The Department of Commerce
Annual Performance Plan

Fiscal Year 2001

(Revised)

William M. Daley
Secretary

Robert L. Mallett
Deputy Secretary

Secretary's Foreword

The past seven years have witnessed a remarkable economic expansion -- now the longest in our Nation's history. This expansion has resulted in the lowest unemployment levels in 30 years, the creation of hundreds of thousands of new, high-paying jobs, and the phenomenal growth of our Nation's high technology firms. During the same period, our way of conducting business has been undergoing a major transformation, with the increasing use of the Internet and electronic commerce as the most visible and widely acknowledged hallmarks of this shift.

These achievements are intertwined with our Nation's productivity growth. Huge productivity gains have freed economic resources for other uses, accelerated the development and exploitation of new technologies and, in turn, spurred further productivity gains. As a result, our Nation's net worth has soared, increasing numbers of our citizenry have achieved economic security, and we are faced with the prospect of budget surpluses as far into the future as one may confidently predict.

The Department of Commerce is continuing to foster innovation and prosperity. We are promoting electronic commerce and pursuing steps to close the digital divide so that all of our citizens, businesses, schools, and communities may enjoy their share of our economic good fortune. We are taking special steps to help our under-privileged citizenry, including initiatives to strengthen Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges and Universities; to provide resources to communities harmed by plant closures and abrupt economic dislocations; to sustain the economic contributions of our oceans and rivers; to open markets abroad; and to produce sound demographic and economic data that help business make wise decisions.

Our efforts build from a common cornerstone -- manage for results, improve our use of resources, and respond to our country's evolving needs. As Secretary and as a manager, I believe that each of our programs must justify itself every day -- for without defensible performance, we can not fulfill our public trust.

This document, our third Annual Performance Plan, presents our operational plans for FY 2001 and was developed in concert with our FY 2001 budget request to Congress. In this plan, we discuss what we will do with the resources that we are asking to be entrusted to us. As a Department, we believe our Annual Performance Plan provides the basis for Congress and all Americans to assess our performance. I take great pride in presenting this plan as our commitment to America.

William M. Daley
Secretary of Commerce

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Executive Summary

Introduction

This document is the third Annual Performance Plan prepared by the Department of Commerce as required by the Government Performance and Results Act (GPRA). It reflects continued progress in refining the Department's response to the challenges of moving to results-oriented performance management as a practical reality in the fulfillment of the Department's mission to serve the American people.

The Department's first Annual Performance Plan (FY 1999) proved to be a difficult challenge for a department with such a diverse range of responsibilities and programs. Like other departments and agencies mandated to comply with GPRA, the Department of Commerce received valuable constructive criticism of that first Performance Plan from Congress, the General Accounting Office, and many other stakeholders.

The Department's second Annual Performance Plan (FY 2000) reflected a commitment by Commerce to respond to constructive criticisms of the prior year Plan as well to incorporate the best ideas and practices in performance management that were being developed within the entire public administration professional community. As a consequence, the Department's focus and commitment produced a gratifying result. The Department of Commerce's FY 2000 Annual Performance Plan received the highest score of any department or agency in the review undertaken by the House of Representatives.

This year's Plan again represents a dedicated commitment by the Department of Commerce to continue the refinement and improvement of our response to GPRA requirements. Specifically, Commerce has focused its attention on the following areas of improvement in this document:

- Increased specificity of performance goals, measures and targets where necessary;
- Improved presentation of budget data regarding budgetary resources associated with performance goals;
- Expanded discussion of coordination of crosscutting efforts;
- Elaboration of the linkages between strategies and resources with the achievement of annual goals and performance targets;
- Presentation of mitigation strategies for the effects of identified external factors; and
- Description of efforts to verify and validate performance data and to assess the implications of known performance data limitations.

Following the Executive Summary, the FY 2001 priorities and initiatives of the Department of Commerce will be described in summary form. Details of these priorities and initiatives may be found in the FY 2001 President's Budget document and the Department's Budget in Brief. After the Priorities and Initiatives section of the Plan, bureau by bureau presentations will set forth all of the Performance Goals and measures for the Department of Commerce for FY 2001. Finally, significant management challenges for the Department of Commerce in FY 2001 will be reviewed. The Appendices provide additional information for reference.

The Department of Commerce's Service to America

Mission Statement

The Department of Commerce promotes job creation and improved living standards for all Americans through economic growth, technological competitiveness and sustainable development.

Organization

The Department of Commerce touches Americans' lives every day. We make possible the weather reports that are heard every morning; we facilitate the technology that is used in the workplace and in the home; we develop statistics that are used by both the public and private sectors in making important policy and business decisions; and we support the environmental and economic health of American communities.

