

MANAGEMENT DISCUSSION & ANALYSIS

MISSION AND
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Mission Statement

The Department of Commerce promotes job creation and improved living standards for all Americans by creating infrastructure that supports economic growth, technological competitiveness, and sustainable development. The responsibilities of the Department are, broadly speaking, to foster U.S. business and industry, to stimulate international trade, to measure and analyze social development and economic activity, and to advance our nation's scientific and technological capabilities.

Central to our fulfillment of these responsibilities are the services we deliver to the business community. As we advance into the 21st century, our ability to support information-based business development will be critical to our ability to support overall economic growth.

We provide the basic economic research data necessary for sound business decisions and we promote the use of science and technology in the production of consumer goods and services. We develop international trade opportunities through our offices in the United States and in more than 86 countries worldwide. We administer the legislation that helps U.S. industry and labor counter unfair trade practices.

Our oceanic and atmospheric programs promote our understanding and rational use of the natural environment to further our nation's safety, welfare, security, and commerce. Our responsibilities include predicting the weather, charting the seas, protecting ocean resources, and collecting data on the oceans, space, and the sun.

At home, our programs promote long-term enterprises that create jobs for minority groups and in underdeveloped areas across the United States. We support these programs with reports, publications, projections, and business expertise.

The Department touches the lives of Americans every day. We make possible the weather reports that are heard every morning; we facilitate use of the technology that is familiar in the workplace and in the home; we gather the data that are used by the public and private sectors to assist important policy and business decisions; and we support the environmental and economic health of American communities.

We provide leadership in civilian technology, trade promotion, economic development, sustainable development, and economic analysis. Our programs serve the country's businesses, our communities, and our families.

Vision

For almost 100 years the Department has been in partnership with U.S. business to maintain a prosperous, productive America—committed to consumer safety, protective of natural resources, and militarily strong. Together, we have a record of innovation in manufacturing, transportation, communications, measurement, and materials that has helped to sustain U.S. leadership of the international marketplace.

To maintain that leadership, we must continue to innovate. In bureaus throughout the Department, development programs will see us probe deeper into the ocean and higher into the sky, and will see us bring world markets closer together in the years ahead.

A product of the industrial revolution that propelled the United States into the 20th century, the Department is now at the forefront of the revolution in electronic commerce. By assisting the private sector, our goal is to ensure that the United States continues to lead the world in this new marketplace.

Strategic Planning Process

The Department undertakes its strategic planning and goal setting within the framework of the Government Performance and Results Act (GPRA). In FY 2000, the Department published its Strategic Plan for FY 2000 – FY 2005 (an electronic version of this report is available on the Department of Commerce Web site, www.doc.gov/bmi/budget/bgtindex.htm). In addition a combined FY 2002 Annual Performance Plan (APP) and FY 2000 Annual Program Performance Report (APPR) was published for the first time in FY 2001 (an electronic version of this report is also available on the Department Web site, www.doc.gov/bmi/budget).

As described in the Strategic Plan, the Department has three 5-year goals or Strategic Goals, supported by outcome-oriented objectives. We also have a Department-wide management integration goal. Each bureau pursues its own specific performance goals in support of the objectives and Strategic Goals. The Department's Strategic Goals are as follows:



- Goal 1:** Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably
- Goal 2:** Provide Infrastructure for Innovation to Enhance American Competitiveness
- Goal 3:** Observe and Manage the Earth's Environment to Promote Sustainable Growth



