplies and materials		9		
Equipment		13		
Subtotal, other cost changes			0	(63)
TOTAL, ADJUSTMENTS TO BASE			0	4,171
2012 Base			210	208,398
Program Changes			(11)	33,024
TOTAL REQUIREMENTS			199	241,422
Recoveries from Prior Year Obligations				(3,800)
2012 APPROPRIATION			199	237,622

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Technology Innovation Program	80	\$104,479	80	\$73,587	80	\$78,773	0	\$5,186
Advanced Manufacturing Technology Consortia	0	0	0	0	1	12,306	1	\$12,306
Hollings Manufacturing Extension Partnership Program	78	125,669	78	124,967	80	142,616	2	\$17,649
Baldrige Performance Excellence Program	52	9,627	52	9,844	38	7,727	(14)	(\$2,117)
TOTAL DIRECT OBLIGATIONS	210	239,775	210	208,398	199	241,422	(11)	33,024
FINANCING								
Unobligated balance, start of year		(31,748)						
Recovery of prior obligations		(3,800)		(3,800)		(3,800)		
Subtotal, financing		(35,548)		(3,800)		(3,800)		
TOTAL BUDGET AUTHORITY	210	204,227	210	204,598	199	237,622		
Reorganization	(52)	(9,627)		0		0		
TOTAL APPROPRIATION	158	194,600	210	204,598	199	237,622		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Industrial Technology Services</u>	210	\$204,598	-11	+\$33,024
Technology Innovation Program (TIP)	80	\$69,787	+0	+\$5,186

TIP was established to help U.S. businesses, institutions of higher education, and other organizations—such as national laboratories and nonprofit research institutes—to support, promote, and accelerate innovation in the United States through high-risk, high-reward research in areas of critical national need. Areas that TIP has supported include civil infrastructure, and manufacturing and biomanufacturing. TIP aims to speed the development of high-risk, transformative research targeted to key societal challenges that are not being addressed elsewhere. The request includes a program increase of \$5.2 million for TIP.

Advanced Manufacturing Technology Consortia (AMTech) Program +1 +\$12,306

The request includes \$12.3 million for the new Advanced Manufacturing Technology Consortia (AMTech) program that will provide grants to leverage existing consortia or establish critical new industry-led consortia. These consortia will develop road-maps of critical long-term industrial research needs as well as fund facilities, equipment and research at leading universities and government laboratories directed at meeting these needs. This new program would be based on NIST's experience with the Nanoelectronics Research Initiative (NRI) partnership and would expand and improve on that model.

	<u>FTE</u>	<u>Base</u> <u>Amount</u>	<u>Increase / Decrease</u> <u>FTE</u>	<u>Amount</u>
Hollings Manufacturing Extension Partnership (MEP) Program	78	\$124,967	+2	+\$17,649

The request also continues the Administration's commitment to increase funding for the Hollings Manufacturing Extension Partnership (MEP) program. Through public (Federal-state-local) and private sector partnerships, MEP provides technical and business assistance to small- and medium-sized manufacturers through a network of centers in all 50 states and Puerto Rico. The request includes a program increase of \$17.6 million for MEP.

Baldrige Performance Excellence Program	52	\$9,844	-14	-\$2,117
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The request includes funding for criteria development, best practices dissemination, and the annual awards process. Additionally, the Baldrige Performance Excellence Program will evaluate alternative sources of funding, consistent with the Administration's goal of transitioning the program out of Federal funding.

Appropriation: Working Capital Fund

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Direct Obligations	0	\$0		\$0		\$8,834	0	\$8,834
Reimbursable Obligations	741	\$186,403	741	\$176,261	755	176,261	14	0
WCF Investments	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	741	186,403	741	176,261	755	185,095	14	8,834
FINANCING								
Unobligated balance, start of year		(145,229)		(145,229)		(145,229)		0
Unobligated balance, end of year		145,229		145,229		145,229		0
Offsetting collections from:								
Federal funds		(135,581)		(127,349)		(127,349)		0
Non-Federal sources		(50,822)		(48,912)		(48,912)		0
Subtotal, financing	0	(186,403)	0	(176,261)	0	(176,261)	0	0
TOTAL BUDGET AUTHORITY	741	0	741	0	755	8,834	14	8,834
TRANSFERS								
From other accounts		0				(8,834)		(8,834)
TOTAL, APPROPRIATION	741	0	741	0	755	0	14	0

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. Goals serve as the first level below themes with objectives serving as the second level below the themes with the performance measures and funding corresponding to objectives. All of NIST's program activities support the theme of Economic Growth and two corresponding goals: Innovation and Entrepreneurship, and Market Development and Commercialization. Within these goals, NIST supports three objectives: Stimulate high growth business formation and entrepreneurship, through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization (Objective 3); Provide the measurement tools and standards to strengthen manufacturing, enabling innovation, and enhancing efficiency (Objective 5); and Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries (Objective 8). In addition, NIST programs apply to the Science and Information theme and the Workforce Excellence administrative theme, covering the following three objectives: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety (Objective 13); Improve understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions (Objective 14); and, Recruit, develop, and retain a high-performing, diverse workforce with the critical skills necessary for mission success, including growing the next generation of scientists and engineers (Objective 25). The following table shows the measures that NIST uses to gauge its performance.

	2010 Actual*	2011 CR (Annualized) / Targets	2012 Estimate / Targets
Objective 3: Stimulate high growth business formation and entrepreneurship, through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization	\$77.2	\$104.5	\$91.1**
Cumulative number of TIP Projects funded ¹	29	38 ⁶	60
Cumulative number of publications ²	60 in 2013	105 in 2014 ⁷	114 in 2015
Cumulative number of patent applications ³	30 in 2013	35 in 2014 ⁷	38 in 2015
Cumulative number of projects generating continued R&D ⁴	10 in 2013	18 in 2014 ⁷	19 in 2015
Cumulative number of projects with technologies under adoption ⁵	5 in 2013	9 in 2014 ⁷	10 in 2015
Objective 5: Provide the measurement tools and standards to strengthen manufacturing, enabling innovation, and enhancing efficiency	\$766.2	\$694.5	\$834.7
Qualitative assessment and review of technical quality and merit using peer review	Completed	Complete	Complete
Citation impact of NIST-authored publications	>1.1 ⁸	>1.1	>1.1
Peer-reviewed technical publications	1,243	1,350	1,350
Standard reference materials sold	31,667	31,000	31,000
NIST maintained datasets downloaded	25.0M	24.5M	24.5M
Number of calibration tests performed	17,697	9,700 ⁹	14,000
Objective 8: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$126.8	\$125.9	\$142.8
Number of clients served by MEP centers receiving Federal funding	34,299	30,000 ¹¹	34,000
Increased sales attributed to MEP centers receiving Federal funding	\$2.5B ¹⁰	\$2.0B ¹¹	\$3.3B
Capital investment attributed to MEP centers receiving Federal funding	\$1.0B ¹⁰	\$1.1B	\$1.8B
Cost savings attributed to MEP centers receiving Federal funding	\$1.2B ¹⁰	\$1.1B ¹¹	\$1.7B

	2010 Actual	2011 CR (Annualization) / Targets	2012 Estimate / Targets
Objective 13: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety	\$528.4	\$191.6	\$94.4
Objective 14: Improve understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions	\$10.8	\$10.1	\$8.2
Objective 25: Recruit, develop, and retain a high-performing, diverse workforce with the critical skills necessary for mission success, including growing the next generation of scientists and engineers	\$20.5	\$11.5	\$14.3
Total	\$1,529.9	\$1,138.1	\$1,185.5

*Objectives 5 and 13 include ARRA obligations for FY 2010.

**Includes \$78.8M for TIP and \$12.3M for AMTech, excludes \$100M for the Public Safety Innovation Fund (mandatory appropriations).

¹ This number reflects the number of projects funded to support areas of critical national need. Participating organizations include small and medium-sized companies, institutions of higher education, national laboratories, non-profit research institutes, and other organizations.

² The measure reflects scientific knowledge being generated from the funding. Publications include academic journals, conference proceedings, and other publications. The measure also reflects the dissemination of the science benefiting other organizations outside of the project participants. Projections are based on historic data from similar R&D programs. This lagging measure assumes that publications will be generated by the third year of project research.

³ The measure reflects an additional metric of valuable knowledge and science generated from the funded research. Projections are based on historic data from similar R&D programs. This is a lagging measure and assumes that patent applications will be generated by the third year of project research.

⁴ This measure reflects the creation of transformative research whose value is demonstrated by continued R&D investment by the original researchers or by others. This is a lagging measure and is assessed after the TIP funding for the cost-shared awards has stopped (generally three years or later).

⁵ This measure reflects the implementation of the R&D efforts to benefit end users. Adoption includes testing of the research results at a beta site, licensing the technologies to others, or commercializing the technology through improved products and processes. This is a lagging measure and is assumed to be realized near the end of the project at the earliest (generally three years or later).

⁶ This updated target reflects the annualization of the FY 2011 Continuing Resolution levels.

⁷ The revised target reflects the actual information known from the 9 new TIP projects begun in FY 2011 which affect the respective outyear program performance.

⁸ The FY 2010 actual lags nine months; this estimate is based on the FY 2009 actual.

⁹ This target was decreased largely due to a new requirement that a signed Memorandum of Understanding with other federal agencies be in place prior to performing calibration tests which is expected to significantly delay the start and completion of these tests.

¹⁰ These amounts are the FY 2010 targets. The FY 2010 actuals will be available in January 2012 due to the lag time associated with collecting and analyzing the Hollings MEP client survey data six months after the services are delivered. The data in the FY 2010 PAR reflects estimated FY 2009 actuals associated with the FY 2009 funding level. The FY 2009 actuals will be available in January 2011.

¹¹ The change in these targets is based on the current economic conditions facing manufacturing clients and Centers. Impacts are expected to remain steady.

