

PART ONE



THE COMMERCE DEPARTMENT AND ITS STRATEGIC PLAN

CHAPTER 1

THE COMMERCE STRATEGIC PLANNING PROCESS



OVERALL APPROACH

Commerce followed a very clear “bottom-up” approach in creating this Strategic Plan. The Plan was created by, and is supported by, people representing every bureau and ranging from interns to Deputy Under Secretary. This active Strategic Plan Task Force continues to refine the Plan, in order to ensure that:

- the Mission Statement (and the three interrelated Strategic Themes which support it) combines enough flexibility to encompass our programs with enough specificity to describe Commerce clearly;
- the set of goals and objectives represents all of Commerce’s key programs, and that the set is refined as needed;
- the narrative sections of each Strategic Theme’s presentation describe our programmatic activities related to the Theme accurately and measurably;
- the Mission Statement and Strategic Themes provide a basis for the development and use of a consistent series of bureau performance measures, to be used in the annual budget process;
- on an ongoing basis, the Strategic Plan is both a management tool for the Secretary and bureau managers to use in channeling the Department’s activities, and a communication device for ensuring that our programs are clear to our customers and the Congress.

The Strategic Plan was also shared with bureau stakeholder groups and Congress, in order to ensure that these key organizations had an opportunity to comment on bureau goals and objectives, prior to the draft Plan being provided to OMB in the Summer of 1997 (in preparation for delivery of the final version to the Congress in the Fall). Many bureaus are in routine and ongoing contact with the Congress and with stakeholder groups, and that dialogue is an important element in Commerce’s capacity to keep the Plan and its contents reflective of Congressional and stakeholder concerns.

The ability to plan strategically in an environment which involves shrinking staffs and budgets, but constant or increasing programmatic demands, is a most significant challenge, yet the need to do so is clearly necessary. On an ongoing basis, Commerce bureaus will use the opportunity presented by GPRA, and the challenge presented by resource constraints, to evaluate their core functions. This will help determine the relevance of their programs to long-term mission requirements, priorities and goals, while at the same helping to identify and plan for new work which will position the Department to meet the demands of the 21st century. Bureaus increasingly will need to coordinate resources, talent and program objectives (within the Department and with other agencies) to achieve outcomes, and ensure that broader societal goals can be met as effectively as possible.

During the period in which this Strategic Plan was created, three dozen Commerce people, representing every Commerce bureau and ranging from interns to Deputy Under Secretary, participated in the planning process by attending work sessions, providing policy guidance, and/or participating on the teams that created the three Strategic Themes. (Staff from the Office of Inspector General participated as observers in this process.) This group will continue to refine the Strategic Plan as needed, and will be supported by the Department's and bureaus' public affairs and Congressional liaison professionals.

LINKAGES TO ANNUAL ACTIVITIES

The most important word to the Commerce Department in GPRA is "strategic". It is our intention throughout all of our GPRA activities to differentiate between truly strategic functions (of planning and long-term priority setting), and annual or short term (budgeting, operational planning, and program implementation) activities. This differentiation is important in order to ensure a focus on the larger intents of the GPRA legislation, and to avoid becoming diverted to technical issues surrounding specific performance measurements.

GPRA creates a sequence of activities and documentation through which our programs can be observed quite clearly. The Strategic Plan provides a basic, long-term framework addressing our overall and ongoing purposes; the annual budget process and the GPRA-required Annual Performance Plan will provide information on one year "slices" of the Strategic Plan, and will allow for focusing on specific priorities and emerging initiatives; and the Annual Performance Report, also required by GPRA, will provide the opportunity to match actual accomplishments against planned ones. The Commerce Department feels strongly that this chain of documentation must be examined in sequence, so that the true concepts behind our programs, and our capacities to implement that vision, are revealed.

The Commerce Strategic Plan has been structured to ensure that the linkages between strategic and annual activities are clear: the Plan starts with the Mission Statement and Strategic Themes for our Department, and then moves to the goals, strategies, objectives, and illustrative performance measures used to support all of our bureaus' major programs. Users of the Plan can easily utilize this information in parallel with our complete annual budget requests and program activities, which reveal annual priorities and performance measures/targets. Following full implementation of the Act, we will conduct annual assessments of our accomplishments by comparing performance targets with actual levels of achievements, and we will use the results of that assessment in fine-tuning our program activities.