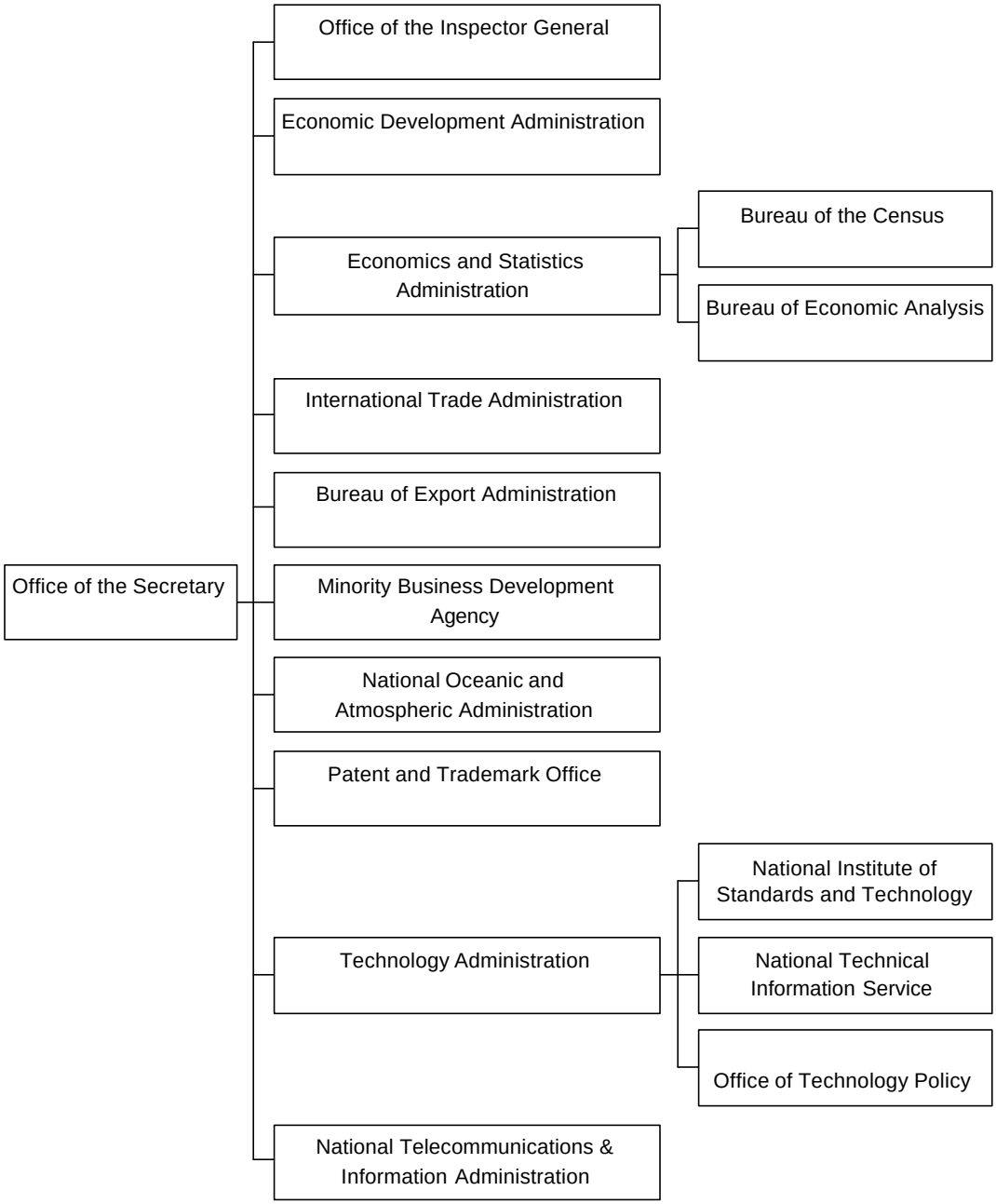
The Department of Commerce provides leadership to the Nation in civilian technology, trade promotion, economic development, sustainable development, and economic analysis. These programs serve our country's businesses, communities, and families, and we are dedicated to making Commerce programs and services as effective as possible.

New challenges, however, demand new responses. In agencies throughout the Department, technological innovation is spurred by modernization programs that will probe deeper into the ocean, higher into the sky and bring world markets closer together in the years ahead.

A product of the industrial revolution which propelled the United States into the 20th century, the Department of Commerce is at the forefront of the technological revolution in electronic commerce ushering the 21st century. The Department of Commerce will help make the United States the continuing leader in the world marketplace.

Organizational Structure

The Department's mission is carried out by nine major agencies depicted in the following organization chart:



In the spirit of Commerce being the digital department, more detailed information about the Department's organization, programs and budget can be found conveniently at http://www.doc.gov.

Our Goals

The Department of Commerce undertakes its strategic planning and goal setting within the framework of the Government Performance and Results Act (GPRA). With the publication of the first Annual Program Performance Report in March 2000, the Department will have completed the first full cycle of GPRA-mandated activities involving the Strategic Plan, the Annual Performance Plan and the Annual Program Performance Report. The next Commerce Strategic Plan will be submitted to Congress in September 2000 and it will replace the first Strategic Plan (FY 1997-2002) that was issued in September 1997.

Although the Department's performance goals set forth in the FY 2001 Annual Performance Plan are sound, well-conceived commitments to advance Commerce's service to America, the longer-term framework of strategic goals is going through a transition that will culminate in the revised Strategic Plan later this year.

