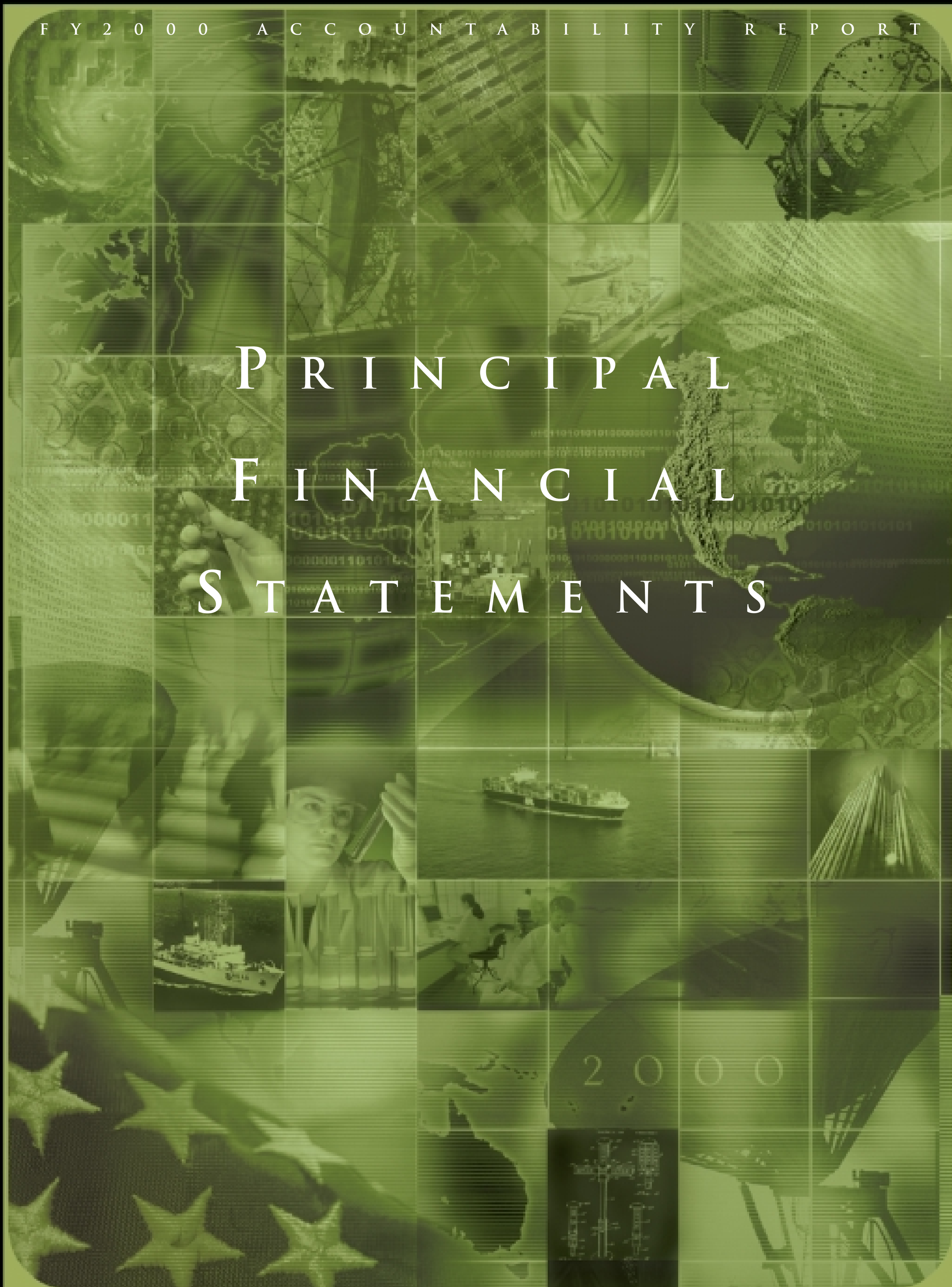
PRINCIPAL FINANCIAL STATEMENTS



United States Department of Commerce Consolidated Balance Sheet
As of September 30, 2000 *(In Thousands)*

ASSETS

Intragovernmental:	
Fund Balance with Treasury (Note 2)	$ 5,894,185
Accounts Receivable, Net (Note 3)	82,448
Investments in Treasury Securities, Net (Note 4)	3,603
Advances and Prepayments (Note 5)	4,296
Total Intragovernmental	**5,984,532**
Cash (Note 6)	23,051
Accounts Receivable, Net (Note 3)	62,502
Loans Receivable and Related Foreclosed Property, Net (Note 7)	272,786
Inventory, Materials and Supplies (Note 8)	102,727
General Property, Plant, and Equipment, Net (Note 9)	4,103,710
Advances and Prepayments (Note 5)	24,777
Other (Note 10)	17,543
TOTAL ASSETS	**$10,591,628**

LIABILITIES

Intragovernmental:	
Accounts Payable	$142,824
Debt to Treasury (Note 12)	155,584
Resources Payable to Treasury (Note 13)	83,988
Unearned Revenue (Note 14)	288,035
Other (Note 15)	63,557
Total Intragovernmental	**733,988**
Accounts Payable	713,249
Accrued Payroll and Annual Leave (Note 16)	330,110
Actuarial FECA Liability and NOAA Corps Employee Retirement Benefits (Note 17)	489,745
Environmental Cleanup Costs Liabilities (Note 18)	70,791
Capital Lease Liabilities (Note 19)	47,752
Unearned Revenue (Note 14)	446,437
Other (Note 15)	32,253
TOTAL LIABILITIES	**$ 2,864,325**

Commitments and Contingencies (Note 21)

NET POSITION

Unexpended Appropriations (Note 22)	$ 3,778,730
Cumulative Results of Operations (Note 22)	3,948,573
TOTAL NET POSITION	**$ 7,727,303**
TOTAL LIABILITIES AND NET POSITION	**$10,591,628**

The accompanying notes are an intregral part of these statements.

United States Department of Commerce Consolidating Statement of Net Cost
For the Year Ended September 30, 2000 *(In Thousands)*

COSTS (Note 23):	NOAA	USPTO	ESA	TA	Other Bureaus	Departmental Management	Combined Totals	Intra-Commerce Eliminations	Consolidated Totals
Strategic Goal 1: Provide the Information and the Framework that Enables the Economy to Operate Efficiently and Equitably									
Intragovernmental	$ -	$ -	$917,722	$ -	$ 184,885	$ 55,802	$ 1,158,409	$ (58,382)	$ 1,100,027
With the Public	-	-	3,622,767	-	720,479	21,742	4,364,988	-	4,364,988
Total	-	-	4,540,489	-	905,364	77,544	5,523,397	(58,382)	5,465,015
Less: Earned Revenues	-	-	(176,198)	-	(45,352)	(57,268)	(278,818)	58,382	(220,436)
Net Program Costs	-	-	4,364,291	-	860,012	20,276	5,244,579	-	5,244,579
Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness									
Intragovernmental	-	200,866	-	103,291	-	55,804	359,961	(61,126)	298,835
With the Public	-	710,462	-	698,911	40,318	21,742	1,471,433	-	1,471,433
Total	-	911,328	-	802,202	40,318	77,546	1,831,394	(61,126)	1,770,268
Less: Earned Revenues	-	(956,556)	-	(149,320)	-	(57,268)	(1,163,144)	61,126	(1,102,018)
Net Program Costs	-	(45,228)	-	652,882	40,318	20,278	668,250	-	668,250
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth									
Intragovernmental	417,442	-	-	-	-	55,804	473,246	(67,430)	405,816
With the Public	2,338,237	-	-	-	-	21,743	2,359,980	-	2,359,980
Total	2,755,679	-	-	-	-	77,547	2,833,226	(67,430)	2,765,796
Less: Earned Revenues	(306,105)	-	-	-	-	(57,269)	(363,374)	67,430	(295,944)
Net Program Costs	2,449,574	-	-	-	-	20,278	2,469,852	-	2,469,852
Costs Not Assigned to Programs									
Intragovernmental	-	-	-	-	2,062	-	2,062	-	2,062
With the Public	-	-	-	-	2,283	-	2,283	-	2,283
Total	-	-	-	-	4,345	-	4,345	-	4,345
Less: Earned Revenues Not Attributed to Programs	-	-	-	-	(2,256)	-	(2,256)	-	(2,256)
Net Costs Not Assigned to Programs	-	-	-	-	2,089	-	2,089	-	2,089
NET COST OF OPERATIONS	**$ 2,449,574**	**$ (45,228)**	**$ 4,364,291**	**$ 652,882**	**$ 902,419**	**$ 60,832**	**$ 8,384,770**	**$ -**	**$ 8,384,770**

The accompanying notes are an intregral part of these statements.

United States Department of Commerce Consolidating Statement of Changes in Net Position
For the Year Ended September 30, 2000 *(In Thousands)*

	NOAA	USPTO	ESA	TA	Other Bureaus	Departmental Management	Intra-Commerce Eliminations	Consolidated Totals
Net Cost of Operations	$ (2,449,574)	$ 45,228	$ (4,364,291)	$ (652,882)	$ (902,419)	$ (60,832)	$ -	$ (8,384,770)
Financing Sources :								
Appropriations Used	2,297,948	(2,980)	4,351,282	636,818	884,905	53,598	-	8,221,571
Other Non-Exchange Revenues	5,151	-	-	-	1,003	-	-	6,154
Donations	-	-	-	-	-	1,549	-	1,549
Imputed Financing	57,639	22,827	39,644	14,563	11,685	5,145	-	151,503
Transfers - In	10,877	-	-	250	578	-	-	11,705
Transfers - Out	(19,360)	-	-	-	(7,047)	-	-	(26,407)
Other	1,594	-	(724)	433	(398)	(173)	-	(732)
Net Results of Operations	(95,725)	65,075	25,911	(818)	(11,693)	(713)	-	(17,963)
Prior Period Adjustments (Note 22)	44,336	-	(4,836)	(212)	(4,524)	-	-	34,764
Net Change in Cumulative Results of Operations	(51,389)	65,075	21,075	(1,030)	(16,217)	(713)	-	16,801
Increase (Decrease) in Unexpended Appropriations	146,116	-	463,596	10,745	(81,436)	1,506	-	540,527
Change in Net Position	94,727	65,075	484,671	9,715	(97,653)	793	-	557,328
Net Position - Beginning of Period (Note 22)	4,188,057	364,471	319,805	958,622	1,334,206	4,814	-	7,169,975
Net Position - End of Period	**$ 4,282,784**	**$ 429,546**	**$ 804,476**	**$ 968,337**	**$ 1,236,553**	**$ 5,607**	**$ -**	**$ 7,727,303**

The accompanying notes are an integral part of these statements.

United States Department of Commerce Combined Statement of Budgetary Resources
For the Year Ended September 30, 2000 *(In Thousands)*

BUDGETARY RESOURCES:	
Budget Authority	$ 8,977,134
Unobligated Balances - Beginning of Period	974,550
Net Transfers Prior-Year Balance, Actual	7,119
Spending Authority from Offsetting Collections	2,324,223
Adjustments (Note 24)	(168,841)
Total, Budgetary Resources	**$12,114,185**

STATUS OF BUDGETARY RESOURCES:	
Obligations Incurred	$ 10,797,490
Unobligated Balances - Available	1,172,026
Unobligated Balances - Not Available	144,669
Total, Status of Budgetary Resources	**$12,114,185**

OUTLAYS:	
Obligations Incurred	$ 10,797,490
Less: Spending Authority from Offsetting Collections and Adjustments	(2,468,949)
Obligated Balance, Net - Beginning of Period	3,796,812
Obligated Balance Transferred, Net	-
Less: Obligated Balance, Net - End of Period	(4,171,672)
Total Net Outlays	**$ 7,953,681**

The accompanying notes are an intregral part of these statements.

United States Department of Commerce Combined Statement of Financing
For the Year Ended September 30, 2000 *(In Thousands)*

Resources Used to Finance Activities	
Budgetary	
Obligations Incurred	$10,797,490
Less: Spending Authority from Offsetting Collections and Adjustments	(2,468,949)
Net Budgetary Resources Used to Finance Activities	8,328,541
Non-budgetary	
Financing Imputed for Cost Subsidies	151,503
Exchange Revenue Not in the Budget	(2,738)
Other	4,938
Net Non-budgetary Resources Used to Finance Activities	153,703
Total Resources Used to Finance Activities	**$8,482,244**
Resources Used That Do Not Finance Components of Net Cost of Operations	
Net Increase in Obligations Incurred for Goods, Services, and Benefits Ordered But Not Yet Received or Provided	(347,279)
Budgetary Offsetting Collections That Do Not Affect Net Cost of Operations:	
Net Increase in Revenue Collected in Advance	300,152
Credit Program Collections that Increase Liabilities for Loan Guarantees or Allowance for Subsidy Cost	2,458
Collections that Decrease Assets Unrelated to Exchange Revenue	10,288
Adjustments Made to Compute Net Budgetary Resources That Do Not Affect Net Cost of Operations:	
Net Increase in Unfilled Customer Orders	75,090
Resources that Finance the Acquisition of Assets	(538,087)
Resources that Finance Costs Recognized in Prior Periods	(14,763)
Other	776
Total Resources Used That Do Not Finance Components of Net Cost of Operations	**(511,365)**
Components of Net Cost of Operations That Do Not Require or Generate Resources	
Depreciation and Amortization	526,798
Net Losses (Gains) on Dispositions of Assets	698
Revaluation of Assets and Liabilities	5,163
Exchange Revenue That Does Not Generate Resources	(250,273)
Other	522
Total Components of Net Cost of Operations That Do Not Require Resources	**282,908**
Financing Sources Yet to be Provided	**130,983**
Net Cost of Operations	**$8,384,770**

The accompanying notes are an intregral part of these statements.