We also look to an annual evolution in the government-wide implementation of GPRA. Over time, we know that agencies across the Federal government will sharpen their capacity to identify the most useful performance measures, to enunciate goals that support national needs, and most importantly, to work in close collaboration with related agencies. We actively are participating in government-wide initiatives to establish measures and measurement process that will help underscore critical inter-agency linkages, and we seek to work with stakeholders and the Congress to identify and implement ways of working through the challenging aspects of the GPRA implementation process.

THE ROLE OF PROGRAM EVALUATIONS

Current Evaluation Activities

In preparing to create this Strategic Plan, Commerce bureaus undertook a comprehensive inventory of programs which identifies and describes strategic goals, operational and measurable objectives, and (for the FY 1999 budget) specific performance measures which can be used to determine annual progress in meeting those objectives. All Commerce programs operate under legislation or Executive Orders which carry with them specific mandates, and in setting goals and objectives, Commerce officials looked to those foundations as the principal source of items that were important to measure. Many Commerce programs have used performance measurements for some time, as management tools yielding vital guidance on program impact, but all programs are preparing to do so now, in support of GPRA's implementation. The challenge in selecting performance measures is to develop a balanced set of output ("how many") and outcome ("what result") measures, which address the relatively few key indicators that can illuminate program accomplishments.

Program evaluations, as cited in the GPRA legislation, are one tool that can be used both in selecting useful performance measures, and in ensuring that the selected measures are valid. However, over the last several years, most Federal agencies — including the Commerce Department — have experienced a serious and steady decline in staff and funds available for conducting program evaluations, and important program information simply ceased to be available. (In some ways, this erosion may have been one factor leading to the creation of GPRA, because of weakened agencies' capacities to describe program accomplishments as thoroughly as desired.) Therefore, during the initial period covered by this Strategic Plan, Commerce bureaus must rely more on available evaluation information in developing performance measures.

The larger Commerce bureaus have been able to support reduced staff with ongoing evaluation responsibilities, while bureaus lacking this staff entirely (but still recognizing the importance of evaluations) have sought other ways to gather and use evaluation information, including contract evaluations, or evaluations of specific programs or projects. As appropriate, bureaus make use of evaluation studies by the General Accounting Office, the Congressional Budget Office, the Office of Inspector General, and program-oriented organizations (such as the Trade Promotion Coordinating Committee, in the case of ITA and BXA) in making management decisions.

Stakeholder feedback is another source of evaluation information which bureaus have used (and will continue to use) in selecting performance measures. GPRA recognizes this by requiring stakeholder consultations in the formulation of strategic plans, and Commerce bureaus — including those with structured, ongoing stakeholder input vehicles — conducted consultations specifically in the process of preparing this Plan. For example: NTIA received agreement on its goals from the Interdepartment Radio Advisory Committee; BXA has placed a greater emphasis on the national security aspects of their functions; EDA's regional offices sponsored conferences that resulted in clarified terminology of performance measures; PTO stakeholders (including the American Intellectual Property Law Association, and others) led PTO to emphasize more clearly its direct contribution to the Nation's economy, and; ITA stakeholders suggested an even greater emphasis on helping new-to-export firms. These and other stakeholder comments were used in establishing the Commerce Strategic Plan's goals, strategies, objectives, and performance measures.

Examples of the current bureau-specific and often independent evaluations of our activities include;