The emerging new strategic goals for the Department of Commerce are in three areas related to the core Departmental mission of economic growth. Each will be summarized briefly in terms of the planning context of the early 21st century. Detailed objectives and strategies based upon these strategic goals will appear in the revised Strategic Plan later this year after extensive review and consultation with Commerce stakeholders.

Strategic Goal: Expand Economic Growth, Trade and Prosperity

This goal focuses on the traditional Commerce efforts of promoting domestic and foreign commerce with particular attention to the dynamics of the global marketplace taking place at the beginning of the 21st century. By February 2000, the American economy will have experienced the longest period of economic expansion in the Nation's history. The challenge of sustaining this remarkable expansion will be balanced with the need to increase the prosperity of all Americans regardless of their geographic location or ethnic origin.

Strategic Goal: Stimulate Innovation for American Competitiveness

Among experts on the future trends of the economy, there is an emerging consensus that the major driver of economic expansion in the 21st century will be the acceleration of technological change. The Chairman of the Federal Reserve Board estimates that approximately 70 percent of the current economic expansion is the result of technological advances. Nearly half of that has been spawned by information technology advances. Nurturing and channeling technological change in the economy is a primary Department of Commerce responsibility, and the challenge for the Department will be to mount a comprehensive campaign to use technological advances to increase American competitiveness in the global marketplace. The opportunities for the information industries and electronic commerce are staggering.

Strategic Goal: Advance Sustainable Economic Development

Like accelerating technological change, the natural environment has been identified as a driver for economic change in the 21st century. Unlike accelerating technological change, factors involving the natural environment may increasingly have negative or cost implications for the economy. While the late 20th century experienced a revolutionary public awakening to the need to protect nature from pollution and despoilation of modern society, it has become apparent that society must increasingly learn to protect itself from the natural environment. Traditional pollution control and conservation strategies must be increasingly joined with parallel efforts to reduce social and economic costs of hazards from the natural environment such as floods, droughts and hurricanes. To the world of the 21st century, sustainable economic development will require society to learn new ways to balance and manage its reciprocal relationship with the natural environment: what society does to nature and what nature does to society. The Department of Commerce is uniquely positioned for leadership in this endeavor.

Highlights of the FY 2001 Annual Performance Plan (APP)

The FY 2001 APP includes the Clinton-Gore Administration's and Secretary William M. Daley's priorities and initiatives. The following priorities and initiatives serve as guideposts to gauge the performance of Commerce's most critical programs.

- Moving Our Economy Into the 21st Century by Accelerating the Transition to Electronic Commerce
- Ensuring All of America Benefits From Our Prosperity
- Building a New Consensus on Globalization
- Protecting Our Environment While Growing Our Economy by Strengthening Our Natural Resources Infrastructure
- Establishing Safeguards Against Unconventional National Security Threats
- Addressing Critical Construction Needs
- Enhancing the U.S. Statistical Infrastructure
- Assisting Public Broadcasting Digital Conversion

Linking the key programs of individual Commerce bureaus to the priorities and initiatives reinforces the Department's core mission and creates new opportunities for increased performance. This is especially important during periods of increasingly rapid and frequent change in our society, in our economy, and in science and technology—placing greater demand on the vital resources the Department manages. Each Commerce bureau is well-positioned to help improve the quality of life, whether that entails producing more timely and accurate weather forecasts or weighing commercial and national security interests in decisions about exporting new technologies.

Encompassing the Department's many disparate functions, the priorities and initiatives represent significant actions by the Secretary and his leadership team to move the Department in the direction of a more integrated organization. The FY 2001 APP, developed pursuant to the Government Performance and Results Act and integrated with the budget process, is the product of efforts to establish a more effective strategic planning and performance management process within the Department. The Commerce strategic planning and performance management approach, which recognizes unique organizational cultures and the stakeholders of each of the Commerce bureaus, will drive a Commerce-wide effort to continue to improve the integration of activities and enhance performance and accountability.

Commerce Bureaus, the Department's Strategic Goals, and the Priorities and Initiatives

In support of the Department's goal to expand economic growth, the **Economic Development Administration's (EDA)** goals are to create jobs and private enterprise in distressed communities and to build local capacity to achieve economic growth. Since its establishment under the Public Works Act of 1965, EDA has confronted and responded to many challenges to the industrial and commercial growth of distressed communities in the United States.

Today, rapidly changing production, trade patterns, and technology threaten certain communities. EDA's highly flexible programs for public infrastructure, planning, technical assistance, and research allow the Department of Commerce to respond strategically to the specific conditions of disenfranchised areas in order to expand industrial and commercial growth. EDA works through a nationwide network now comprising 320 Economic Development Districts (EDDs), 64 Indian tribes, 69 University Centers, and 12 Trade Adjustment Assistance Centers (TAACs). EDA focuses on supporting local planning and long-term partnerships with State and local organizations that can assist distressed communities with strategic planning and investment activities.

For example, EDA helps mitigate the impact of natural disasters on communities by helping them to move businesses from disaster-prone areas to safe locations. EDA is able to go into communities struck by natural disaster and begin assistance immediately rather than waiting until emergency supplemental funds are approved.

