

PART TWO



COMMERCE'S GOALS,
STRATEGIES, AND
OBJECTIVES

CHAPTER 3

THE IMPORTANCE OF COMMERCE'S STRATEGIC THEMES



WHAT'S IN OUR STRATEGIC THEMES

The Mission Statement and three Strategic Themes — our support of the nation's economic infrastructure, our science, technology, and information activities, and our programs directed at America's resources and assets — will be discussed in detail in Chapters 4-6 of this Strategic Plan. However, this overview chapter provides a summary of the Commerce Strategic Themes and a brief discussion of how they are linked.

Theme 1 addresses the Nation's "economic infrastructure", a term which is defined broadly in the Strategic Plan, because of Commerce's comprehensive mandates. In Theme 1, Commerce is concerned with issues surrounding our domestic and international trading capacities, our nation's job-creation abilities, our support for minority business, our leading technological innovation and improvements in production (and our protection of those new ideas), the economic health of our communities, our production capacities, our information infrastructure, and our providing environmental predictions (essential to protecting life and property).

The issues underlying Theme 2 have grown in importance as science and technology have become increasingly pervasive in our society. Under Theme 2, we set national policy and examine issues of technological development and innovation, conduct the scientific studies and data analysis leading to longer-range environmental predictions, provide information-based support to domestic business/research and international trade (ranging from the census to specific market analyses), focus on the radio frequency spectrum and the technological ways in which broadcasting is conducted, and conduct scientific and technical research in support of National needs.

Theme 3 encompasses several of our responsibilities for the management of resources and assets. Under a series of legislative mandates (as well as references in the U.S. Constitution), Commerce has both direct management responsibilities for specific national resources, and stewardship responsibilities to ensure the optimal use of national assets. For example, Theme 3 focuses on intangible resources and assets — we grant access rights to intellectual property and to portions of the radio frequency spectrum. But at the

same time, within Theme 3, Commerce has direct responsibilities for fishery management activities, recovering protected species, and the wise use and development of coastal resources. Also under this Theme, we are concerned with the assets presented by closed military bases, and how best those assets can be converted for effective use by the local communities.

Collectively, the three Strategic Themes encompass the full breadth of the Department of Commerce's mission, but the organization of bureau activities under each of the Themes represents a new approach to linking these activities to the Departmental mission. In some cases, placement of program goals under a specific theme cuts across bureau lines. In other cases, programs making several principal contributions are cited under more than one Theme. For example, the Advanced Technology Program (NIST) can be listed under Theme 1 because its grants support the expansion of the economic infrastructure, but it also can be listed under Theme 2 because it focuses on technological innovation. Similarly, the content and application of patentable new scientific and technological discoveries fall under Theme 2. However, the protection of the rights to this intellectual property — an important asset — make these programs an equal candidate for Theme 3.

To pursue the Commerce mission, and to ensure the success of the three Strategic Themes, we need new insights, new information, and application of new technology, all brought together in a unique way. As America moves into the 21st century, the capabilities and services delivered by the Department will be key to our domestic security and global competitiveness. Commerce is the only Federal department whose existing structure encourages the integration of economics, trade, environmental stewardship, technology and information. The integrated whole is greater, and far more powerful on behalf of the Nation, than the sum of its parts.

The Themes within the Commerce Strategic Plan create a setting for identifying and capitalizing on relationships among bureaus, and on partnerships with other agencies and external parties. The Plan supports the concept that strong working relationships will serve to strengthen the effectiveness of the Department as a whole, as well as demonstrate how individual bureaus logically and critically support the core mission of the Department. Ultimately, the overall performance of the Commerce Department must be measured in terms of the contributions of its component bureaus.

The Commerce Strategic Plan provides the framework for a focus on strengthening existing (and for developing new) relationships among bureaus and with external partners. Success for Commerce programs in the changing technological world and global economy will depend increasingly on this type of collaboration, as well as on alliances with business and industry, universities, state and local governments, and international parties. Partnerships promote the leveraging of resources and talent, and often provide the means for meeting program requirements more effectively because of the mutual benefit involved. Partnerships will also be key to implementing the GPRA, to help establish performance measures or goals where one agency may lack complete authority or jurisdiction over the circumstances, activities, or policies which could lead to a particular outcome. By establishing partnerships with other agencies or entities, shared outcomes become more achievable, and broader societal goals can be met more effectively.

INDEX TO OUR THEMES, GOALS, AND OBJECTIVES

The table below illustrates the relationship between our three Strategic Themes and the bureau goals contained within each one. This Index is provided for users of the Plan which have specific interest in tracking Commerce bureaus on an individual basis, or interest in focusing on the bureau content of the individual Themes.

USING CHAPTERS 4 - 6

Chapters 4-6 of the Commerce Strategic Plan have been prepared with a common structure, to facilitate their use. Starting with a reiteration of the Mission Statement, each Chapter provides a discussion of the specific Strategic Theme and how the bureaus support it, and this is followed by the goals, strategies, objectives, and illustrative performance measures from these bureaus. Partnerships used in fulfilling our goals and objectives — a vital implementation tool for many of our programs, and a key element of our policy framework — are presented next. Program narrative discussions are contained in sections on each goal's economic contributions and other benefits, international activities (where applicable), and external factors and current trends and issues are also provided. These discussions are critically important to other agencies' understanding of, and having a basis for linking to, our programs.

Thus users of the Plan who seek to learn about Commerce programs under only one Theme will benefit from having a Chapter that is self-contained. Users having a broader interest, and who review all of the Plan's Themes, will find places where we have repeated — for emphasis — key language and concepts.

INDEX OF STRATEGIC THEMES AND BUREAU GOALS

| Bureau | THEMES | | |
|--------|-----------|-------|-------|
| | I | II | III |
| ITA | A,B,C | L | — |
| BXA | D,E,F | M | — |
| ESA | G,H | I,J,K | — |
| EDA | I,J,K | N | F,G,H |
| MBDA | L,M | — | — |
| TA | N,O,P,Q,R | A,B,C | — |
| PTO | S | F | D |
| NTIA | T,U,V,W | G,H | E |
| NOAA | X,Y | D,E | A,B,C |

CHAPTER 4

STRATEGIC THEME 1: ECONOMIC INFRASTRUCTURE



I THE COMMERCE MISSION STATEMENT: THEME 1

The Department of Commerce promotes job creation, economic growth, sustainable development, and improved living standards for all Americans, by working in partnership with business, universities, communities, and workers, to:

1. **Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's economic infrastructure.**

This Mission Statement includes all activities of the Department of Commerce. Activities under Theme 1, highlighted in bold type above, will be discussed in this portion of the Strategic Plan.

II THEME 1 AND THE COMMERCE MISSION STATEMENT

The Department of Commerce is committed to opening and expanding foreign markets for U.S. goods and services and to improving America's export performance. The DOC also is committed to improving coordination and planning among Federal export promotion programs and to reducing or eliminating unnecessary obstacles to private sector exports. In addition, Commerce actively promotes initiatives supporting development of the National Information Infrastructure, expansion of economic development and planning assistance to distressed areas, and expedited technology transfer to private sector users.

But the activities conducted or supported by the Department of Commerce under Theme 1 are not confined to domestic or international trade (as comprehensive as that mandate may be). Commerce's true

focus is the nation's economic infrastructure — the farms, factories, businesses, and universities that make up our economy and provide jobs in this country. Commerce programs combine to result directly in job creation and economic efficiency — through promoting trade, developing and protecting technological advances in production and communication — and in supporting the ways, and even the places, where those jobs are created by providing needed information, physical resources, and environmental predictions.

The activities conducted by Commerce under Theme 1 create jobs in all sectors of our economy. The benefits from job creation in the exporting sectors of the economy are especially valuable because they strengthen our competitive position in the world marketplace. Also, there is substantial evidence which indicates that in many exporting industries, the jobs created are significantly higher paying than some non-exporting sector jobs. We know that high-tech exporting companies create 36% more jobs, and that these jobs have 16% higher wages, than companies that do not use advanced technologies and that don't export. This is particularly important to improving national economic well-being and living standards.

III BUREAU SUPPORT OF STRATEGIC THEME 1

Many of the bureaus of the Commerce Department contain programs that work independently or together to support this Strategic Theme. Some of the planned actions we are taking in support of Theme 1 are:

- In coordination with the Administration and Congress, we will work with the World Trade Organization to ensure its effective implementation, to enforce full and fair consideration of U. S. economic and trade interests, and to ensure free and fair trading practices under the North American Free Trade Agreement.
- We will promote U.S. export growth through the implementation of the Administration's National Export Strategy, consistent with national security and U.S. foreign policy objectives, and will enhance cooperation with our partnership organizations in order that U.S. businesses can benefit from global business opportunities and increase American jobs. We will maintain a comprehensive platform of export promotion services accessible throughout the U.S. and abroad. U.S. firms and other partners can depend on this platform to establish and expand their presence in overseas markets. Through trade negotiations and case-by-case advocacy, we will ensure a "level playing field" for U.S. firms and combat predatory commercial practices.
- In parallel to this, we will work with the White House and other Cabinet departments to streamline and liberalize the U.S. export control system, while being mindful of the dual use nature of commercial technologies. We will enhance both export growth opportunities and the effective enforcement of export controls through cooperation with the independent states of the former Soviet Union, the Baltics, and Central Europe.

- Improved economic and demographic statistics are essential to sound business forecasting, and to an understanding of the strength and direction of the Nation's economy. Commerce is at the forefront of national efforts to improve these statistics and make them as timely and responsive to customer needs as possible.
- Although it is conducted only once every ten years, the decadal Census has such major and . . . ongoing implications for so many government, business and economic analysis and decisions that it cannot be considered simply a one-time event. The 2000 Census will be conducted with an effort to be as accurate, open, and user-friendly as possible.
- While many American communities are economically healthy, a large number have undergone stress that results from factors beyond local control. Making strategic economic investments in the Nation's distressed communities is one of Commerce's most effective strategies of direct assistance. In areas of chronically high unemployment, where a catalyst is essential to spark or attract local private investment, where natural disasters or sudden job losses have caused more dislocation than local resources can redress, or where military bases have been closed (or threatened with closing), Commerce helps the communities revive, stabilize, and sustain their local economies by fostering the growth of job-creating businesses and investment.
- Improving opportunities for minority-owned businesses helps strengthen an underutilized sector of the American economy. In the face of global completion, America cannot afford to waste the entrepreneurial talents of any of its citizens. Facilitating the opportunities for minority-owned businesses to compete in the mainstream economy is an essential part of the Commerce mission.
- We will lead development of the Administration's civilian technology policies, goals and strategies, including an emphasis on developing long-term, high-risk research and development partnerships with the private sector, assisting in advancing our technological and information infrastructure, protecting intellectual property rights, and improving deployment of technology to ensure that U.S. firms and workers remain world leaders in the highly competitive global marketplace.
- Working with U.S. industry to develop and apply technology, measurement and standards, has been a "growth area" for Commerce. Commerce supports technology development — especially through grants for high-risk, cutting edge technologies — which can lead directly to breakthroughs in innovative manufacturing and production methods. Technology has been clearly seen as more than the wave of the future — it is simply the basic vehicle through which jobs will be created and the economy will grow. As much as anything else in this first Theme, technological advances create jobs and enable the economic infrastructure to thrive.
- Formulating domestic and international telecommunications policies, and conducting efficient spectrum planning, enables our nation to use telecommunications resources effectively — an important function in a global marketplace that depends increasingly on telecommunications technology.