High Priority Performance Goals

High priority performance goals (HPPGs) are a clear statement of the specific, measurable, ambitious near-term priority targets chosen by the senior leaders of major federal agencies. The HPPGs communicate the performance improvements each agency is trying to accomplish relative to its priorities using existing legislative authority, previously appropriated funds, and funding at levels proposed in the President's FY 2011 Budget. The HPPGs constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes the HPPGs from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures that agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

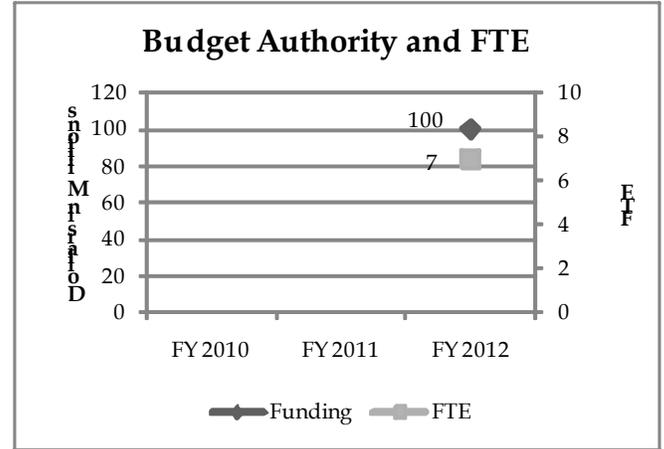
NIST and EDA share the following high priority performance goal and measures addressing Sustainable Manufacturing and Building Practices: 1) Raise the number of firms adopting sustainable manufacturing processes through the NIST Manufacturing Extension Partnership (MEP) by 250 by the end of 2011, and 2) Raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or a comparable third-party certification program to 12 percent.

The first measure tracks the number of firms adopting economically and environmentally sustainable practices and products through the NIST Hollings MEP program. EDA is responsible for carrying out activities to achieve the second measure.

	FY 2008	FY 2009	FY 2010		FY 2011
NIST Measure	Actual	Actual	Target	Actual	Target
Raise the number of firms adopting sustainable manufacturing processes through the NIST Hollings Manufacturing Extension Partnership (MEP) by 250 by the end of 2011.		46	173	266	296

Public Safety Innovation Fund

The President's Wireless Innovation and Infrastructure Initiative proposes to reallocate a total of 500 megahertz of Federal agency and commercial spectrum bands over the next 10 years in order to increase Americans' access to wireless broadband. The auctions of reallocated spectrum licenses are expected to raise more than \$27 billion by 2021. This effort will enhance America's public safety, infrastructure, and competitiveness by investing some of the expected receipts in the creation of a broadband network for public safety, expanding access to wireless broadband in rural America, and a Wireless Innovation (WIN) Fund to help develop cutting-edge wireless technologies. As part of this initiative, NIST will participate in the WIN Fund by working with industry and public safety organizations to conduct research and develop standards, technologies and applications to advance public safety communications.



Summary of Appropriations

Funding Levels

Appropriation

MANDATORY ACCOUNT

Public Safety Innovation Fund

FTE

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
			\$100,000	\$100,000
			7	7

Highlights of Budget Changes

Appropriation: Public Safety Innovation Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 Mandatory Appropriation	0	0
Adjustments	0	0
2012 Base	0	0
Program Change	7	\$100,000
2012 Mandatory Appropriation	7	100,000

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	0	0	0	0	\$100,000	7	\$100,000
TOTAL OBLIGATIONS	0	0	0	0	0	100,000	7	100,000
FINANCING								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
TOTAL MANDATORY BUDGET AUTHORITY	0	0	0	0	0	100,000	7	100,000

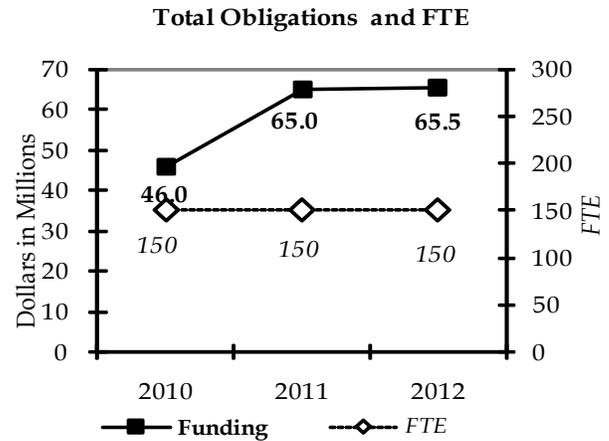
Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Public Safety Innovation Fund	0	\$0	+7	+\$100,000

The President's budget includes a request of \$100 million in mandatory appropriations for the Public Safety Innovation Fund, NIST's component of the Wireless Innovation Fund, which will help spur the development of cutting-edge wireless technologies. As part of this initiative, NIST will work with industry and public safety organizations to conduct research and develop standards, technologies and applications to advance public safety communications. Core components of this program will include documenting public safety requirements and driving the adoption of those requirements into the appropriate standards; developing the capability for communications between currently deployed public safety narrow band systems and the future nationwide broadband network; and establishing a roadmap that addresses public safety's needs beyond what can be provided by the current generation of broadband technology and driving technological progress in that direction. NIST will accomplish these goals through directed research, development, applications, and demonstration projects. Where appropriate, NIST will collaborate with other government research agencies and transfer funding if particular agencies are better suited to sponsor and oversee relevant research, development, or demonstration projects.

National Technical Information Service

The National Technical Information Service (NTIS) collects and preserves scientific, technical, engineering and other business-related information from Federal and international sources, and disseminates it to the American business and industrial research community. NTIS operates a revolving fund for the payment of all expenses incurred. NTIS reports to the Secretary of Commerce through the National Institute of Standards and Technology.



Summary of Appropriations

Funding Levels

Appropriation	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
NTIS Revolving Fund	\$0	\$0	\$0	\$0
FTE				
Reimbursable	150	150	150	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	150	\$0
Adjustments to Base	0	0
Adjustments to DOC Working Capital Fund		[9]
2012 Base	150	0
Administrative Savings		[129]
Program Changes	0	0
2012 APPROPRIATION	150	0

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

DIRECT OBLIGATIONS	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
National Technical Information Service	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	0	0	0
REIMBURSABLE OBLIGATIONS	150	65,000	150	65,500	150	65,500	0	0
TOTAL OBLIGATIONS	150	65,000	150	65,500	150	65,500	0	0
FINANCING								
Unobligated balance, start of year		(6,158)		(6,158)		(6,158)		
Unobligated balance, end of year		6,158		6,158		6,158		
Reinvested administrative savings				[9]		[129]		
Offsetting collections from:								
Federal funds		(51,350)		(51,700)		(51,700)		
Non-Federal sources		(13,650)		(13,800)		(13,800)		
Subtotal, financing	0	(65,000)	0	(65,500)	0	(65,500)		
TOTAL BUDGET AUTHORITY	150	0	150	0	150	0		

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to support this initiative, and improve the efficiency of programs without reducing their effectiveness, the National Technical Information Service has identified \$129,000 in administrative savings, with an additional \$9,000 in savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). Of these administrative savings, \$91,000 is tied to the acquisition plans for FY 2012. In the area of human capital, NTIS expects to reduce its costs by \$38,000 through a hiring slowdown and additional efficiencies. The \$138,000 in administrative savings will be reinvested in the activities of the NTIS Revolving Fund.

Performance Objective and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. Goals serves as the first level below themes with objectives serving as the second level below the themes with the performance measures and funding corresponding to objectives. All of NTIS's program activities support the theme of Science and Information and corresponding goal of Generating and communicating new, cutting-edge scientific understanding of technical, economic, social, and environmental systems while appearing within one objective - Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety (Objective 13). The following table shows the measures that NTIS uses to gauge its performance.

	2010 Actual	2011 CR (Annualized)/Targets	2012 Estimate / Targets
Objective 13: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety.	\$46.0	\$65.0	\$65.5
Number of updated items available (annual)	969,473	825,000	875,000
Number of information products disseminated (annual)	50,333,206	52,800,000	54,800,000
Customer satisfaction	98%	95% - 98%	95% - 98%

National Telecommunications and Information Administration

The National Telecommunications and Information Administration (NTIA) develops domestic and international telecommunications and information policy for the executive branch, ensures the efficient and effective management and use of the Federal radio spectrum, and performs state-of-the-art telecommunications research, engineering, and planning.

The **Salaries and Expenses (S&E) account** focuses on NTIA's core programs for domestic and international policy development, Federal spectrum management, and related research. In addition to adjustments to

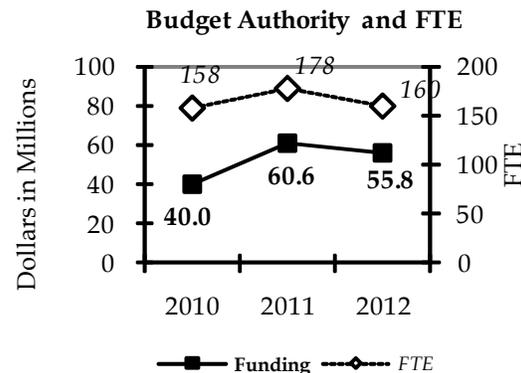
the base necessary to maintain the buying power of existing resources, NTIA requests \$1 million and 5 FTE to bolster the Department of Commerce's leadership role to consider and harmonize national innovation-promoting policies for the Internet both domestically and internationally. This Internet Innovation initiative addresses Internet-based privacy principles; growth of the global Internet economy; protection of intellectual property; and protection of consumers and children.