By maintaining a reliable Federal statistical system that readily monitors and measures economic activity and social trends, the **Economics and Statistics Administration (ESA)** helps National, State, and local governments and other institutions make smart decisions that can improve the American standard of living. Our Nation's ability to respond to domestic and international developments that affect our economic vitality depends on a world-class information base and the cutting-edge technology that makes it accessible. In this capacity, ESA oversees the **Census Bureau** and the **Bureau of Economic Analysis (BEA)**. ESA also operates STAT-USA, a user-friendly "one-stop shop" for the dissemination of business, economic, and trade statistics.

As the prime gatherer and purveyor of data on our population and our economy through surveys, censuses, and special studies, the Census Bureau is committed to accuracy, timeliness, relevancy, and efficient service. The Bureau's strategy to improve data quality and timeliness includes the use of state-of-the-art digital capture technology, simplifying questionnaires, increasing the follow-up rate on nonrespondents, and working in partnership with the U.S. Postal Service to improve address files. In FY 2001, electronic commerce will also ease the reporting burden for businesses, contributing to the statistics available for planning purposes.

The Secretary intends Census 2000 to be the most complete and accurate decennial census ever—executed at the lowest possible cost to the taxpayer. Supporting a successful Census 2000 is one of the elements of the Secretary's management strategy for the Department.

As the Nation's accountant, BEA combines and transforms extensive data from government and private sources to produce a consistent and comprehensive picture of economic activity, featuring the key summary measure known as gross domestic product. In addition, BEA's estimates of regional product and income are used in the allocation of Federal grants to states.

In the area of the statistical infrastructure, BEA will work to resolve measurement discrepancies due to changes in the economy and incomplete or obsolete data by expanding and updating the coverage of key areas, including rapidly evolving industries.

In an increasingly global economy, the role of exports in sustaining a robust economic infrastructure continues to grow. Exports support over eleven million American jobs, and in the past several years, generated over two million new jobs. In recent years, export-related jobs grew about six times faster than total employment, paying wages fifteen percent higher than the average U.S. wage. The competitive nature of the global marketplace raises the bar of challenges for the **International Trade Administration (ITA)** in leveling the playing field for U.S. businesses abroad and helping remove tariff and nontariff barriers to trade. Toward this end, ITA will carry out the Secretary's Broadening Trade initiative by breaking into new and underserved international markets, while expanding the export support of small- and medium-sized businesses. ITA's goals are to enforce U.S. trade laws and agreements to promote free and fair trade, increase the number of small business exporters, and open key emerging markets, especially Africa, Latin America, and Asia.

Much of the success of the Commerce trade initiatives rests on the expansion of the U.S. and Foreign Commercial Service's (US&FCS) outreach efforts to small- and medium-sized enterprises (SMEs) to help them unleash their export capacity. The U.S. Export Assistance Centers (USEACs) perform the valuable service of educating and assisting SMEs and helping export-ready firms in need of technical assistance. Electronic commerce and the Internet are other vehicles to increase export opportunities for SMEs.

Implementing an aggressive trade compliance program to aid U.S. companies in achieving the full benefits of trade agreements is another key component of ITA's strategy. The Trade Compliance Center (TCC) monitors approximately 250 trade agreements and helps identify possible violations. By compiling data on access problems and outcomes, ITA can measure the dollar value of opening world markets to U.S. exports as a result of reducing or eliminating trade barriers. ITA also improves the competitiveness of domestic firms by enforcing U.S. trade laws and agreements regarding subsidies, unfair pricing, and other harmful foreign trade practices.

The Bureau of Export Administration (BXA) seeks to advance U.S. National security, foreign policy, and economic interests by regulating exports of critical goods and technologies that could be used to damage those inter-

ests (while furthering the growth of legitimate U.S. exports to maintain our economic leadership); by enforcing compliance with those regulations; by cooperating with like-minded nations to obtain global support for this effort; by assisting nations that are key exporters or transit points for sensitive good and technologies to strengthen their own transit and export controls; and by monitoring the U.S. defense industrial base to ensure it remains strong.

In housing the Critical Infrastructure Assurance Office (CIAO), established by Presidential Decision Directive 63, BXA also helps safeguard the interconnected systems that are necessary to the operations of our government and economy.

BXA is working to bring U.S. export controls in line with evolving U.S. national security and foreign policy objectives. Restructuring export controls for the 21st century will result in a relatively shorter dual-use commodity control list. Streamlining the application system for controlled items will help prevent illegal transactions and expedite the license processing cycle for U.S. companies. In addition, by rendering prompt decisions, BXA will strengthen the international competitive position of U.S. firms. BXA is also developing means to strengthen its law enforcement program and its efficiency as a regulatory agency. BXA takes a preventive approach to deter high-risk transactions. To reduce the number of potential license requests for unacceptable products, BXA will expand educational outreach to its stakeholders through visits, conferences, and seminars to heighten their understanding of export controls and, as a result, strengthen industry compliance. It will also conduct a greater number of on-site visits to end-users of selected goods to ensure that products are being employed in the authorized manner.