Notes to the Financial Statements

(In Thousands)

Note 1 Summary of Significant Accounting Policies

A Reporting Entity

The Department of Commerce (hereinafter referred to as the Department) is a cabinet agency of the executive branch of the U.S. Government, established in 1903 to promote American business and trade. The Department's broad range of responsibilities includes predicting the weather, granting patents and registering trademarks, measuring economic growth, gathering and disseminating statistical data, expanding U.S. exports, developing innovative technologies, helping local communities improve their economic development capabilities, promoting minority entrepreneurial activities, and monitoring the stewardship of national assets. The Department comprises 13 bureaus, Emergency Oil and Gas and Steel Loan Guarantee Programs, and Departmental Management (formerly General Administration).

For the Consolidating Statements of Net Cost and Changes in Net Position, some of the Department's entities have been grouped together, based on their organizational structures, as follows:

- **National Oceanic and Atmospheric Administration (NOAA)**

- **U.S. Patent and Trademark Office (USPTO)**

- **Economics and Statistics Administration (ESA)**
  - Bureau of Economic Analysis (BEA)
  - Bureau of the Census (Census)

- **Technology Administration (TA)**
  - National Institute of Standards and Technology (NIST)
  - National Technical Information Service (NTIS)

- **Other Reporting Entities**
  - Bureau of Export Administration (BXA)
  - Economic Development Administration (EDA)
  - International Trade Administration (ITA)
  - Minority Business Development Agency (MBDA)
  - National Telecommunications and Information Administration (NTIA)
  - Emergency Oil and Gas and Steel Loan Guarantee Programs (ELGP)

- **Departmental Management (DM)**
  - Franchise Fund
  - Gifts and Bequests (G&B)
  - Office of the Inspector General (OIG)
  - Salaries and Expense (S&E)
  - Working Capital Fund (WCF)

B Basis of Accounting and Presentation

The Department's fiscal year ends September 30. These financial statements reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. Budgetary accounting is designed to recognize the obligation of funds according to legal requirements, which, in many cases, is made prior to the occurrence of an accrual-based transaction. Budgetary accounting is essential for compliance with legal constraints and controls over the use of Federal funds.

These financial statements have been prepared from the accounting records of the Department in conformance with generally accepted accounting principles (GAAP) and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Bulletin No. 97-01, as amended. GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is the official accounting standards setting body for the Federal Government.

C Elimination of Intra-Commerce Transactions and Balances

Transactions and balances among the Department's entities have been eliminated from the Consolidated Balance Sheet and the Consolidating Statements of Net Cost and Changes in Net Position. As provided for by OMB Bulletin No. 97-01, as amended, the Statements of Budgetary Resources and Financing are presented on a combined basis; intra-Commerce transactions and balances have therefore not been eliminated from these statements.

D Assets

Intragovernmental Assets are those assets that arise from transactions with other Federal entities.

Non-Entity Assets are held by the Department but are not available for use in its operations. These assets are disclosed in Note 11, with the corresponding liability categories.

E Fund Balance with Treasury

Fund Balance with Treasury is the aggregate amount of funds in the Department's accounts with the U.S. Department of the Treasury (Treasury). Deposit Funds represents the amounts held in customer deposit accounts.

Treasury processes cash receipts and disbursements for the Department's domestic operations. Cash receipts and disbursements for the Department's overseas operations are primarily processed by the U.S. Department of State's financial service centers.

F Investments in Treasury Securities, Net

Investments in Treasury securities are reported at their acquisition cost, less the accumulated amortization of discounts. Discounts are amortized into interest income over the life of the Treasury security using the straight-line method. The Department intends to hold these investments until maturity.

G Accounts Receivable, Net

Accounts Receivable are recognized primarily when the Department performs reimbursable services or sells goods. Accounts Receivable are reduced to net realizable value by an Allowance for Uncollectible Accounts. This allowance is estimated periodically using methods such as the identification of specific delinquent receivables, and the analysis of aging schedules and historical trends adjusted for current market conditions.

H Advances and Prepayments

Advances are payments the Department has made to cover a part or all of a recipient's anticipated expenses or as advance payments for the cost of goods and services to be acquired. For grant awards, the grant recipient is required to periodically (monthly or quarterly) report the amount of costs incurred. Prepayments are payments the Department has made to cover certain periodic expenses before those expenses are incurred, such as subscriptions and rent.

I Loans Receivables and Related Foreclosed Property, Net

A direct loan is recorded as a receivable after the Department disburses funds to the borrower. The Department has also made loan guarantees with respect to the payment of all or part of the principal or interest on debt obligations of a non-Federal borrower to a non-Federal lender. A borrower-defaulted loan guaranteed by the Department is recorded as a receivable from the borrower after the Department disburses funds to the lender.

Foreclosed Property is acquired primarily through foreclosure and voluntary conveyance, and is recorded at the fair market value at the time of acquisition.

Interest Receivable represents interest income earned on rescheduled Loans Receivable and/or for the first 180 days outstanding on past-due loans. The Interest Receivables pertaining to days in excess of 180 days outstanding on past-due loans that are determined to be uncollectible is not recorded in the Department's financial statements.

The amounts recorded for Loans Receivable and Related Foreclosed Property, Net are not the amounts that the Department would expect to receive if these Loans Receivable were sold.

Direct Loans and Loan Guarantees Obligated before October 1, 1991 (pre-FY 1992):

Receivables are reduced by an Allowance for Loan Losses, which is based on an analysis of each loan's outstanding balance. The value of each receivable, net of any Allowance for Loan Losses, is supported by the values of pledged collateral and other assets available for liquidation, and by the Department's analysis of financial information of parties against whom the Department has recourse for the collection of these receivables.

The Economic Development Revolving Fund is required to make annual interest payments to Treasury, after each fiscal year-end, based on its outstanding receivables at September 30.

Direct Loans and Loan Guarantees Obligated after September 30, 1991 (post-FY 1991)

Post-FY 1991 obligated direct loans and loan guarantees and the resulting receivables are governed by the Federal Credit Reform Act of 1990 (FCRA).

For direct or guaranteed loans disbursed during a fiscal year, a subsidy cost is initially recognized. Subsidy costs are intended to estimate the long-term cost to the U.S. Government of its loan programs. The subsidy cost equals the present value of estimated cash outflows over the lives of the loans, minus the present value of estimated cash inflows, discounted at the applicable Treasury interest rate. Administrative costs such as salaries and legal fees are not included in the subsidy costs. Subsidy costs can arise from interest rate differentials, interest subsidies, delinquencies and defaults, loan origination and other fees, and other cash flows. The Department calculates its subsidy costs based on a model created by OMB.

Loans Receivable are recorded at the present value of the estimated cash inflows less cash outflows. The difference between the outstanding principal of the loans and the present value of their net cash inflows is recorded as the Allowance for Subsidy Cost. The Allowance for Subsidy Cost is reestimated annually, as of September 30. The Financing Account within the Department's Fishing Vessel Obligation Guarantees program receives interest from Treasury, based on an average daily balance formula.

J Notes Receivable

Notes Receivable, included in Other Assets, arise through the sale of foreclosed property to non-Federal parties. The property is used as collateral and an Allowance for Uncollectible Amounts is established if the collateral is not adequate. An analysis of the collectibility of receivables is performed periodically. Any gains realized through the sale of foreclosed property are initially deferred and recognized in proportion to the percentage of principal repaid.

K Inventory, Materials and Supplies

Inventory, Materials, and Supplies are stated at the lower of cost or net realizable value, primarily under the weighted average and first-in, first-out methods, and are adjusted for the results of periodic physical inventories. There are no restrictions on their sale, use, or disposition.

L General Property, Plant, and Equipment, Net

General Property, Plant, and Equipment (PP&E) is any capital asset used in providing goods or services. PP&E is stated at full cost, including all costs related to acquisition, delivery, and installation, less Accumulated Depreciation. PP&E also includes assets acquired through capital leases, which are initially recorded at the amount recognized as a liability for the capital lease at its inception.

Capitalization Thresholds: The Department's policy is to capitalize PP&E if the initial acquisition price is $25 or more and the useful life is two years or more. NOAA is an exception to this policy, having a capitalization threshold of $200. PP&E with an acquisition cost less than the capitalization threshold is expensed when purchased. When the purchase of a large quantity of items, each costing less than the capitalization threshold, would materially distort the amount of costs reported in a given period, such a purchase can be capitalized as a group.

Depreciation: Depreciation is expensed on a straight-line basis over the estimated useful life of the asset with the exception of a Leasehold Improvement, which is depreciated over the remaining life of the lease or over the useful life of the improvement, whichever is shorter. Land and Construction-in-Progress are not depreciated.

Real Property: General Services Administration (GSA) provides most of the facilities in which the Department operates, and charges rent based on comparable commercial rental rates. Accordingly, GSA-owned properties are not included in the Department's PP&E. The Department's real property consists primarily of facilities for NIST and NOAA.

***Construction-in-Progress*:** Costs for the construction, refurbishment, modification, or modernization of PP&E are initially recorded as Construction-in-Progress. Upon completion of the work, the costs are transferred to the appropriate PP&E account for capitalization.

Satellites and Weather Systems Personal Property: NOAA is undergoing a major modernization effort to improve the quality and reliability of its weather measuring and monitoring systems.

M Liabilities

A liability for Federal accounting purposes is a probable and measurable future outflow or other sacrifice of resources as a result of past transactions or events. Intragovernmental Liabilities arise from transactions with other Federal entities.

Liabilities Not Covered by Budgetary Resources, disclosed in Note 20, result from the receipt of goods or services, or the occurrence of events, for which budgetary resources are not currently available. A liability cannot be paid absent budgetary resources, and there is no certainty that budgetary resources will be provided. The Federal government, acting in its sovereign capacity, can abrogate those liabilities of the Department that arise for reasons other than through contracts.

Accounts Payable: Accounts Payable are amounts owed for goods and services received, progress in contract performance by others, grants awarded, and other expenses due.

Unearned Revenue: Unearned Revenue is the portion of monies received for which goods and services have not yet been provided or rendered by the Department. Revenue is recognized as reimbursable costs are incurred, and the Unearned Revenue balance is reduced accordingly. Unearned Revenue also includes the balances of customer deposit accounts held by the Department.

Debt to Treasury: The Department has borrowed funds from Treasury for its Fisheries Finance Fund direct loan program and Fishing Vessel Obligation Guarantee Program. To simplify interest calculations, all borrowings are dated October 1. Interest rates are based on a weighted average of rates during the term of the of borrowed funds. The weighted average rate for each cohort's borrowing is recalculated at the end of each fiscal year during which disbursements are made. Annual interest payments on unpaid principal balances as of September 30 are required. Principal repayments are required only at maturity, but are permitted at any time during the term of the loan. The Department's primary financing source for repayments of Debt to Treasury is the collections of principal on the associated Loans Receivable. Balances of any borrowed but undisbursed funds will earn interest at the same rate used in calculating interest expense.

Resources Payable to Treasury: Resources Payable to Treasury includes Liquidating Fund assets in excess of liabilities that are being held as working capital for the following loan programs: the Federal Ship Financing Fund, Fishing Vessel Obligation Guarantee Program, and the Fisheries Finance Fund. These liabilities are required to be paid only when the loan programs fully complete their activities and terminate their operations. These programs continue to operate, and the Liquidating Fund's net assets therefore are not currently payable. Resources Payable to Treasury also includes amounts payable to Treasury for custodial activity, described in Note 26.

Accrued Payroll and Annual Leave; Accrued Benefits: These categories include salaries, wages, and benefits earned by employees, but not disbursed as of September 30. Annually, as of September 30, the balances of Accrued Annual Leave are adjusted to reflect current pay rates. Sick leave and other types of non-vested leave are expensed as taken. Accrued Benefits are included in Intragovernmental Other Liabilities.

Accrued FECA Liability: The Federal Employees Contribution Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S. Department of Labor (Labor), which pays valid claims against the Department and subsequently seeks reimbursement from the Department for these paid claims. Accrued FECA Liability, included in Other Liabilities, represents amounts due to Labor for claims it paid on behalf of the Department.

Capital Lease Liabilities: Capital Leases are leases for PP&E that transfer substantially all the benefits and risks of ownership to the Department.

Environmental Cleanup Costs Liabilities: NIST operates a nuclear reactor licensed by the U.S. Nuclear Regulatory Commission, in accordance with NIST's mission of setting standards and examining new technologies. The Department currently estimates the cost of decommissioning this facility to be $40,640. This amount is being accrued as a liability on a straight-line basis over the expected life of the facility of 56 years. Under current legislation, funds to cover the expense of decommissioning the facility's nuclear reactor should be requested in a separate appropriation when the decommissioning date becomes relatively certain.

The Department has incurred cleanup costs related to the costs of removing, containing, and/or disposing of hazardous waste from facilities used by NOAA. The Department has estimated its liability for environmental cleanup costs at all NOAA-used facilities; it does not, however, recognize a liability for environmental cleanup costs for NOAA-used facilities that are less than $25 per project. Where an estimate of cleanup costs includes a range of possible costs, the most likely cost is reported. Where no cost is more likely than another, the lowest estimated cost in the range is reported. The liability is reduced as progress payments are made.

NOAA Corps Employee Retirement Benefits: These liabilities are recorded at the actuarial present value of projected benefits, calculated annually as of September 30. The actuarial cost method used to determine these liabilities is the aggregate entry age normal method. Under this method, the actuarial present value of projected benefits is allocated on a level basis over the earnings or the service of the group between entry age and assumed exit ages. The portion of this actuarial present value allocated to the valuation year is called the normal cost. Actuarial gains and losses, and prior and past service cost, if any, are recognized immediately in the year they occur, without amortization. The actuarial calculations use U.S. Department of Defense Retirement Board economic assumptions for investment earnings on Federal securities, annual basic pay increases, and annual inflation, as used by the U.S. Military Retirement System. Demographic assumptions appropriate to covered personnel are also used. For background information about these plans, see section Q: Employee Retirement Benefits.