- Providing environmental predictions for the protection of life and property is a service critical to a number of basic American industries — agricultural, transportation, construction, insurance — as well as to everyday community life. This protection is essential to assuring that our economic infrastructure remains safe, intact, and capable of the highest levels of output.
- There is also a strong linkage between the economic necessity for environmental prediction and stewardship, and the scientific necessity. Societal and economic decisions need to be strongly coupled with a comprehensive understanding of the environment. A major part of Commerce's mission is to ensure sustainable economic opportunities, and this requires managing the Nation's marine and coastal resources and predicting how changes in the Earth's environment will affect these resources.
- Accurate charts and modern navigation systems are required for safe and efficient maritime and air transport. Commerce collects, processes and distributes such information in support of national, commercial and individual needs. The Department is working to revolutionize U.S. marine and air navigation, mapping and surveying, and to provide a precise satellite-derived reference system as the basis for the Nation's 21st century positioning needs.

IV THEME 1 GOALS, STRATEGIES, AND OBJECTIVES

Commerce programs will address the Department's mission, and this Strategic Theme, in a number of ways. The goals to be pursued in this process, the strategies to be followed, the objectives to be met, and illustrative performance measures are included here.

A. Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee. In pursuing this goal, ITA will follow a strategy aimed at developing and implementing the National Export Strategy, our Nation's first-ever blueprint to generate high-paying jobs through exports.

- Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee. (ITA)
 - Percent of projects successfully completed. The percentage of foreign project and procurement contracts awarded to U.S. firms, as a result of ITA advocacy, will be compared to the total number of such contracts competed for and bid on by U.S. firms.
- Increase trade assistance targeted to small and medium-sized businesses. (ITA)
 - Number of counseling sessions. This will indicate the scope of one aspect of ITA assistance to U.S. firms regarding export of their goods and services, and relevant trade laws.

■ More closely align trade objectives with U.S. foreign policy. (ITA)

— Number of trade initiatives which foster foreign policy goals. This provides information on the scope of initiatives target toward specific goals.

B. Enforce U.S. trade laws and agreements to promote free and fair trade. In pursuing this goal, ITA will follow a strategy of: expanding enforcement of U.S. anti-dumping and countervailing duty laws; identifying market access problems and initiating actions to overcome these obstacles, and; ensuring foreign government compliance with trade agreements the U.S. has concluded.

■ Expand trade law enforcement and compliance monitoring. (ITA)

— Dollar value of AD/CVD collections made by the U.S. Customs Service. This information shows the effectiveness of our ability to enforce trade laws and to provide disincentives to firms seeking to circumvent them.

C. Strengthen and institutionalize trade advocacy efforts, placing special emphasis on the “Big Emerging Markets” and major projects. To implement this goal, ITA will form Business Development Committees and Joint Commissions, and conduct major trade promotion initiatives directed at increasing the number of U.S. firms exporting to more mature markets in Western Europe, Japan, and Canada.

■ Continue emphasis on trade with the BEMs without losing focus on mature markets. (ITA)

— Number of agreements (Market Development Cooperator grant awards). This shows the extent to which U.S. firms are addressing this important type of export market.

D. Restructure export controls for the twenty-first century. BXA will work with U.S. business and other government agencies to facilitate low-risk export transactions and to deter high-risk transactions.

■ Streamline and reform U.S. export controls. (BXA)

— Applications processed within statutory time frames. U.S. competitiveness will be enhanced as American business will be able to complete export transactions more rapidly.

■ Implement the Nation’s encryption export control policy. (BXA)

— Increased value of relevant licensing decisions. This makes it easier for companies to export encryption products, provided they commit to developing recoverable encryption products that promote U.S. security and public safety. The policy also allows for the export of stronger encryption to secure financial transactions, which is a critical prerequisite for the success of electronic commerce on the Internet.

■ **Oversee domestic implementation of the Chemical Weapons Convention. (BXA)**

— Chemical industrial inspections conducted. The CWC mandated that facilities which handle listed chemicals submit declarations of their activities and submit to inspections that certify the accuracy of their declarations. BXA's monitoring role insures treaty compliance. Also, protecting confidential business information contributes to both the national security and the economic strength of the U.S.

E. **Maintain a fully effective law enforcement program and protect U.S. national security, foreign policy, nonproliferation of dual-use commodities, counter-terrorism, nonproliferation of chemical weapons, and public safety interests. Maintaining a fully effective law enforcement program ensures our competitiveness in the global marketplace without compromising our national security and public safety interests.**

■ **Investigate criminal and administrative violations of the specific statutes and regulations, and impose civil sanctions for those violations. (BXA)**

— Investigations accepted for criminal remedies. Prosecuting violations of export control laws and imposing civil sanctions enhances our ability to detect and deter illegal transactions.

■ **Develop and implement measures to prevent export control law violations, including reviews of unlicensed shipments as well as conducting pre-license checks and post-shipment verifications concerning licensed transactions. (BXA)**

— Increased pre-license checks completed. Pre-license checks establish the bona fides of foreign parties prior to export and prevents export control violations.

■ **Conduct export enforcement outreach with the U.S. export community, and expand outreach and education programs to train U.S. exporters how to identify and avoid illegal transactions. (BXA)**

— Increased firms assisted. Export controls depend on the cooperation of the U.S. export community. Educating U.S. exporters to understand the export control laws will help them to identify and avoid illegal transactions, thus reducing the likelihood of transactions harmful to U.S. interests.

F. **Facilitate transition of defense industries. A strong economic infrastructure is partly dependent upon our country's ability to transition our defense industries to peacetime, commercial activities and products, while at the same time maintaining technological superiority to support the next generation of defense systems.**

- Promote U.S. economic security, technological competitiveness, and defense diversification. (BXA)

- Increased studies of critical defense industries. These studies help identify potential vulnerabilities and dependencies, as well as competitive opportunities.

G. Strengthen the public's understanding of the U.S. economy and its competitive position by improving Gross Domestic Product (GDP) and other national, regional, and international economic accounts data. ESA's strategy will develop new estimating methods and work with other agencies to update and expand the coverage of source data used in estimating key components of the economic accounts.

- Develop new and improved measures of real GDP and prices. (ESA)

- Expansion of coverage of source data on wages and salaries. More timely and accurate data on non-production and supervisory workers will result in more accurate estimates of the income side of GDP.

- Provide updated measures of the Nation's investment, savings, and wealth. (ESA)

- Improvement of treatment of computer software in economic accounts. Updated comprehensive accounting for software will result in more accurate estimates of investment and will resolve at least part of the statistical discrepancy between the two measures of GDP.

- Provide improved measures of U.S. international trade and finance. (ESA)

- Extension of annual selected services surveys to cover key categories on a quarterly basis. More accurate measures of international trade in rapidly-changing and fast-growing categories will improve the coverage and reduce the revisions of the international services components of the GDP and balance of payments accounts.

H. Improve national and local census and survey data through better business practices and public cooperation, through a strategy of systematic improvement and increased public involvement.

- Develop efficient and innovative business practices to improve cost cycle time, and the quality performance of Census data, through strategies of using new statistical methods and information technologies, improving our cost and management information systems, and improving our corporate computing environment. (ESA)

- Improved accuracy and timeliness of census and survey data. This will help data users make more precise and effective policy decisions.

- Increase the level of public cooperation through strategies of simplifying public response, building partnerships, and implementing a customer focused marketing plan. (ESA)
 - More simplified and user-friendly designs and procedures on all forms. By making forms easier to use, it is expected that response rates will increase.

I. (EDAs strategies under Theme 1 are achieved through the activities of grants awarded to alleviate conditions of substantial and persistent unemployment and underemployment in economically-distressed areas of the Nation. All of EDA's performance goals relate directly to job creation, local capacity building, information dissemination, and recovery from economic dislocation.)

Stimulate the creation of private sector jobs through the growth of industry and the retention or expansion of existing businesses in economically distressed areas.

- Build, rebuild, or expand vital public infrastructure facilities that offer substantial employment potential and improve the capacity for economic growth in distressed areas. (EDA)
 - Jobs created and/or retained.
- Overcome specific capital market gaps and encourage greater private sector participation in economic development activities by establishing or expanding revolving loan funds in economically distressed areas. (EDA)
 - Non-EDA dollars invested.

J. Help distressed communities build their capacity to stimulate, maintain, or expand economic growth.

- Promote comprehensive, inclusive economic planning in distressed communities to identify economic problems, assess the availability of local and non-local resources, and formulate and implement realistic development strategies. (EDA)
 - Increased community participation.
- Provide technical assistance to communities to solve specific economic development problems, respond to development opportunities, and build and expand local organizational capacity in distressed areas. (EDA)
 - Quality of evaluation or feasibility study.

K. Provide new knowledge, analyses and technical information which serve both to assess economic development problems and to mobilize non-federal resources for their solutions at the local level.

- Study and research emerging and anticipated economic development problems. (EDA)
 - Research results disseminated through conferences, publications, and the Internet to practitioners.
- Provide technical assistance to local governments, community-based organizations and small businesses on economic development-related issues through colleges and universities. (EDA)
 - (Measures are being developed under a national research grant.)
- Aid firms and industries injured by import competition by providing technical assistance in diagnosing problems and assessing opportunities through business assistance centers. (EDA)
 - Improved sales and employment after assistance.

L. Improve opportunities for minority-owned businesses in major growth industries according to geographic demands. The major strategy used in this and the following goal is to market opportunities and provide public/private debt and equity financing for minority-owned businesses.

- Identify industry sectors offering potential for high growth in geographic service areas, and assess networks of available public and private resources to assist minority-owned businesses to penetrate these industries. (MBDA)
 - Increased numbers and dollar values of contracts awarded to assisted companies. With information provided through this and the other MBDA performance measures, it will be possible to make adjustments and improvements in key strategies to achieve the stated goals and objectives.
- Match minority-owned businesses with domestic and international opportunities. (MBDA)
 - Increased numbers and dollar values of contracts awarded to assisted companies.
- Coordinate and leverage resources with those of the Federal, State, and local government and private sector purchasers to deliver timely procurement information to minority-owned businesses. (MBDA)
 - Increased numbers and dollar values of contracts awarded to assisted companies.

- Structure active advocacy programs that include trade fairs, media events, networking events, and product and service promotions. (MBDA)
 - Increased customer satisfaction.

M. Improve the opportunities for minority-owned businesses to pursue financing.

- Identify and maintain data on regional lending trends. (MBDA)
 - Increased dollar value of loans placed.
- Attain agreements with financial institutions to commit new funds or increase current funding levels available for minority-owned businesses. (MBDA)
 - Increased dollar value of funds committed.
- Implement a system to provide specialized consulting services to minority-owned businesses, to assist in development and implementation of effective capital formation strategies. (MBDA)
 - Increased dollar value of new funding available.

N. Provide technical leadership for the Nation's measurement and standards infrastructure, and assure the availability of needed measurement capabilities. The strategy used in this goal is to perform laboratory research to anticipate important measurement needs, strengthen the national system of measurement standards, provide leadership for the national system of voluntary standards and conformity assessment, promote efficient delivery of measurement services, and create and maintain world-class measurement facilities to support U.S. industry.

- Anticipate and address the most important measurement and standards needs in a timely fashion. (TA)
 - TA will use the GPRA "Alternative Format" based on peer review (to ensure that the program is appropriate, clear, effectively designed and executed, and revalidated) and retrospective economic impact studies (to provide qualitative assessments and quantitative estimates of the economic impacts resulting from the technology infrastructure that NIST provides to U.S. industry and the Nation's economy) to assess how well goals are achieved and to provide feedback to program planning efforts to ensure that goals and objectives are met.