BXA will also increase the number of bilateral and multilateral nonproliferation and export control technical, executive, and educational exchanges it conducts with the governments of nations where there is a significant risk of export or transit of sensitive goods and technologies but which do not have fully competent export control systems. BXA will work to the extent of its resources to assist these nations to attain competence in all five functional areas of effective export control systems: legal and regulatory frameworks, licensing procedures and control lists, enforcement mechanisms, industry-government relations, and systems administration and automation.

Finally, BXA will facilitate the transition of defense industries to productive peacetime activities without compromising our technological leadership. At the same time, BXA will assist in promoting the continued viability of high-tech firms through the development of innovative product lines and new commercial avenues for former defense products.

Minorities account for 28 percent of the American population, but only 11 percent of business owners. Because of this fact, the central aim of the **Minority Business Development Agency (MBDA)** is to increase the participation of minorities in our Nation's commerce.

MBDA also advances the establishment and expansion of minority-owned businesses by identifying new domestic and foreign business opportunities. MBDA informs minority-owned businesses of these opportunities and assists these firms in taking advantage of such opportunities. This includes programs to increase access to the marketplace and capital through a number of vehicles. For example, MBDA provides management and technical assistance to over 8,000 firms annually via an electronic matching system over the Internet, Business Development Centers, and other resources. It promotes minority business lending through arrangements with financial institutions and mobilization of both private and public sector resources. MBDA also works to secure a fair share of representation for minority-owned businesses in all government-sponsored initiatives that promote U.S. business interests, including international trade missions.

The functions of the **National Oceanic and Atmospheric Administration (NOAA)** encompass many Commerce priorities. NOAA has the lead role in improving the means for detecting oncoming natural events with greater precision in order to save lives and property and minimize business disruption. In skillfully managing and protecting our Nation's assets and resources, NOAA plays a key role in the Natural Resources initiative by overseeing programs that expand knowledge and understanding of our land, water, and air. Protecting coastal habitats from loss and degradation, researching the effects of climate changes on the oceans and atmosphere, and promoting navigation are all objectives of this effort.

Programs within NOAA's National Marine Fisheries Service (NMFS) are designed to help build a sustainable fisheries environment. Improving current fish stocks and restoring the long-term employment and growth potential of

maritime industries are essential to our Nation's wealth and quality of life. The Natural Resources initiative also includes recovering protected species, preventing extinction, and maintaining healthy species through conservation programs that involve monitoring and research of species and the factors that affect their mortality. The success of all of this effort will be more attainable by integrating activities across five of NOAA's line and program offices.

NOAA also contributes to America's preparation for natural disasters by providing weather warnings and forecasts to the general public through the National Weather Service (NWS), conducting climate and weather research, and making historical and environmental data available for the public and private sectors. NOAA's products and services include short-term warning services and forecasts to increase lead times; newer and better data sets on seasonal-to-interannual time scales to produce climate forecasts to predict El Niño events with more accuracy; and improved decadal and centennial climate change assessments, especially for greenhouse warning, ozone layer depletion, and air quality.

Finally, NOAA's success in describing and predicting the changes in the earth's environment, and conserving our resources to ensure sustainable economic opportunity relies on cutting-edge research to develop new technologies, improve operations, and supply the scientific basis for managing natural resources and solving environmental problems.

In administering laws that grant and protect patents and trademarks, and in advising the Commerce Secretary, the President, and the Administration on intellectual property rights, the **Patent and Trademark Office (PTO)** plays a central role in America's economic growth.

Through its stewardship of our Nation's intellectual property, PTO influences investment, development and marketing strategies, and the financial viability of American businesses. PTO plays a central role in increasing the competitiveness of our technology-based economy by providing more effective service delivery as product life cycles become shorter. Timely issuance of patents and trademark registrations make all the difference for firms operating in fast-paced markets. Toward this end, PTO is committed to customer-oriented and results-driven performance through reduced average processing time of patents and trademarks, the automation of various patent and trademark activities, and the establishment of a fee schedule aligned with cost.

Through its provision of technical assistance and its expertise on trade-related property rights issues, PTO helps support the Secretary's trade initiatives. PTO contributes to the protection and expansion of intellectual property rights systems worldwide, vital to the development of the commercial infrastructure of developing economies and to promoting trade, through education and training on laws, regulations, and enforcement. It conducts international outreach and partners with other nations to help support these objectives.

Finally, improving communications, as part of a customer service focus, is integral to the goal of promoting awareness of and providing effective access to patent and trademark information. This relies on an advanced information dissemination base able to respond to users in a timely fashion, make information available, and transform the majority of processes into electronic operations. It includes the increased use of the Internet to request the status of applications and place orders, and to answer customer inquiries via e-mail.

PTO's program operations are revenue-generating and PTO is a self-sustaining agency that relies on external customer satisfaction. Similar to a private sector business, it conducts a number of transactions with the public directly and must become efficient enough to respond to private sector needs and a potentially growing market for its services. With this in mind, Congress approved legislation to transform PTO into a performance-based organization which will free PTO from certain federal restrictions and provide a clear mission, fiscal accountability, and outcome measurements.