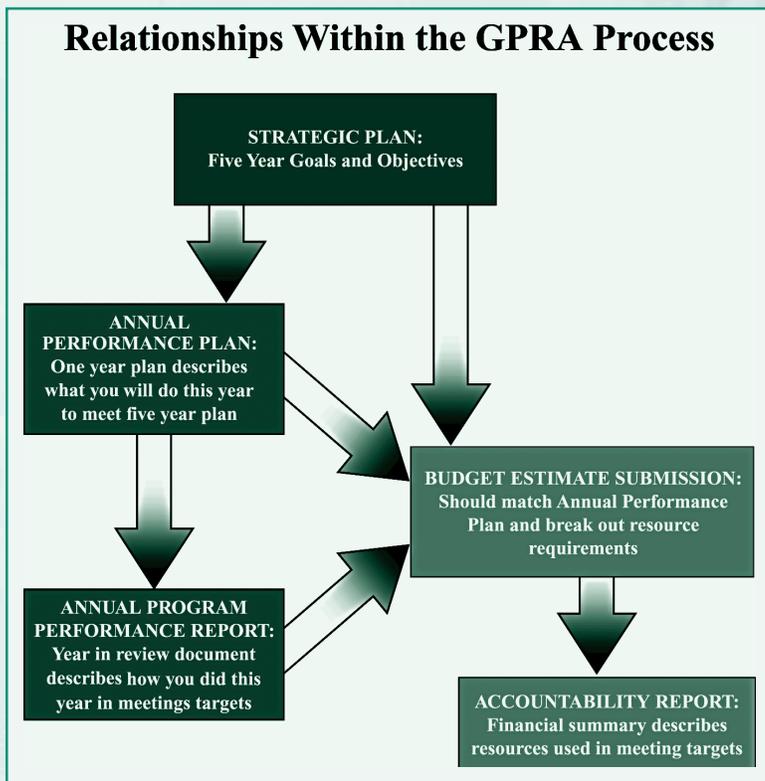
The Department has also established a management integration goal, applicable with equal importance to all bureaus:

Management Integration Goal: Strengthen Management at All Levels

Just as the first three goals respond to the forces that are expected to drive the U.S. economy of the future, this fourth goal is a response to the driving trend toward more effective organizational management in both public and private settings. For the Department, this trend is most importantly manifested in the GPRA.

The Department's APP describes in greater detail the bureau performance goals employed to achieve our strategic goals and objectives and provides an analysis of the capital, information, and other resources required to meet these goals. Our progress in pursuit of the three strategic goals is assessed through the use of specific performance measures for each bureau performance goal. Specifically, pursuit of the strategic goals is measured each year against realistic annual goals detailed and reported in the Department's combined APP/APPR.

The Department's GPRA process can be graphically demonstrated:



Fuller details of the GPRA process are included in the Department's Strategic Plan for FY 2000 – FY 2005. The next section summarizes each strategic goal in the context of the broader Departmental plan, and includes a discussion of the bureaus that provide programs supporting the goal.

Strategic Goals and Objectives

Fulfillment of the Department's mission and supporting Strategic Goals are accomplished through our bureaus. Each bureau has a broad range of responsibilities and functions, described briefly in the following section:

Strategic Goal 1

Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably

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

Within the Department, the **National Telecommunications and Information Administration (NTIA)** is responsible for determining the policies and conducting the technical research that support the delivery to all Americans of the latest telecommunications technology and services. NTIA manages the Federal Government use of the radio spectrum, promoting the use of spectrum that most efficiently serves all Americans and maintains readiness to respond to crises.

The **International Trade Administration (ITA)** is responsible for assisting the growth of small export businesses; enforcing U.S. trade laws and trade agreements; maintaining U.S. trade with established markets and promoting new business with emerging markets such as China; and for improving access to overseas markets by identifying and pressing for the removal of tariff and nontariff barriers. ITA is also responsible for improving access to foreign markets by enforcing compliance with U.S. trade laws and agreements.

The **Bureau of Export Administration (BXA)** seeks to advance U.S. national security, foreign policy, and economic interests. BXA's activities include regulating the export of sensitive goods and technologies in an effective and efficient manner; enforcing export control, antiboycott, and public safety laws; cooperating with and assisting other countries on export control and strategic trade issues; assisting U.S. industry to comply with international arms control agreements; monitoring the viability of the U.S. defense industrial base; and promoting federal initiatives and public-private partnerships across industry sectors to protect the nation's critical infrastructures.

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

The **Minority Business Development Agency (MBDA)** provides access to public/private debt and equity financing, market opportunities, and management and business information to increase business growth in the minority business community.