- Strengthen the national system of standards, measurement, measurement traceability, and conformity assurance. (TA)
 - Increased number and availability of Standard Reference Materials.
- Provide leadership in harmonizing international measurements and standards to facilitate international trade. (TA)
 - Increased NIST staff engaged in/leading international measurements/standards committees.

O. Support a nationwide system of manufacturing extension services that will improve the global competitiveness of small manufacturers. The strategy used in this goal regarding Manufacturing Extension Partnerships is to expand the number of clients served by providing a cost-effective nationwide system of assistance and to increase the performance of smaller manufacturers by assisting them in the use of efficient supply-chain mechanisms and effective information technology, and by accelerating their rate of new technology adoption.

- Improve coverage of the small manufacturing sector, providing extension services to an increasing proportion of small manufacturers. (TA)
 - Increased number of companies served. The number of clients served, the number of jobs created or retained, the amount of client capital investment, the value-added benefits to clients from completed activities, direct economic impact studies providing qualitative and quantitative estimates of MEP impacts, and peer assessments are used to assess how effectively the goal is being achieved and to provide feedback to program planning efforts to ensure that the goals and objectives are being met.
- Maintain high quality service delivery, providing useful and usable assistance in a timely fashion. (TA)
 - Activities completed by MEP centers.
- Maintain service delivery that provides value to customers, delivering strong impact. (TA)
 - Increases in sales.

P. Assist U.S. businesses in continuously improving their productivity and efficiency utilizing Malcolm Baldrige National Quality Award (MBNQA) framework core values, criteria, and assessment methods. The strategy used in this goal is to diversify and expand delivery of performance excellence concepts, conduct research to develop quality management as a business discipline, and promote quality awareness and business excellence practices in smaller service businesses and manufacturers.

- Develop, continuously improve, and disseminate evaluation criteria, manage the MBNQA, and provide global leadership in promoting quality awareness and performance excellence. (TA)
 - Under GPRA's "Alternative Format", TA will use a Board of Overseers, and the National Quality Foundation for stakeholder review. In addition, the total number of quality awards issued nationwide, based on the Baldrige award, is used to assess how effectively goals are achieved and to provide feedback to program planning efforts to ensure that the goals and objectives are being met.
- Foster effective partnerships with customers, suppliers, employees, and the public to enhance overall U.S. capability and effectiveness. (TA)
 - Increased requests for MBNQA documentation.
- Lead an expanding national system of State and local quality programs and increase national awareness of the utility of the Baldrige model through the MEP program. (TA)
 - Increased State and local programs supported.

Q. Stimulate U.S. economic growth by developing high-risk and enabling technologies through industry-driven cost-shared partnerships. The strategy used in this goal regarding the Advanced Technology Program is to identify and promote high-risk and enabling technologies, leverage resources for technological innovation by strengthening an expanding partnership connections, and leverage R&D investment and speed the pace of innovation by providing researchers with a common technical basis for describing, comparing, and exchanging results.

- Partner with industry to develop innovative technologies which will enable novel and/or greatly improved products and services. (TA)
 - Results of increased number of competitions per year. Direct economic impact studies will provide qualitative and quantitative assessments of the economic impacts of ATP assistance and will assess how effectively goals are being met and provides feedback to program planning efforts to ensure that goals and objectives are being met.
- Promote cooperative R&D ventures to encourage the rapid diffusion of new, enabling technologies throughout industry sectors. (TA)
 - Amount of industry cost sharing commitments.

- Maximize leverage in driving key strategic technologies by focusing on interdependent R&D projects with common, specific technical goals identified by industry. (TA)
 - Cumulative dollar level of industry cost-sharing commitments.

R. Coordinate and lead interagency efforts to enhance industry competitiveness in partnership with industry, academia, and the States. The strategy used in this goal is to facilitate useful dialogues and to foster partnerships between industry, academia, the States, and appropriate agencies to identify and jointly address issues that will enhance the competitiveness of American industry.

- Coordinate and lead interagency efforts to develop the technology base for next generation automobiles, improve productivity in construction, and enhance U.S. manufacturing competitiveness in partnership with industry. (TA)
 - Successful integration of Partnership for a New Generation of Vehicles (PNGV) technologies into Year 2000 concept cars. Information produced under this and the following performance measure provide important guidance on the effectiveness of efforts to identify and document: best practices; State and local needs; partnerships between the Federal government and State governments, industry and academia.
- Coordinate and lead interagency efforts to strengthen technology partnerships between States and the Federal government. (TA)
 - Identification of “best practices” in State and regional technology-based economic development.

S. Help protect, promote, and expand intellectual property rights systems throughout the U.S. and abroad. This goal is supported through a strategy of international negotiations, establishing new partnerships, and leveraging information technology.

- Participate in international cooperative arrangements. (PTO)
 - Increased technical assistance to developing countries. As countries move to market economies, technical assistance can help them establish intellectual property systems compatible with a free global economy.
- Cooperate with other government agencies to ensure that intellectual property concerns are adequately addressed. (PTO)
 - Increased number of cooperative efforts.

T. Support the development of a National Information Infrastructure (NII) that will be accessible to all Americans.

- Administer the Information Infrastructure Grants program to assist educational, health care and other social service entities in planning and developing the telecommunications and information infrastructure. (NTIA)
 - Increased schools and libraries connected to the NII.
- Improve delivery of communications products and services to the public through Executive Branch initiatives in legislative and regulatory forums. (NTIA)
 - Increased identification of new technologies and their application to government operations.
- Ensure that educational and cultural benefits of public broadcasting are widely available, and the use of telecommunications technologies to improve effectiveness of distance learning. (NTIA)
 - Increased access by rural populations.

U. Advocate international telecommunications policies to help open international markets and promote U.S. interests.

- Improve international competitiveness of the U.S. telecommunications industry. (NTIA)
 - Adoption of U.S.-supported standards within the international telecommunications community.

V. Set policies for efficiently and effectively managing the Federal use of the radio spectrum, and prepare for international radio spectrum setting conferences of the ITU.

- Ensure that government needs for vital telecommunications services are met nationally and internationally. (NTIA)
 - Development of database of allocated bands and of automated method for accessing/using database.
- Coordinate U.S. preparations for international frequency allocation conferences and lead U.S. delegations to these conferences. (NTIA)
 - Development of long-range plans to meet U.S. spectrum needs.

W. Provide leadership in developing telecommunications policy initiatives in emerging areas of national priority.

- Implement the President's Global Electronic Commerce initiative regarding the governance of the Internet domain system, Internet content restrictions, and international privacy. (NTIA)
 - Development of private sector approach to Internet governance.

X. Promote safe navigation by revolutionizing U.S. marine and air navigation, mapping and surveying; assist commercial shipping in moving increased cargoes safely and efficiently; and provide a precise satellite-derived reference system as the basis for the Nation's geographical positioning needs. NOAA's strategy for accomplishing this goal is to provide for continuous access to, and processing of, quality data used to construct navigation charts and their underlying databases.

- Build, maintain and deliver a digital nautical charting database to underpin new electronic navigational systems which integrate satellite positioning, tidal heights and currents, radars and sonars, and navigational aids. (NOAA)
 - Increased access to charts in electronic format. This will promote safe navigation as mariners begin to utilize this superior digital information format for routine navigation operations.
- Update nautical surveys of the Nation's coastlines and coastal areas using full-bottom coverage technologies. (NOAA)
- Increased percent of critical areas surveyed to produce up-to-date charts. Reducing the backlog of hydrographic surveys for critical areas will improve the information base upon which charts are developed and updated.
- Install measurement and communications systems to provide mariners with real-time observations and forecasts of water level, tides and currents, and weather conditions in major ports. (NOAA)
 - Increased access to full suite of data. New access to real-time physical conditions and predictions will improve the safety and efficiency of maritime operations.
- Transform the obsolete geodetic reference frame into a Global Positioning System-based system of monumented marks and continuously operating reference stations to support the digital revolution in mapping, charting, and surveying. (NOAA)
 - Increased availability to more users. User needs for improved geographical positioning will be met as more Continuously Operating Reference Stations (CORS) are installed, and the Federal base network is completed.

- Provide modern aeronautical navigation information and facilitate the transfer of this function to the Department of Transportation. (NOAA)
 - Percent of aeronautical charts and products revised on schedule. Up-to-date and accurate aeronautical charts are critical to safe airborne navigation.

Y. Provide significantly improved short-term warning and forecast products and services that enhance public safety and the economic productivity of the Nation by enhancing the ability to observe, understand, and model the environment, and effectively disseminate products and services to users. NOAA's strategy will be to re-invest in research components in order to improve observation systems and develop a better understanding of environmental processes.

- Maintain the modernized operations of the National Weather Service, to continue improving the timeliness and accuracy of short-range environmental predictions which have immediate impact on individuals and many sectors of the economy. (NOAA)
 - Increased lead time and accuracy for severe weather warnings. Improved warnings of severe weather events are a direct indicator of progress toward advancing short-term warnings and forecasts, and thus the protection of life and property.
- Maintain continuous operational satellite coverage of the Nation critical for warnings and forecasts. (NOAA)
 - Increased accuracy of temperature, snow, aviation, and precipitation forecasts. Satellite operations underpin the ability to continuously monitor atmospheric conditions, and are a primary input for models and forecast guidance products.
- Strengthen observing and prediction systems through scientific, technological and programmatic advances, and international cooperation. (NOAA)
 - Increased lead time and accuracy for hurricane landfall. Reducing the potential area of warning for hurricane landfall through the application of high resolution forecasting models and in-situ observations of storm development promotes cost savings while advancing forecast services.
- Improve customer service to the public, emergency managers, the media, and private forecasters through effective communication and utilization of critical weather data and information necessary for protection of life and property. (NOAA)
 - Increased volume of data handled through NWS telecommunications gateway (Megabytes). Fast, reliable and high-volume data flows are critical to the effective conduct of operations and the preparation of information for the public.

V PARTNERSHIP ACTIVITIES SUPPORTING ECONOMIC INFRASTRUCTURE INITIATIVES

Many of the Federal, State, and local agencies, and outside groups with which we partner, do not make distinctions about which specific Commerce goals they link to — their focus is on an overall program. Therefore, we believe that to show a partnership link between one specific goal/objective and a partner organization could be misleading. As a result, we will discuss our partnership relationships at the bureau level in this Plan.

ITA

The importance of international trade to the Nation's economy, the growing number of firms seeking to export goods and services, and the opportunities to collaborate with its partners, has led ITA to a proactive stance in supporting America's economic infrastructure. ITA works very closely with the U.S. business community, particularly with small and medium-sized firms which are either current or potential exporters. We supply these firms with technical, industry-sector, or country-specific data to promote the export of their goods or services abroad. We counsel U.S. firms on appropriate export strategies so they will be more competitive in the global marketplace; we plan, organize, and recruit participants for trade promotion events overseas; we organize and/or participate in privately organized domestic export conferences to promote industry awareness of foreign market opportunities; and we arrange to provide high-level U.S. government advocacy to help U.S. firms win major foreign procurement contracts.

But we do not work in a vacuum. The Department of Commerce chairs the Trade Promotion Coordinating Committee (TPCC), a 20-member interagency task force charged by the President and the Congress with developing and implementing the National Export Strategy. The TPCC is an excellent example of how agencies with complementary responsibilities can work together to develop common goals and strategies in support of a single but complex national purpose.