The **Technology Administration (TA)** works with U.S. industry to maximize technology's contribution to U.S. economic growth. TA develops and disseminates measurement techniques, reference data, test methods, standards, and other types of infrastructural technologies and services required by U.S. industry to compete in the 21st century. TA also fosters the development, diffusion, and adoption of new technologies; assists small manufacturers; and promotes a business environment conducive to innovation.

TA includes the Office of the Under Secretary for Technology, which provides policy guidance to the Secretary of Commerce and the Technology Administration's component agencies and serves as an advocate for innovation and industrial competitiveness within and outside of government. Pursuant to this role, the Under Secretary also oversees the **Office of Technology Policy (OTP)** and **Office of Space Commercialization (OSC)**. TA also includes the **National Institute of Standards and Technology (NIST)**, which works with U.S. industry to address technology needs, delivering broadly useful results shared with U.S. industry to address technology needs, delivering broadly useful results shared among companies, industries, and consumers. In addition to its core measurement, testing, and standards functions, NIST also conducts three key extramural programs: the Advanced Technology Program, to stimulate the development of high risk, broad impact technologies by U.S. firms; the Manufacturing Extension Partnership, to help smaller businesses adopt new manufacturing and management technologies; and the Baldrige National Quality Program, to help U.S. business and other organizations improve the performance and quality of their operations by providing clear standards and benchmarks of quality.

TA plays a key role in several of the Secretary's initiatives and priorities for FY 2001: accelerating the transition to electronic commerce; expanding Commerce's partnerships with Minority Serving Institutions; establishing safeguards against unconventional national security threats; and addressing critical construction and base program needs.

The **National Telecommunications and Information Administration (NTIA)** maximizes the use of telecommunications and information resources in ways that create jobs, augment U.S. competitiveness, and raise the standard of living. NTIA's functions, increasingly complex in nature, include an important role in opening new markets and broadening trade.

To promote greater awareness, understanding, and access to technology, NTIA will accelerate the development and diffusion of public sector and nonprofit applications of Next Generation Internet (NGI) technologies and services. NGI is the Administration's multi-agency Federal research and development program to advance networking technologies. NTIA provides matching grants to non-profit organizations to build quality technological and information systems in areas that benefit communities, such as in health care, education, and public safety. It also assists public telecommunications facilities in converting to digital broadcasting.

NTIA manages the portion of the radio spectrum that is allocated for Federal use. It ensures that radio spectrum assignments provide the greatest public benefit, by planning and implementing policies that affect both private and public sectors; meeting the requirements of Federal agencies; and advancing the development of spectrally efficient technologies.

Finally, as part of the Administration's Critical Infrastructure Protection program, NTIA has assumed the lead agency role for the information and communications (I&C) sector. It is focused on protecting critical infrastructure by devising a plan that assesses the vulnerabilities of the I&C sector and identifying protection strategies.

Commerce Strategic Plan Link to the Commerce Annual Performance Plan

The Department of Commerce prepared its first Strategic Plan as required by GPRA in September 1997 and its first APP in February 1998. The three Commerce strategic themes expounded in the Commerce Strategic Plan represented the first effort with GPRA to develop "integrating themes" intended to recognize and foster crosscutting efforts in the areas of economic infrastructure, science and technology, and Commerce's management of the Nation's resources and assets.

The revised Commerce Strategic Plan (to be submitted to Congress by September 30, 2000) is refining the Department's focus on strategic goals targeting its core economic mission for America. The full expression of the Department's new strategic goals will be reflected in the FY 2002 Annual Performance Plan in February, 2001.

The strategic planning and performance management process has set in motion more active consideration and exploration of potential crosscutting and partnership arrangements among the bureaus of the Department. While this process is incremental, the FY 2001 priorities and initiatives further advance the commitment to conduct effective Commerce crosscutting efforts in a more integrated fashion.

Brief Description of Parts II, III and IV

Parts II and III of the Commerce Annual Performance Plan summarize the activities, performance, and resources for (a) each of the priorities and initiatives; and (b) each of the nine Commerce bureaus. They provide detailed information about the activities proposed for each of the crosscutting priorities and initiatives and for each of the bureaus. They also focus on the more "outcome-oriented" goals that the bureaus are trying to achieve. Included are brief descriptions of why these activities are important to the American public, how each bureau is doing in terms of performance trends, and the resources required to conduct these activities.

After the more detailed description of the Priorities and Initiatives, the bureau-by-bureau approach is organized in a similar manner and contains the following information for each bureau:

- *Mission Statement*
- *Goal and Performance Measure Information*
  - *Rationale*
  - *Performance Targets*
  - *Data Validation and Verification*
    - *Source*
    - *Frequency*
    - *Data Storage*
    - *Verification*
  - *Means and Strategies*
  - *Crosscutting Activities*
  - *External Factors*
  - *Resource Requirements*
    - *Funding*
    - *Skills Requirements/FTEs*
    - *IT Requirements*

Part IV summarizes major management challenges facing the Department, and the planned responses to each of them.