The **Economics and Statistics Administration (ESA)** monitors and measures socioeconomic and macroeconomic trends. The **Bureau of Economic Analysis (BEA)** measures gross domestic product (GDP), accurate assessment of which is vital to decision-making on monetary policy, projections of federal budget surpluses, and the allocation of federal funds to the states. The **Census Bureau (Census)** supports BEA by collecting statistical information about the economy. Census also provides demographic information about our society by conducting regular surveys that are used by federal, state, and local officials and by private stakeholders to make important policy decisions. In the past, the baseline for this information has been gathered primarily through a decennial nationwide census; full implementation of the American Community Survey will in the future provide additional annual data, revolutionizing the survey methodology of the federal statistical system. Census also plans to develop official measures of electronic commerce (e-commerce) activity and to evaluate how e-commerce affects existing measures of economic activity.

Strategic Goal 2

Provide Infrastructure for Innovation to Enhance American Competitiveness

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

The **Technology Administration (TA)** serves as the focal point for leadership on civilian technology policy in the Federal Government and conducts various programs to support government and industry through the provision of comprehensive technical services (measurements and standards) and the development and application of new technology. The **National Institute of Standards and Technology (NIST)** is the nation's ultimate authority for measurements and standards to support industry, science, technology, health care, safety, and

the environment (NIST Laboratories). NIST also cofunds research and development partnerships with private industry to stimulate the development of high-risk technologies with broad benefits (Advanced Technology Program); supports a nationwide network of locally managed extension centers that raise the competitiveness and productivity of small manufacturing establishments by providing technical assistance and best business practices (Manufacturing Extension Partnership); and promotes quality and performance excellence in business, health care, and educational organizations throughout the United States (Baldrige National Quality Program). The **National Technical Information Service (NTIS)** continues to meet the challenge of permanent preservation of and ready access to the taxpayers' investment in research and development through the acquisition, organization, and preservation of the titles added annually to the permanent collection. NTIS also promotes the development and application of science and technology by providing technologically advanced global e-commerce channels for dissemination of specialized information to business, industry, government, and the public; makes public access to the bibliographic database available to all users; and is implementing an initiative that will enable users to locate and download information directly from agency Internet sites.

Intellectual property is a potent force in the competitive free enterprise system. By continuing to protect intellectual endeavors and encouraging technological progress, the **U.S. Patent and Trademark Office (USPTO)** seeks to preserve the United States' technological edge, which is a key to our current and future competitiveness.

The **National Telecommunications and Information Administration (NTIA)** supports innovative telecommunications and information technologies through a grant program and through basic research performed at its laboratory, the Institute for Telecommunication Sciences (ITS). ITS performs extensive basic research on the quality of digital speech, audio, and video compression and transmission characteristics. This research has the potential to improve both the performance of telecommunications networks and the availability of digital content on the Internet.

Strategic Goal 3

Observe and Manage the Earth's Environment to Promote Sustainable Growth

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

NOAA is responsible for promoting global environmental stewardship, with the goal of conserving and wisely managing the U.S. marine and coastal resources. Our goal is that by 2005, U.S. ocean and coastal regions will be places of healthy ecosystems. This goal includes:

- Adding to the nation's wealth and to the quality of life of millions of Americans by improving the use of fishery resources;
- Leading in the preservation of marine biodiversity by balancing the exploitation of natural resources with the management of protected species; and
- Ensuring that coastal ecosystems are managed to maintain biodiversity and long-term productivity for sustained use.

NOAA also monitors and predicts changes in the Earth's environment in order to ensure and enhance sustainable economic opportunities. Our vision is that by 2005, the United States will have an integrated and reliable environmental observation, assessment, and forecasting service that will enable us to make informed decisions regarding public safety, economic development, and environmental quality. This vision will require:

- Improved short-term warning and forecast services;
- Reliable seasonal-to-interannual climate forecasts;
- Better understanding of decadal-to-centennial environmental changes; and
- Modernization of navigation and positioning services through the application of new positioning and bathymetric sensing technologies.

Management Integration Goal

Strengthen Management at All Levels

The Department's management integration goal—to Strengthen Management at All Levels—is applicable with equal importance to all bureaus.

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

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

The Department is moving aggressively in implementing the President's Management Agenda. The five government-wide management improvement initiatives include strategic human capital management, expanding e-government, competitive sourcing, strengthening financial management, and more effectively integrating budget and performance management.