The TPCC works to ensure that the entire Federal government is doing all it can to help U.S. firms break into overseas markets and create jobs at home. As part of this Strategy, member agencies work to streamline and strengthen government trade promotion and finance programs. Last year, the National Export Strategy addressed practices that our competitors use to obtain market access in the world's fastest growing economies, set out the first government-wide plan to address critical issues affecting American industry, and provided for new initiatives to help small and medium-sized firms gain better access to trade finance.

In support of the USTR, ITA monitors and reports on foreign developments affecting the formulation of U.S. trade policy, including foreign government legislative, regulatory and procurement activities which affect U.S. trade in the host country, including the protection of intellectual property rights.

ITA establishes productive relationships with trade associations to ensure that industry views are considered in U.S. trade policy development. In an effort to identify U.S. industry's trade policy and promotion needs and concerns, ITA manages public/ private partnership activities, including the Industry Consultations Program and the President's Export Council. To support these efforts, ITA's sector groups work closely with Industry Sector Advisory Committees (ISACs) made up of private-sector authorities which advise on policy issues affecting specific industries.

ITA's U.S. Export Assistance Centers (USEACs) and District Export Assistance Centers (DEACs) provide a network to improve the delivery of integrated trade promotion assistance to local communities. USEACs co-locate federal partners to deliver more complete and streamlined export assistance services to U.S. businesses, particularly information and access to finance sources. DEACs are positioned in high activity areas supporting the USEACs, at sites reflecting current trade patterns, bringing export assistance services closer to exporters. Both centers are electronically linked to facilitate communication among the co-located Federal agencies. The EAC concept also facilitates leveraging available resources through partnerships between local, state, Federal and private partners.

The nationwide network of District Export Councils (DECs) leverage Federal export promotion resources and serve as ITA's primary partner by conducting export outreach efforts, offering mentor support for exporters, serving as catalysts for trade finance network development, and sponsoring thousands of promotional initiatives, including seminars and trade events in their local communities.

Overseas and domestically, ITA works closely with trade finance agencies — the Export-Import Bank (EXIM), the Overseas Private Investment Corporation (OPIC), the U.S. Trade and Development Agency (TDA), and the Small Business Administration (SBA). Historically, access to and information on trade and project finance has been an area which competitor nations and their firms have enjoyed a major advantage over U.S. companies. ITA's export marketing staff and programs operate in tandem with trade finance agencies and the banking community to address the finance dimension of international sales.

BXA

BXA's partnership activities with business leaders and government officials from the U.S. and foreign countries involve export administration, export enforcement and foreign export controls. In the area of Export Administration, representatives from the private sector serve on Technical Advisory Committees and the President's Export Council Subcommittee to provide advice and assistance to BXA on export controls.

As an important part of BXA's partnership activities, BXA works with small and large firms to assure compliance with the law and prevent activities that would damage national security, foreign policy, or public safety.

International cooperation in foreign export controls have focused on pro-active initiatives with the independent states of the FSU, the Baltic states, Central Europe, and other countries. The establishment and strengthening of foreign export controls systems will increase opportunities for trade in high-tech goods and technology with those countries and further deter smuggler and terrorist access to foreign sources for the materials needed to make nuclear, biological, and chemical weapons and their delivery systems.

BXA has developed several partnership programs to assist U.S. industry in its efforts to diversify into the commercial market.

The President's Export Council Subcommittee on Encryption will advise the Secretary on the implementation of an encryption policy that will support the growth of commerce while protecting public safety and national security.

BXA works with U.S. industry and other federal agencies to develop a unified strategy to begin consultations with our allies on offsets in defense trade, as mandated by the October 1996 TPCC report. Offsets are industrial compensation practices mandated by many foreign governments when purchasing defense articles.

BXA works actively with other agencies having complementary responsibilities for export control, foreign policy, and national security. Few of BXA's goals and objectives can be met without full cooperation from these agencies, which help in such activities as processing license applications, completing regulatory simplifications, informing the public, and representing BXA's concerns abroad. BXA recognizes that the Nation's crucial export enforcement program can only be achieved through the full cooperation of the U.S. Marshal's Service, the FBI, Treasury, State, and the Customs Service.

Some of these interagency activities grow out of BXA's awareness of the need to cooperate in attaining shared goals, while some are formalized Administration or Congressional policy. For example, the framework established by Executive Order 12981 defines the licensing responsibilities of the Departments of Commerce, State, Defense, Energy, and the Arms Control and Disarmament Agency.

BXA participates in the Nonproliferation Export Control Cooperation program, directly supporting both Congressional and Administration goals by implementing informational exchange programs and maintaining constant contact with the Departments of Defense and State.

BXA has taken the lead in presenting interagency law enforcement training with Justice, Treasury, State, Defense, and intelligence agencies. This includes Strategic and Non-Proliferation Training, Fastener Quality Act training, and Counter-terrorism.

ESA

BEA's plan for maintaining and improving its economic accounts was developed in partnership with other Federal agencies (whose assistance is needed to implement some of the improvements) and with leading data users (who made suggestions that were incorporated in the final plan). BEA maintains close working partnerships with other statistical agencies (Census Bureau, Bureau of Labor Statistics, Treasury Department, Federal Reserve System) to obtain the source data it needs to produce its economic accounts estimates. BEA participates with these and other agencies in formal and informal projects to improve the quality, coverage, and timeliness of the source data. Senior BEA officials meet frequently with professional organizations and groups of data users to inform them of BEA's progress and plans for further improvements, as well as to solicit their comments.

The Census 2000 program is highly focused on creating partnerships, in order to both encourage participation in the Census and to disseminate information about it. This is being done through a network of academic institutions, State governors' offices and local and tribal governments, non-profit organizations, schools, foundations, and the entertainment industry.

BEA and the Census Bureau are active in the 14-member Interagency Council on Statistical Policy (ICSP) chaired by OMB. The ICSP represents the principal Federal agencies, and is finding that many of these agencies have identified common themes in their operational and strategic planning: customer focus, quality and efficiency, and partnerships and burden reduction. These common objectives are forming the basis for an expanding collaborative effort to strengthen the Federal statistical system.

EDA

EDA's Technical Assistance program partners with professional associations and organizations including the National Council for Urban Economic Development, National Association of Development Organizations, Public Works and Economic Development Association, and the National Association of Management and Technical Assistance Centers. New partnerships are being established with the National Congress for Community Economic Development and the National Association of Regional Councils.

EDA's Trade Adjustment Assistance (TAA) program funds a network of business assistance centers to aid firms and industries affected by import competition by providing technical assistance in diagnosing problems and assessing opportunities. It has partnership activities with industry trade associations, State and local economic and business development officials, and NIST MEP Centers. (TAA focuses on firms injured by import competition, while NIST's MEP Centers work with healthy firms.)

EDA grants to University Centers and grants under the Local Technical Assistance Program identify and help implement solutions to economic development problems. EDA's grants often are the only source of funding for analyzing and investigating potential projects and activities.

There are currently 315 Economic Development Districts and Redevelopment Areas being funded on an on-going basis under EDA's Planning Program. There are also 61 Indian tribes or organizations currently funded on an on-going basis under this program.

MBDA

MBDA's major partnership activities for improving opportunities for minority-owned businesses are with governmental entities within and outside of the Department of Commerce and with the Nation's leading lending institutions. These partnerships provide minority businesses with access to critical resources — management and technical assistance, access to capital, marketing leads, etc. — that are necessary to survive and compete. Partnership agreements with leading lending institutions included Chemical Bank, Bank of America, Community Bank, Bank One, Nations Bank, and The Money Store.

MBDA-assisted businesses generate over \$400 million dollars per year in Federal tax revenue. MBDA efforts to improve opportunities for minority businesses are conducted through cooperative agreements and private-public partnerships which are directed at strengthening and keeping these businesses in the economic mainstream.

TA

All of the TA's programs involve extensive interactions with its customers and stakeholders, including U.S. industry and government, universities, the technical and scientific communities, and foreign counterpart laboratories. These interactions take place through sales of standard reference materials and calibration services, collaborative projects, the publication of competitive assessments and policy analysis, national and international conferences with state and industry leaders, interactions of technical staff with their colleagues, and staff participation in trade and professional associations and on standards committees.

NIST's external programs (MEP, ATP, MBNQAP) are partnerships with business and industry. The MEP partners Federal support with State and local organizations in a network of manufacturing extension centers located throughout the country, which work directly with local manufacturers to address their critical needs. ATP research priorities are set with the input of industry: companies conceive, propose, co-fund, and execute ATP projects and programs based on their understanding of the marketplace and research opportunities. The MBNQAP works closely with trade, professional, and business groups to extend the benefits of quality management nationwide. The cooperative nature of this joint government/private-sector team is exemplified by the hundreds of quality experts from industry who volunteer their time reviewing applications, conducting site visits, providing feedback reports, and giving presentations in support of the program.

PTO

PTO partners with international organizations in order to enhance customer responsiveness and facilitate better working relationships among the businesses, agencies, and foreign nations and organizations for which PTO's overall success in delivering quality service is interdependent.

PTO's international partnerships include (but are not limited to) the World Intellectual Property Organization (WIPO) of the U.N., the European Patent Office (EPO), and the Japanese Patent Office (JPO). PTO is playing a lead role in WIPO in the pursuit of global protection for intellectual property, and is engaged in a trilateral agreement with the EPO and the JPO (with WIPO observing) to further international harmonization of patent practice and ultimately patent systems. PTO's trilateral activities have also resulted in the enhanced exchange of patent information and movement toward policies in the three regions that will improve the dissemination of patent information.

PTO provides international training and technical assistance, such as legal advice on drafting laws to modernize intellectual property systems, on-site lectures and training on patent and trademark matters to intellectual property specialists from developing and emerging market countries. Since 1985, officials from over 30 nations have participated in the annual Visiting Scholars Program.

In carrying out these activities, PTO partners with the Department of State and the United States Trade Representative and the International Trade Administration in the formulation and negotiation of proposals for the protection of intellectual property, both at home and abroad, and collaborates with other agencies in administering the patent and trademark laws.

NTIA

NTIA's responsibilities encompass telecommunications issues including domestic and international policy, spectrum management, research, and grant programs. Within the Federal government, the State Department, the U.S. Trade Representative, and other agencies address telecommunications as a peripheral aspect of their primary missions and rely on NTIA for telecommunications expertise. NTIA coordinates Federal use of the radio spectrum by chairing the Interdepartment Radio Advisory Committee (IRAC). The IRAC is made up of all Federal agencies that use spectrum and includes the Federal Communications Commission.

NOAA

Applying advanced technology to promote safe navigation supports major initiatives of the National Science and Technology Council Committee on Environment and Natural Resources (CENR), the President's Council on Sustainable Development, and other parts of the Commerce Department. Significant partnerships are being used by NOAA to provide the Nation with a suite of marine navigation services.

NOAA established a precedent-setting partnership with a private company through a Cooperative Research and Development Agreement (CRADA) under the Federal Technology Transfer Act to produce electronic nautical charts. This arrangement has enabled NOAA's private partner to create digital chart products for commercialization and sale, while enabling NOAA more quickly and efficiently to build an electronic chart database for future chart editions. NOAA has used other partnerships for development of technology to conduct nautical charting surveys and to compile nautical charts, and for geodetic and hydrographic survey technology transfer and instrument testing and evaluation. New partnerships are being forged with major ports to provide improved navigation information through technology transfer and cost-sharing.

NOAA is engaged in a Federal/State/local partnership to ensure consistency of spatial reference data, by working with surveyors in all states to develop uniform standards for the National Spatial Reference System that can be used to support modern geographic information systems. NOAA also operates a geodetic advisory program with 24 States on a 50/50 cost sharing basis to enable technology transfer to the States.