In addition, NTIA requests \$1.7 million and 5 FTE support the Administration's efforts to foster new wireless broadband technologies by making new spectrum available for commercial broadband use. Specifically, NTIA will collaborate with the Federal Communications Commission (FCC) to implement the plan to make available significant spectrum suitable (500MHz) for both mobile and fixed wireless broadband use over the next ten years, as part of the Wireless Innovation and Infrastructure Initiative (WI3). The "Plan and Timetable to Make Available 500 MHz of Spectrum for Wireless Broadband" focuses on making spectrum available for exclusive use by commercial broadband providers or technologies, or for dynamic, shared access by commercial and government users. Furthermore, this request bolsters our research capabilities in spectrum sharing techniques that will enable the efficient use of radio frequencies currently occupied by traditional frequency assignments, and to avoid harmful interference from other users operating in these frequencies. This research will aid the NTIA, the FCC, the telecommunications industry, and other government agencies in the design of dynamic spectrum access schemes for cognitive radio under different communication requirements.

NTIA also requests an increase of \$12.2 million to continue the administration and oversight of the \$4.7 billion Recovery Act grant program for broadband technologies and deployment mapping. This request is not an increase in the cost of the program. The 2011 President's budget request did not reflect funds for a contract of \$15.9 million that was funded in 2010 with Recovery Act funds for performance in 2011. These funds are required for continued support in monitoring and oversight of the broadband grant recipients and projects. Recipients of grant awards will have three years, in most cases, to complete their projects and most awards were not made until the end of FY 2010. Many projects are still in the early phases of implementation. Funding to oversee these grants is now requested in the S&E account, in contrast to the 2011 Budget, which requested a separate account. Total requested funding for oversight in FY 2012 is \$32.3 million. This reflects a reduction of \$3.5 million in FY 2011 funding of \$35.8 million when the Recovery Act funding of the contract is accounted for.

NTIA will cancel the International Symposium on Advanced Radio Telecommunications (ISART) for 2012 to achieve a cost reduction of \$150,000. NTIA will explore the option of obtaining support from private industry or nonprofit organizations, through its existing authorities, in order to keep the ISART functionality.

NTIA will discontinue the **Public Telecommunications Facilities, Planning, and Construction (PTFPC)** program in FY 2012, because the Administration will support public broadcasting through the Corporation for Public Broadcasting and needs to make difficult choices to programs in a fiscally constrained environment. Hereafter, previously appropriated



funds that remain available will be used to administer prior-year grants. Also, the **Information Infrastructure Grants** program was terminated in FY 2005. The Budget proposes to rescind remaining unobligated balances.

Digital Television Transition and Public Safety Fund (DTTPSF) (mandatory program): The Fund, created by the Deficit Reduction Act of 2005 and modified by the Call Home Act, the SAFE Port Act of 2006, and the Consolidated Appropriations Act of 2008, receives offsetting receipts from the auction of electromagnetic spectrum to be recovered from analog television frequencies as part of the transition to digital broadcasts and provides funding for several one-time programs from these receipts. The Budget proposes to rescind \$4.3 million in unobligated balances. NTIA believes that these funds are unneeded.

During FY 2012, the following programs will be funded by prior-year receipts:

- Public Safety Interoperable Communications Grants
- Assistance to Low-Power Television Stations
- National and Remote Alert Programs

Because these are one-time programs, activity in these programs is winding down.

Summary of Appropriations

Funding Levels

Appropriation, Discretionary	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$19,999	\$40,649	\$55,827	\$15,178
Public Telecommunications Facilities, Planning and Construction	20,000	20,000	0	(\$20,000)
DISCRETIONARY APPROPRIATION	39,999	60,649	55,827	(4,822)
Transfer From Census	0	1,999	0	0
Information Infrastructure Grants	0	0	(2,000)	(2,000)
Digital Television Transition and Public Safety Fund (Discretionary Change in a Mandatory Program)	0	0	(4,311)	(4,311)
Unobligated balance, rescission, Digital -to- Analog Converter Box Program, Recovery Act (P.L. 111-118, 111-212)	(239,500)	0	0	0
Unobligated balance, rescission, Broadband Technology Opportunities Program, Recovery Act(P.L. 111-226)	(302,000)	0	0	0
Subtotal, Discretionary Budget Authority	(501,501)	62,648	49,516	(11,133)
Appropriation, Mandatory				
Digital Television Transition and Public Safety Fund				
Appropriation (special fund receipts)	196,613	0	0	(196,613)
Appropriation, Mandatory	196,613	0	0	(196,613)
Budget Authority, Mandatory	196,613	0	0	(196,613)
TOTAL BUDGET AUTHORITY	(304,888)	62,648	49,516	(207,746)

FTE	<u>2010 Actual</u>	<u>2011 CR (Annualized)</u>	<u>2012 Estimate</u>	<u>Increase (Decrease)</u>
Salaries and Expenses - Direct	95	156	157	1
Salaries and Expenses - Reimbursable	140	155	155	0
Public Telecommunications Facilities, Planning and Construction	8	13	0	(13)
Information Infrastructure Grants	0	0	0	0
Broadband Technology Opportunities Program, Recovery Act	47	0	0	0
Digital to Analog Converter Box Program, Recovery Act	0	0	0	0
Total, Discretionary FTEs	290	324	312	(12)
Mandatory:				
Digital Television Transition and Public Safety Fund	8	9	3	(6)
TOTAL, FTEs	298	333	315	(18)

Highlights of Budget Changes

Appropriation: Salaries and Expenses

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			156	\$40,649
Transfer from Census				1,999
Adjustments to Base				
<u>Adjustment:</u>				
Restoration of Base				(175)
Non recurring 2011 transfer from Census				(1,999)
<u>Other Changes</u>				
Annualization of Positions in 2011	1	\$118		
Civil Service Retirement System (CSRS)		(33)		
Federal Employees' Retirement System (FERS)		55		
Federal Insurance Contributions Act (FICA) - OASDI		(4)		
Thrift Savings Plan		9		
Health insurance		68		
Employees' Compensation Plan		16		
Rent payments to GSA		41		
Postage		2		
Electricity		144		
Travel:				
Mileage		(2)		
Per diem		20		
Other services:				
Working Capital Fund		249		
General Pricing Level Adjustment:				
Communications, utilities, and miscellaneous charges		2		
Other services		212		
Supplies and materials		4		
Equipment		9		
Subtotal, other cost changes				910
TOTAL, ADJUSTMENTS TO BASE			<u>1</u>	<u>(1,264)</u>
2012 Base			157	41,384
Administrative Savings			0	(353)
Program Changes			0	14,796
2012 APPROPRIATION			<u>157</u>	<u>55,827</u>

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation process proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Domestic & International Policies	26	\$6,497	26	\$5,511	31	\$6,443	5	\$932
Spectrum Management	32	8,932	32	8,366	37	10,003	5	1,637
Telecommunication Sciences Res.	48	7,610	49	7,403	49	7,071	0	(332)
Broadband Programs	50	21,873	50	20,104	40	32,310	(10)	12,206
TOTAL DIRECT OBLIGATIONS	156	44,912	157	41,384	157	55,827	0	14,443
REIMBURSABLE OBLIGATIONS	155	72,540	155	42,064	155	41,652	0	(412)
TOTAL OBLIGATIONS	311	117,452	312	83,448	312	97,479	0	14,031
FINANCING								
Unobligated balance, start of year (Direct)		(2,264)						
Unobligated balance, start of year (Reimbursable)		(31,564)						
Offsetting collections from:								
Federal funds	(152)	(40,476)			(152)	(41,152)		
Non-Federal sources	(3)	(500)			(3)	(500)		
Subtotal, financing	(155)	(40,976)			(155)	(41,652)		
TOTAL BUDGET AUTHORITY	156	42,648			157	55,827		
Transfer from DOC Census		(1,999)				0		
Total Appropriation	156	40,649			157	55,827		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money, the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, NTIA has identified \$353,000 in administrative savings (including \$182,000 in the Telecommunication Sciences Research director's policy support fund), with an additional \$264,000 in savings from NTIA's share of contribution to the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). Of the total \$617,000 in administrative savings identified above, \$353,000 represent real reductions to NTIA's funding level and will help reduce overall spending by the Federal Government.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Internet Innovation	26	\$5,511	+5	+\$1,000

NTIA requests an increase of \$1 million and 5 FTE to bolster the Department of Commerce's leadership role in the evolution of innovation-promoting policies for the Internet both domestically and internationally. NTIA will develop, implement and advocate in the "Internet 3.0" policy framework, building on previous work, including the Department's successful engagement with the Internet Corporation for Assigned Names and Numbers.

NTIA's Internet Innovation initiative would use a multi-stakeholder approach to lead U.S. policymakers and regulators, governments around the world, and industry, in the formation of Internet policies and best practices to ensure continued innovation in Internet-based services and products. (The term "Internet 3.0" refers to the next generation of Internet use, with 1.0 being primarily informational websites and 2.0 being increased user-generated content and developments such as social media.) The third phase of the development of the Internet brings with it a range of new public policy challenges that the U.S. must be prepared to meet. These challenges include, inter alia, enhancing online privacy, providing effective cybersecurity, protecting child online, securing online copyright protection, and fostering the global Internet economy. NTIA must ensure that the federal government is able to lead policy developments so that NTIA can continue in its role as principal telecommunications and information policy adviser to the President.

Just as the U.S. Government led the world in creating a policy framework for the first phase of the Internet, so too must we show leadership in this new era.

Wireless Broadband Access (500Mhz)	0	\$0	+5	+\$1,740
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In accordance with President's Wireless Innovation and Infrastructure Initiative (WI3), NTIA will work with Federal agencies and the Federal Communications Commission to identify 500 megahertz of spectrum for wireless broadband. To accomplish this, NTIA will review a listing of bands set out in a 10-year plan to determine which bands can be made available either through relocation of Federal systems or through new innovation sharing techniques. To advance the potential for spectrum sharing and increasing spectrum access, NTIA needs to facilitate advancement and expansion of its spectrum innovation test bed and research into sharing technologies, such as cognitive radio.