- NIST's programs are evaluated generally by its legislatively mandated Visiting Committee on Advanced Technology, which meets regularly with NIST management to review developments in each main program areas. In addition, NIST's Measurements and Standards Program is evaluated annually by National Research Council (NRC) expert peer-review panels assessing each laboratory's performance. The new National Advisory Board of the Manufacturing Extension Partnership (MEP) program will be a similar peer-review activity to assess MEP programs. The Advanced Technology Program (ATP) is the focus of a new evaluation program, initiated by the Secretary, to study its impact on the economy. NIST's Malcolm Baldrige National Quality Program evaluation criteria focus on the program's serving of the National interest.
- As one of the Federal government's early leaders in outcome-oriented management, NOAA follows a rigorous and ongoing approach to evaluation. The close link between evaluations, goal setting, and program measuring was one reason why NOAA's GPRA Pilot Project was identified as among the 10 best out of 70+ projects developed.
- NOAA's annual strategic planning and budgeting process provides for the development of operating plans and regular reviews of the work accomplished under these plans. Work requirements outlined in a previous year's plans are adjusted to be consistent with funding made available through Congressional appropriations. Managers report on progress at quarterly reviews, and adjustments are made to help ensure that any missed milestones are accomplished. In addition, NOAA's strategic planning teams participate in the 4th Quarter review by providing an independent assessment of how well the agency addressed overall strategic objectives.
- NOAA has conducted a far-reaching evaluation of its Weather Service modernization program, including technology, program direction, and resource needs, and has used the results both in selecting performance measures and making management decisions supporting the Strategic Plan.

- NOAA is using the results of NRC reports of their nautical charting mission to focus the direction to be taken in meeting the needs of the navigational community, responsible for moving billions of goods across the Nation and the world every year. NOAA has also completed a review of its science enterprise, specifically within the context of the Strategic Plan, which examines such topics as the adequacy of identifying and linking science goals, and evaluating the effectiveness of linkages with external partners.
- NOAA has formulated its climate change programs to respond to NRC evaluations, which help identify basic needs and guide future activities. NOAA evaluated its National Marine Fisheries Service programs to determine their contributions toward defining specific measurable outcomes.
- EDA developed a comprehensive, ongoing program performance measurement system to gather performance data on projects approved after October 1, 1997. To complement this system, EDA is conducting a retroactive evaluation of its infrastructure investments and defense adjustment programs. EDA granted an award to a consortium led by Rutgers University to analyze the economic impacts that result from these programs. The Rutgers study demonstrated robust program performance and impact.
- A consortium led by the University of Michigan is evaluating the impact of EDA's small business incubator programs on local economies. EDA is studying the disaster assistance after the Midwest Flood of 1993, to assess whether communities had a better chance to enhance their economic recovery beyond their immediate emergency needs. EDA is also supporting a peer review of University Centers, developing performance measures for them, and gathering performance data under those measures.
- The NRC conducted a study of the fundamental requirements for the 2000 Census, including alternative census-taking methodologies. The results of this evaluation led directly to the formulation of strategic objectives for Census 2000.
- The Census Bureau has also conducted and used the results of an extensive series of user surveys evaluating its products and programs. For the Census 2000 alone, 70,000 non-Federal users were surveyed, to ensure that no legally required items were omitted from the questionnaire.

Future Evaluation Plans

With the benefit of program evaluations already clear, and now further emphasized under GPRA, Commerce bureaus are developing plans for future program evaluations. In a few instances, those future plans are already set through the mechanisms of legislation, ongoing professional and peer-review activities, interagency activities, and related approaches, and examples are provided below. In most cases,

however, year-by-year competition for funds makes it difficult to specify the level and focus of program evaluation activities in the future. As a result, future evaluations for many bureaus will be included in Annual Performance Plans and budgets. This competition for funds — but with an outcome only known on a year-to-year basis — will make the program manager's responsibilities for gathering and using evaluation information about their programs even more important.

Specific examples of our plans for future evaluations include:

- The Census Bureau will conduct a Dress Rehearsal in advance of the 2000 Decennial Census, and will evaluate the results of this Dress Rehearsal in preparing for the Decennial.
- EDA, as cited above, is engaging in a new performance measurement system which will establish baseline evaluation information (for the near term) and will extend to focused evaluation approaches in the longer term.
- ITA will continue working to establish linkages which can yield new information sources about the longer-term positive impacts on the economy of their trade promotion efforts.
- Commerce bureaus, including NOAA, TA, and NTIA, are among the agencies that are working with other science agencies in the Research Round Table to focus on alternative ways of measuring and evaluating long-term science and technology initiatives.
- NOAA is designing an agency-wide performance evaluation process linked to their internal strategic plan, which will review progress made towards achieving each of NOAA's seven strategic goals. This evaluation process will enable NOAA's senior management to evaluate and document the progress and value of work undertaken to meet the objectives under each strategic planning goal. The performance evaluation will stress relevance, effectiveness and impact, as compared with the more traditional, monitoring-type focus on compliance, efficiency and work measures. The evaluations will provide agency leaders with the necessary information to set priorities, make resource allocations, and improve NOAA's ability to meet its vision.
- On a long-term basis, NIST will continue to work with the Visiting Committee on Advanced Technology, the NRC, and the related peer-review bodies to provide for future evaluations of key programs.
- NTIA has established a special position which will be used for evaluating the longer-term contributions made by its telecommunications grant program.
- Other bureaus will continue to seek funding in support of program evaluation capacities which can be used, in conjunction with outside sources, to serve as a long-term evaluation capability.