NOAA plays a major role in the interagency Federal Geographic Data Committee. Through leadership of the Federal Geodetic Control Subcommittee and the Global Positioning System (GPS) Interagency Advisory Committee, NOAA is guiding the Nation's GPS investments to serve military and civilian users. Under a cooperative agreement, NOAA also performs centralized quality control of GPS correction data received from a network of Continuously Operating Reference Stations that operated by other Federal, State, local, academic, and private entities. NOAA also works in close cooperation with the Federal Aviation Administration to perform aeronautical charting responsibilities and on the development of a National Spatial Data Infrastructure.

VI ECONOMIC CONTRIBUTIONS AND OTHER BENEFITS TO THE NATION'S ECONOMIC INFRASTRUCTURE

Commerce programs support the Nation's economic infrastructure in a large number of specific ways. Key ways in which that support is exhibited are described here, within the context of the Theme I goals.

- A. Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee,
- B. Enforce U.S. trade laws and agreements to promote free and fair trade, and
- C. Strengthen and institutionalize trade advocacy efforts, placing special emphasis on the "Big Emerging Markets" and major projects.

By assisting U.S. business and industry in developing and increasing their exporting capabilities and practices, ITA directly supports the Nation's economic infrastructure. ITA plays a central role in formulating and executing the principal components of the Administration's trade agenda, through trade initiatives for American businesses and communities to strengthen our economy and improve our competitiveness and an aggressive approach to opening markets abroad. With the economic information it produces and its high-profile advocacy efforts and business development missions, ITA's activities demonstrate that increased exports equal increased economic growth, opportunities, and jobs; and that, in today's environment of global competition, government can partner effectively with the private sector to boost opportunities for U.S. businesses abroad.

ITA also strives to increase the competitiveness of U.S. business in the world economy by fighting unfair foreign trade barriers and negotiating and implementing both multilateral and bilateral trade agreements. Additionally, ITA is the U.S. government's focal point for increasing market access for non-agricultural U.S. exports. ITA units promote and support exports in the global marketplace by uncovering market access problems, working directly with individual U.S. companies suffering market access difficulties and devising strategies for U.S. government efforts to implement the strategies.

D. Restructure export controls for the twenty-first century.

BXA is ensuring that export controls do not place U.S. firms at a competitive disadvantage in world markets by eliminating outdated controls and streamlining the process for obtaining export licenses for products that remain under control. For example, BXA has released more than \$32 billion worth of exports from validated licensing requirements in recent years. Through BXA's leadership the U.S. will be able to increase the sales of products of high technology when sufficient licensing policy and enforcement mechanisms exist to safeguard them from unauthorized end users and end uses.

E. Maintain a fully effective law enforcement program to protect U.S. national security, foreign policy, nonproliferation of dual-use commodities, counter-terrorism, nonproliferation of chemical and biological weapons, and public safety interests.

BXA's export enforcement arm furthers the Administration's nonproliferation of dual use commodities, counter-terrorism, foreign policy, nonproliferation of chemical and biological weapons, and public safety interests. By enforcing controls on those goods and technologies that contribute to the proliferation of weapons of mass destruction and the efforts of terrorists, BXA can facilitate safe and responsible export growth for our economy. BXA will investigate violations of the implementing legislation and regulations and impose civil sanctions for those violations.

F. Facilitate transition of defense industries.

BXA has taken a leadership role in facilitating the conversion and diversification of U.S. defense industries to commercial production, identifying market opportunities for U.S. defense manufacturers in foreign markets, and intervening at senior levels to help U.S. firms to obtain contracts through Defense Trade Advocacy.

G. Strengthen the public's understanding of the U.S. economy and its competitive position by improving Gross Domestic Product (GDP) and other national, regional, and international economic accounts data.

GDP and other national, regional, and international economic accounts data produced by BEA contribute significantly to the public's understanding of the U.S. economy and its competitive position, and hence are critical to supporting the economic infrastructure. They are the yardsticks of economic performance that are of vital interest to every American who runs a business, invests and creates wealth, saves for retirement, or takes out a mortgage on a house. BEA's statistics are used in formulating and evaluating

national economic policy, in Federal budget planning and formulation, and in the allocation formulae for over \$100 billion in Federal funds annually. They are used by State and local governments for a variety of planning and analytical activities, such as deciding on where to locate new construction projects or determining the local impact of closing a military base or building a new plant. Their use for these purposes and as barometers of U.S. economic conditions influence countless decisions by businesses and private citizens alike.

H. Improve national and local census and survey data through better business practices and public cooperation.

The Bureau of the Census compiles and publishes economic, social, and demographic data on a wide range of topics, such as manufacturing, population, housing, agriculture, and foreign trade. This crucial data provides invaluable insight into the Nation's economic infrastructure. National Statistical Profile data are used by agencies allocating Federal funds to state and local programs, show long-term economic trends, and define Congressional representation. National Performance Indicators are monthly to annual statistics driving today's markets and their analysis of the population.

I. Stimulate the creation of private sector jobs through the growth of industry and the retention or expansion of existing businesses in economically distressed areas.

EDA provides grants to communities for public infrastructure, economic adjustment assistance, planning, and technical assistance, and evaluation research which are critical to a distressed community's capacity to establish a sound economic infrastructure. EDA also provides assistance to communities for the conversion of military bases and defense contractor facilities to civilian uses.

J. Help distressed communities build their capacity to stimulate, maintain, or expand economic growth.

EDA's Economic Adjustment grants help economically-distressed communities by encouraging private investment, facilitating economic recovery from natural disasters, assisting communities adversely affected by Department of Defense downsizing, defense contract cutbacks and Department of Energy realignments.

K. Provide new knowledge, analysis, and technical information which serve both to assess economic development problems and to mobilize non-Federal resources for their solutions at the local level.

EDA's local Technical Assistance grants help communities conduct feasibility and industry studies. National Technical Assistance and Research studies examine the causes of economic distress and propose solutions to counteract and prevent such problems.

L. Improve opportunities for minority-owned businesses in major growth industries according to geographic demands, and

M. Improve the opportunity for minority-owned businesses to pursue financing.

MBDA is mandated to coordinate Federal efforts to develop and strengthen new and existing minority businesses.

Since the global marketplace has become so diverse, the contributions of minority businesses have become increasingly essential. Improving opportunities for minority businesses allows these businesses to help keep America's competitive edge in world markets and provide for the general economy, particularly in minority communities. Every component of the U.S. economy must be effective if our Nation is to thrive in the global marketplace.

Since 1982, MBDA has coordinated and participated with the Small Business Administration in Minority Enterprise Development (MED) Week event. MED Week honors the accomplishments of minority entrepreneurs and the corporate and government groups that support them. MED Week promotes business growth through networking opportunities such as information gathering and interaction with governmental and private sector officials for market development, joint ventures, mentorship, and capital opportunities.

N. Provide technical leadership for the Nation's measurement and standards infrastructure, and assuring the availability of needed measurement capabilities.

The Technology Administration works with U.S. industry to maximize technology's contribution to the Nation's economic infrastructure. It seeks to encourage the development of the technological foundation required to support U.S. industry into the 21st century.

NIST laboratories provide industry and the science and technology community with the "common language" needed in every stage of technical activity. In furthering the technical aims and capabilities of U.S. industry, the NIST laboratory program serves as a source of expertise, developing highly leveraged measurement capabilities and other infrastructural technologies that are beyond the reach of individual companies, needed widely by industry, and likely to have economic impact.

Large and small firms tap the laboratories' technical expertise in many ways. NIST delivers Standard Reference Materials, organized collections of thoroughly evaluated data, and calibration services to businesses, government, and academic organizations. NIST accredits public and private sector testing and measurement laboratories, and participates in (and provides technical support to) more than 800 national

and international standards committees. Studies of the economic impact of NIST laboratory services and research projects show that significant benefits flow back to U.S. society and economy. In the studies completed to date, the median rate of return is 147%, which compares favorably with rates reported in other studies of public investments in technology and on private-sector R&D.

O. Support a nationwide system of manufacturing extension services that will improve the global competitiveness of small manufacturers.

The Manufacturing Extension Partnership (MEP) is a network of manufacturing extension centers located throughout the country. MEP works with local organizations to either establish a new program or expand existing services for smaller manufacturers. The 381,000 small and mid-sized manufacturers in the U.S. account for more than half the total value of U.S. production and employ nearly 12 million people. The MEP provides these manufacturers with access to a wealth of national tools, techniques, and other resources through nearly 700 partnerships with federal agencies, national associations, and other organizations.

Surveys of client firms indicate that MEP centers are fostering significant improvement in client performance, yielding company-estimated benefits that greatly exceed the federal investment in MEP. The Census Bureau now administers a rigorous survey protocol of MEP clients, asking them to report cumulative impacts actually realized as a direct result of MEP services. Impacts are expressed as the difference between what has happened and what would otherwise have occurred in the absence of those services. Preliminary results, which are updated regularly, show significant impacts through job creation and retention, increases in sales, and savings from both lower inventories and reductions in labor and material costs.

P. Assist U.S. businesses in continuously improving their productivity and efficiency utilizing Malcolm Baldrige National Quality Award framework core values, criteria, and assessment methods.

A commitment to quality is no longer an option for American business. It has become a necessity for doing business in today's customer-oriented competitive world market. The Malcolm Baldrige National Quality Award, developed and managed by NIST with the cooperation and financial support of the private sector, was established not only to recognize individual companies for their quality achievements, but also to promote quality awareness and to provide information on successful quality strategies. The Council on Competitiveness has stated that "more than any other program, the Baldrige Quality Award is responsible

for making quality a national priority and disseminating best practice across the United States.” The Council continues “the Baldrige National Quality Award and its state and local offshoots have been key to the effort to strengthen U.S. competitiveness. The annual government investment...is leveraged by over \$100 million of private sector contributions. The impact of the Baldrige Award on the competitiveness of U.S. industry and the dividends it pays to the U.S. economy far exceed [the] investments.”

Q. Stimulate U.S. economic growth by developing high-risk and enabling technologies through industry-driven cost-shared partnerships.

The NIST ATP program is a unique partnership between government and private industry to accelerate the development of high-risk technologies that promise significant commercial pay-offs, an enhanced quality of life, and widespread benefits for the Nation’s economic infrastructure. Since its inception, the ATP has made economic evaluation of the outcomes of ATP projects a central element of its operations. ATP projects are expected to make significant contributions to scientific and technical knowledge, produce new technologies that will be developed and introduced into the marketplace by the awardees, and yield substantial benefits to the economy and American citizens beyond those accruing directly to the award recipients.

Several studies have documented important near-term results of the ATP, including: the pursuit of challenging research projects that would have been delayed or scaled down without the ATP; new commercial opportunities and some early growth based on the new technical capabilities; and, greater use of cooperative research ventures and industrial alliances which can facilitate the rapid diffusion of results of ATP projects throughout an industry. NIST has put into place systematic mechanisms to gather data and provide the analysis as the long-term effects unfold.

R. Coordinate and lead inter-agency efforts to enhance industry competitiveness in partnership with industry, academia and the States.

The competitiveness of U.S. industry is enhanced by Federal partnerships which target U.S. strengths and weaknesses in order to best leverage the billions of dollars that the U.S. invests annually in R&D and technology programs. Government-industry partnerships like the new generation vehicle program leverage Federal dollars to encourage civilian utilization of government laboratories, support expanded exports and job-creation, and allow technology development to be separated from product development, enabling U.S. firms to be more competitive in the long-run.