International Symposium on Advanced Radio Telecommunications	49	\$7,403	0	-\$150
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NTIA will cancel the International Symposium on Advanced Radio Telecommunications (ISART) for 2012 to achieve a cost reduction of \$150,000. NTIA will explore the option of obtaining support from private industry or nonprofit organizations, through its existing authorities, in order to keep the ISART functionality. In addition, NTIA's institute for Telecommunication Sciences is currently pursuing web-based Internet portal and content management system improvements and technologies as a more efficient and cost-saving approach for transferring knowledge and collaborating with its stakeholders.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Broadband Programs	50	\$20,104	-10	+\$12,206

NTIA requests a reduction of 10 FTE and an increase of \$12,206,000 to continue monitoring broadband grants to prevent fraud, waste and abuse. This is not an increase in the cost of the program. The 2011 President's budget request did not reflect funds for a contract of \$15.9 million that was funded in 2010 with Recovery Act funds for performance in 2011. These funds are required for continued support in monitoring and oversight of the Broadband grant recipients and projects. Additionally the funds will be used to maintain a comprehensive nationwide inventory map of existing broadband service capability and availability. Under The American Recovery and Reinvestment Act of 2009 (Recovery Act, Public Law No. 111-5), NTIA awarded nearly \$4.2 billion in broadband grant initiatives throughout the United States and to develop the nationwide broadband map. Although those funds expired in FY 2010, most grants will remain open through FY 2013. It is critical that NTIA provide the required oversight to protect the Federal Government's investment in broadband infrastructure, public computer centers, broadband adoption, and state broadband data and development projects.

Appropriation: Public Telecommunications Facilities, Planning and Construction

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			13	\$20,000
Adjustments to Base			0	0
2011 Base			<u>13</u>	<u>20,000</u>
Program Changes			(13)	(20,000)
2012 APPROPRIATION			<u>0</u>	<u>0</u>

In today's fiscal environment, it is important to reduce federal spending wherever possible in order to focus limited resources on those activities that provide the most benefit to the American public. As such, PTFPC funding is being terminated. The Administration proposes to support public broadcasters through the Corporation for Public Broadcasting. Recoveries and unobligated balances of funds previously appropriated to this account will remain available for the administration of prior-year grants.

Appropriation: Information Infrastructure Grants

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)	0	\$0
Adjustments to Base	0	0
2011 Base	0	0
Program Changes	0	0
2012 APPROPRIATION	0	0

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Technology Opportunity Program								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	0	213	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	213	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year	0	(2,213)				(2,000)		
Unobligated balance, end of year	0	2,000				0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	(2,000)		

Appropriation: Digital Television Transition and Public Safety Fund

Summary of Requirements

	Summary	
	FTE	Amount
2011 CR (Annualized)	0	\$0
FTEs funded from carryover	9	0
Adjustment to Base		
Reduced FTEs funded by carryover	(6)	0
2012 Base	3	0
Program Changes	0	0
2012 Mandatory Budget Authority	3	0
Change in Mandatory Program	0	(4,311)
2012 Discretionary Budget Authority	0	(4,311)

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Public Safety Interoperable Communications Grants	3	6,185	0	0	0	0	0	0
Low Power TV & Translator Upgrade Program	3	38,647	0	0	2	1,712	2	1,712
Tsunami Warning Program	0	339	0	0	1	674	1	674
National and Remote Alert Programs	3	48,658	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	9	93,829	0	0	3	2,386	3	2,386
FINANCING								
Unobligated balance, start of year		(8,841,885)				(6,697)		
Unobligated balance, end of year		6,697				4,311		
Capital Transfer to General Fund		8,741,359						
TOTAL MANDATORY BUDGET AUTHORITY	9	0			3	0		
CHANGE IN MANDATORY PROGRAM	0				0	(4,311)		
TOTAL DISCRETIONARY BUDGET AUTHORITY						(4,311)		

Title III of the Deficit Reduction Act of 2005 provided the Department the authority to borrow from the Treasury in advance of the availability of radio spectrum auction receipts that finance several programs created in the Act. All borrowings have been repaid to the Department of Treasury and programs currently in operation are being funded with receipts of earned revenue.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. The NTIA performance measures now appear in the two different administrative themes (Economic Growth and Science and Information), covering three different objectives.¹ Prior performance measures are included among these objectives along with several new measures.² The table below shows the new objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the NTIA section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized)/Targets	2012 Estimate / Targets
Objective 4: Drive innovation through supporting an open global Internet and communications and broadband policies that enable robust infrastructure, ensure integrity of the system, and support e-commerce	\$4,396.3	\$148.4	\$71.8
Update the Spectrum Inventory first established in FY2011	New	Complete initial version of Spectrum Inventory	Spectrum Inventory Update
Identify up to 500 MHz of spectrum to support commercial broadband services or products	New	New	Meet 66% of milestones regarding the identification of 500 MHz for wireless broadband
Miles of broadband networks deployed (Infrastructure Projects)	New	10,000	30,000
Community anchor institutions connected (Infrastructure Projects)	New	3,000	10,000
New and upgraded public computer workstations (Public Computer Centers Projects)	New	10,000	20,000
New household and business subscribers to broadband (Sustainable Broadband Adoption Projects)	New	100,000	250,000
Objective 11: Develop and influence international standards and policies to maximize the competitiveness of US industry	\$1.9	\$2.2	\$2.5
75% of NTIA positions substantially adopted or successful at international meetings	New	New	75% of NTIA positions substantially adopted or successful at international meetings
Objective 13: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety	\$23.4	\$25.0	\$1,425.5
Annual Progress Report on the Test-Bed	New	Publish Annual Report	Publish Annual Report
Total³	\$4,421.6	\$175.6	\$1,499.9

¹ For FY2012, NTIA discontinued several performance measures. Details of those measures are available in the FY 2012 Congressional Justification.

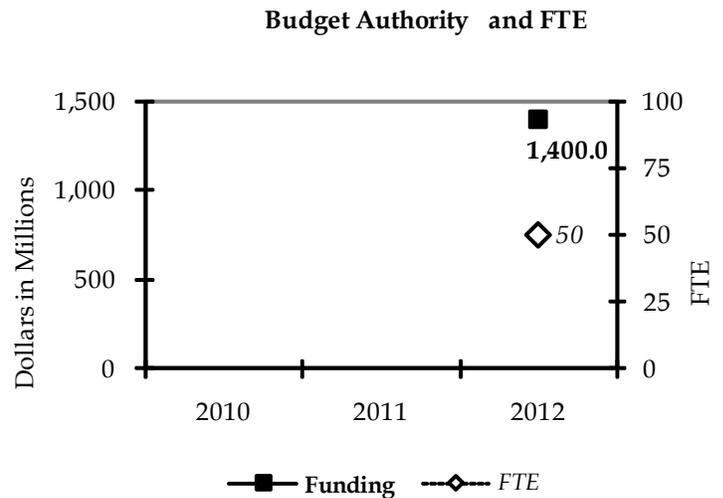
² Beginning in FY 2010, NTIA substantially revamped performance measures to align with priorities in spectrum reallocation and sharing as well as broadband programs.

³Amounts include reimbursable work and direct, mandatory, and supplemental appropriations.

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Public Safety Broadband Network

In support of the President's spectrum initiative, the Budget proposes to establish a \$7.0 billion program within NTIA to develop a nationwide interoperable public safety broadband network in the 700 MHz band. The program would begin in FY 2012 and would be administered over several years. In this endeavor, NTIA will collaborate with the Departments of Homeland Security and Justice. The program will be fully offset by expected proceeds from anticipated spectrum auctions to be conducted by the Federal Communications Commission (FCC) under the Wireless Innovation and Infrastructure Initiative (WI3).



Summary of Appropriations

Funding Levels

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Appropriation, Mandatory				
Public Safety Broadband Network	\$0	\$0	\$1,400,000	\$1,400,000
FTE	0	0	50	50

Highlights of Budget Changes

Appropriation: Public Safety Broadband Network

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			0	\$0
Adjustments to Base			0	0
2012 Base			0	0
Program Changes			50	1,400,000
2012 Mandatory Budget Authority			50	1,400,000

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$0	0	\$0	0	\$1,330,000	0	\$1,330,000
Program Management	0	0	0	0	50	70,000	50	70,000
TOTAL DIRECT OBLIGATIONS	0	0	0	0	50	1,400,000	50	1,400,000
FINANCING								
Unobligated balance, start of year	0	0			0	0		
TOTAL MANDATORY BUDGET AUTHORITY	0	0			50	1,400,000		

Note: NTIA will request \$7 billion over the next several years under the President's Wireless Innovation and Infrastructure Initiative.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Public Safety Broadband Network	0	\$0	+50	+\$1,400,000

In support of the President's Wireless Innovation and Infrastructure Initiative (WI3), the Budget proposes to establish a \$7.0 billion program within NTIA to develop a nationwide interoperable public safety broadband network in the 700 MHz band. The program would begin in FY 2012 and would be administered over several years. In this endeavor, NTIA will collaborate with the Departments of Homeland Security and Justice. The Administration will submit legislation in Spring 2011 providing details of the initiative. The program will be fully offset through a legislative proposal that is expected to generate proceeds from spectrum auctions to be conducted by the Federal Communications Commission (FCC) as part of WI3.

DRAFT FY 2011 - 2016 DEPARTMENT OF COMMERCE STRATEGIC PLAN

The Department of Commerce is updating its strategic plan and anticipates making a draft of the FY 2011 - 2016 Plan available for public comment early in 2011. The structure of the new strategic plan has changed from that of the previous plan, and incorporates the structure of the Department's new balanced scorecard. During the spring of 2010, Secretary Locke engaged with a broad cross-section of the Department's senior leadership to develop a balanced scorecard to deploy and execute this Strategic Plan. The Secretary directed a balanced scorecard approach to establish and maintain focus on the Department's top priorities, to support related data-driven reviews to achieve them, and to emphasize that Customer Service, Organizational Excellence, and Workforce Excellence are prerequisites to the achievement of the Department's programmatic goals.