Actuarial FECA Liability: Actuarial FECA Liability represents the liability for future workers' compensation (FWC) benefits, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. The liability is determined by the U.S. Department of Labor annually as of September 30, using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value using OMB's economic assumptions for 10-year Treasury notes and bonds. To provide for the effects of inflation on the liability for FWC benefits, wage inflation factors (Cost of Living Adjustments) and medical inflation factors (Consumer Price Index Medical Adjustments) are applied to the calculation of projected future benefits. These factors are also used to adjust historical payments of benefits by the Department to current-year constant dollars. A discounting formula is also used to recognize the timing of benefit payments as 13 payments per year instead of one lump sum per year.

The model's resulting projections are analyzed by Labor to ensure that the amounts are reliable. The analysis is based on three tests: (1) a comparison of the current-year projections to the prior-year projections; (2) a comparison of the prior-year projected payments to the current-year actual payments, excluding any new case payments that had arisen during the current year; and (3) a comparison of the current-year actual payment data to the prior-year actual payment data. Based on the outcome of this analysis, ad hoc adjustments may be made to correct any anomalies in the projections.

ITA Foreign Service Nationals' Voluntary Separation Pay: This liability, included in Other Liabilities, is based on the salaries and benefit statuses of employees in countries where governing laws require a provision for separation pay.

Contingent Liabilities: A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. A contingent liability is recognized when a past event or exchange transaction has occurred, and a future outflow or other sacrifice of resources is measurable and probable. A contingency is not disclosed in the Notes to the Financial Statements when any of the conditions for liability recognition are not met and when the chance of the future event or events occurring is remote. A contingency is disclosed in the Notes to the Financial Statements when any of the conditions for liability recognition are not met and when the chance of the future confirming event or events occurring is more than remote but less than probable.

N Commitments

Commitments are preliminary actions that will ultimately result in an obligation to the Federal government if carried through, such as purchase requisitions, estimated travel orders, or unsigned contracts/grants. Major long-term commitments are disclosed in Note 21.

O Net Position

Net Position is the residual difference between assets and liabilities and comprises Unexpended Appropriations and Cumulative Results of Operations.

Appropriations are recognized as capital when made available for apportionment by OMB. Unexpended Appropriations represent the amount of unobligated and unexpended budget authority. Unexpended Appropriations are reduced for Appropriations Used and adjusted for other changes in budgetary resources, such as transfers and rescissions.

Cumulative Results of Operations is the net result of the Department's operations since inception, plus the cumulative amount of Prior Period Adjustments. Prior Period Adjustments are limited to corrections of errors and accounting changes with retroactive effect, including those resulting from the adoption of new Federal financial accounting standards.

P Revenues and Other Financing Sources

Appropriations Used: Most of the Department's operating funds are provided by Congressional appropriations of budget authority. The Department receives appropriations on annual, multiple-year, and no-year bases. Upon expiration of an annual or multiple-year appropriation, the obligated and unobligated balances retain their fiscal year identity, and are maintained separately within an expired account. The unobligated balance can be used to make legitimate obligation adjustments, but is otherwise not available for expenditures. Annual and multiple-year appropriations are canceled at the end of the fifth year after expiration. No-year appropriations do not expire. Appropriations of budget authority are recognized as used when goods and services are received or benefits and grants are provided.

Exchange and Non-Exchange Revenue: In accordance with Federal government accounting guidance, the Department classifies revenues as either exchange revenue or non-exchange revenue. Exchange revenues are those that derive from transactions in which both the government and the other party receive value, including processing patents and registering trademarks; sale of weather data, nautical charts, and navigation information; and other sales of goods and services. These revenues are presented on the Department's Consolidating Statement of Net Cost and serve to reduce the reported cost of operations borne by the taxpayer. Non-exchange revenues derive from the government's sovereign right to demand payment, including fines for violations of fisheries and marine protection laws. Non-exchange revenues are recognized when a specifically identifiable, legally enforceable claim to resources arises, and to the extent that collection is probable and the amount is reasonably estimable. These revenues are not considered to reduce the cost of the Department's operations and are therefore reported on the Consolidating Statement of Changes in Net Position.

In certain cases, the prices charged by the Department are set by law or regulation and, for program and other reasons, the Department may not receive full cost (e.g., the processing of patents and registering of trademarks, and the sale of weather data, nautical charts and navigation information). Prices set for products and services offered through the Department's working capital funds are intended to recover the full costs incurred by these activities.

Imputed Financing Sources (and Related Imputed Costs): In certain cases, operating costs of the Department are paid for by funds appropriated to other Federal entities. For example, pension benefits for most Department employees are paid for by the U.S. Office of Personnel Management (OPM) and certain legal judgments against the Department are paid from the Judgment Fund maintained by Treasury. For FY 2000, OMB is limiting Imputed Costs to be recognized by Federal entities to: (1) employees' pension benefits; (2) health insurance, life insurance, and other benefits for retired employees; (3) other post-employment benefits for retired, terminated, and inactive employees, including severance payments, training and counseling, continued health care, and unemployment and workers compensation under FECA; and (4) losses in litigation proceedings. The Department includes applicable Imputed Costs on the Consolidating Statement of Net Cost. In addition, an Imputed Financing Source is recognized on the Consolidating Statement of Changes in Net Position.

Transfers - In (Out): Intragovernmental transfers of budget authority (i.e. appropriated funds) or of assets without reimbursement are recorded at book value.

Q Employee Retirement Benefits

Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS): Most employees of the Department participate in either the CSRS or FERS defined-benefit pension plans. FERS went into effect on January 1, 1987. FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired prior to January 1, 1984 could elect to either join FERS and Social Security, or remain in CSRS.

The Department is not responsible for and does not report CSRS or FERS assets, accumulated plan benefits, or liabilities applicable to its employees. OPM, which administers the plans, is responsible for and reports these amounts.

For CSRS-covered employees, the Department was required in FY 2000 to make contributions to the plan equal to 8.51 percent of the employee's basic pay. Employees contributed 7.25 or 7.4 percent of basic pay. For each fiscal year, OPM calculates the U.S. Government's service cost for covered employees, which is an estimate of the amount of funds that, if accumulated annually and invested over an employee's career, would be enough to pay that employee's future benefits. Since the U.S. Government's estimated FY 2000 service cost exceeds contributions made by employer agencies and covered employees, this plan is not fully funded by the Department and its employees. The Department has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by the Department and its covered employees.

FERS contributions made by employer agencies and covered employees exceeds the U.S. Government's estimated FY 2000 service cost. For FERS-covered employees, the Department was required in FY 2000 to make contributions of 10.7 percent of basic pay. Employees contributed 1.05 or 1.2 percent of basic pay. The Department has recognized a negative Imputed Cost and negative Imputed Financing Source for the contributions made in excess of pension expense. The Department also contributes a matching amount to the Social Security Administration under the Federal Insurance Contributions Act (FICA).

NOAA Corps Retirement System: Active-duty officers of the NOAA Corps are covered by the NOAA Corps Retirement System, an unfunded, pay-as-you-go defined-benefit plan administered by the Department. Participants do not contribute to this plan. Plan benefits are based primarily on years of service and compensation. Participants at September 30, 2000 included 234 active duty officers, 278 nondisability retiree annuitants, 23 disability retiree annuitants, and 52 surviving families. Key provisions include voluntary nondisability retirement after 20 years of active service, disability retirement, optional survivor benefits, Consumer Price Index (CPI) optional survivor benefits, and CPI adjustments for benefits.

Foreign Service Retirement and Disability System, and the Foreign Service Pension System: Foreign Commercial Officers are covered by the Foreign Service Retirement and Disability System, and the Foreign Service Pension System. Both systems are multi-employer plans administered by the Department of State. The ITA makes contributions to the systems based on a percentage of an employee's pay.

Thrift Savings Plan (TSP): Employees covered by CSRS and FERS are eligible to contribute to the U.S. Government's TSP, administered by the Federal Retirement Thrift Investment Board. A TSP account is automatically established for FERS-covered employees, and the Department makes a mandatory contribution of 1 percent of basic pay. FERS-covered employees are entitled to contribute up to 10 percent of basic pay to their TSP account, with the Department making matching contributions up to 4 percent of basic pay. Employees covered by CSRS are entitled to contribute up to 5 percent of basic pay to their TSP account. The Department makes no TSP contributions for CSRS-covered employees.

Federal Employees Health Benefit (FEHB) Program: Most Department employees are enrolled in the FEHB Program, which provides post-retirement health benefits. OPM administers this program and is responsible for the reporting of liabilities. Employer agencies and covered employees are not required to make any contributions for post-retirement health benefits. OPM calculates the U.S. Government's service cost for covered employees each fiscal year. The Department has recognized the entire service cost of these post-retirement benefits for covered employees as an Imputed Cost and Imputed Financing Source.

NOAA Corps Health Benefits: Active-duty officers of the NOAA Corps are covered by the health benefits program for the NOAA Corps, which provides post-retirement health benefits. This is an unfunded, pay-as-you-go plan administered by the Department. Participants do not make any contributions to this plan.

Federal Employees Group Life Insurance (FEGLI) Program: Most Department employees are entitled to participate in the FEGLI Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost and the Department paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers this program and is responsible for the reporting of liabilities. For each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of basic life coverage. Because the Department's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the Department has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

R Use of Estimates

The preparation of financial statements requires the Department to make estimates and assumptions that affect these financial statements. Actual results may differ from those estimates.

S Tax Status

The Department is not subject to Federal, state, or local income taxes. Accordingly, no provision for income taxes is recorded.

Note 2. Fund Balance with Treasury

The breakdown by fund type is as follows:

General Funds	$5,209,076
Revolving Funds	375,939
Special Fund (Patent and Trademark Surcharge Fund)	233,529
Deposit Funds	64,745
Other Special Funds	6,856
Other Fund Types	4,040
Total	$5,894,185

Except for the temporary unavailability of the Patent and Trademark Surcharge Fund explained in Note 20 and the unavailability of certain budget authority disclosed in Note 24, Fund Balance with Treasury is available to make authorized expenditures and pay liabilities.

Note 3. Accounts Receivable, Net

	Accounts Receivable, Gross	Allowance for Uncollectible Accounts	Intra-Commerce Eliminations	Accounts Receivable, Net
Intragovernmental	$ 101,869	$ -	$ (19,421)	$ 82,448
With the Public	$ 71,501	$ (8,999)		$ 62,502

Note 4. Investments in Treasury Securities, Net

	Face Value	Unamortized Discount	Investments, Net	Market Value
Total	$ 3,711	$ (108)	$ 3,603	$ 3,489

Investments are one-year special issue Treasury bills. The interest rates range from 5.88 to 5.90 percent.

Note 5. Advances and Prepayments

	Gross	Intra-Commerce Eliminations	Net
Intragovernmental			
Prepayments and Other Advances	$ 34,849	$ (30,553)	$ 4,296
With the Public			
Grant Advances	$ 15,040		$ 15,040
Prepayments and Other Advances	9,737		9,737
Total	$ 24,777		$ 24,777

Note 6. Cash

Cash Not Yet Deposited to Treasury	$ 20,045
Imprest Funds	1,188
Other	1,818
Total	$ 23,051

Cash Not Yet Deposited to Treasury represents patent and trademark fees that were not processed at September 30, 2000, due to the lag time between receipt and initial review. Several bureaus maintain imprest funds for their use in operations. Other Cash represents monies obtained through the foreclosure of a direct loan held in a trust account and cash obtained through appropriations.

Note 7. Loans Receivable and Related Foreclosed Property, Net

The Department operates the following direct loan and loan guarantee programs:

Direct Loans

- Fisheries Finance Fund
- Coastal Energy Impact Program (CEIP)
- Drought Loan Portfolio
- Economic Development Revolving Fund
- Fisheries Loan Fund (FLF)

Loan Guarantees

- Fishing Vessel Obligation Guarantee Program (FVOG Program)
- Emergency Oil and Gas Loan Guarantee Program (ELGP)
- Emergency Steel Loan Guarantee Program (ELGP)

The net assets for the Department's loan programs consist of:

Direct Loans Obligated Prior to FY 1992	$ 106,585
Direct Loans Obligated After FY 1991	141,483
Defaulted Guarenteed Loans from Pre-FY 1992 Guarantees	9,924
Defaulted Guarenteed Loans from Post-FY 1991 Guarantees	14,794
Total	$ 272,786

Direct Loans Obligated Prior to FY 1992 Consist of:

Direct Loan Program	Loans Receivable, Gross	Interest Receivable	Foreclosed Property	Allowance for Loan Losses	Value of Assets Related to Direct Loans
Economic Development Revolving Fund	$ 32,343	$ 424	$ -	$ (896)	$ 31,871
CEIP	54,227	8,240	2,063	(34,303)	30,227
Drought Loan Portfolio	44,378	558	-	(449)	44,487
Total	$ 130,948	$ 9,222	$ 2,063	$ (35,648)	$ 106,585

Direct Loans Obligated After FY 1991 Consist of:

Direct Loan Program	Loans Receivable, Gross	Interest Receivable	Foreclosed Property	Allowance for Subsidy Cost (Present Value)	Value of Assets Related to Direct Loans
FVOG Program	$ 129,326	$ 6,023	$ -	$ 6,134	$ 141,483

Defaulted Guaranteed Loans from Pre-FY 1992 Guarantees Consist of:

Loan Guarantee Program	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Other	Allowance for Loan Losses	Value of Assets Related to Defaulted Guaranteed Loans
FVOG Program	$ 33,507	$ 122	$ 848	$ (29,956)	$ 4,521
Economic Development Revolving Fund	5,811	39	-	(447)	5,403
Total	$ 39,318	$ 161	$ 848	$ (30,403)	$ 9,924

Defaulted Guaranteed Loans from Post-FY 1991 Guarantees Consist of:

Loan Guarantee Program	Defaulted Guaranteed Loans Receivable, Gross	Interest and Premium Fee Receivable	Foreclosed Property	Allowance for Subsidy Cost (Present Value)	Value of Assets Related to Defaulted Guaranteed Loans
FVOG Program	$ 11,959	$ 44	$ 2,791	$ -	$ 14,794

Subsidy Expense Consists of:

Direct Loans Obligated After FY 1991

Current Year's Direct Loans

Loan Program	Interest Rate Differential	Defaults	Fees	Totals
FVOG Program	$ (3,915)	$ 4,655	$ (393)	$ 347

Direct Loan Modifications and Reestimates

Loan Program	Reestimates
FVOG Program	$ 4,306

Total Direct loan Subsidy Expenses

Loan Program	
FVOG Program	$ 4,653

Defaulted Guaranteed Loans from Post-FY 1991 Guarantees

Loan Program	
FVOG Program Reestimates	$ 3,726

Outstanding Principal of Non-Acquired Guaranteed Loans: Outstanding Non-Acquired Guaranteed Loans at September 30, 2000, which are not reflected in the financial statements, are as follows:

Loan Guarantee Program	Guaranteed Loans, Face Value	Principal Guaranteed
FVOG Program Pre-1992	$ 50,239	$ 50,239
FVOG Program Post-1992	61,725	61,725
Economic Development Revolving Fund	1,000	1,000
Total	$ 112,964	$ 112,964

Administrative Costs: Administrative Costs in support of the Department's direct loan and loan guarantee programs amounted to $6,903 for FY 2000.