S. Help protect, promote, and expand intellectual property rights systems throughout the U.S. and abroad.

Intellectual property protection is critical to the U.S. economy and to America's operating in the global economy. By protecting intellectual endeavors and encouraging intellectual progress, the PTO seeks to preserve our Nation's technological edge, which is a key to our current and future competitiveness. Innovation is a national resource that contributes to the Nation's economic base and provides a catalyst for economic prosperity through the accumulation of scientific knowledge and the introduction of new products and services. By ensuring adequate protection for innovations through patents, trademarks and copyrights, the U.S. encourages businesses to risk investment for research, development, and marketing. Consumers benefit from the availability of new/improved products, jobs, and wealth.

The PTO is working to update and make more efficient the U.S. system for protecting patentable innovations to meet the needs of the fast-moving electronic age and to seek agreements with other governments to protect patentable innovations and marks worldwide. This includes the PTO's leadership role in refocusing the World Intellectual Property Organization's programs to take full advantage of modern information technologies to improve patent protection throughout the world; negotiations on the Trademark Law Treaty, the Patent Law Treaty, the Trademark Mailbox proposal; and efforts related to the President's Framework for Global Electronic Commerce, such as developing acceptable legal and procedural regimes for settlement of trademark domain name disputes.

T. Support the development of a National Information Infrastructure (NII) that will be accessible to all Americans.

The information superhighway is a key component of the Nation's economic infrastructure, and through the Telecommunications and Information Infrastructure Assistance Program (TIIAP), NTIA provides matching grant funds to ensure that local communities and non-profit institutions can offer all Americans the benefits of advanced telecommunications technologies. NTIA's National Information Infrastructure (NII) program holds tremendous potential for applications ranging from information dissemination and virtual conferences to gain public input, to common databases available to Federal, State, and local government agencies. NTIA's leadership actions are stimulating private sector interest and investment in the Nation's information infrastructure.

U. Advocate international telecommunications policies to help open international markets and promote U.S. interests.

The field of telecommunications is clearly a very active one across the world, as technology becomes cheaper and more pervasive, and as people, business and industry, governments, and other institutions seek to communicate more rapidly and efficiently with each other. As a world leader in telecommunications, the U.S. has major commercial and public policy interests in advancing the use of telecommunications across the globe. NTIA champions foreign market access by advocating competition and liberalization of telecommunications and information technology policies around the world, participating in international negotiations to open markets for U.S. companies, and negotiating with foreign governments to ensure that there is adequate spectrum for national defense, public safety, and U.S. business interests.

V. Set policies for efficiently and effectively managing the Federal use of the radio spectrum, and prepare for international radio spectrum-setting conferences of the International Telecommunications Union (ITU).

NTIA provides efficient allocation of radio frequency spectrum to the public and private sectors to assure essential services such as air traffic control, defense communications, and law enforcement. In managing the Federal government spectrum, NTIA recently made 235 Mhz of spectrum available to the private sector, which will spur innovation and development of new telecommunications services, and bring billions of dollars into the U.S. treasury. NTIA is a key source of support in the development and deployment of new technologies such as personal communications and millimeter-wave systems.

W. Provide leadership in developing telecommunications policy initiatives in emerging areas of national priority.

The Commerce Department has the lead responsibilities in national telecommunications initiatives, such as the Global Electronic Commerce program. Electronic commerce over the Internet is making profound changes in the global trade of goods and services. Policies must be developed to promote non-regulatory, market-oriented approaches to global electronic commerce to ensure widespread competition and increased consumer choice.

X. Promote safe navigation by revolutionizing U.S. marine and air navigation, mapping, and surveying; assist commercial shipping in moving increased cargoes safely and efficiently; and provide a precise satellite-derived reference system as the basis for the nation's geographical positioning needs.

Modern navigation systems are required for safe and economically viable maritime and air transport. The digital "revolution" in mapping, charting and surveying requires the National Spatial Reference System. In the last 50 years, ship length, width, and draft have doubled, seagoing commerce has tripled, and 50% of that tonnage is oil or other hazardous material, leading to increased risk in the Nation's ports. Yet, one-third of maritime accidents could be avoided by the use of electronic charts, a loss saving of \$3.6 million each day. The cost-effectiveness of electronic charts is 6 times better for that for double hull vessels.

A 1% improvement in the overall efficiency of America's maritime transportation system would translate into more than \$2 billion in savings across our economy within a decade. For example, using real-time current and water level information, revenue increased \$20,000 per shipload of grain exported from Portland, and coal exports from Philadelphia tripled. Ships might avoid delays costing \$3,000 per hour and reap as much as \$24,000 in revenues for each inch of increased draft.

These modern navigational systems allow the Nation to take full benefit from the hundreds of millions of dollars spent annually on dredging and hundreds of millions expected to be spent for vessel traffic systems for major ports. Of equal economic significance, implementation of the National Spatial Reference System provides the required framework for national expenditure for spatial data collection. The marine and air transportation industry, the survey community, engineers and scientists working in the coastal zone, and the general public would all derive benefit from application of the new technologies, products, and services by NOAA under this program.

NOAA's National Ocean Service (NOS) manages ocean and coastal resources and improves quality, quantity, geographic distribution, and timeliness of ocean observations, resulting in aeronautical and nautical charts and supporting documents which are compiled and sold to the public and other Federal agencies. Modern navigational systems are required for safe and economically viable maritime and air transport, critical methods of moving goods produced across the Nation and around the world.

Y. Provide significantly improved short-term warning and forecast products and services that enhance public safety and the economic productivity of the nation by enhancing the ability to observe, understand, and model the environment, and effectively disseminating products and services to users.

Our environment has profound effects on our Nation's human welfare and economic well-being. Eighty-five percent of all Presidentially-declared disasters result from severe weather events that produce considerable loss of life and annual private, public, and industrial property damage, estimated in billions of dollars. NOAA has a unique opportunity to improve our Nation's total environment prediction and warning capabilities.

Advanced short-term warnings and forecasts will result in decreasing our Nation's vulnerability to environmental disturbances which will save hundreds of lives, avert thousands of injuries, and save billions for the economy. The enhanced observations, coupled with the development of advanced models and satellite continuity, will result in earlier, more accurate warnings. Increases in economic efficiency provided by more accurate outlooks of future environmental conditions will provide critical planning information. The sophisticated environmental technologies developed for monitoring these conditions feed into new growth industries and help maintain the Nation's status as a global technology leader.

NOAA's NWS provides weather and flood warnings and forecasts to the general public and other users. NOAA has a unique opportunity to improve our Nation's total environment prediction and warning capabilities for the safety of life and property.

Weather forecasts are essential to the Federal Aviation Administration and commercial aircraft operations. NOAA/NWS and the private weather service industry established a public/private partnership statement delineating the NWS and private sector roles in delivering weather services to the public. This balance is a fundamental strength of the partnership, and has enabled the private meteorological sector to grow to an over \$200 million industry.

Oceanic and Atmospheric Research (OAR) provides the research and technology development necessary to improve NOAA weather services, solar-terrestrial forecasts and marine services, and the scientific basis for national policy decisions in climate change, air quality, and stratospheric ozone depletion. OAR also promotes economic growth through efforts in marine biotechnology and development of environmental observing technologies.

NOAA's National Environmental Satellite, Data, and Information Service (NESDIS) covers procurement and operation of the polar and geostationary environmental observing satellites that provide meteorological data to the National Weather Service for use in developing warnings and forecasts. NESDIS also provides for the future operation of the LANDSAT 7 remote sensing satellite, whose data assist scientists in studying climate and global change.

VII INTERNATIONAL ACTIVITIES RELATED TO THE NATION'S ECONOMIC INFRASTRUCTURE

Many of the Commerce programs supporting the Nation's economic infrastructure have international aspects. The major international activities are cited below, in the context of Theme I goals.

- A. Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee,
- B. Enforce U.S. trade laws and agreements to promote free and fair trade, and
- C. Strengthen and institutionalize trade advocacy efforts, placing special emphasis on the "Big Emerging Markets (BEM)" and major projects.

ITA offices in 70 countries are staffed by commercial officers and foreign service nationals who develop and analyze information on foreign markets and represent U.S. business interests abroad. ITA: (1) identifies trade opportunities for U.S. businesses and products; (2) counsels U.S. business, including sources of trade finance; (3) identifies potential overseas representatives for U.S. firms; (4) develops market research and analysis of trade policy issues; (5) advocates on behalf of U.S. company interests in major projects, procurement, and market access issues; and (6) organizes and manages U.S. trade promotion events.

ITA continues to emphasize trade with the Big Emerging Markets (BEMs) which present exceptional opportunities for U.S. exporters. Advocacy efforts (including trips by Cabinet and Sub-Cabinet officials) have been instrumental in promoting U.S. exports in the BEMs, where clear rules and bid processes are often lacking. To further our relations with the BEMs, U.S. policy makers have concluded agreements with a number of BEMs as well as the NIS to form Business Development Committees and Joint Commissions — cornerstones of ITA's support of the Department's BEMs Initiative. At the same time, ITA can emphasize trade with the BEMs, without losing focus on mature markets — major trade promotion initiatives aimed at increasing the number of U.S. firms exporting to traditional markets, e.g., "Showcase Europe", "Canada First", and the Trans-Atlantic Business Dialogue.

- D. Restructure export controls for the 21st century,
- E. Maintain a fully effective law enforcement program to protect U.S. national security, foreign policy, nonproliferation of dual-use commodities, counter-terrorism, nonproliferation of chemical and biological weapons, and public safety interests, and
- F. Facilitate transition of defense industries.

BXAs activities are essentially international in scope, and encompass all three of these goals.

BXA has taken a lead role in increasing the effectiveness of multilateral control regimes by limiting the scope of U.S. unilateral controls, and concentrating greater attention on effective implementation/harmonization of multilateral non-proliferation control regimes. BXA represents U.S. industry in international efforts to strengthen the Biological Weapons Convention. The U.S. will play a key role in developing policy and implementation plans for the Chemical Weapons Convention (CWC) treaty, especially in the area of commercial facility inspection procedures. BXAs program implementation role provides the U.S. chemical industry with a voice in the development of policies that affect that industry.

BXAs Export Enforcement function reviews export transactions to ensure the “bona fides” of end-users and end-uses. It also works cooperatively with foreign export control officials on export enforcement issues. Export Enforcement also has worked with several countries of the Former Soviet Union (FSU), Central Europe, and East Asia to implement the enforcement arms of their own export control programs. Finally, BXA has export control staff in some Central Europe and East Asia U.S. Embassies, to work with Embassy staffs and host governments on enforcement-related issues.

Export control cooperation includes technical exchanges between U.S. export control officials and their foreign counterparts. These exchanges, which take place both within the U.S. and foreign countries, cover the full range of export control infrastructure development and implementation including: legislation and regulations, licensing processing and procedures, preventive practices, industry-government relations, and systems automation and administration. The result of these activities is to establish a comprehensive and effective export control capability in each country.

BXA is participating in the development of a unified strategy to begin consultations with our allies on offsets in defense trade, as mandated the October 1996 TPCC report. BXA plays a major role in discussions to build key management infrastructure that will support both electronic commerce and public safety needs.

G. Strengthen the public's understanding of the U.S. economy and its competitive position by improving Gross Domestic Product (GDP) and other national, regional, and international economic accounts data.