CHAPTER 2

THE COMMERCE POLICY FRAMEWORK



WHAT COMMERCE IS ALL ABOUT

In his 1996 State of the Union message, the President said: “Now we move to an age of technology, information, and global competition. These changes have opened vast new opportunities, but they have also presented us with stiff challenges.” The Vice-President sounded a similar call: “Americans also understand that in a global economy, the only way to maintain America’s competitive edge is to lead the world in innovation and new technologies. Investments in science and technology mean better jobs, higher wages, and a growing economy.” In the 1997 State of the Union address, the President said: “Over the last four years, we have brought new economic growth by investing in our people, expanding our exports, cutting our deficits, creating over 11 million new jobs, a four-year record... We face no imminent threat, but we do have an enemy. The enemy of our time is inaction.” He continued: “To prepare America for the 21st century, we must harness the powerful forces of science and technology to benefit all Americans.”

These words help to make clear the role of the Commerce Department: to help keep America as the world’s technology leader, to help American companies compete globally, to enable communities to conquer economic challenges, to stimulate the growth of high-pay, high-quality jobs, to preserve and protect the environment and our natural resources as well as safeguarding the public from environmental changes, and to provide information vital for good business and policy decisions.

Commerce promotes and expedites American exports, helps nurture business contacts abroad, protects our firms from unfair foreign competition, and makes how-to-export information accessible to small- and mid-sized companies throughout the nation so that market opportunities span the globe.

Commerce encourages development in every community, by clearing the way for private sector growth by building or rebuilding economically deprived and distressed communities. We promote minority entrepreneurship to establish businesses that frequently anchor neighborhoods and create new job opportunities.

As the nation looks to revitalize our industries and communities, Commerce works as a partner with private entities to build America with an eye on the future. So through technology, research and development, and innovation, we are making sure America is on the winning side.

Commerce's considerable information capacities help businesses understand clearly where our national and world economies are going, and to take advantage of that knowledge by planning the road ahead. Armed with this information, businesses can undertake the new ventures, investments, and expansions that make our economy grow.

The capacity for managing the nation's assets and resources is another key policy driver for Commerce, an essential one in our ability to help the nation succeed in the future. These activities — ranging from protecting our fisheries to controlling the radio frequency spectrum to protecting intellectual property — affect the economy directly.

A key element of our policy framework is a concern for the necessary management underpinnings of our programs — it is essential to integrate the process of enunciating and setting policy, with the process directing programs effectively. Federal agencies, including Commerce, devote considerable resources in program direction activities, and they must have a role in this Strategic Plan. Successful policy development and program implementation rest on our capacity to:

- enunciate Administration and Departmental policy clearly, and integrate policy direction with program operations effectively;
- ensure the highest level of customer service for users of Commerce programs and products, and;
- provide the most forward-looking management practices and systems for the support and delivery of Commerce programs.

These functions are shared responsibilities of our bureaus and our executive-level offices. As such, they cut across all bureau and program lines, and have varying implementation implications. The priorities and performance measures associated with these functions are embedded in our bureau goals and objectives, and operational activities for them are contained in our annual budget documents.

MEETING MAJOR MANAGEMENT CHALLENGES

We believe that the purpose of the Commerce Strategic Plan is to focus attention on our program missions, to explain their importance, and to make clear how we are pursuing our responsibilities under them. At the same time, we are mindful — every day — of the complex management challenges that must be met in designing and implementing programs that are national, or worldwide, in scope.