Note 8. Inventory, Materials and Supplies

Category	Cost Flow Assumption	Amount
Inventory		
Items Held for Current Sale		
NIST Standard Reference Materials	First-in, First-out	$ 21,149
Other	Various	4,510
Allowance for Excess, Obsolete and Unserviceable Items		(1,400)
Subtotal		24,259
Materials		
Items Held for Use		
NOAA's National Logistics Support Center	Weighted Average	$ 44,553
NOAA's National Reconditioning Center	Weighted Average	30,357
Other	Various	3,558
Subtotal		78,468
Total		$ 102,727

NIST's Standard Reference Materials Program provides reference materials for quality assurance of measurements. The Department publishes a complete publication listing of nearly 1,300 different Standard Reference Materials that are certified for their specific chemical, physical, or engineering properties. NOAA's Materials and Supplies are primarily repair parts for weather forecasting equipment.

Note 9. General Property, Plant, and Equipment, Net

Category	Useful Life (Years)	Cost	Accumulated Depreciation	Net Book Value
Land	N/A	$ 4,966	$ -	$ 4,966
Structures, Facilities, and Leasehold Improvements	2-50	559,009	(229,126)	329,883
Satellites/Weather Systems Personal Property	2-20	3,360,565	(1,811,787)	1,548,778
Other Personal Property	2-30	935,392	(576,705)	358,687
Assets Under Capital Lease	3-40	77,168	(22,744)	54,424
Construction-in-Progress	N/A	1,806,972	-	1,806,972
Total		$ 6,744,072	$ (2,640,362)	$ 4,103,710

Note 10. Other Assets

With the Public		
Notes Receivable	$	9,697
Bibliographic Database		6,127
Other		1,719
Total	$	17,543

There are six Notes Receivable with maturity dates ranging from November 2003 to July 2024. The balance includes accrued interest. The bibliographic database is of NTIS' scientific and technical information used to prepare products and services for sale. The database is stated at capitalized costs of $36,299 less accumulated amortization of $30,172.

Note 11. Non-Entity Assets

The assets that are not available for use in operations are summarized below, with the corresponding liabilities.

	Non-Entity Assets		Corresponding Liabilities
Intragovernmental:			
Fund Balance with Treasury:			
USPTO	$	55,147	Unearned Revenue
NTIS		27,517	Unearned Revenue, Accounts Payable
Census		168	Accounts Payable
Total Intragovernmental		82,832	
Cash		143	Accounts Payable
Accounts Receivable, Net		1,331	Accounts Payable, Resources Payable to Treasury
Loans Receivable and Related Foreclosed Property, Net-Drought Loan Portfolio		44,487	Resources Payable to Treasury
Total	$	128,793	

Note 12. Debt to Treasury

	Beginning Balance	Net Borrowings	Ending Balance
Direct Loan Program			
Fisheries Finance Fund	$ 141,603	$ 3,690	$ 145,293
Loan Guarentee Program			
FVOG Program	10,291	-	10,291
Total	$ 151,894	$ 3,690	$ 155,584

Maturity dates range from September 2001 to September 2028.

Note 13. Resources Payable to Treasury

	Current Portion	Non-Current Portion	Total
Loan Program			
Drought Loan Portfolio	$ 3,224	$ 41,263	$ 44,487
Federal Ship Financing Fund Loan Guarantee Program Unliquidated Equity	-	38,065	38,065
FVOG Program - Unexpected FY 1996 Defualt	-	500	500
Subtotal	3,224	79,828	$ 83,052
Custodial Activity			
Interest, Penalties, and Fines	627	-	627
Civil Monetary Penalties Collected	309	-	309
Total	$ 4,160	$ 79,828	$ 83,988

Note 14. Unearned Revenue

	Current Portion	Non-Current Portion	Total
Intragovernmental			
Reimbursable and Other Agreements	$ 288,035	$ -	$ 288,035
With the Public			
Patent and Trademark Application and Issue Fees	$ 390,709	$ -	$ 390,709
Goods and Services	55,728	-	55,728
Total	$ 446,437	$ -	$ 446,437

Note 15. Other Liabilities

	Current Portion	Non-Current Portion	Total
Intragovernmental			
Accrued FECA Liability	$ 26,943	$ 2,425	$ 29,368
Accrued Benefits	27,606	-	27,606
Telecommunications	3,179	-	3,179
Environmental Liability	2,566	-	2,566
Other	838	-	838
Total	$ 61,132	$ 2,425	$ 63,557
With the Public			
ITA Foreign Service National's Voluntary Separation Pay	$ 8,842	$ -	$ 8,842
Liabilities for Loan Guarantees	3,726	-	3,726
Probable Contingencies	15,282	-	15,282
Other	4,391	12	4,403
Total	$ 32,241	$ 12	$ 32,253

Note 16. Accrued Payroll and Annual Leave

The current and non-current portions are as follows:

Current Portion	Non-Current Portion	Total
$ 330,110	$ -	$ 330,110

Note 17. Actuarial FECA Liability and NOAA Corps Employee Retirement Benefits Liabilities

These liabilities consist of:

Actuarial FECA Liability	$ 155,645
NOAA Corps Retirement System	291,400
NOAA Corps Post-Retirement Health Benefits	42,700
Total	$ 489,745

Actuarial FECA Liability

For discounting projected annual future benefit payments to present value, the interest rate assumptions used by the U.S. Department of Labor are 6.15 percent in year one and year two, 6.28 percent in year three, and 6.30 percent in year four and thereafter. The projected number of years of benefit payments is 37. The wage inflation factors (Cost of Living Adjustments) and medical inflation factors (Consumer Price Index Medical Adjustments) applied to the calculation of projected future benefits are as follows:

Fiscal Year	Cost-of-Living Adjustments	Consumer Price Index Medical Adjustments
2000	1.97%	3.69%
2001	2.83%	4.24%
2002	2.90%	4.10%
2003	2.53%	4.16%
2004 and Thereafter	2.60%	4.16%

NOAA Corps Retirement System Liability

This liability represents the unfunded actuarial present value of projected plan benefits. The actuarial calculations used the following U.S. Department of Defense Retirement Board economic assumptions: 6.25 percent investment earnings on Federal securities, 3.5 percent annual basic pay increases, and 3 percent annual inflation.

The related pension cost for FY 2000, included in the Consolidating Statement of Net Cost, is as follows:

Normal Cost	$	4,300
Interest on the Unfunded Liability		17,910
Actuarial (Gains) Losses		(8,850)
Total Pension Cost	$	13,360

NOAA Corps Post-Retirement Health Benefits Liability:

This liability represents the unfunded actuarial present value of projected post-retirement plan benefits. The actuarial calculations used the same U.S. Department of Defense Retirement Board economic assumptions as used for the NOAA Corps Retirement System actuarial calculations. The claims costs used to derive the post-retirement liabilities were taken from the analysis of the U.S. Military's Projected Retiree Medical Liabilities report for FY 2000.

Note 18. Environmental Cleanup Costs Liabilities

Nuclear Reactor	$	23,223
Pribiloff Island Cleanup		44,998
Other		2,570
Total	$	70,791

Note 19. Leases

Capital Leases

Assets under capital leases are as follows:

Structure, Facilities, and Leasehold Improvements	$	46,731
Equipment		30,437
Less: Accumulated Amortization		(22,744)
Total	$	54,424

Capital Lease Liabilities are primarily related to NIST and NOAA. In 1996, NIST entered into a capital lease for an office building in Gaithersburg, MD. The lease term is 10 years and the amount initially capitalized was $22,710. NOAA primarily has real property capital leases covering both land and buildings. The majority of leases are for buildings for weather forecasting offices, but they are also for radar system sites, river forecasting centers, and National Weather Service enforcement centers. NOAA's real property capital leases have an average life of 20 years.

Future payments due under capital leases are as follows:

Fiscal Year	Real Property	Personal Property	Total
2001	$ 6,987	$ 9,355	$ 16,342
2002	7,003	8,533	15,536
2003	6,919	5,309	12,228
2004	6,432	1,776	8,208
2005	14,740	1,838	16,578
Thereafter	35,492	8,076	43,568
Total Future Lease Payments	77,573	34,887	112,460
Less: Imputed Interest	(32,430)	(1,440)	(33,870)
Less: Executory Cost	(11,616)	(19,222)	(30,838)
Total Future Lease Payments	$ 33,527	$ 14,225	$ 47,752

Operating Leases

Real Property: Most of the Department's facilities are rented from the General Services Administration (GSA), which charges rent that is intended to approximate commercial rental rates. For Federal-owned property, the Department generally does not execute an agreement with GSA; the Department, however, is normally required to give 120 to 180 days notice to vacate. For non-Federal owned property, an occupancy agreement is generally executed, and the Department may normally cancel these agreements with 120 days notice. The Department has included the estimated rent payments to GSA for FY 2001 through FY 2005 in the table that follows.

The aggregate of (1) the Department's future payments due under noncancellable operating leases; and (2) the Department's estimated real property rent payments to GSA for FY 2001 through FY 2005 is as follows:

	PP&E Category		
Fiscal Year	Real Property	Personal Property	Total
2001	$ 215,315	$ 13,483	$ 228,798
2002	189,982	3,138	193,120
2003	184,462	3,114	187,576
2004	235,965	3,207	239,172
2005	213,457	3,304	216,761
Thereafter	1,060,060	-	1,060,060
Total Future Lease Payments	$ 2,099,241	$ 26,246	$ 2,125,487

Note 20. Liabilities Not Covered by Budgetary Resources

Liabilities that are not covered by budgetary resources are as follows:

Intragovernmental:	
Accounts Payable	$ 5,076
Resources Payable to Treasury	936
Accured FECA Liability	19,335
Other	2,957
Total Intragovernmental:	28,304
Accrued Annual Leave	153,588
Accrued FECA Liability and NOAA Corps Employee	446,009
Retirement Benefits	42,700
Environmental Cleanup Costs Liabilities	68,707
Capital Lease Liabilities	31,085
Unearned Revenue	71,479
ITA Foreign Service Nationals' Voluntary Separation Pay	8,842
Contingent Liabilities	15,282
Other	3,155
Total	$ 869,151

The Department anticipates that the above liabilities will be funded from future budgetary resources when required.

Under accrual accounting, the expense for annual leave is recognized when it is earned. However, for most of the Department's fund accounts, appropriations are provided to pay for the leave when it is taken. As a result, budgetary resources do not cover a large portion of Accrued Annual Leave.

The Department receives budgetary resources for the Actuarial FECA Liability and NOAA Corps Employee Retirement Benefits liability when they are needed for disbursements.

Due to the unique funding structure of USPTO, the $71,479 of Unearned Revenue is the portion of USPTO's unearned patent and trademark fees that is considered not covered by budgetary resources.

Note 21. Commitments and Contingencies

Commitments: The Department has entered into long-term contracts for the purchase, construction, and modernization of environmental satellites and weather measuring and monitoring systems. A summary of major long-term commitments is shown below.

Major Long-Term Commitments of More Than $5 Million Per Item (In Millions)

Description	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Thereafter	Total
Geostationary Operational Environmental Satellites	$ 291	$ 238	$ 221	$ 192	$ 184	$ 820	$ 1,946
Polar Operational Environmetal Satellites	214	294	339	392	404	2,458	4,101
Other Weather Service	33	32	32	30	14	-	141
Total	$ 538	$ 564	$ 592	$ 614	$ 602	$ 3,278	$ 6,188

Contingencies Not Recognized in the Financial Statements -

The Department is party in various administrative proceedings, legal actions, environmental suits, and claims brought against it. In the opinion of the Department's management and legal counsel, the ultimate resolution of these proceedings, actions, and claims will not materially affect the financial position or net costs of the Department.

The Department and other Federal agencies are subject to liabilities for a variety of environmental cleanup costs, many of which are associated with the Second World War, at various sites within the United States. The exact amount of these claims against the U.S. Government is unknown, but may exceed $3 billion as of September 30, 2000. It is not possible to speculate as to a range of loss for these claims. In the absence of a settlement agreement, decree, or judgment, there is neither an allocation of response costs between the U.S. Government and other potentially responsible parties, nor is there an attribution of such costs to or among the Federal agencies implicated in the litigation. Although the Department has been implicated as a responsible party, the U.S. Department of Justice was unable to provide an amount that is attributable to the Department.