BEA's participation in international standards-setting organizations helps bring uniformity and higher quality to the international statistical system, which improves the U.S. Government's ability to assess and compare economic developments. Examples of these activities are the United Nations' System of National Accounts and the International Monetary Fund's Balance of Payments Manual. With the implementation of new standards, U.S. measures of economic growth, investment, and trade will be more comparable to those in other nations and will better reflect new and rapidly growing sectors, increased globalization of production and investment, and other features of today's and tomorrow's economy.

The present Standard Industrial Classification (SIC) system — the one on which BEA's GDP and other key accounts data are classified — presents an outdated picture of the organization of economic activity. Work on the North American Industry Classification System (NAICS) was begun in 1992 under OMB and carried forward with our Canadian and Mexican NAFTA partners' statistical agencies. The design of the new system is now complete and it will replace the outdated SIC system in 1997. BEA will work with the Census Bureau and the Bureau of Labor Statistics to oversee the introduction of NAICS in the U.S. and the integration into the accounts of the new data collected using NAICS.

Increased integration in world markets for goods, services, and capital, in combination with major advances in computer and communications technology, have resulted in large gaps in BEA's coverage of international transactions. In recent years, BEA has been closing gaps in coverage through data exchanges with other countries' statistical agencies and with foreign central banks. Efforts to reconcile import and export statistics of other countries with our own have improved U.S. trade data.

BEA, Treasury, and the Federal Reserve System — in cooperation with the International Monetary Fund, the Organization for Economic Cooperation and Development, the Bank for International Settlements, and the other G-7 nations — are working to agree on common definitions to use in collecting consistent data on portfolio investments. Participating countries will modify their data collection systems to improve consistency and fill existing gaps in coverage by exchanging data with each other.

I. Stimulate the creation of private sector jobs through the growth of industry and the retention or expansion of existing businesses in economically distressed areas.

EDA's primary focus is the United States, but assistance is also provided, by legislative mandate, to the Commonwealth of Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Federated States of Micronesia, the Republic of the Marshall Islands, and Guam. In addition, EDA provides assistance to communities in the U.S. that seek to create export-related opportunities.

K. Provide new knowledge, analysis, and technical information which serve both to assess economic development problems and to mobilize non-Federal resources for their solutions at the local level.

Technical assistance to domestic communities has been limited primarily to export related activities. For example, EDA awarded Local Technical Assistance grants to the City of Vineland, NJ to develop a domestic and export marketing program. EDA provided assistance to TradePoint USA in Columbus, OH to establish a Central Ohio Export Development Program of on-line information and training in export management for small and medium sized businesses. EDA also helped the Atlanta Paralympic Organizing Committee forge long-term relationships between the U.S. manufacturers of assistive products and the policy and procurement decision makers in emerging international markets.

The Trade Adjustment Assistance Program helps client firms conduct international market research, comply with foreign safety and performance requirements, and develop capacity to meet ISO-9000, ISO-14000 and other foreign standard requirements.

L. Improve opportunities for minority-owned businesses in major growth industries according to geographic demands, and

M. Improve the opportunity for minority-owned businesses to pursue financing.

Contributions of minority businesses toward America's competitiveness in the global marketplace are important. In improving opportunities for minority-owned businesses, MBDA seeks to assist these businesses to participate actively in the global marketplace and contribute to the U.S. competitiveness. MBDA supports this endeavor through "matchmaker" trade missions with ITA that allow minority businesses to expand their market base internationally.

N. Provide technical leadership for the Nation's measurement and standards infrastructure, and assuring the availability of needed measurement capabilities.

NIST provides leadership in harmonizing international measurements and standards to facilitate international trade. Through its measurement and standards-related services, NIST promotes market efficiencies that provide the means for assessing and demonstrating conformance and for resolving technical disputes. These efforts are especially important for international trade, where technical trade barriers have arisen.

NIST is helping to develop Mutual Recognition Agreements that specify conditions under which testing for conformance with foreign and international standards can be done within the U.S.

In 1994 NIST established a National Voluntary Conformity Assessment System Evaluation Program to evaluate and recognize U.S. testing laboratories, accreditors, certifiers, and quality assurance organizations with demonstrated competence in determining whether products satisfy foreign regulatory requirements.

NIST activities have been formalized by the passage of the National Technology Transfer and Advancement Act (PL 104-113), where Congress has directed NIST to take responsibility to provide public sector leadership in standards and conformity assessment and in working cooperatively with other government agencies and the private sector to support the creation and maintenance of a sound technical infrastructure for the U.S. NIST is in a unique position to provide coordination and policy input for standards and conformity assessment structures and activities in the U.S. and lead the development of a realistic, workable technical infrastructure to support the goal of an effective global market.

S. Help protect, promote, and expand intellectual property rights systems throughout the U.S. and abroad.

The PTO will continue to play a pivotal role in intellectual property rights policy development both at home and abroad. In cooperation with the Office of the U. S. Trade Representative, the State Department, and ITA, the PTO will participate in efforts to improve international standards for the protection of intellectual property. PTO participates actively in WIPO regarding agreements to improve protection for patents, trademarks, and copyrights. Examples of current activities include the Trademark Law Treaty, the Patent Law Treaty, the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

PTO will continue to collaborate with the EPO and the JPO on activities leading to enhanced dissemination of patent information, and shared information on best practices and experiences in processing patent applications and automating systems. PTO also will be working more closely with regional organizations, such as the Asia-Pacific Economic Cooperation (APEC).

U. Advocate international telecommunications policies that will help open international markets and promote the interests of the U.S.,

V. Set policies for efficiently and effectively managing the Federal use of the radio spectrum, and prepare for international radio spectrum-setting conferences of the ITU, and

W. Provide leadership in developing telecommunications policy initiatives in emerging areas of national priority.

NTIA represents the U.S. in all international frequency allocation and standards setting conferences. NTIA promotes development of the Global Information Infrastructure through reduction of regulatory barriers to trade and through bilateral and multilateral negotiations.

Through the Global Electronic Commerce program, NTIA leads discussions with our trading partners regarding the development and implementation of international privacy policies which both protect privacy and support the broadest flow of data over the Internet.

X. Promote safe navigation by revolutionizing U.S. marine and air navigation, mapping, and surveying; assist commercial shipping in moving increased cargoes safely and efficiently; and provide a precise satellite-derived reference system as the basis for the nation's geographical positioning needs.

Ninety eight percent of our international trade, valued at nearly \$500 billion annually, moves through U.S. ports. Real-time water level and current information is needed for safe navigation and to permit increased exports by maximizing use of limited channel depths. Expansion of foreign markets and increased American exports are supported by assuring harbor and airport operations are safe and efficient. NOAA's international leadership in geographical spatial technology will help industry develop markets in Global Positioning equipment and Geographical Information Systems software.

Y. Provide significantly improved short-term warning and forecast products and services that enhance public safety and the economic productivity of the nation by enhancing the ability to observe, understand, and model the environment, and effectively disseminating products and services to users.

NOAA is an international leader in environmental science and technology. NOAA programs advance the interests of the U.S. meteorological, hydrological, geographic and oceanographic communities by accessing international resources and providing vital and timely data for aviation and transportation safety, as well as developing markets for weather forecast technologies and related specialized equipment, software, and systems. Through its international leadership, NOAA advances its mission in cost-effective ways.

The National Weather Service's International Activities Program advances the interests of the U.S. by improving the levels of science, technology, operations and services, which enhance short-term warning and forecast services. As an international leader in scientific research and operational weather forecasting, NOAA's Tropical Prediction Center has been designated as the World Meteorologist Organization Regional Specialized Meteorological Center for tropical storm warnings in the Atlantic and Pacific oceans. In addition, NOAA provides vital timely and accurate data for the aviation industry by supporting the satellite dissemination of the World Area Forecast System data and products.

VIII EXTERNAL FACTORS, AND CURRENT TRENDS AND ISSUES AFFECTING COMMERCE ACTIVITIES SUPPORTING THE NATION'S ECONOMIC INFRASTRUCTURE

All of Commerce's programs supporting the Nation's economic infrastructure must operate in the real world, and must be aware of outside events which will have impacts on them. Major trends and challenges are cited here, in the context of Theme 1 goals.

- A. Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee,
- B. Enforce U.S. trade laws and agreements to promote free and fair trade,
- C. Strengthen and institutionalize trade advocacy efforts, placing special emphasis on the "Big Emerging Markets" and major projects.

ITA has developed a comprehensive, government-wide strategy to meet foreign competition and ensure U.S. companies and workers are able to take advantage of the trade agreements the U.S. has concluded. This strategy includes identification of obstacles to U.S. exports (including failure of foreign governments to implement or comply fully with trade agreements) and plans for removing such obstacles, and marshalling U.S. government resources to eliminate barriers. ITA examines promotional issues — trade finance, advocacy, and efforts to help small business — from the perspective of our competitors, and improves its approaches accordingly for U.S. companies. ITA has also looked ahead to a new frontier of strategic commercial policy issues — bribery and corruption, standards, technical assistance and offsets — which must be addressed now if our firms and workers are to be at the forefront of the world economy in the future.

The world economy continued to grow at a moderate rate at the time this Strategic Plan was being prepared. Estimated world economic growth was at about the same level as the previous year, below potential in the industrial countries as a group, and disappointing in the European Union. In the near term, world growth is expected to accelerate, with a rebound in European growth leading the way. Continued good economic performance in most developing regions and further recovery in the transition economies are also expected.

During the last decade U.S. exports have grown at a rate more than five times higher than the economy as a whole, and export growth accounted for fully one-third of total U.S. growth in the decade. The total number of U.S. jobs supported by exports continues to increase strongly, and wages in export-related jobs averaged more than overall U.S. wages.

While U.S. exports and the jobs dependent on them are growing at a healthy rate, and are projected to continue to outperform the economy as a whole, the overall U.S. trade position has deteriorated in recent years. Since the recession year of 1991 when the U.S. goods and services trade deficit fell, the deficit has grown in each of the last three years.

The U.S. trade deficit is projected to increase somewhat in 1997, but should begin to decrease as U.S. economic growth slows to long term trend levels, the rate of growth of imports decelerates, and economic growth picks up in other industrial countries. Nevertheless, trade deficit levels are unlikely to return to the low levels of 1991. Our demand for imports is strong as U.S. firms globalize their production, and foreign producers find our markets very attractive. Thus, if we are to make strides in lowering the trade deficit, our export growth rate must rise above historic levels. Generating exports — and the jobs dependent on them — must continue to be one of our highest economic priorities.

D. Restructure export controls for the twenty-first century,

E. Maintain a fully effective law enforcement program to protect U.S. national security, foreign policy, nonproliferation of dual-use commodities, counter-terrorism, nonproliferation of chemical and biological weapons, and public safety interests, and

F. Facilitate transition of defense industries.

A principal challenge for BXA is achieving a delicate but critical balance between the protection of U.S. national security and foreign policy interests, and combating the proliferation of weapons of mass destruction, without unduly hindering the growth of U.S. exports. In developing these policies, BXA has taken into account such new security concerns as the proliferation of weapons of mass destruction and terrorist activity that have arisen since the end of the Cold War, while supporting the interests of the exporting community.

The end of the Cold War has led to the decontrol of many previously-controlled dual-use commodities. However, they remain subject to licensing, and effective enforcement of the EAA and EAR remain critical. Additionally, BXA's Export Enforcement arm investigates threats to not only the traditional national security, nonproliferation, and foreign policy controls, but also threats posed by terrorists. It will also have enforcement responsibilities under Chemical Weapons Convention implementing regulations and public safety aspects of the Fastener Quality Act.