Finally, we have provided Appendices presenting background information about Commerce performance goals and measures from FY 1999, FY 2000 and FY 2001. Other information to supplement the material in the main text of this Annual Performance Plan is provided for reference.

Priorities and Initiatives

An Action Agenda for FY 2001

Given the Department's mission, the following priorities and initiatives have been identified by the Secretary to focus the Department's energies on the particular opportunities to serve America better in FY 2001:

Priorities & Initiatives	Request ($ millions)
Moving Our Economy Into the 21st Century by Accelerating the Transition to Electronic Commerce	$175.4 M
Ensuring All of America Benefits from Our Prosperity	$91.7 M
Building a New Consensus on Globalization	$69.6 M
Protecting Our Environment While Growing Our Economy by Strengthening Our Natural Resources Infrastructure	$379.0 M
Establishing Safeguards Against Unconventional National Security Threats	$88.8 M
Addressing Critical Construction Needs	$37.0 M
Enhancing the U.S. Statistical Infrastructure	$15.3 M
Assisting Public Broadcasting Digital Conversion	$83.5 M
TOTAL	**$940.3 M**

Each of these Priorities and Initiatives is summarized in the following section.

Moving Our Economy Into the 21st Century by Accelerating the Transition to Electronic Commerce

Rationale and Benefits

The Department has released two reports that show the opportunities and challenges of the New Economy. While our *Emerging Digital Economy II* report showed that expansion in the information technology industry accounted for more than one-third of our Nation's economic growth since 1995, our *Falling Through the Net III* report provided evidence that the gap between the technological "haves" and "have-nots" continues to grow for many parts of our society. This $175.4 million e-commerce initiative focuses on ensuring that information technologies remain an engine of economic growth and that we take more steps to close the digital divide in America.

Context

This initiative has six components:

Helping More People Benefit from E-commerce

- $50 million for the Home Internet Access Initiative. The Administration proposes $50 million for a new grants program that would provide low-income individuals and families with the connections, training, and support necessary for full participation in today's increasingly online society. The Administration will work with private industry, local organizations, and academia to develop a program description that will be announced in the near term.

- Triple the Technology Opportunity Program to Help Close Digital Divide. To further close the gap between information "haves" and "have nots," the Department proposes to triple our investment in the Technology Opportunity Program (TOP) -- formerly known as the Telecommunications Information Infrastructure Assistance Program (TIIAP). The $29.5 million increase in funding for this successful program will support additional community-based projects that demonstrate innovative uses of e-commerce tools and technologies that benefit the public. This increase will also allow a more equitable distribution of funds to rural and low-income, urban areas across the country.

Helping More Places Benefit from E-commerce

- New Broadband Deployment Initiative. While high-speed Internet access is coming to more and more American communities, too many areas still do not have it, meaning fewer jobs as businesses relocate to areas with Broadband. The Department's request of $23 million for EDA public works grants will encourage the deployment of increased bandwidth in distressed urban and rural communities. This program will provide States and local areas funds to plan for and install high-speed Internet access infrastructure to help attract new business and job opportunities in our Nation's under-served communities. NTIA's $2.0 million request will allow for research to find a widely acceptable and affordable method to integrate voice telephone and Broadband real-time services with additional Internet services. Research will help reduce the geographical and economic barriers to Broadband availability, making its application more widespread, especially in rural and disadvantaged areas.

Helping More Businesses Benefit from E-commerce

- Initiative to Help Manufacturing Firms with E-Commerce. This $19 million initiative will help empower small and medium-sized manufacturers with the information and technical assistance they need to become e-businesses. With more and more large manufacturers using the Internet for supply chains, small and medium-sized manufacturers who are not connected will find themselves falling behind in the years ahead. The International Trade Administration's (ITA) Trade Development and US&FCS request a $10 million export initiative targeted at small and medium sized manufacturers which would focus on the new business framework arising from e-commerce, close the gap between manufacturer export potential and actual performance, and deploy a next generation trade promotion strategy made possible by e-commerce. Building on the successful cooperative Y2K outreach model, the National Institute of Standards and Technology (NIST) will request $9 million to work with the Small Business Administration (SBA) and the United States Department of Agriculture (USDA) to distribute 600,000 e-commerce tool kits to small and medium sized businesses.

Moving Our Economy Into the 21st Century by Accelerating the Transition to Electronic Commerce

- Initiative to Develop Interoperable E-Commerce Standards. The Department requests $4 million to increase the utility of e-commerce applications by making them more interoperable and $1 million to provide measurements and standards to support advanced wireless technologies. Many applications designed to make e-commerce more reliable, efficient, and secure simply do not work together; indeed, more than 100 e-commerce-related standards are currently under development, which will potentially fragment the e-commerce marketplace. These funds will allow the Department to work with industry to develop interoperable e-commerce standards, test methods, and procedures to enhance security and reliability at all levels.