The Department and other Federal agencies are party to several judgments against the U.S. Government relating to the environmental cleanup costs discussed above. Some of these judgments are based on future cleanup costs and therefore an estimate of the total contingent liability cannot be made. Because these judgments are being paid by Treasury's Judgment Fund, and the U.S. Government could not determine the proportional shares of the Federal agencies involved, no amount has been accrued.

The Department and other Federal agencies are party to other suits, with claim amounts that may exceed $505 million as of September 30, 2000. In addition, there are other suits with no claim amounts. For all of these suits, it is reasonably possible that an adverse outcome will result. However, it is not possible to speculate as to a range of loss. Of these claims, most will be funded by Treasury's Judgment Fund.

The Department is subject to suits where an adverse outcome is probable and claims are approximately $48 million. The range of loss for these suits is between $8 million and $18 million as of September 30, 2000. Accordingly, $8 million was accrued on the Balance Sheet and expensed in the Statement of Net Cost. Any settlements will be paid out of Treasury's Judgment Fund. Once the claims are settled or court judgments are assessed against the Department, the liability will be removed from the financial statements and an ìother financing sourceî (representing the amount to be paid by the Judgment Fund) will be recognized.

Guaranteed Loan Contingencies

Federal Ship Financing Fund and Fishing Vessels Obligation Guarantees Program: These loan guarantee programs have non-acquired guaranteed loans (fully guaranteed by the Department) at September 30, 2000 totaling $111,964, as shown in Note 7. There are no contingent liabilities recorded for loan guarantees under these programs.

Economic Development Revolving Fund: This loan guarantee and direct loan program has two outstanding non-acquired guaranteed loans with outstanding principal balances totaling $1,000 at September 30, 2000. These loan guarantees have been terminated for noncompliance with the terms of the guarantees. The estimated range of liability for these guarantees is between $0 and $700, depending on the outcome of negotiations or court action or on the passage of time until the statute of limitations runs out.

Note 22. Net Position

Unexpended Appropriations

Obligated	
Available	$ 904,948
Unavailable	59,621
Undelivered Orders	2,814,161
Total	$ 3,778,730

Cumulative Results of Operations

Unrestricted	$	3,715,044
Restricted		233,529
Total	$	3,948,573

Restricted: The Omnibus Budget Reconciliation Act of 1990 established revenue withholding on certain statutory patent fees collected by USPTO. Subsequent legislation extended the revenue withholding through the end of FY 1998. These withheld revenues were deposited into the Patent and Trademark Surcharge Fund, a restricted Special Fund Receipt Account at Treasury. USPTO may use monies from this account only as authorized by Congress and made available by the issuance of a Treasury warrant. At September 30, 2000, $233,529 is held in the Patent and Trademark Surcharge Fund.

Prior Period Adjustments made during FY 2000 were as follows:

	Description		
ELGP	Increase Unexpected Appropriations as of September 30, 1999	$	(270,000)
ELGP	Increase Fund Balance with Treasury as of September 30, 1999		270,000
EDA	Increase Accounts Payable for Grants as of September 30, 1999		(89,475)
EDA	Decrease Unexpected Appropriations as of September 30, 1999		89,475
NOAA	To reclassify certain Special Funds and Revolving Funds from Unexpected Appropriations to Cumulative Results of Operations as of September 30, 1999		24,474
NOAA	Correct General Property Plant & Equipment, Net as of September 30,1999		19,825
Net Corrections to various Assets and Liabilities as of September 30, 1999			(9,535)
Total		$	34,764

Emergency Steel Loan Guarantee and the Emergency Oil and Gas Loan Guarantee Programs

On August 17, 1999, President Clinton signed into law legislation creating the Emergency Steel Loan Guarantee Act of 1999 and the Emergency Oil and Gas Guaranteed Loan Program Act (Public Law 106-51). These programs are intended to aid qualified steel and oil and gas companies in obtaining credit that would not otherwise be available from private banking and investment institutions. On October 18, 1999, Treasury warrants with an accounting date of August 17, 1999, were issued to the Department for the Emergency Steel Loan Guarantee Program and the Emergency Oil and Gas Guaranteed Loan Programs. The warrant amounts for the Oil and Gas and Steel Loan Guarantee Programs were $125,000 and $145,000, respectively. The Department inadvertently excluded the effect of this information from its FY 1999 consolidated financial statements. Since there was no operational activity in the two programs as of September 30, 1999, the only amounts that would have been affected on the Department's FY 1999 financial statements are Fund Balance with Treasury, Unexpended Appropriations and Unobligated Balances. As a result of this oversight, the Department has adjusted its balances as of September 30, 1999, for these line items as follows: (a) increased Fund Balance with Treasury by $270,000; (b) increased Unexpended Appropriations by $270,000; and (c) increased Unobligated Balances by $270,000.

EDA

FY 2000, EDA developed an improved methodology for calculating grant accruals and applied this methodology to FY 1999 grant accruals. A Prior Period Adjustment was made to increase Accounts Payable as of September 30, 1999 by $89,475. A corresponding Prior Period Adjustment was made to decrease Unexpended Appropriations as of September 30, 1999 by $89,475. This entry reflects the increase in appropriations used by EDA.

Note 23. Consolidating Statement of Net Cost

Basis of Presentation: The FY 2000 Department of Commerce Consolidating Statement of Net Cost is presented by the Department's three Strategic Goals as described in our Management Discussion and Analysis. These three Strategic Goals (Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably; Provide Infrastructure for Innovation to Enhance American Competitiveness; and Observe and Manage the Earth's Environment to Promote Sustainable Growth) are consistent with the framework developed in the Department's FY 2000 - FY 2005 Strategic Plan. Our Strategic Plan also includes an overarching management integration goal – Strengthen Management at All Levels. These costs are allocated evenly among the three Strategic Goals on the Consolidating Statement of Net Cost.

Costs are captured by our reporting entities at the bureau goal level which is mapped to the Department's Strategic Goal. All of the bureau goals are summarized under the Objectives and Strategic Goals that they support on Exhibit I. However, it should be noted that the Strategic Plan was not finalized in time for bureaus to implement procedures to capture costs relating to the two goals applicable to all bureaus supporting Objective 2.3: Provide the Infrastructure for a Digital Economy and a Digital Government. Bureaus will implement procedures to capture costs related to these performance goals, including an allocation if the costs support other bureau goals, for FY 2001.

Classification of Program Costs: Intragovernmental Costs are costs for goods or services provided by Federal entities. Public Costs include costs for goods or services provided by non-Federal entities.

Gross Cost and Earned Revenue by Budget Functional Classification (BFC):

Budget Functional Classification	Gross Cost	Earned Revenue	Net Cost
300 Natural Resources and Environment	$ 2,714,021	$ (266,294)	$ 2,447,727
370 Commerce and Housing Credit	6,817,530	(1,342,075)	5,475,455
450 Community and Regional Development	433,555	(12,285)	421,270
500 Educ., Training, Empl., & Soc. Srvs	40,318	-	40,318
Total	$ 10,005,424	$ (1,620,654)	$ 8,384,770

Intragovernmental Gross Cost and Earned Revenue by Budget Functional Classification:

Budget Functional Classification	Gross Cost	Earned Revenue	Net Cost
300 Natural Resources and Environment	$ 388,408	$ (214,766)	$ 173,642
370 Commerce and Housing Credit	1,400,949	(296,814)	1,104,135
450 Community and Regional Development	17,383	(9,430)	7,953
Total	$ 1,806,740	$ (521,010)	$ 1,285,730

Major Programs: The following table illustrates the major programs of the Department. Other Programs refers to other programs within each bureau. The Others column refers to programs within the Department's entities that are not listed. The Others column data and the Other Programs data are presented solely to reconcile this table to the Combined Totals column on the Consolidating Statement of Net Cost.

Statement of Net Cost by Major Program (Combined Basis)

	NOAA	Census	NIST	USPTO	Others	Combined Totals
COSTS:						
Provide the Information and the Framework that Enbles the Economy to Operate Efficiently and Equitably						
Census 2000						
Intragovernmental/With the Public	$ -	$3,977,693	$ -	$ -	$ -	$3,977,693
Less: Earned Revenues	-	-	-	-	-	-
Net Program Costs	-	3,977,693	-	-	-	3,977,693
Other Programs						
Intragovernmental/With the Public	-	504,207	-	-	1,041,497	1,545,704
Less: Earned Revenues	-	(172,252)	-	-	(106,566)	(278,818)
Net Program Costs	-	331,955	-	-	934,931	1,266,886
Net Cost for Strategic Goal 1	-	4,309,648	-	-	934,931	5,244,579
Provide Infrastructure for Innovation to Enhance American Competitiveness						
Measurement and Standards Laboratories						
Intragovernmental/With the Public	-	-	436,170	-	-	436,170
Less: Earned Revenues	-	-	(111,934)	-	-	(111,934)
Net Program Costs	-	-	324,236	-	-	324,236
Patents						
Intragovernmental/With the Public	-	-	-	765,258	-	765,258
Less: Earned Revenues	-	-	-	(817,399)	-	(817,399)
Net Program Costs	-	-	-	(52,141)	-	(52,141)
Other Programs						
Intragovernmental/With the Public	-	-	318,556	146,070	165,340	629,966
Less: Earned Revenues	-	-	-	(139,157)	(94,654)	(233,811)
Net Program Costs	-	-	318,556	6,913	70,686	396,155
Net Cost for Strategic Goal 2	-	-	642,792	(45,228)	70,686	668,250
Observe and Manage the Earth's Environment to Promote Sustainable Growth						
Advance Short Term Warning Forecast Service						
Intragovernmental/With the Public	1,451,653	-	-	-	-	1,451,653
Less: Earned Revenues	(112,723)	-	-	-	-	(112,723)
Net Program Costs	1,338,930	-	-	-	-	1,338,930
Other Programs						
Intragovernmental/With the Public	1,304,026	-	-	-	77,547	1,381,573
Less: Earned Revenues	(193,382)	-	-	-	(57,269)	(250,651)
Net Program Costs	1,110,644	-	-	-	20,278	1,130,922
Net Cost for Strategic Goal 3	2,449,574	-	-	-	20,278	2,469,852
Net Costs Not Assigned to Programs	-	-	-	-	2,089	2,089
NET COST OF OPERATIONS	**$2,449,574**	**$4,309,648**	**$642,792**	**$(45,228)**	**$1,027,984**	**$8,384,770**

Note 24. Combined Statement of Budgetary Resources

Budgetary Resources

Adjustments to Budgetary Resources during FY 2000, shown on the Combined Statement of Budgetary Resources, consists of:

Recoveries of Prior-Years Obligations	$ 144,542
Temporarily Not Available Pursuant to Public Law	(254,889)
Permanently Not Available:	
Enacted Rescissions of Prior-Year Balances	(27,116)
Capital Transfers and Redemption of Debt	(17,252)
Other	(14,126)
Total	$ (168,841)

Status of Budgetary Resources

The net amount of budgetary resources obligated for undelivered orders at September 30, 2000 is $3,411,318. This amount includes undelivered orders funded by Cumulative Results of Operations. The amount stated in Note 22 only includes undelivered orders included in Unexpended Appropriations.

Borrowing Authority available at September 30, 2000 is $2,090, which is solely for the Department's Fisheries Finance Fund direct loan program. See Note 1M. Debt to Treasury for debt repayment requirements, financing sources for repayment, and other terms of borrowing authority used.

Approximately 88 percent of the Department's reporting entities have one or more permanent no-year appropriations to finance operating costs and the purchase of PP&E.

DM/G&B receives funding through donations that are deposited in a Treasury account that has no fiscal year limitation. Goods or services in-kind may also be accepted for limited purposes. Total donations and in-kind assistance received in FY 2000 was $1,982.

Legal arrangements affecting the Department's use of Unobligated Balances of Budget Authority during FY 2000 include the following:

NOAA's Fund Balance with Treasury includes the following restrictions:

Permanently Not Available, totaling $3,400 pursuant to Public Law 102-368
Enacted Rescissions, totaling $19,416 pursuant to Public Law 106-113
Temporarily Not Available, totaling $2,652 pursuant to Public Law 105-18
Temporarily Not Available, totaling $24,141 in a Liquidating Fund for loan programs pursuant to Federal Credit Reform Act regulations
Temporarily Not Available, totaling $456 pursuant to Public Law 106-113
Temporarily Not Available, totaling $839 pursuant to Public Law 105-277

Census' Fund balance with Treasury includes Deposit Funds of $168 that are not available to finance operating activity.

Note 25. Combined Statement of Financing

The line item Costs That Will Be Financed with Budgetary Resources Received in Future Periods, shown on the Combined Statement of Financing, represents costs for FY 2000 that are included in the Liabilities Not Covered by Budgetary Resources reported in Note 20. This line item does not include costs incurred in prior fiscal years that are also included in Liabilities Not Covered by Budgetary Resources.

Note 26. Custodial Activity

NOAA receives interest, penalties and fines primarily related to its past due Accounts Receivable, and is required to transfer the collections to Treasury. BXA receives civil monetary penalties from private entities that violate the Export Administration Act, and ITA is required to transfer certain trade fees to Treasury. For FY 2000, the Department had custodial revenue of $5,140, and $1,905 of this amount is payable to Treasury as of September 30, 2000.

Required Supplementary Information

(In Thousands)

A. Deferred Maintenance

Deferred maintenance is maintenance that was not performed when it should have been, that was scheduled and not performed, or that was delayed for a future period. Maintenance is the act of keeping property, plant, and equipment (PP&E) in acceptable operating condition and includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it can deliver acceptable performance and achieve its expected life. Maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from or significantly greater than those originally intended.