The balanced scorecard approach monitors the Department's internal management processes and focuses operating programs on priorities. This approach recognizes that follow-up and follow-through are critical to both the short and long-term success and sustainability of high-performing programs. The Department's balanced scorecard and Strategic Plan are structured around three programmatic themes (Economic Growth, Science and Information, and Environmental Stewardship) and three management themes (Customer Service, Organizational Excellence, and Workforce Excellence). The Economic Growth theme is further subdivided into three goals (Innovation and Entrepreneurship, Market Development and Commercialization, and Trade Promotion and Compliance). These themes and goals are further subdivided into 27 strategic objectives, which frame all of the Department's programs and supporting activities.

The Department's Performance Budget aligns its bureaus' funding to the programmatic objectives they most directly support. Performance measures for programmatic objectives (1-18) are shown at the end of relevant bureau sections, consistent with this alignment. Performance measures for management objectives (19-27) to which funding is aligned are shown at the end of sections for Departmental Management and Office of Inspector General.

The structure of the draft FY 2011 - 2016 Plan appears on the following two pages.

STRUCTURE OF THE DRAFT FY 2011 - 2016 DEPARTMENT OF COMMERCE STRATEGIC PLAN

Theme	Goal	Objective
ECONOMIC GROWTH	a. INNOVATION AND ENTREPRENEURSHIP GOAL: Develop the tools, systems, policies and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses	1. Facilitate intellectual property protection by reducing patent and trademark pendency and increasing quality of issued patents and trademarks
		2. Expand international markets for US firms and inventors by improving the protection and enforcement of Intellectual Property Rights
		3. Stimulate high growth business formation and entrepreneurship, through investments in high-risk high-reward technologies and removing impediments to accelerate technology commercialization
		4. Drive innovation through supporting an open global internet and communications and broadband policies that enable robust infrastructure, ensure integrity of the system and support e-commerce
		5. Provide the measurement tools and standards to strengthen manufacturing, enabling innovation and enhancing efficiency
	b. MARKET DEVELOPMENT AND COMMERCIALIZATION GOAL: Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on unserved and underserved groups	6. Promote and support the advancement of green and blue technologies and industries
		7. Promote competitiveness of disadvantaged and distressed communities and businesses
		8. Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries
	c. TRADE PROMOTION AND COMPLIANCE GOAL: Improve our global competitiveness and foster domestic job growth while protecting American security	9. Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)
		10. Implement an effective export control reform program to advance national security and overall economic competitiveness
		11. Develop and influence international standards and policies to support the full and fair competitiveness of US industry
		12. Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies

Theme	Goal	Objective
SCIENCE AND INFORMATION	Generating and communicating new, cutting-edge scientific understanding of technical, economic, social and environmental systems	13. Enhance scientific knowledge and provide information to stakeholders to improve innovation, technology, support economic growth and improve public safety
		14. Improve understanding of the US economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions
		15. Enhance weather, water, and climate reporting and forecasting
ENVIRONMENTAL STEWARDSHIP	Promote economically-sound environmental stewardship and science	16. Support climate adaptation and mitigation
		17. Develop sustainable and resilient fisheries, habitats, and species
		18. Support coastal communities that are environmentally and economically sustainable
CUSTOMER SERVICE	Create a culture of outstanding communication and services to our internal and external customers	19. Provide streamlined services and single point of contact assistance to customers through better interaction and communication utilizing CommerceConnect, partnerships, branding, and other means of stakeholder involvement
		20. Promote information access and transparency through technology, understanding customer requirements, and creating new data products and services that deliver added value to customers
		21. Provide a high level of customer service to our internal and external customers through effective and efficient Department functions with empowered employees
ORGANIZATIONAL EXCELLENCE	Create a high performing organization with integrated, efficient and effective service delivery	22. Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud and abuse of government resources
		23. Reengineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness
		24. Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including addressing cyber security threats
WORKFORCE EXCELLENCE	Develop and support a diverse, highly qualified workforce with the right skills in the right job to carry out the mission	25. Recruit, develop and retain a high-performing, diverse workforce with the critical skills necessary for mission success including growing the next generation of scientists and engineers
		26. Create the best led Department in federal government by focusing on leadership development, accountability and succession planning
		27. Provide an environment that empowers employees and creates a productive and safe workplace

Department of Commerce Funding and Employment

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
BUDGET AUTHORITY				
Discretionary	\$13,302,522	\$9,003,071	\$8,761,332	(\$241,739)
Mandatory	376,025	152,018	1,667,876	1,515,858
TOTAL BUDGET AUTHORITY	<u>13,678,547</u>	<u>9,155,089</u>	<u>10,429,208</u>	<u>1,274,119</u>
OUTLAYS				
Discretionary	13,127,878	11,342,313	11,312,129	(30,184)
Mandatory	107,150	553,346	1,812,271	1,258,925
TOTAL OUTLAYS	<u>13,235,028</u>	<u>11,895,659</u>	<u>13,124,400</u>	<u>1,228,741</u>
FULL-TIME EQUIVALENT EMPLOYMENT	123,580	43,105	42,341	(764)

FY 2012 Distribution of Resources by Theme / Historical Summary of Resources

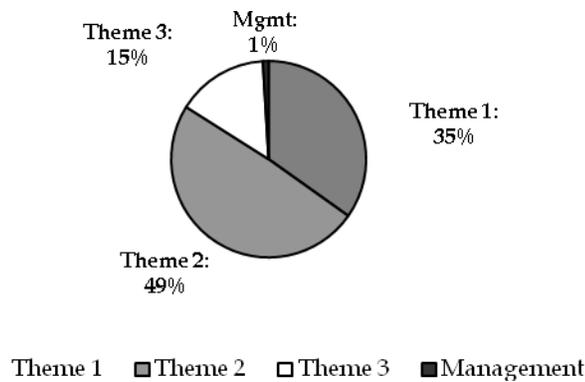
Programmatic Theme 1: Economic Growth (Includes EDA, ITA, BIS, MBDA, USPTO, and portions of NIST and NTIA)

Programmatic Theme 2: Science and Information (Includes Census, ESA, NTIS, and portions of NIST, NTIA and NOAA)

Programmatic Theme 3: Environment (Includes NOAA).

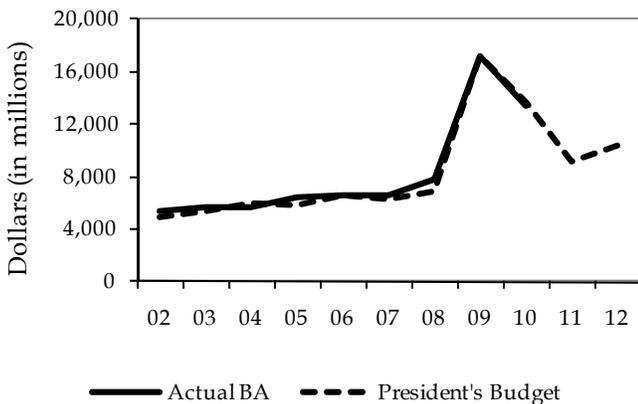
Management Themes: Customer Service, Organizational Excellence and Workforce Excellence (Includes DM and OIG).

Funding by Theme

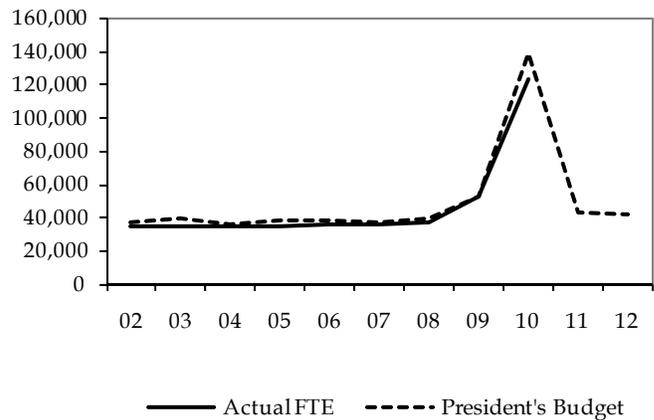


Historical Summary of Resources

Budget Authority
FY 2002 - FY 2012



FTE Employment
FY 2002 - FY 2012



Budget Authority – FY 2010, FY 2011 and FY 2012

	2010	2011 CR	2012	Change
	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>2011 - 2012</u>
DISCRETIONARY				
Departmental Management	\$59,300	\$58,000	\$64,871	\$6,871
HCHB Renovation and Modernization	22,500	22,500	16,150	(6,350)
Enterprise Cybersecurity Monitoring and Operations	0	0	22,612	22,612
Emergency Steel Guaranteed Loan Program	0	0	(43,000)	(43,000)
Subtotal, Departmental Management	81,800	80,500	60,633	(19,867)
Inspector General	27,000	27,000	33,520	6,520
Economic Development Administration	347,000	293,000	324,931	31,931
Bureau of the Census	7,095,731	1,223,339	1,024,765	(198,574)
Economic and Statistical Analysis	97,255	97,255	112,937	15,682
International Trade Administration	447,915	446,765	516,652	69,887
Bureau of Industry and Security	100,342	100,342	111,187	10,845
Minority Business Development Agency	31,500	31,500	32,322	822
National Oceanic & Atmospheric Administration	4,773,352	4,748,353	5,506,320	757,967
Patent and Trademark Office	(52,543)	(182,621)	0	182,621
National Institute of Standards & Technology	861,600	861,600	1,004,380	142,780
National Telecommunications & Information Admin.	(501,501)	60,649	49,516	(11,133)
Offsetting receipts:				
Fisheries finance, negative subsidy	(6,929)	(8,611)	(9,831)	(1,220)
Fisheries Enforcement Asset Forfeiture Fund	0	0	(5,000)	(5,000)
Sanctuaries Enforcement Asset Forfeiture Fund	0	0	(1,000)	(1,000)
Delta Between FY 11 Annualized CR & the FY 11 Request	0	1,224,000	0	(1,224,000)
TOTAL, DISCRETIONARY	13,302,522	9,003,071	8,761,332	(241,739)
MANDATORY				
Departmental Management	1,241	900	900	0
Bureau of the Census	30,000	30,000	30,000	0
International Trade Administration	5,332	5,332	5,332	0
National Oceanic & Atmospheric Administration	162,709	118,164	113,111	(5,053)
National Telecommunications & Information Admin.	196,613	0	0	0
Subtotal	395,895	154,396	149,343	(5,053)
Offsetting receipts	(19,870)	(2,378)	(1,467)	911
SUBTOTAL, MANDATORY	376,025	152,018	147,876	(4,142)
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
EDA/EDAP/Public Safety Innovation Fund	0	0	20,000	20,000
NIST/Public Safety Innovation Fund	0	0	100,000	100,000
NTIA/Public Safety Broadband Network	0	0	1,400,000	1,400,000
TOTAL, MANDATORY	376,025	152,018	1,667,876	1,515,858
TOTAL, DEPARTMENT OF COMMERCE	13,678,547	9,155,089	10,429,208	1,274,119