Since the break up of the Soviet Union, threats to national and global security are increasingly defined in terms of the threat posed by terrorists groups and rogue states possessing weapons of mass destruction. The break up of the FSU shattered the Soviet central economy and military industrial complex, but that

central economy had served as an effective export control system. The democracies that emerged from the old system recognize the threat posed to themselves and the world, but they lack the capacity to develop and implement an effective export control system. The primary challenge now is to convince them to develop a new, equally effective export control system.

G. Strengthen the public's understanding of the U.S. economy and its competitive position by improving Gross Domestic Product (GDP) and other national, regional, and international economic accounts data.

By eliminating non-core programs and reallocating those resources, BEA has made good progress in improving its economic accounts. However, these efforts have not fully offset general concerns over data accuracy and reliability and their ability to measure changes in the economy. These concerns have been raised by both public and private decision makers. Alan Greenspan, Chairman of the Federal Reserve Board, highlighted them in Congressional testimony: "...the list of shortcomings in U.S. economic data is depressingly long. There are biases in aggregate price indexes, incomplete reporting of international transactions, a significant amount of mere interpolation in the service portion of our national income accounts, uneven coverage of the financial accounts of households and firms, and unreported economic activity." In addition, the National Academy of Sciences has released two studies which explore how U.S. systems for collecting and analyzing data have fallen behind the times. The challenge for BEA is to improve GDP and related data so that these yardsticks of economic performance will continue to reflect accurately the ever-changing economy.

H. Improve national and local census and survey data through better business practices and public cooperation.

Two major challenges provide the opportunity to change the way the Census Bureau does business. First, both Congress and OMB have directed that Census 2000 must be simpler, less costly, and more accurate than the 1990 census. Census 2000 must: count every resident, using easy-to-use forms and new ways to respond; follow an open process that diverse groups can support; eliminate the differential count of racial and ethnic groups; and produce a single result that is accurate.

Second, Census 2000 must achieve the highest levels of quality, by ensuring that its products and services meet/exceed customer expectation, and are appropriate for end users.

- I. Stimulate the creation of private sector jobs through the growth of industry and the retention or expansion of existing businesses in economically distressed areas,
- J. Help distressed communities build their capacity to stimulate, maintain, or expand economic growth, and
- K. Provide new knowledge, analysis, and technical information which serve both to assess economic development problems and to mobilize non-Federal resources for their solutions at the local level.

Under EDA's current statutory criteria, 39% of the country, with 34% of the population, is eligible for EDA assistance because of high unemployment, high poverty, or low per capita income. Under eligibility criteria proposed in EDA reauthorization legislation currently under consideration in Congress, almost 38% of the Nation's population would be eligible for assistance because of high unemployment or low per capita income. Recent appropriation levels allow EDA to provide economic development assistance to only a fraction of the distressed communities that are eligible for funding. The challenge to EDA is to provide assistance as efficiently and effectively as possible to address the greatest need with limited resources.

As the Federal government delegates some of its responsibilities — such as resulted from welfare reform — to local communities, the need to build local capacity grows. Planning and local technical assistance to distressed communities is out-paced by the needs of communities to manage the new burdens as well as facing the challenges of an economy that is increasingly technology-based and globally-linked.

NAFTA and GATT/WTO have resulted in increased imports that, in turn, augment significantly the client caseloads for EDA's Trade Adjustment Assistance Program. In addition to greater demand for assistance in restructuring plans and operations, firms injured by increased imports will need more specialized assistance, including assistance in adopting greater technology.

EDA's programs are flexibly designed to enable the agency to address the widespread need for economic development and to target its funds to the most distressed areas of the Nation. An agency analysis determined that 94% of Public Works projects were made to communities with unemployment at least one percent above the national average, per capita income less than 80% of the national average, or both. EDA's support of America's communities is bolstered by a large national network of partnerships with local delivery organizations, including 320 economic development districts that prepare regional economic development strategies, 61 Native American planning districts, 68 University Centers that utilize academic expertise to provide technical assistance to local communities, state and urban planning offices, and 12 independent regional Trade Adjustment Assistance Centers.

L. Improve opportunities for minority-owned businesses in major growth industries according to geographic demands, and

M. Improve the opportunity for minority-owned businesses to pursue funding.

Recent efforts to dismantle federal affirmative action programs provide a serious challenge to MBDA's efforts to improve opportunities for minority-owned businesses. These efforts make it difficult to provide minority entrepreneurs with the unique information and management capacity that facilitate minority business's contributions to America's competitiveness in the global economy, thus threatening the creation of jobs in the general economy, particularly in minority communities, and constraining the minority community from generating substantial Federal tax revenue.

N. Provide technical leadership for the Nation's measurement and standards infrastructure, and assuring the availability of needed measurement capabilities.

A central mission of the NIST laboratory program is to continually improve the U.S. system of measurement needed by industry and science. NIST facilities in Gaithersburg, Maryland and Boulder, Colorado, currently valued at \$3 billion, were built 30 to 40 years ago, and house laboratories that conduct advanced research in areas such as semiconductor electronics, biotechnology, manufacturing engineering, atomic scale physics, computer science, and advanced materials. The combination of advancing age and increasingly sophisticated needs has made NIST's current facilities inadequate for providing U.S. industry with key technology, measurements, and standards in those areas, some of which (microprocessors, lasers, biotechnology, nanomaterials) were undreamed of when NIST facilities were built. NIST facilities lack the high-quality environmental system controls needed to make precision measurements under predictable, stable conditions. The deterioration and obsolescence of the NIST laboratories is a critical issue that must be addressed.

P. Assist U.S. businesses in continuously improving their productivity and efficiency utilizing Malcolm Baldrige National Quality Award framework core values, criteria, and assessment methods.

NIST is the focal point for quality and business performance in the U.S., and is aware that the performance of organizations in health care and education lags that of the Nation's top businesses. NIST has the opportunity to positively impact these fields, while at the same time improving the delivery of both services to the public. Improved performance in these fields would help U.S. businesses as well,

since the cost of health care for employees is a major concern of U.S. businesses and it contributes to the price of U.S. goods and services. Today's workplace increasingly requires multi-disciplinary and technological skills. The health care and education communities see the need for quality improvement and welcome the Baldrige approach. Extending the Baldrige program to these sectors will require that it be adapted to the unique characteristics which make these sectors different from business, and it will require expanded legislative support.

R. Coordinate and lead inter-agency efforts to enhance industry competitiveness in partnership with industry, academia and the states.

The United States Innovation Partnership (USIP) creates a new working relationship between the States and Federal agencies with science and technology missions, to stimulate technology-intensive, state-based economic growth, high quality jobs, and globally competitive businesses by promoting innovation in the American economy. The USIP redefines the Federal/State relationship by changing the Federal science and technology system into a national innovation system. USIP is an interactive partnership to develop a national innovation system that can sustain long-term economic growth and rising living standards for all Americans.

Through the partnership, the States and the Federal government can collectively and more productively address such issues as: streamlining regulatory review of environmental technologies, linking high-tech entrepreneurs and investors through the virtual network on the World Wide Web, making Federal science and technology resources accessible to local governments and inventors, and facilitating electronic commerce and telemedicine.

S. Help protect, promote, and expand intellectual property rights systems throughout the U.S. and abroad.

As American businesses expand their operations across national boundaries, there is a greater demand for global patent and trademark protection. PTO is exploring potential opportunities for enhancing global protection of intellectual property with its Trilateral partners (the European and Japanese Patent Offices) and with the World Intellectual Property Organization.

T. Support the development of a National Information Infrastructure (NII) that will be accessible to all Americans.

Information technology and telecommunications sectors are both dynamic growth sectors themselves, and also engines of development and economic growth in other sectors of the economy. Telecommunications products and services make factories more efficient, speed the creation of new and better goods and services, develop new jobs and markets, and increase trade. A primary goal of NTIA is to support the Administration's intention to make the benefits of the NII available to this Nation's schools, libraries, and other public institutions by the year 2000.

U. Advocate international telecommunications policies that will help open international markets and promote the interests of the U.S.

NTIA represents the U.S. position in all international frequency allocation and standards setting conferences. NTIA promotes development of the Global Information Infrastructure (GII) through reduction of regulatory barriers to trade and through bilateral and multilateral negotiations.

V. Set policies for efficiently and effectively managing the Federal use of the radio spectrum, and prepare for international radio spectrum-setting conferences of the ITU.

The radio frequency spectrum is an extremely limited, but highly sought-after resource. NTIA promotes efficient usage through technical and economic means and promotion of technological innovation. NTIA assesses spectrum usage, identifies areas where spectrum can be shared between government and private sector uses, and identifies spectrum that can be shifted to other priority uses.

W. Provide leadership in developing telecommunications policy initiatives in emerging areas of national priority.

The Internet, developed and made accessible to broad public use a relatively short time ago, has captured the imagination of business and industry, researchers, consumers, and simply curious people in this country and around the world. The use of the Internet literally expands daily as new information is posted and new users come on line. But the astonishing capacity, flexibility, and pervasiveness of the Internet can also allow for improper or restrictive use, and thus the need for protection arises. Initiatives such as the Global Electronic Commerce program are intended to protect users and support consistent domains in this country and overseas.

X. Promote safe navigation by revolutionizing U.S. marine and air navigation, mapping, and surveying; assist commercial shipping in moving increased cargoes safely and efficiently; and provide a precise satellite-derived reference system as the basis for the Nation's geographical positioning needs.

By 2005, merchant ships, naval vessels, fishing vessels, and recreational boats will safely ply our coastal waters, electronically guided by space-based navigation and advanced information technologies. NOAA will revolutionize U.S. marine and air navigation, mapping and surveying and assist commercial shipping in moving increased cargoes through U.S. ports and harbors with unsurpassed safety and efficiency. While maritime navigation will always be hazardous, the new technologies promise significantly to reduce the risk of accidents and spills.

Key factors will influence NOAA's ability to achieve the goal of promoting safe navigation, among these being the rate at which change should occur and the ability of the Federal government to support these changes. Essential Federal roles, including ensuring safety of the public, protection of the environment, and viability of the means to move commerce, must be carried out efficiently. These services are even more vital today than they have been in the past, considering the impacts on transportation, defense, international trade and public works. NOAA must position itself to discharge its responsibilities effectively, while recognizing that: U.S. exports are expected to grow from about 22% of GDP today to over 30% in the year 2000, yet products and services are growing inadequate due to the lack of essential maintenance; productivity gains from new navigation and positioning technology will rapidly change user needs, and; demand for geographic information to guide economic development is increasing.

Y. Provide significantly improved short-term warning and forecast products and services that enhance public safety and the economic productivity of the nation by enhancing the ability to observe, understand, and model the environment, and effectively disseminating products and services to users.

NOAA improves our Nation's environmental prediction and warning capabilities for the safety of life and property. As we head into the 21st century, benefits and service improvements in natural hazard warnings will be realized through enhanced observations and predictions, made possible by the development and implementation of new observing systems, and the development of data crucial to improving warnings and forecasts. These improvements enhance national capabilities to mitigate the impacts of environmental events, to reduce catastrophic impacts of natural disasters, and to improve economic productivity of the Nation.

While NOAA provides the information needed to make informed decisions, the public must understand how to utilize and act on this information. Because the manner in which the public responds to weather information is not under NOAA's control, education and awareness are important keys to successfully achieving the outcome of advancing short-term warnings and forecasts. In addition, NOAA must continue to nurture the unique partnership which exists between the National Weather Service and the private meteorological sector for the provision of weather and climate services to the public and industry. This balance is a fundamental strength of the partnership, and has enabled the private meteorological sector to grow to an over \$200 million industry.