National Oceanic and Atmospheric Administration (NOAA)

NOAA uses the Condition Assessment Survey (CAS) method to identify and quantify deferred maintenance for assets meeting NOAA's $200 capitalization threshold. CAS requires a periodic inspection of real property to determine its current condition and to estimate the cost likely to be incurred by the correction of any deficiencies.

The following indicates NOAA's deferred maintenance for projects with estimated costs greater than $50:

PP&E Category	Number of Projects	Amount
Buildings	**37**	**$11,255**
Land	**1**	**74**
Total	**38**	**$11,329**

While the CAS for the above facilities indicates that one or more of the building systems is in less than acceptable operating condition, NOAA has not established a facility condition code to classify the condition of the individual facilities. The total deferred maintenance costs indicated could therefore vary by as much as 10 percent, or from $10.2 million to $12.5 million. In FY 2000, NOAA solicited a more comprehensive request for facility maintenance information as part of an introductory long-range plan. Assets not previously identified as having deferred maintenance became visible during that process. NOAA, through the Department, has included a budget request in the FY 2002 budget process that is intended to accelerate and eliminate the existing backlog of projects in the Capital Improvements Program, including those classified as deferred maintenance.

National Institute of Standards and Technology (NIST)

NIST also uses the CAS method to estimate deferred maintenance. NIST values the condition of assets using a five-point scale, with 1 representing excellent condition; 2, good condition; 3, acceptable condition; 4, poor condition; and 5, very poor condition. Assets that are assessed at 4 or 5 require repairs and maintenance to increase their value to 3, or acceptable condition. The following shows NIST's deferred maintenance:

PP&E Category	Asset Condition	Estimated Cost to Return to Acceptable Condition
Mechanical and Electrical Devices	4	$350,000 to 525,000
Buildings (Internal Structures)	4	123,000 to 185,000
Buildings (External Structures)	4	58,000 to 87,000
Total		$531,000 to 797,000

B. Segment Information

Departmental Management/Working Capital Fund (DM/WCF)

DM/WCF's mission is to provide, in the most efficient and economical manner possible, the centralized services required by the operating entities of the Department and by other Federal entities. DM/WCF operates on a revolving fund basis, whereby current operating expenses charged to the customer finance the cost of goods and services. The overall financial goal of the fund is to remain at break-even position.

Services: DM/WCF provides a variety of administrative services to the Department and to other Federal entities. These include personnel-related services, financial and budget management, legal services, security, acquisition, telecommunications, and public affairs.

Major Customers: The major customers of DM/WCF are NOAA and Census, accounting for 22.2 percent and 19.8 percent of revenues, respectively.

DM/WCF
Summary of Costs and Related Exchange Revenues by Line of Business
For the Year Ended September 30, 2000

	Personnel-Related Services	Financial Management	Legal Services	Administrative Services	Total
Full Cost of Services Provided	$18,478	$20,498	$24,659	$47,515	**$111,150**
Less Exchange Revenues	(17,780)	(19,728)	(23,739)	(45,734)	**(106,981)**
Excess of Costs over Exchange Revenues	$698	$770	$920	$1,781	**$4,169**

Note: Information about assets, liabilities, and net position as of September 30, 2000 can be found in the Consolidating Balance Sheet, which is included in Required Supplementary Information.

Franchise Fund

The Department's Franchise Fund has three major goals:

- To operate on the lines of a commercial business by becoming self-sustaining and capable of achieving full cost recovery and by becoming competitive, without subsidies, in an open-market environment
- To encourage competition and the operation of market forces in the delivery of administrative services to both lower costs and to promote better service
- To create a customer-oriented workforce that is capable of providing quality services and products

Services: The Franchise Fund comprises only one service provider, the Office of Computer Services (OCS). OCS provides information technology services to the Department and to other Federal entities, including Treasury's Financial Management Service, the Immigration and Naturalization Services, the U.S. Customs Service, the Equal Employment Opportunity Commission, the Pension Benefit Guaranty Corporation, and the Consumer Products Safety Commission.

Major Customers: The only external customer that accounts for more than 15 percent of revenues is Treasury's Financial Management Service (51 percent).

Franchise Fund
Summary of Costs and Related Exchange Revenues by Line of Business
For the Year Ended September 30, 2000

	Computer Services
Full Cost of Services Provided	$16,951
Less Exchange Revenues	(16,506)
Excess of Costs over Exchange Revenues	$445

Note: Information about assets, liabilities, and net position as of September 30, 2000 can be found in the Consolidating Balance Sheet, which is included in Required Supplementary Information.

United States Department of Commerce Intragovernmental Assets and Liabilities
As of September 30, 2000 *(In Thousands)*

Intragovernmental Assets:

Trading Partner	Fund Balance with Treasury	Accounts Receivable, Net	Investments in Treasury Securities, Net	Advances and Prepayments	Total
Department of the Treasury	$ 5,894,185	$ 2,749	$ 3,603	$ -	$ 5,900,537
Department of Transportation	-	20,760	-	-	20,760
Office of the Secretary of Defense - Defense Agencies	-	9,482	-	10	9,492
General Services Administration	-	6,429	-	2,700	9,129
Department of Interior	-	6,412	-	-	6,412
Agency for International Development	-	6,250	-	-	6,250
National Aeronautics and Space Administration	-	5,257	-	-	5,257
Environmental Protection Agency	-	4,803	-	-	4,803
Department of Energy	-	4,080	-	-	4,080
Government Printing Office	-	43	-	2,158	2,201
Others	-	16,183	-	(572)	15,611
Total	$5,894,185	$82,448	$3,603	$4,296	$5,984,532

Intragovernmental Liabilities:

Trading Partner	Accounts Payable	Debt to Treasury	Resources Payable to Treasury	Unearned Revenue	Other	Total
Department of the Treasury	$ 29,028	$ 155,584	$ 83,988	$ 6,940	$ 6,565	$ 282,105
Department of Labor	291	-	-	27,887	30,036	58,214
Office of the Secretary of Defense - Defense Agencies	19,905	-	-	31,518	-	51,423
Independent Agencies	106	-	-	34,669	-	34,775
Department of Health and Human Services	11,792	-	-	20,600	-	32,392
National Aeronautics and Space Administration	26,635	-	-	4,939	-	31,574
General Services Administration	24,151	-	-	4,166	3,179	31,496
Department of Transportation	1,209	-	-	30,022	-	31,231
Office of Personnel Management	952	-	-	24	19,256	20,232
Department of Housing and Urban Development	1	-	-	18,789	-	18,790
Department of Justice	543	-	-	16,461	-	17,004
Agency for International Development	-	-	-	13,448	-	13,448
National Science Foundation	68	-	-	9,377	-	9,445
Department of Education	-	-	-	9,293	-	9,293
Department of Energy	319	-	-	7,368	-	7,687
Environmental Protection Agency	429	-	-	6,818	-	7,247
Others	27,395	-	-	45,716	4,521	77,632
Total	$ 142,824	$ 155,584	$ 83,988	$ 288,035	$ 63,557	$ 733,988

United States Department of CommerceTransfers of Intragovernmental Non-Exchange Revenues
For the Year Ended September 30,2000 *(In Thousands)*

Trading Partner	Transfers-In	Transfers-Out
Department of Interior	$ 6,507	$ -
Environmental Protection Agency	2,450	-
Department of Agriculture	1,920	-
Department of the Treasury	-	14,237
Unknown	-	6,126
Total	$ 10,877	$ 20,363

United States Department of Commerce Intragovernmental Earned Revenues and Related Costs
For the Year Ended September 30, 2000 *(In Thousands)*

Trading Partner	Amount
Department of Transportation	$ 89,350
Department of Labor	58,522
Office of the Secretary of Defense - Defense Agencies	52,979
Department of Health and Human Services	37,164
Department of Justice	28,159
National Aeronautics and Space Administration	25,099
Department of the Treasury	24,499
Department of Energy	23,019
General Services Administration	20,103
Department of Education	18,175
U.S. Army Corps of Engineers	17,876
Department of Housing and Urban Development	17,178
Agency for International Development	14,841
Environmental Protection Agency	14,336
Department of Interior	14,321
Department of the Air Force	10,994
Department of the Army	9,819
National Science Foundation	7,691
Department of the Navy	6,288
Department of State	6,200
Unknown	5,131
Department of Agriculture	4,869
Small Business Administration	2,809
Federal Mediation and Conciliation Service	2,107
Social Security Administration	1,610
U.S. Equal Employment Opportunity Commission	1,575
Federal Emergency Management Agency	1,199
National Archives and Records Administration	885
Central Intelligence Agency	835
Department of Veterans Affairs	732
U.S. Nuclear Regulatory Commission	439
Independent Agencies	364
Independent Agencies	355
Independent Agencies	243
Export-Import Bank of the United States	224
United States Postal Service	186
Tennessee Valley Authority	150
Smithsonian Institution	130
Executive Office of the President	129
Office of Personnel Management	118
Federal Communications Commission	95
Government Printing Office	55
United States Information Agency	40
Consumer Product Safety Commission	24
Library of Congress	23
International Trade Commission	23
Appalachian Regional Commission	14
General Accounting Office	11
Federal Maritime Commission	10
Federal Trade Commission	3
Overseas Private Investment Corporation	3
Securities and Exchange Commission	2
The Judiciary	1
Federal Deposit Insurance Corporation	1
Railroad Retirement Board	1
Selective Service System	1
Total	$ 521,010

Gross Costs that Generated Intragovernmental Earned Revenues:

Budget Functional Classification	Amount
300 Natural Resources and Environment	$ 214,766
370 Commerce and Housing Credit	296,814
450 Community and Regional Development	9,430
Total	$ 521,010

United States Department of Commerce Combined Statement of Budgetary Resources by Major Budget Accounts
For the Year Ended September 30,2000 *(In Thousands)*

Trading Partner	Combined Totals	NOAA Operations, Research & Facilities	USPTO Salaries and Expenses	NOAA Procurement Acquisition & Construction	NIST Industrial Technology Services	ITA Operations and Administration	Census Periodic Censuses & Programs	EDA Grant Fund	Other Programs
BUDGETARY RESOURCES:									
Budget Authority	$ 8,977,134	$ 1,833,289	$ -	$ 596,067	$ 247,436	$ 313,603	$ 4,614,638	$ 432,780	$ 939,321
Unobligated Balances - Beginning of Period	974,550	119,505	144,928	41,561	68,552	20,287	4,559	45,070	530,088
Net Transfers Prior-Year Balance, Actual	7,119	(3,324)	-	-	-	-	-	-	10,443
Spending Authority from Offsetting Collections	2,324,223	286,903	1,006,658	211	1,192	10,395	6,703	17,888	994,273
Adjustments	(168,841)	10,285	(243,864)	(405)	38,418	15,101	(5,291)	11,764	5,151
Total, Budgetary Resources	$12,114,185	$2,246,658	$907,722	$637,434	$355,598	$359,386	$4,620,609	$507,502	$2,479,276
STATUS OF BUDGETARY RESOURCES:									
Obligations Incurred	$10,797,490	$2,099,289	$895,243	$568,474	$301,590	$340,337	$4,257,822	$398,973	$1,935,762
Unobligated Balances - Available	1,172,026	143,920	7,716	68,960	33,742	17,296	366,722	63,777	469,893
Unobligated Balances - Not Available	144,669	3,449	4,763	-	20,266	1,753	(3,935)	44,752	73,621
Total, Status of Budgetary Resources	$12,114,185	$2,246,658	$907,722	$637,434	$355,598	$359,386	$4,620,609	$507,502	$2,479,276
OUTLAYS:									
Obligations Incurred	$10,797,490	$2,099,289	$895,243	$568,474	$301,590	$340,337	$4,257,822	$398,973	$1,935,762
Less: Spending Authority from Offsetting Collections and Adjustments	(2,468,949)	(312,161)	(1,020,663)	(3,007)	(40,266)	(26,551)	(6,703)	(29,652)	(1,029,946)
Obligated Balance, Net - Beginning of Period	3,796,812	735,213	245,253	297,905	473,558	103,222	407,754	973,171	560,736
Obligated Balance Transferred, Net	-	-	-	-	-	-	-	-	-
Less: Obligated Balance, Net - End of Period	(4,171,672)	(719,833)	(254,352)	(342,656)	(421,708)	(80,522)	(636,936)	(986,403)	(729,262)
Total Net Outlays	$7,953,681	$1,802,508	$(134,519)	$520,716	$313,174	$336,486	$4,021,937	$356,089	$737,290

United States Department of Commerce Consolidating Balance Sheet
As of September 30, 2000 *(In Thousands)*