Summary of Budget Authority – 2012-2016
(Dollars in Millions)

DISCRETIONARY	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Departmental Management	\$65	\$63	\$63	\$63	\$64
HCHB Renovation and Modernization	16	16	16	16	16
Enterprise Cybersecurity Monitoring and Operations	23	22	22	22	23
Emergency Steel Guaranteed Loan Program	(43)	0	0	0	0
Subtotal, Departmental Management	61	101	101	101	103
Inspector General	33	33	33	33	34
Economic Development Administration	325	314	312	314	322
Bureau of the Census	1,025	1,224	1,216	1,366	1,553
Economic and Statistical Analysis	113	109	109	109	112
International Trade Administration	517	497	495	499	511
Bureau of Industry and Security	111	106	106	107	110
Minority Business Development Agency	32	31	31	31	32
National Oceanic & Atmospheric Administration	5,506	5,308	5,287	5,323	5,448
Patent and Trademark Office	0	0	0	0	0
National Technical Information Service	0	1	0	0	0
National Institute of Standards & Technology	1,004	971	966	972	993
National Telecommunications & Inform. Admin.	50	54	54	54	55
Offsetting receipts:					
Fisheries finance, negative subsidy	(10)	(10)	(10)	(10)	(10)
Fisheries Enforcement Asset Forfeiture Fund	(5)	(5)	(5)	(5)	(5)
Sanctuaries Enforcement Asset Forfeiture Fund	(1)	(1)	(1)	(1)	(1)
Delta Between FY 11 Annualized CR & The FY 11 Request	0	0	0	0	0
TOTAL, DISCRETIONARY	8,761	8,733	8,694	8,893	9,257
MANDATORY					
Departmental Management	1	1	1	1	1
Bureau of the Census	30	30	30	30	30
International Trade Administration	5	5	5	5	5
National Oceanic & Atmospheric Administration	113	51	54	56	57
National Telecommunications & Inform. Admin.	0	0	0	0	0
Subtotal	149	87	90	92	93
Offsetting receipts	(1)	(5)	(9)	(10)	(11)
SUBTOTAL, MANDATORY	148	82	81	82	82
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):					
EDA/EDAP/Public Safety Innovation Fund	20	20	20	20	20
NIST/Public Safety Innovation Fund	100	100	100	100	100
NTIA/Public Safety Broadband Network	1,400	1,400	1,400	1,400	1,400
TOTAL, MANDATORY	1,668	1,602	1,601	1,602	1,602
TOTAL, DEPARTMENT OF COMMERCE	10,429	10,335	10,295	10,495	10,859

Outlays — FY 2010, FY 2011 and FY 2012

	2010	2011 CR	2012	Change
	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>2011 - 2012</u>
DISCRETIONARY				
Departmental Management	\$63,297	\$72,568	\$64,444	(\$8,124)
HCHB Renovation and Modernization	5,579	35,748	20,513	(15,235)
Enterprise Cybersecurity Monitoring and Operations	0	0	19,899	19,899
Emergency Steel Guaranteed Loan Program	157	715	0	(715)
Emergency Oil and Gas Guaranteed Loan Program	0	521	0	(521)
Nat'l Intellectual Property Law Enforcement Coordination Council	54	57	0	(57)
Working Capital Fund	(3,829)	43,081	0	(43,081)
Franchise Fund	974	1,123	2,274	1,151
Subtotal, Departmental Management	66,232	153,813	107,130	(46,683)
Inspector General	29,297	44,543	34,798	(9,745)
Economic Development Administration	356,105	574,742	544,633	(30,109)
Bureau of the Census	6,256,431	1,876,938	1,004,146	(872,792)
Economic and Statistical Analysis	95,982	98,885	111,075	12,190
International Trade Administration	447,295	372,348	470,317	97,969
Bureau of Industry and Security	88,102	109,651	111,524	1,873
Minority Business Development Agency	29,570	21,332	34,932	13,600
National Oceanic & Atmospheric Administration	4,853,186	5,003,658	5,188,339	184,681
Patent and Trademark Office	(122,073)	(459,000)	87,000	546,000
National Technical Information Service	(7,050)	499	(225)	(724)
National Institute of Standards & Technology	870,227	942,445	1,140,056	197,611
National Telecommunications & Information Admin.	171,503	1,866,070	2,189,235	323,165
Offsetting Receipts:				
Fisheries finance, negative subsidy	(6,929)	(8,611)	(9,831)	(1,220)
Fisheries Enforcement Asset Forfeiture Fund	0	0	(5,000)	(5,000)
Sanctuaries Enforcement Asset Forfeiture Fund	0	0	(1,000)	(1,000)
Delta Between FY 11 Annualized & the FY 11 Request	0	745,000	305,000	(440,000)
TOTAL, DISCRETIONARY	13,127,878	11,342,313	11,312,129	(30,184)
MANDATORY				
Departmental Management/Gifts & Bequests	(190)	2,773	919	(1,854)
Economic Development Administration	76	0	0	0
Bureau of the Census	29,527	32,761	30,000	(2,761)
International Trade Administration	5,332	10,664	5,332	(5,332)
National Oceanic & Atmospheric Administration	61,688	120,946	78,837	(42,109)
National Telecommunications & Information Admin.	30,587	388,580	251,650	(136,930)
Subtotal	127,020	555,724	366,738	(188,986)
Offsetting receipts	(19,870)	(2,378)	(1,467)	911
SUBTOTAL, MANDATORY	107,150	553,346	365,271	(188,075)
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
EDA/EDAP/Public Safety Innovation Fund	0	0	20,000	20,000
NIST/Public Safety Innovation Fund	0	0	27,000	27,000
NTIA/Public Safety Broadband Network	0	0	1,400,000	1,400,000
TOTAL, MANDATORY	107,150	553,346	1,812,271	1,258,925
TOTAL, DEPARTMENT OF COMMERCE	13,235,028	11,895,659	13,124,400	1,228,741

Summary of Outlays — 2012-2016
(Dollars in Millions)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
DISCRETIONARY					
Departmental Management	\$64	\$63	\$61	\$63	\$64
HCHB Renovation and Modernization	21	16	15	15	15
Enterprise Cybersecurity Monitoring and Operations	20	23	22	23	23
Franchise Fund	2	0	0	0	0
Subtotal, Departmental Management	107	102	98	101	102
Inspector General	35	33	33	33	34
Economic Development Administration	545	488	401	341	317
Bureau of the Census	1,004	1,195	1,229	1,346	1,528
Economic and Statistical Analysis	111	110	108	109	111
International Trade Administration	470	496	498	498	508
Bureau of Industry and Security	112	107	106	106	109
Minority Business Development Agency	35	31	30	30	31
National Oceanic & Atmospheric Administration	5,188	5,308	5,362	5,407	5,467
Patent and Trademark Office	87	92	(11)	(23)	(16)
National Technical Information Service	0	1	0	0	(1)
National Institute of Standards & Technology	1,140	1,047	1,183	1,081	1,056
National Telecommunications & Information Admin.	2,189	358	58	53	54
Offsetting receipts:					
Fisheries finance, negative subsidy	(10)	(10)	(10)	(10)	(10)
Fisheries Enforcement Asset Forfeiture Fund	(5)	(5)	(5)	(5)	(5)
Sanctuaries Enforcement Asset Forfeiture Fund	(1)	(1)	(1)	(1)	(1)
Delta Between FY 11 Annualized & the FY 11 Request	305	93	46	33	3
TOTAL, DISCRETIONARY	11,312	9,445	9,125	9,099	9,287
MANDATORY					
Departmental Management/Gifts & Bequests	1	1	1	1	1
Bureau of the Census	30	30	30	30	30
International Trade Administration	5	5	5	5	5
National Oceanic & Atmospheric Administration	79	18	1	(11)	(9)
National Telecommunications & Information Admin.	252	9	0	0	0
Subtotal	367	63	37	25	27
Offsetting receipts	(2)	(5)	(9)	(10)	(11)
SUBTOTAL, MANDATORY	365	58	28	15	16
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):					
EDA/EDAP/Public Safety Innovation Fund	20	20	20	20	20
NIST/Public Safety Innovation Fund	27	81	100	100	100
NTIA/Public Safety Broadband Network	1,400	1,400	1,400	1,400	1,400
TOTAL, MANDATORY	1,812	1,559	1,548	1,535	1,536
TOTAL, DEPARTMENT OF COMMERCE	13,124	11,004	10,673	10,634	10,823