Addressing management challenges is a core responsibility of all Commerce professionals, and most of these challenges are of a level, scope, or resource-intensiveness to be considered as part of ongoing management tasks. While important, most of these challenges are ones traditionally found in large organizations implementing complex tasks, and thus may not warrant being termed as “strategic” in the same sense our program missions are strategic. However, some issues — such as those cited as being “High Risk” by the General Accounting Office, or as “Material Weaknesses — do warrant special inclusion in this Strategic Plan, and some are discussed here. Goals, strategies, and objectives for addressing these challenges are included in the appropriate bureau-specific portions of Chapters 4-6 of the Plan and/or in bureau operational activities.

Weather Service Modernization

The Weather Service modernization risks identified by GAO include operational effectiveness and maintenance efficiency of observing systems, lack of sound decision making processes, and demonstration that proposed capabilities result in mission improvements.

NOAA is working to ensure the most effective and efficient development and deployment of the new systems which support National Weather Service modernization. NOAA has acted to reduce the occurrence of problems by identifying and implementing modern management, program oversight and systems procurement reforms. NOAA is developing a guiding systems architecture and has issued “The National Oceanic and Atmospheric Administration Plan for the Development, Documentation, and Promulgation of the NOAA National Weather System Architecture.” Significant progress has been made toward completing the NWS modernization. All of the new radars have been deployed and most of the NWS Automated Surface Observing Systems have been installed. The third software build of the Advanced Weather Interactive Processing System (AWIPS) will be completed and fielded at operational test and evaluation sites this Fall. At the completion of Build 3, approximately 50 percent of the planned AWIPS functionality will be implemented.

Completing the NWS modernization continues to be a very high priority of both the Administration and Congress. NOAA continues to closely monitor the activities of the various contractors and to work closely with the Department of Commerce as these procurements progress. NOAA also continually coordinates with the Office of Management and Budget, Congress, the GAO, and other oversight groups to keep them informed of progress.

Decennial Census

GAO has issued a report on the Decennial Census entitled “2000 Census: Progress Made on Design, But Risks Remain”. Among GAO’s recommendations in this report were that the Census bureau: provides Congress and other stakeholders with detailed data to meet the objective of full and open disclosure on the expected effects of design proposals on cost, accuracy, and equity; works with Commerce and OMB officials to reach agreement on

design and funding levels as soon as possible, in order to make the Dress Rehearsal as useful as possible, and; conducts the Dress Rehearsal to mirror as closely as possible the design features for the full 2000 Census.

The Census Bureau and the Department of Commerce agree with each of those recommendations. Detailed materials were provided to the Congress regarding: estimated error rates (at the national, State, Congressional district, census tract, and census block levels); planned statistical methodologies; evaluation studies from the 1990 census and test results from 1992 to date, and; supporting data related to the 1995 Census Test. Each member of the House and Senate (as well as Census stakeholders, advisory committees, and the National Academy of Sciences) received a copy of "Report to Congress: The Plan for Census 2000" which included a discussion of sampling and nonsampling issues. Senior Census staff have provided an ongoing series of briefings for Congress.

The Dress Rehearsal will demonstrate all key activities planned for the full 2000 Census, using procedures and time schedules that mirror the full Census. Results of the test will be shared with all those expressing an interest.

Financial Management

Commerce's financial management systems are inadequate. Our bureaus operate eight financial management systems, most of which use old, out-of-date software, and are difficult and expensive to operate. None readily support streamlined administrative and financial processes, or comply fully with the relevant accounting and Federal financial systems standards. Some inhibit production of financial statements worthy of unqualified audit opinions. Most important, they fail, individually and collectively, to provide Commerce managers with the financial management information they need to manage effectively. This, in turn, harms our capacity to manage Commerce's program missions as effectively as desired.

The Commerce Administrative Management System (CAMS) is Commerce's remedy to this cluster of issues. CAMS is to be an integrated financial management system, implemented around a Core Financial System (including Budget Execution, Standard General Ledger, and other vital functions), and linked to key functional administrative systems, such as personal property, travel, and budget formulation. CAMS will depend on a standard set of largely commercial off-the-shelf software, and will comply with relevant accounting and Federal financial system standards. Commerce has acquired a commercial software package for the Core Financial System and is developing or acquiring functional systems. Current plans call for implementing the entire Core Financial Systems plus key functional systems initially at the Bureau of the Census by June 1998, and then proceeding to implement the software in the other bureaus.