	Consolidated Totals	Intra-Commerce Eliminations	BXA	Census	DM/G&B	DM/S&E	DM/WCF	EDA	ELGP	ESA/BEA	Franchise Fund	ITA	MBDA	NIST	NOAA	NITA	NTIS	OIG	USPTO	TA
ASSETS																				
Intragovernmental:																				
Fund Balance with Treasury	$ 5,894,185	$ -	$ 14,695	$1,127,674	$ 1,011	$ 20,397	$ 11,344	$ 1,079,317	$ 267,626	$ 8,341	$1,191	$ 102,105	$ 15,509	$ 852,769	$ 1,419,358	$ 100,331	$ 43,990	$ 4,071	$ 810,381	$ 14,075
Accounts Receivable, Net	82,448	(19,421)	264	9,889	-	7,113	1,781	60	-	3	3,092	1,984	-	5,577	69,375	251	75	-	2,405	-
Investments in Treasury Securities, Net	3,603	-	-	-	-	-	-	-	-	-	-	-	-	-	3,603	-	-	-	-	-
Advances and Prepayments	4,296	(30,553)	252	1,478	-	1,267	2,071	403	101	552	89	2,173	544	11,317	11,353	54	251	134	2,785	25
Total Intragovernmental	5,984,532	(49,974)	15,211	1,139,041	1,011	28,777	15,196	1,079,780	267,727	8,896	4,372	106,262	16,053	869,663	1,503,689	100,636	44,316	4,205	815,571	14,100
Cash	23,051	-	-	-	-	-	242	-	-	-	-	277	-	86	2,383	-	95	-	19,968	-
Accounts Receivable, Net	62,502	-	380	4,296	10	13	13	494	-	6	-	158	17	6,830	49,105	4	778	-	398	-
Loans Receivable and Related																			-	
Foreclosed Property, Net	272,786	-	-	-	-	-	-	81,761	-	-	-	-	-	-	191,025	-	-	-	-	-
Inventory, Materials and Supplies	102,727	-	-	1,210	3	-	473	-	-	71	-	-	-	22,221	78,457	-	292	-	-	-
General Property, Plant, and Equipment, Net	4,103,710	-	449	47,378	85	-	6,596	-	-	823	114	6,159	70	313,321	3,601,750	1,552	526	-	124,851	36
Advances and Prepayments	24,777	-	7	249	-	12	-	2,340	-	-	-	2,522	67	1,084	16,687	-	55	-	1,754	-
Other	17,543	-	-	1,719	-	-	-	-	-	-	-	-	-	-	9,697	-	6,127	-	-	-
TOTAL ASSETS	$ 10,591,628	$ (49,974)	$ 16,047	$1,193,893	$ 1,109	$28,802	$ 22,520	$ 1,164,375	$267,727	$ 9,796	$4,486	$ 115,378	$ 16,207	$ 1,213,205	$ 5,452,793	$ 102,192	$ 52,189	$ 4,205	$ 962,542	$ 14,136
LIABILITIES																				
Intragovernmental:																				
Accounts Payable	$142,824	$ (19,421)	$688	$22,126	$ -	$ 294	$ 1,566	$2,245	$ (10)	$955	$3,447	$9,122	$100	$5,881	$95,815	$3,370	$10,628	$ 213	$ 3,575	$ 2,230
Debt to Treasury	155,584	-	-	-	-	-	-	-	-	-	-	-	-	-	155,584		-	-	-	-
Resources Payable to Treasury	83,988	-	309	-	-	-	-	44,487	-	-	-	-	-	-	39,192	-	-	-	-	-
Unearned Revenue	288,035	(30,553)	5,986	88,090	-	14,821	6,722	34,038	-	182	490	524	381	49,070	90,476	3,620	16,656		3,218	4,314
Other	63,557	-	545	21,891	-	622	922	556	1	395	15	3,218	245	6,173	22,066	505	421	301	5,612	69
Total Intragovernmental	733,988	(49,974)	7,528	132,107	-	15,737	9,210	81,326	(9)	1,532	3,952	12,864	726	61,124	403,133	7,495	27,705	514	12,405	6,613
Accounts Payable	713,249	-	1,640	111,770	-	1,696	7,345	243,119	328	570	95	16,711	1,205	118,196	139,448	12,004	3,587	117	55,210	208
Accrued Payroll and Annual Leave	330,110	-	3,697	70,090	-	2,700	5,936	3,055	10	4,480	279	21,298	879	28,748	117,886	2,953	1,466	1,803	64,298	532
Actuarial FECA Liability and																				44
NOAA Corps Employee Retirement Benefits	489,745	-	868	58,552	-	1,265	3,569	2,118	-	343	140	9,943	1,137	10,429	393,976	587	1,036	1,157	4,581	-
Environmental Cleanup Costs Liabilities	70,791	-	-	-	-	-	-	100	-	-	-	-	-	23,223	47,468	-	-	-	-	-
Capital Lease Liabilities	47,752	-	-	38	-	-	-	-	-	-	-	-	-	13,819	28,053	49	-	-	5,793	7
Unearned Revenue	446,437	-	1	11,657	-	-	-	-	-	62	-	4,331	-	8,226	24,743	461	6,240	-	390,709	(10)
Other	32,253	-	-	8,012	-	-	-	107	-	-	-	8,842	-	-	15,302	-	-	-	-	-
TOTAL LIABILITIES	$2,864,325	$ (49,974)	$ 13,734	$ 392,226	$ -	$21,398	$ 26,060	$ 329,825	$ 329	$ 6,987	$4,466	$73,989	$ 3,947	$ 263,765	$ 1,170,009	$ 23,549	$ 40,034	$ 3,591	$ 532,996	$ 7,394
NET POSITION																				
Unexpended Appropriations	$ 3,778,730	$ -	$4,527	$ 788,190	$ -	$10,603	$ -	$ 795,470	$ 267,401	$2,745	$ -	$ 68,180	$ 14,196	$ 633,123	$ 1,106,108	$ 77,835	$ 93	$ 3,104	$ -	$ 7,155
Cumulative Results of Operations	3,948,573	-	(2,214)	13,477	1,109	(3,199)	(3,540)	39,080	(3)	64	20	(26,791)	(1,936)	316,317	3,176,676	808	12,062	(2,490)	429,546	(413)
TOTAL NET POSITION	$ 7,727,303	$ -	$ 2,313	$ 801,667	$ 1,109	$7,404	$ (3,540)	$834,550	$267,398	$2,809	$20	$41,389	$ 12,260	$ 949,440	$ 4,282,784	$ 78,643	$ 12,155	$614	$ 429,546	$6,742
TOTAL LIABILITIES AND NET POSITION	$10,591,628	$ (49,974)	$ 16,047	$1,193,893	$ 1,109	$28,802	$ 22,520	$ 1,164,375	$ 267,727	$ 9,796	$ 4,486	$ 115,378	$ 16,207	$ 1,213,205	$ 5,452,793	$ 102,192	$ 52,189	$ 4,205	$ 962,542	$14,136

United States Department of Commerce Consolidating Statement of Net Cost Responsibility Segment Detail
For the Year Ended September 30,2000 *(in Thousands)*

	ESA			Other Bureaus						
	Census	ESA/BEA	Combined Totals	BXA	EDA	ITA	MBDA	NTIA	ELGP	Combined Totals
COSTS:										
Strategic Goal 1: Provide the Information and the Framework that Enables the Economy to Operate Efficiently and Equitability										
Intragovernmental	$ 896,984	$ 20,738	$ 917,722	$ 22,893	$ 15,408	$ 124,549	$ 7,105	$ 14,785	$ 145	$ 184,885
With the Public	3,584,916	37,851	3,622,767	41,313	413,889	223,884	23,869	15,067	2,457	720,479
Total	4,481,900	58,589	4,540,489	64,206	429,297	348,433	30,974	29,852	2,602	905,364
Less: Earned Revenues	(172,252)	(3,946)	(176,198)	(4,062)	(10,116)	(13,014)	-	(18,160)	-	(45,352)
Net Program Costs	4,309,648	54,643	4,364,291	60,144	419,181	335,419	30,974	11,692	2,602	860,012
Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness										
Intragovernmental	-	-	-	-	-	-	-	-	-	-
With the Public	-	-	-	-	-	-	-	40,318	-	40,318
Total	-	-	-	-	-	-	-	40,318	-	40,318
Less: Earned Revenues	-	-	-	-	-	-	-	-	-	-
Net Program Costs	-	-	-	-	-	-	-	40,318	-	40,318
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth										
Intragovernmental	-	-	-	-	-	-	-	-	-	-
With the Public	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Less: Earned Revenues	-	-	-	-	-	-	-	-	-	-
Net Program Costs	-	-	-	-	-	-	-	-	-	-
Costs Not Assigned to Programs										
Intragovernmental	-	-	-	-	2,062	-	-	-	-	2,062
With the Public	-	-	-	-	2,283	-	-	-	-	2,283
Total	-	-	-	-	4,345	-	-	-	-	4,345
Less: Earned Revenues Not Attributed to Programs	-	-	-	-	(2,256)	-	-	-	-	(2,256)
Net Costs Not Assigned to Programs	-	-	-	-	2,089	-	-	-	-	2,089
NET COST OF OPERATIONS	$4,309,648	$ 54,643	$4,364,291	$60,144	$421,270	$335,419	$30,974	$52,010	$2,602	$902,419

	TA				Departmental Management					
	NIST	NTIS	TA	Combined Totals	Franchise Fund	G&B	DM/S&E	DM/WCF	OIG	Combined Totals
COSTS:										
Strategic Goal 1: Provide the Information and the Framework that Enables the Economy to Operate Efficiently and Equitability										
Intragovernmental	$ -	$ -	$ -	$ -	$ 4,371	$ 3	$ 16,501	$ 32,735	$ 2,192	$ 55,802
With the Public	-	-	-	-	1,279	366	10,878	4,315	4,904	21,742
Total	-	-	-	-	5,650	369	27,379	37,050	7,096	77,544
Less: Earned Revenues	-	-	-	-	(5,502)	-	(16,106)	(35,660)	-	(57,268)
Net Program Costs	-	-	-	-	148	369	11,273	1,390	7,096	20,276
Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness										
Intragovernmental	91,395	7,022	4,874	103,291	4,372	3	16,502	32,735	2,192	55,804
With the Public	663,331	28,217	7,363	698,911	1,279	366	10,878	4,315	4,904	21,742
Total	754,726	35,239	12,237	802,202	5,651	369	27,380	37,050	7,096	77,546
Less: Earned Revenues	(111,934)	(35,070)	(2,316)	(149,320)	(5,502)	-	(16,106)	(35,660)	-	(57,268)
Net Program Costs	642,792	169	9,921	652,882	149	369	11,274	1,390	7,096	20,278
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth										
Intragovernmental	-	-	-	-	4,372	4	16,502	32,735	2,191	55,804
With the Public	-	-	-	-	1,279	367	10,879	4,315	4,903	21,743
Total	-	-	-	-	5,651	371	27,381	37,050	7,094	77,547
Less: Earned Revenues	-	-	-	-	(5,502)	-	(16,106)	(35,661)	-	(57,269)
Net Program Costs	-	-	-	-	149	371	11,275	1,389	7,094	20,278
Costs Not Assigned to Programs										
Intragovernmental	-	-	-	-	-	-	-	-	-	-
With the Public	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Less: Earned Revenues Not Attributed to Programs	-	-	-	-	-	-	-	-	-	-
Net Costs Not Assigned to Programs	-	-	-	-	-	-	-	-	-	-
NET COST OF OPERATIONS	$642,792	$169	$9,921	$652,882	$446	$1,109	$33,822	$4,169	$21,286	$60,832

United States Department of Commerce Consolidating Statement of Changes in Net Position Responsibility Segment Detail For the Year Ended September 30,2000 *(In Thousands)*

	ESA			TA			
	Census	ESA/BEA	Combined Totals	NIST	NTIS	TA	Combined Totals
Net Cost of Operations	$(4,309,648)	$ (54,643)	$(4,364,291)	$ (642,792)	$ (169)	$ (9,921)	$ (652,882)
Financing Sources:							
Appropriations Used	4,299,854	51,428	4,351,282	626,941	19	9,858	636,818
Other Non-Exchange Revenues	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Imputed Financing	37,208	2,436	39,644	13,407	1,001	155	14,563
Transfers - In	-	-	-	250	-	-	250
Transfers - Out	-	-	-	-	-	-	-
Other	-	(724)	(724)	-	433	-	433
Net Results of Operations	27,414	(1,503)	25,911	(2,194)	1,284	92	(818)
Prior Period Adjustments	(4,836)	-	(4,836)	(212)	-	-	(212)
Net Change in Cumulative Results of Operations	22,578	(1,503)	21,075	(2,406)	1,284	92	(1,030)
Increase (Decrease) in Unexpended Appropriations	465,025	(1,429)	463,596	12,760	(20)	(1,995)	10,745
Change in Net Position	487,603	(2,932)	484,671	10,354	1,264	(1,903)	9,715
Net Position - Beginning of Period	314,064	5,741	319,805	939,086	10,891	8,645	958,622
Net Position - End of Period	$ 801,667	$ 2,809	$ 804,476	$ 949,440	$ 12,155	$ 6,742	$ 968,337

	Other Bureaus						
	BXA	EDA	ITA	MBDA	NTIA	ELGP	Combined Totals
Net Cost of Operations	$ (60,144)	$ (421,270)	$ (335,419)	$ (30,974)	$ (52,010)	$ (2,602)	$ (902,419)
Financing Sources:							
Appropriations Used	57,062	418,075	325,899	30,413	50,857	2,599	884,905
Other Non-Exchange Revenues	1,003	-	-	-	-	-	1,003
Donations	-	-	-	-	-	-	-
Imputed Financing	2,253	1,531	6,334	561	1,006	-	11,685
Transfers - In	-	-	578	-	-	-	578
Transfers - Out	(1,003)	(6,017)	(27)	-	-	-	(7,047)
Other	-	-	-	(398)	-	-	(398)
Net Results of Operations	(829)	(7,681)	(2,635)	(398)	(147)	(3)	(11,693)
Prior Period Adjustments	368	-	(4,892)	-	-	-	(4,524)
Net Change in Cumulative Results of Operations	(461)	(7,681)	(7,527)	(398)	(147)	(3)	(16,217)
Increase (Decrease) in Unexpended Appropriations	(7,178)	(65,731)	(4,630)	(2,874)	1,576	(2,599)	(81,436)
Change in Net Position	(7,639)	(73,412)	(12,157)	(3,272)	1,429	(2,602)	(97,653)
Net Position - Beginning of Period	9,952	907,962	53,546	15,532	77,214	270,000	1,334,206
Net Position - End of Period	$ 2,313	$ 834,550	$ 41,389	$ 12,260	$ 78,643	$ 267,398	$1,236,553

	Departmental Management					
	Franchise Fund	DM/G&B	DM/S&E	DM/WCF	OIG	Combined Totals
Net Cost of Operations	$ (446)	$ (1,109)	$ (33,822)	$ (4,169)	$ (21,286)	$ (60,832)
Financing Sources:						
Appropriations Used	-	-	33,244	-	20,354	53,598
Other Non-Exchange Revenues	-	-	-	-	-	-
Donations	-	1,549	-	-	-	1,549
Imputed Financing	118	-	1,069	3,014	944	5,145
Transfers - In	-	-	-	-	-	-
Transfers - Out	-	-	-	-	-	-
Other	-	-	-	7	(180)	(173)
Net Results of Operations	(328)	440	491	(1,148)	(168)	(713)
Prior Period Adjustments	-	-	-	-	-	-
Net Change in Cumulative Results of Operations	(328)	440	491	(1,148)	(168)	(713)
Increase (Decrease) in Unexpended Appropriations	-	-	1,573	-	(67)	1,506
Change in Net Position	(328)	440	2,064	(1,148)	(235)	793
Net Position - Beginning of Period	348	669	5,340	(2,392)	849	4,814
Net Position - End of Period	$ 20	$ 1,109	$ 7,404	$ (3,540)	$ 614	$ 5,607

Required Supplementary Stewardship Information

This section provides information on certain resources entrusted to the Department and certain stewardship responsibilities assumed by the Department. These resources and responsibilities are not required to be included in the assets and liabilities reported in the Department's financial statements; they are, however, important to understanding the operations and financial condition of the Department. This section also includes major investments made for the benefit of the Nation.