Full-Time Equivalent Employment – FY 2010, FY 2011 and FY 2012

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Change <u>2011-2012</u>
Departmental Management	863	863	893	30
Inspector General	161	178	175	(3)
Economic Development Administration	205	210	210	0
Bureau of the Census	93,604	12,527	9,633	(2,894)
Economic and Statistical Analysis	541	560	602	42
International Trade Administration	1,866	1,919	1,991	72
Bureau of Industry and Security	324	366	396	30
Minority Business Development Agency	86	100	103	3
National Oceanic and Atmospheric Administration	13,082	13,047	13,185	138
Patent and Trademark Office	9,430	9,710	11,137	1,427
National Technical Information Service	121	150	150	0
National Institute of Standards & Technology	2,999	3,142	3,494	352
National Telecommunications & Information Admin.	298	333	315	(18)
SUBTOTAL, DEPARTMENT OF COMMERCE	123,580	43,105	42,284	(821)
Legislative Proposal (Subject to PAYGO):				
National Institute of Standards & Technology/STRS	0	0	7	7
National Telecommunications & Information Admin.	0	0	50	50
TOTAL, DEPARTMENT OF COMMERCE	123,580	43,105	42,341	(764)

Bridge from FY 2011 and FY 2012 Appropriations to FY 2011 and FY 2012 Budget Authority

(in thousands of dollars)

	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Change <u>2011-2012</u>
ANNUAL APPROPRIATIONS ACT	\$7,956,692	\$8,761,393	\$804,701
Unobligated balance rescission from prior years:			
NTIA - Information Infrastructure Grants	0	(2,000)	(2,000)
NTIA - Digital Television Transition and Public Safety Fund	0	(4,311)	(4,311)
SUBTOTAL, APPROPRIATIONS ACT	7,956,692	8,755,082	798,390
Transfer of Asset Forfeiture balances from NOAA ORF to FEAFF	0	3,000	3,000
Portion precluded from obligation (limitation on obligations) - PTO	(182,621)	0	182,621
Transfer from the Election Assistance Commission to NIST/STRS	3,500	3,250	(250)
Transfer from DOJ Community Oriented Policing Services to NIST/STRS	1,500	0	(1,500)
Delta Between FY 11 Annualized CR and the FY 11 Request	1,224,000	0	(1,224,000)
TOTAL, DISCRETIONARY BUDGET AUTHORITY	9,003,071	8,761,332	(241,739)
MANDATORY			
Bureau of the Census - Salaries & Expenses	30,000	30,000	0
ITA - Wool Apparel Manufacturers Trust Fund	5,332	5,332	0
Coastal Zone Management Fund - Offsetting Collections	(1,500)	(1,500)	0
Transfer to Promote and develop fishery products and research pertaining to American fisheries from Dept. of Agriculture	68,231	71,200	2,969
NOAA Commissioned Officer Corps Retirement	28,269	28,269	0
Fisheries Finance Program Account	9,910	0	(9,910)
Environmental Improvement & Restoration Fund	378	1,467	1,089
Limited Access System Administration Fund	8,576	9,675	1,099
Damage Assessment & Restoration Revolving Fund	3,300	3,000	(300)
Western Pacific Sustainable Fisheries	1,000	1,000	0
Trust Funds - Gifts and Bequests	900	900	0
Offsetting receipts	(2,378)	(1,467)	911
SUBTOTAL, MANDATORY BUDGET AUTHORITY	152,018	147,876	(4,142)
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):			
EDA/EDAP/Public Safety Innovation Fund	0	20,000	20,000
NIST/Public Safety Innovation Fund	0	100,000	100,000
NTIA/Public Safety Broadband Network	0	1,400,000	1,400,000
TOTAL, MANDATORY BUDGET AUTHORITY	152,018	1,667,876	1,515,858
DEPARTMENT OF COMMERCE, BUDGET AUTHORITY	9,155,089	10,429,208	1,274,119

Comparison of FY 2012 Estimate with FY 2010 Actual and FY 2011 CR (Annualized)

	2010 Actual		2011 CR (Annualized)		2012 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DEPARTMENTAL MANAGEMENT								
Salaries and Expenses	179	\$58,000	188	\$58,000	204	\$64,871	16	6,871
HCHB Renovation and Modernization	0	22,500	5	22,500	5	16,150	0	(6,350)
Enterprise Cybersecurity Monitoring and Operations	0	0	0	0	12	22,612	12	22,612
Emergency Steel Guaranteed Loan Program	0	0	0	0	0	(43,000)	0	(43,000)
Subtotal, DM	179	80,500	193	80,500	221	60,633	28	(19,867)
OFFICE OF THE INSPECTOR GENERAL	155	27,000	172	27,000	169	33,520	(3)	6,520
ECONOMIC DEVELOPMENT ADMINISTRATION								
Salaries & Expenses	200	38,000	205	38,000	205	40,631	0	2,631
Economic Assistance Development Programs	0	255,000	0	255,000	0	284,300	0	29,300
Economic Assistance Development Programs- Supp	0	54,000	0	0	0	0	0	0
Subtotal, EDA	200	347,000	205	293,000	205	324,931	0	31,931
BUREAU OF THE CENSUS								
Salaries & Expenses	1,848	259,024	2,024	259,024	1,992	272,054	(32)	13,030
Periodic Censuses & Programs	89,328	6,965,707	6,838	964,315	4,974	752,711	(1,864)	(211,604)
Subtotal, Census	91,176	7,224,731	8,862	1,223,339	6,966	1,024,765	(1,896)	(198,574)
ECONOMIC & STATISTICAL ANALYSIS								
Salaries & Expenses	502	97,255	523	97,255	565	112,937	42	15,682
INTERNATIONAL TRADE ADMINISTRATION								
Operations & Administration	1,836	446,765	1,897	446,765	1,960	516,652	63	69,887
BUREAU OF INDUSTRY & SECURITY								
Operations & Administration	322	100,342	364	100,342	394	111,187	30	10,845
MINORITY BUSINESS DEVELOPMENT AGENCY								
Minority Business Development	86	31,500	100	31,500	103	32,322	3	822
NATIONAL OCEANIC & ATMOSPHERIC ADMIN								
Operations, Research & Facilities	11,704	\$3,305,178	11,809	\$3,305,178	11,953	\$3,377,607	144	72,429
Operations, Research & Facilities - Supp.	0	51,000	0	0	0	0	0	0
Procurement, Acquisition and Construction	240	1,358,353	190	1,358,353	184	2,052,777	(6)	694,424
Pacific Coastal Salmon Recovery	1	80,000	0	80,000	0	65,000	0	(15,000)
Coastal Zone Management Fund	0	3,000	0	3,000	0	0	0	(3,000)
Fisheries Enforcement Asset Forfeiture Fund	0	0	0	0	0	5,000	0	5,000
Sanctuaries Enforcement Asset Forfeiture Fund	0	0	0	0	0	1,000	0	1,000
Medicare-Eligible Retiree Healthcare Fund	0	1,822	0	1,822	0	1,936	0	114
Subtotal, NOAA	11,945	4,799,353	11,999	4,748,353	12,137	5,503,320	138	754,967
PATENT & TRADEMARK OFFICE								
Salaries & Expenses	9,430	0	9,710	0	11,137	0	1,427	0
NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY								
Scientific & Technical Research & Services	2,064	515,000	2,072	515,000	2,421	678,943	349	163,943
Industrial Technology Services	158	194,600	210	194,600	199	237,622	(11)	43,022
Construction of Research Facilities	119	147,000	119	147,000	119	84,565	0	(62,435)
Subtotal, NIST	2,341	856,600	2,401	856,600	2,739	1,001,130	338	144,530

	2010 Actual		2011 CR (Annualized)		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMIN								
Salaries & Expenses	95	19,999	156	40,649	157	55,827	1	15,178
Public Telecommunications Facilities, Planning and Construction	8	20,000	13	20,000	0	0	(13)	(20,000)
Subtotal, NTIA	103	39,999	169	60,649	157	55,827	(12)	(4,822)
OFFSETTING RECEIPTS								
NOAA-Fisheries Finance, negative subsidy	0	(6,929)	0	(8,611)	0	(9,831)	0	(1,220)
Fisheries Enforcement Asset Forfeiture	0	0	0	0	0	(5,000)	0	(5,000)
Sanctuaries Enforcement Asset Forfeiture Fund	0	0	0	0	0	(1,000)	0	(1,000)
TOTAL, DEPARTMENT OF COMMERCE	118,275	14,044,116	36,595	7,956,692	36,753	8,761,393	158	804,701

Summary of Requirements with Detail of Adjustments to Base and Built-In Changes

	<u>2012 Estimate</u>			
	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			26,889	\$7,965,303
2011 Enacted Fee Collections			9,710	2,016,000
Adjustment to Reflect Re-Estimate of USPTO Fee Collections			536	330,227
Other Income / Recoveries (USPTO)			0	23,000
USPTO Funding from Operating Reserve				10,123
<u>Adjustments</u>				
Restoration of Base	51	68,987		
Restoration of 2011 Deobligation offset		6,800		
Construction and major renovation cost	(127)	(46,763)		
Other	0	36,483		
Subtotal, Adjustments			(76)	65,507
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(4,899)		
Federal Employees' Retirement System (FERS)		8,997		
Thrift Savings Plan		2,426		
Federal Insurance Contributions Act (FICA) - OASDI		2,311		
Health insurance		16,561		
Employees' Compensation Fund		2,469		
Travel:				
Domestic Per diem		4,774		
Foreign Per diem		(1,225)		
Mileage		(429)		
Fuel (BIS)		(13)		
Rent payments to GSA		6,015		
Rent payments to GSA (Cost of Renovated Space)		1,516		
Postage		2		
HCHB Electricity and Water		1,504		
NARA		10		
Printing and reproduction		1,387		
Electricity rate decrease		(2,881)		
Natural gas rate decrease		(3,161)		
Other services				
Working Capital Fund		3,558		
Commerce Business System		491		