INTERAGENCY LINKAGES ARE A KEY ELEMENT OF OUR POLICY FRAMEWORK

As the Cabinet agency with the smallest budget, Commerce is aware of the need to secure outside support in order to ensure that our programs have the maximum impact on the issues we must address on behalf of the American people. We are firmly committed to reaching out to agencies with complementary responsibilities and strengthening interagency ties, in order to achieve that maximum impact. The Chapters in this Plan which provide our goals, strategies, and objectives contain a special section on Partnerships, and include numerous examples of how our programs are made stronger through interagency ties. We have also made a conscious decision in developing this Plan to provide objectives that are specific enough to allow for other agencies to link their own goals and objectives to ours — this is a feature we have not seen in many other agency strategic plans.

Many of our interagency linkages go beyond single-program-to-single program relationships. Commerce leads and participates actively in critical, policy-level, government-wide initiatives which call on the specialized and leading-edge expertise and resources that we possess, and that are necessary for ensuring success for the Nation in the changing global marketplace, for addressing urgent national needs, and for linking and focusing Federal and private capacities in support of a brighter future. We Chair, or are highly active in, a comprehensive set of organizations including the National Science and Technology Council's crosscutting research and development programs, the Trade Promotion Coordinating Committee, the U.S. Global Change Research Program, the Interagency Council on Statistical Policy, the Interagency Task Force on Post-Disaster Economic Recovery, the National Oceanographic Research Council, the Interdepartment Radio Advisory Committee, the World Intellectual Property Association, and others.

We also seek to be a leader in interagency efforts to link programs together to focus on the unique needs of small- and medium-sized businesses, and on local communities in need of our products and services. As a result, we are especially active in promoting service delivery methods which stress ease of access and joint implementation, so that businesses and communities receive the information and assistance they need, and that our programs couple with those from related agencies in the most seamless and coordinated manner possible.

In recognition of the critical importance of close, interagency ties, we fully intend the Plan's description of our program goals and objectives to serve as linking pins with other agencies. Through the specificity of our Plan — rich in information about our programs — we communicate with other agencies and strengthen our mutual abilities to set “common denominator” objectives and performance measures. Reviews of other agency strategic plans confirm that this is an important next step in interagency implementation of GPRA.

Within the Department, we link closely and consciously in countless ways — MBDA utilizes ITA support to focus on the needs of minority-owned businesses seeking to export; NIST works closely with PTO on developing patents for inventions created in NIST laboratories; NTIS collects and disseminates information on the results of other Commerce bureau research; Census and BEA provide information to other bureaus needing statistical data about domestic and overseas populations and economies; NTIA

works with ITA on developing trade policy regarding telecommunications; NOAA and EDA combine resources to support coastal communities seeking to strengthen their sustainable development capabilities; EDA and NIST work together with communities in using technology as a tool supporting economic development.

COMMUNICATING OUR POLICY FRAMEWORK

This policy framework is a driving force in all of our activities. It shows up in everything that Commerce does, ranging all the way from the Secretary's actions with the President, Congress, and foreign heads of state, down to the day-to-day functioning of Commerce's program experts — our scientists, researchers, economists, statisticians, and other professionals. These same policy concepts provide for a constant and consistent focus throughout the year, reinforced in Congressional testimony and negotiations by the Secretary and bureau heads, in our budget, in our Executive Branch policy setting sessions, in our working with stakeholder groups and members of the public, in our interagency collaborations.

Bureau heads and program managers are responsible for translating this policy framework into action on an ongoing basis, for communicating about it within their bureaus, for tying program actions and decisions to it, and for managing their programs according to it. GPRA and the Commerce Strategic Plan provide the additional opportunity for emphasizing, quite specifically and measurably, each bureau's goals and objectives and for integrating them into a Department-wide whole. Outcome-oriented management is becoming an increasingly widespread practice across the Federal government, and it is being implemented in Commerce as bureaus develop the capacity to do it. For example, NOAA actively uses its set of goals, outcomes, and performance measures to establish internal priorities and develop budget proposals, which are agreed to by program and policy officials, and then implemented quite clearly and with bureau-wide staff buy-in.