A. Stewardship Property, Plant, and Equipment (PP&E)

Stewardship PP&E is assets, the physical properties of which resemble those of the General PP&E that is traditionally capitalized in the financial statements of Federal entities. Due to the nature of these assets, however, valuation would be difficult and matching costs with specific periods would not be meaningful.

National Oceanic and Atmospheric Administration (NOAA)

Heritage Assets:

Heritage assets are unique for their historical or natural significance; for their cultural, educational, or artistic importance; or for their significant architectural characteristics. The Department generally expects that these assets will be preserved indefinitely.

In cases where an asset has a heritage function and also a practical and predominant use for general government operations, the asset is considered a multi-use heritage asset. The costs of multi-use heritage assets are capitalized as General PP&E and are depreciated over the useful life of the asset.

Collection-Type Assets: NOAA's collection-type heritage assets comprise more than 112,000 items, primarily books, publications, manuscripts, records, and nautical chart plates. Information on the condition of individual assets is not available. Their condition varies from excellent to poor.

Galveston Laboratory: Galveston laboratory comprises seven buildings that were originally part of Fort Crockett, an Army coastal defense facility built shortly after 1900. Used predominantly for government operations, these buildings are eligible for placement on the National Register due to their historical significance and for their exterior architectural features. Two of the seven buildings were renovated in FY 2000 and were ready for occupancy as of April 2000. The remaining five buildings are in good to fair condition, and the Department expects to renovate these buildings in FY 2002 or FY 2003, depending on available funding.

National Marine Fisheries Service (NMFS) Aquarium: In Woods Hole, Massachusetts, this aquarium is jointly used to educate the public, to raise public awareness of NMFS activities, and to accommodate the Northeast Fisheries Science Center, part of NOAA's mission. The aquarium houses 16 separate exhibition tanks holding more than 30 species of fish. The tanks range in size from 75 to 2,800 gallons.

Stewardship Marine Sanctuaries

The National Marine Sanctuaries described below are composed primarily of protected water and underwater structures and do not meet the literal definition of stewardship land. They are nonetheless presented here because they have many of the characteristics of Stewardship PP&E.

National Marine Sanctuaries: In 1972, Congress passed the Marine Protection, Research, and Sanctuaries Act in response to a growing awareness of the intrinsic environmental and cultural value of our coastal waters. The Act authorized the Secretary of Commerce to designate discrete areas as National Marine Sanctuaries. These protected waters provide a secure habitat for species close to extinction and also protect historically significant shipwrecks and prehistoric artifacts. The sanctuaries are also used for recreational diving and sport fishing, and support valuable commercial industries such as fishing and kelp harvesting. As of September 30, 2000, 12 National Marine Sanctuaries have been designated, covering a total area of 17,973 square miles. The sanctuaries range from near-shore coral reefs to open ocean, and vary in size from less than one to more than 5,300 square miles. The sanctuaries are in excellent condition.

B. Stewardship Investments

Investments in Non-Federal Physical Property

Non-Federal physical property investments are expenses included in the Department's Net Cost of Operations for the purchase, construction, or major renovation of physical property owned by state and local Governments.

National Oceanic and Atmospheric Administration

National Estuarine Research Reserves: The National Estuarine Research Reserve System is 25 estuarine reserves protected by Federal, state, and local partnerships. The network was created with the passage of the Coastal Zone Management Act of 1972, and, as of September 30, 2000, encompassed more than 960,000 acres of estuarine waters, wetlands, and uplands. Most of the reserves are state-operated and managed in cooperation with NOAA. Investments in non-Federal physical property for FY 1998, FY 1999, and FY 2000 totaled \$8.9 million, \$6.7 million, and \$11.5 million, respectively.

Coastal Zone Management Fund: The Coastal Zone Management Fund is responsible for the incidental expenses of land acquisition and low-cost construction for the preservation or restoration of coastal resources and habitats; the redevelopment of deteriorating and urbanized waterfronts and ports; and the provision of public access to beaches and coastal areas. Investments in non-Federal physical property for FY 1998, FY 1999, and FY 2000 totaled \$2.6 million, \$2.9 million, and \$2.6 million, respectively.

Economic Development Administration

EDA provides grant funding to state and local governments to support job creation and retention in economically distressed areas of the United States. Grants are awarded for the development of roads and infrastructure for new industrial parks, for clean water and environmental projects, and for the conversion of former military facilities to civilian-based economic activity. EDA also awards grants for the repair of damage caused to infrastructure and economic development-related facilities by floods and other disasters. Each investment requires a matching investment of between 20 and 50 percent by state and local governments. The following summarizes EDA's investments in non-Federal physical property from FY 1996 through FY 2000:

(In Millions)

Program	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	Total
Public Works	$164.8	$159.0	$126.5	$180.8	$181.8	$812.9
Economic and Defense Adjustments	139.8	118.3	128.3	139.7	124.7	650.8
Disasters	12.9	41.8	59.9	60.5	47.5	222.6
Total	$317.5	$319.1	$314.7	$381.0	$354.0	$1,686.3

Investments in Human Capital

Human capital investments are expenses included in the Department's Net Cost of Operations for education and training programs that are intended to increase or maintain national economic productive capacity and that produce outputs and outcomes that provide evidence of constant or increasing national productive capacity. These investments exclude education and training expenses for Federal civilian personnel.

National Oceanic and Atmospheric Administration

National Sea Grant Program: This program is a partnership between the Nation's colleges and NOAA, and comprises 29 Sea Grant Colleges. The partnership was initiated in 1966 when Congress passed the National Sea Grant College Program Act, with the objective of making the United States the world leader in marine research and in the sustainable development of marine resources. The program funds research programs and transfers new knowledge to coastal businesses, marine industries, the public, and governments. Research projects are funded on the basis of rigorous, highly competitive peer reviews. The program has supported the work of approximately 12,300 graduate research assistants in marine and Great Lakes science.

National Estuarine Research Reserve Program: This program supports activities designed to increase public awareness of estuary issues, to provide information to improve management decisions in estuarine areas, and to train graduate students in estuarine science.

National Research Council Research Associateship Program: The National Research Council, through its Associateship Programs office, awards outstanding scientists and engineers, at recent post-doctoral and experienced senior levels, with a tenure as guest researchers at participating laboratories. The participants interact with NOAA scientists and learn new approaches, methods, and ideas, thereby increasing their capacities as scientific researchers. The participants provide the results of their research in scientific journals and through other means.

The following summarizes NOAA's investments in human capital for FY 1998, FY 1999, and FY 2000:

(In Millions)

Program	FY 1998	FY 1999	FY 2000	Total
National Sea Grant	$17.5	$17.8	$14.2	$49.5
National Estuarine Research Reserve Program	0.8	0.7	0.7	2.2
National Research Council Research Associateship Program	1.7	1.8	1.7	5.2
Total	$20.0	$20.3	$16.6	$56.9

Note: In addition to the human capital investments indicated above, for FY 1998, FY 1999, and FY 2000, the National Sea Grant Program received an additional $1.1 million, $0.8 million, and $1.6 million, respectively, on a pass-through basis from other Federal agencies. The additional sums were contributed to the Sea Grant Human Capital Program and were matched by investments from the Sea Grant Colleges of $8.3 million, $8.5 million, and $8.2 million in FY 1998, FY 1999, and FY 2000, respectively.

Economic Development Administration

EDA provides grant awards for training and technical assistance for economic development. The following summarizes EDA's investments in human capital for FY 1996 through FY 2000:

(In Millions)

Program	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	Total
Local Technical Assistance	**$8.5**	**$8.9**	**$8.4**	**$8.3**	**$9.3**	**$43.4**
Research Assistance and National Technical Assistance	**2.1**	**2.0**	**1.6**	**1.9**	**1.8**	**9.4**
Total	**$10.6**	**$10.9**	**$10.0**	**$10.2**	**$11.1**	**$52.8**

Investments in Research and Development (R&D)

R&D Investments are expenses included in the Department's Net Cost of Operations to support the search for new or refined knowledge and ideas and for the application or use of such knowledge and ideas to the development of new or improved products and processes. The investments are made with the expectation of maintaining or increasing national economic productive capacity or yielding other future benefits.

National Institute of Standards and Technology (NIST)

Measurement and Standards Laboratories Program: The Measurement and Standards laboratories have been the stewards of the nation's measurement infrastructure since their inception in 1901 as the National Bureau of Standards. In fulfilling the Constitutional responsibility to fix the standards of weights and measures, these laboratories provide measurement techniques, instrument calibrations, fundamental data, and standards that comprise essential tools for research, production, and buyer-seller transactions. The laboratories focus their work in three main areas: 1) advancing measurement science; 2) supplying infrastructure tools for technological innovation; and 3) providing standards solutions for new technologies and for trade.

Advanced Technology Program (ATP): ATP is a collaborative effort with industry to identify and promote investment in technologies with significant potential for broad-based economic benefits but inadequate levels of private investment. Cost-shared research is funded through an annual competitive awards process. Awards are made only after rigorous examination of the technical and business merits of each proposal and of the potential benefits to the U.S. economy and quality of life. In FY 2000, the program selected 54 new industrial research projects to receive cost-shared support totaling $274 million in Federal and industry funds (if carried to completion). The awards, selected from more than 400 proposals representing a total of $1.6 billion in requested research funding, target a broad array of technologies, including pharmaceutical design, tissue engineering, industrial catalysts, energy generation and storage, manufacturing technologies, electronics manufacturing, computer software, and electro-optics. Forty of the awards were made to small businesses, and at least 30 universities are involved as joint venture partners or subcontractors.

The following summarizes NIST's R&D investments for FY 1998, FY 1999, and FY 2000:
(In Millions)

	Measurement and Standards Laboratories			Advanced Technology Program			Totals		
	FY 1998	FY 1999	FY 2000	FY 1998	FY 1999	FY 2000	FY 1998	FY 1999	FY 2000
Basic Research	$ 46.5	$ 49.5	$ 48.6	$ -	$ -	$ -	$ 46.5	$ 49.5	$ 48.6
Applied Research	239.1	238.1	239.0	101.5	92.8	91.8	340.5	330.9	330.9
Development	23.2	19.7	20.0	101.5	92.8	91.8	124.7	112.5	111.9
Total	$308.8	$307.3	$307.6	$203.0	$185.6	$183.6	$511.7	$492.9	$491.4

National Oceanic and Atmospheric Administration

NOAA conducts a substantial program of environmental research and development in support of its mission, much of which is performed to improve the Nation's understanding of and ability to predict environmental phenomena. The scope of research includes:

- Improving predictions and warnings associated with the weather on time scales ranging from minutes to weeks.
- Improving predictions of climate on time scales ranging from months to centuries.
- Improving our understanding of natural relationships to better predict and manage renewable marine resources and coastal and ocean ecosystems.

NOAA also conducts research that is intended to provide a solid scientific basis for environmental policymaking in government. Examples of this research include determining the stratospheric ozone-depleting potential of proposed substitutes for chlorofluorocarbons (CFCs), and identifying the causes of the episodic high rural ozone levels that significantly damage crops and forests.

Most R&D is conducted by NOAA; most R&D for systems development, however, is undertaken by contractors to NOAA. R&D work includes that undertaken through the National Sea Grant Program, the Cooperative Institutions of the Environmental Research Laboratories, the Climate and Global Change Program, and the Coastal Ocean Program.

Environmental and Climate: NOAA's Office of Ocean and Atmospheric Research conducted research in five major areas: interannual and seasonal climate, global change, weather, the marine environment, and undersea.

Fisheries: R&D consists mainly of the collection and analysis of information on the status of fishery resources and protected species and other work related to programs that develop fisheries for economic growth.

Fleet Maintenance and Aircraft Services: These expenditures support NOAA's R&D effort.

Weather Service: NOAA is funding the development of a new weather service system, the Advance Weather Interactive Processing System (AWIPS), for the modernization of its weather service.

The following summarizes NOAA's R&D investments for FY 1998, FY 1999, and FY 2000:

(In Millions)

Program	FY 1998	FY 1999	FY 2000	Total
Environmental and Climate	$233.7	$253.5	$257.4	$744.6
Fisheries	211.3	223.0	241.3	675.6
Fleet Maintenance and Aircraft Services	14.3	14.4	14.7	43.4
Weather Service	11.8	6.3	7.7	25.8
Other	52.4	53.6	65.9	171.9
Total	$523.5	$550.8	$587.0	$1,661.3