	2012 Estimate			
	Detailed		Summary	
	FTE	Amount	FTE	Amount
General pricing level adjustment (PTO not broken out)		\$8,007		
Transportation of things		300		
Rental payments to others		314		
Other services		20,652		
Communications, utilities, and miscellaneous		962		
Supplies		1,622		
Equipment		1,814		
2011 Pay raise (for locally engaged staff only - ITA)		220		
2012 Pay raise (for locally engaged staff only - ITA)		939		
Annualization of Jan 2010 pay raise (NOAA, NTIA)	1	290		
2011 Pay raise (NOAA)		597		
Full year cost in 2012 of positions financed for part year in 2011	458	49,122		
Other compensation adjustments (USPTO)		43,062		
OMAO Wage Marine overtime		104		
Overseas price increases		261		
International Cooperative Admin Support Service (ICASS)		320		
Non ICASS Local Guard Service (ITA)		15		
Military Pouch (ITA)		9		
NIST Journal Subscriptions		119		
NIST Helium		69		
OPM transfer to OPEB - mandatory requirements (USPTO)		4,798		
Grants		589		
Working Capial Fund (Census)		3,451		
Subtotal, Other Cost Changes			459	\$177,052
Less Amount Absorbed			0	(3,396)
TOTAL, ADJUSTMENTS TO BASE			383	239,163
2012 Base			37,514	10,585,817
Administrative Savings			(79)	(32,068)
Program Changes			(682)	834,668
TOTAL REQUIREMENTS			36,753	11,388,417
Offsetting fee collections				(2,716,144)
USPTO Funding from Operating Reserve				129,920
Recoveries from prior year obligations/deobligations				(40,800)
2012 APPROPRIATION			36,753	8,761,393

Comparison by Bureau of Adjustments to Base, FY 2012 Estimate and Program Changes

BUREAU	Net Adjustments To Base		2012 Base		2012 Total		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Departmental Management	(5)	(\$21,783)	188	\$58,717	221	\$60,633	33	1,916
Office of the Inspector General	(18)	1,516	154	28,516	169	33,520	15	5,004
Economic Development Administration	0	2,631	205	295,631	205	324,931	0	29,300
Bureau of the Census	(99)	11,934	8,763	1,235,273	6,966	1,024,765	(1,797)	(210,508)
Economic and Statistical Analysis	3	3,989	526	101,244	565	112,937	39	11,693
International Trade Administration	0	14,844	1,897	461,611	1,960	516,652	63	55,041
Bureau of Industry and Security	2	2,148	366	102,490	394	111,187	28	8,697
Minority Business Development Agency	0	678	100	32,178	103	32,322	3	144
National Oceanic & Atmospheric Admin.	41	115,573	12,040	4,863,926	12,137	5,510,320	97	646,394
Patent and Trademark Office	458	118,940	10,704	2,498,290	11,137	2,599,393	433	101,103
National Inst. of Standards & Technology	0	(10,043)	2,401	846,557	2,739	1,005,930	338	159,373
National Telecommunications and Info. Admin.	1	(1,264)	170	61,384	157	55,827	(13)	(5,557)
TOTAL REQUIREMENTS	383	239,163	37,514	10,585,817	36,753	11,388,417	(761)	802,600
Fee collections						(2,716,144)		
USPTO Funding from Operating Reserve						129,920		
Recoveries from prior year obligations/deobligations						(40,800)		
2012 APPROPRIATION					36,753	8,761,393		

Budget Authority by Function

FUNCTION/PROGRAM	2010 <u>Actual</u>	2011 <u>Estimate</u>	2012 <u>Estimate</u>	Change <u>2011 - 2012</u>
050 DEFENSE-RELATED ACTIVITIES				
054 Defense-related activities				
Bureau of Industry and Security	\$29,342	\$31,342	\$31,187	(\$155)
300 NATURAL RESOURCES AND ENVIRONMENT				
306 Other natural resources				
National Oceanic & Atmospheric Administration	4,877,952	4,816,584	5,563,520	746,936
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement and regulation of Commerce				
Departmental Management	81,800	80,500	60,633	(19,867)
Inspector General	27,000	27,000	33,520	6,520
Bureau of the Census	7,095,731	1,223,339	1,024,765	(198,574)
Economic and Statistical Analysis	97,255	97,255	112,937	15,682
International Trade Administration	447,915	446,765	516,652	69,887
Bureau of Industry and Security	71,000	69,000	80,000	11,000
Minority Business Development Agency	31,500	31,500	32,322	822
National Oceanic & Atmospheric Administration	(104,600)	(68,231)	(63,200)	5,031
Patent and Trademark Office	(52,543)	(182,621)	0	182,621
National Institute of Standards & Technology	861,600	861,600	1,004,380	142,780
National Telecommunications & Information Administration	(521,501)	40,649	51,516	10,867
Subtotal, Commerce and Housing Credit	8,035,157	2,626,756	2,853,525	226,769
450 COMMUNITY AND REGIONAL DEVELOPMENT				
452 Area and regional development				
Economic Development Administration	347,000	293,000	324,931	31,931
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES				
503 Research and general education aids				
National Telecommunications & Information Administration	20,000	20,000	(2,000)	(22,000)
900 NET INTEREST				
908 Other Interest				
National Oceanic & Atmospheric Administration	(6,929)	(8,611)	(9,831)	(1,220)
SUBTOTAL, DISCRETIONARY	13,302,522	7,779,071	8,761,332	982,261
LEGISLATIVE PROPOSAL (NOT SUBJECT TO PAYGO):				
Discretionary				
NTIA/Broadband Technology Opportunities Program-				
Delta between FY 2011 Annualized CR and the FY 2011 Request		1,224,000		(1,224,000)
TOTAL, DISCRETIONARY	13,302,522	9,003,071	8,761,332	(1,422,574)

	2010 <u>Actual</u>	2011 <u>Estimate</u>	2012 <u>Estimate</u>	Change <u>2009 - 2010</u>
MANDATORY				
300 NATURAL RESOURCES AND ENVIRONMENT				
302 Conservation and land management				
National Oceanic & Atmospheric Administration	\$9,870	\$378	\$1,467	\$1,089
306 Other natural resources				
National Oceanic & Atmospheric Administration	32,936	38,645	39,444	799
Subtotal, Natural Resources and Environment	42,806	39,023	40,911	1,888
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement & regulation of Commerce				
Departmental Management	1,241	900	900	0
Bureau of the Census	30,000	30,000	30,000	0
International Trade Administration	5,332	5,332	5,332	0
National Institute of Standards & Technology	0	0	0	0
National Oceanic & Atmospheric Administration	119,903	79,141	72,200	(6,941)
National Telecommunications & Information Administration	196,613	0	0	0
Subtotal, Commerce and Housing Credit	353,089	115,373	108,432	(6,941)
450 COMMUNITY AND REGIONAL DEVELOPMENT				
452 Area and regional development				
Economic Development Administration	0	0	0	0
800 GENERAL GOVERNMENT				
809 Offsetting Receipts				
Subtotal, General Government	(9,000)	(2,378)	0	2,378
900 NET INTEREST				
908 Other Interest				
Undistributed interest	(10,870)	0	(1,467)	(1,467)
Undistributed clearing accounts	0	0	0	0
Subtotal, Net Interest	(10,870)	0	(1,467)	(1,467)
SUBTOTAL, MANDATORY	376,025	152,018	147,876	(6,520)
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
EDA/ Public Safety Innovation Fund	0	0	20,000	20,000
NIST/ Public Safety Innovation Fund	0	0	100,000	100,000
EDA/ Public Safety Innovation Fund	0	0	20,000	20,000
NIST/ Public Safety Innovation Fund	0	0	100,000	100,000
NTIA/ Public Safety Broadband Network	0	0	1,400,000	1,400,000
ITA/Wool Apparel Manufacturers Trust Fund.....	0	0	0	0
TOTAL, MANDATORY	376,025	152,018	1,667,876	2,378
SUBTOTAL, DEPARTMENT OF COMMERCE	13,678,547	7,931,089	10,429,208	2,498,119
Undistributed Offsetting Receipts				
National Telecommunications & Information Administration	(196,613)	0	0	0
TOTAL, DEPARTMENT OF COMMERCE	13,481,934	7,931,089	10,429,208	2,498,119

Authorizing Legislation Required for 2012

	2012 <u>Request</u>
APPROPRIATION AND ACTIVITY	
<u>Economic Development Administration</u>	
Salaries and Expenses	
Public Works and Economic Development Act of 1965, P.L.108-373, expired 9/30/08	\$40,631
Economic Development Assistance Programs	
Public Works and Economic Development Act of 1965, P.L.108-373, expired 9/30/08	284,300
<u>International Trade Administration</u>	
Export Promotion, P.L. 103-392, expired 9/30/96	444,317
<u>Bureau of Industry and Security</u>	
Export Administration Act of 1979, P.L. 106-508, expired 8/20/01	96,420
<u>National Oceanic and Atmospheric Administration</u>	
<u>Operations, Research and Facilities</u>	
National Ocean Service	
Coral Reef Conservation Act, P.L.106-562, expired 9/30/04	27,059
Hydrographic Services Improvement Act, P.L.107-372, expired 9/30/07	7,424
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	128,165
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	46,036
Estuary Restoration Act, P.L.106-457, expired 9/30/05	1,188
National Marine Fisheries Service	
Endangered Species Act Amendments of 1988, P.L. 100-478, expired 9/30/92	172,118
Marine Mammal Protection Act, P.L. 103-238, expired 9/30/99	41,463
NOAA Marine Fisheries Program Authorization Act, P.L. 104-297, expired 9/30/00	170,018
Oceanic and Atmospheric Research	
National Sea College Program, P.L.107-299, expires 9/30/08	57,221
<u>Procurement, Acquisition and Construction</u>	
National Ocean Service	
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	5,495
Subtotal, NOAA	<u>656,187</u>
<u>National Telecommunications and Information Administration</u>	
Salaries and Expenses	
Telecommunications Authorization Act of 1992, P.L. 102-538, expired 9/30/93	55,827
TOTAL, AUTHORIZATION REQUIRED	<u>1,196,924</u>
PROGRAMS AUTHORIZED	7,564,408
TOTAL, DEPARTMENT OF COMMERCE APPROPRIATIONS	8,761,332