Helping More Businesses Grow Through E-Commerce

- The Department's budget includes $0.5 million for the Minority Business Development Agency (MBDA) to increase its e-commerce matching opportunities for minority enterprises, and $1.6 million for the International Trade Administration to expand its virtual trade missions to enable small and medium-sized enterprises that adopt e-commerce business models to increase exports to global markets.

Measuring the Digital Economy

- Initiative to Include E-Commerce Measurements in Economic Statistics. Decisions are only as good as the information on which they are based. Traditional categories and measures used within our national economic statistics are inconsistent and/or incompatible with e-commerce. Thus, unless its results are captured in the national statistical measures, we face the possibility of seriously underestimating productivity and growth in our economy. The importance of accuracy in these data cannot be overstated; for example, the Federal Reserve uses them to help determine whether to raise or lower interest rates, and businesses use the information every day to make production decisions. Therefore, the Department proposes $13 million for the Department's Economics and Statistics Administration (ESA), including the Census Bureau, to ensure that e-commerce is appropriately measured and that the measurements are incorporated into national statistical measures. We also want to continue funding ($0.4 million) for the often cited report, "Falling Through the Net," which gauges the extent to which all Americans have access to the "information age."

Using E-Commerce Tools to Administer the Department into the 21st Century

- With $5.8 million, we will build a modern electronic infrastructure for the Department to fundamentally improve the delivery of services to Commerce customers. And, with $25 million, we will increase efficiency and improve Patent and Trademark Office (PTO) processes with e-commerce tools.

Components

Bureau	Request ($ millions)
EDA	$23.0
ESA	$3.0
ITA	$11.6
GA	$5.8
MBDA	$0.5
CENSUS	$10.0
PTO	$25.1
NIST	$14.0
NTIA	$81.9
Total	**$175.4**

Moving Our Economy Into the 21st Century by Accelerating the Transition to Electronic Commerce

Measures and Targets Summary

Measure	Target
NTIA	
Increase Internet accessibility and use	55% of households
EDA	
Percent of public works and economic development facilities in areas of highest distress	30%
ITA	
New to export firms (small business)	36,949
NIST	
Develop e-commerce Jump-Start kits, assessment tools and roadmap	Complete Jump-Start kits within first year
Conduct e-commerce training and distribute Jump-Start and Adoption kits	-- Distribute 600,000 toolkits within first year -- Train 600 IT field personnel per year

Ensuring All of America Benefits from Our Prosperity

Rationale and Benefits

The Department's budget includes $28 million to help build the capacity of America's minority serving institutions, which will provide new opportunities for people to learn skills in science and engineering. The Department's budget also includes $53.7 million to help spur economic development on tribal lands and $10 million for the Mississippi Delta region.

Context

Expanding Commerce's Partnerships with Minority Serving Institutions -- The Administration is requesting $28 million in new funding to be channeled through NOAA ($17 million) and NIST ($11 million) to address well-known and long-standing problems of developing partnerships with Minority Serving Institutions (MSIs). This will enable us to support the President's Executive Orders to provide assistance to the Nation's Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions, and Tribal Colleges and Universities. The Department's twin goals in support of these Executive Orders are to expand scientific capacity at these institutions and to attract more minorities to critical science fields.

Statistics about minority graduates in science and engineering say one thing loud and clear: there are simply not enough minority scientists and engineers to meet the demand of the American economy in the 21st century. The Department of Commerce is approximately 75% science and technology-based in terms of programs, and under-representation of minorities in these programs is severe, long-standing, and well-documented. According to the Census Bureau, Blacks and Hispanics comprise some 12.8 percent and 11.6 percent of the population, respectively. However, according to the National Science Foundation, they account for only 2 percent of the scientific workforce. MSIs are the only realistic way to increase minority representation in these fields because most of the "best and the brightest" minority students matriculate at MSIs. The statistics bear this out. For example, 40% of African-American students receive undergraduate degrees at HBCUs. But 85% of black physicians, 80% of black Federal judges, 75% of black lawyers, 75% of black military officers, and 75% of black Americans who hold doctoral degrees all received undergraduate degrees at HBCUs.

This is also a problem for the economy at large and requires a visible and substantial response. But, there are no simple or quick solutions; we must invest in a sustained and strategic way. MSIs serve minority students very well. MSIs graduate half of the minorities going into science or engineering. Any reasonable strategy to increase minority graduates in science or engineering must include a central role for MSIs. With these conclusions in mind, we must face the reality that few MSIs today have the capacity to offer state-of-the-art science and engineering studies, particularly at the graduate degree level.

In NOAA, we are proposing to create three Cooperative Science Centers in oceanic, atmospheric, and environmental fields to form true partnerships with MSIs to strengthen their ability to participate in Federal grant and contract research in a competitive way. In addition, NOAA will establish a Junior year scholarship/fellowship program to support training and eventual employment of MSI students and to implement a graduate scientist program to bring graduates into NOAA. One of the most novel components of NOAA's MSI effort is the Environmental Entrepreneurship Program. This component will allow NOAA to build the capacity for minority individuals as well as minority-owned businesses to participate in contract work in environmental projects such as natural resources restoration.

NIST also would invest in MSI partnerships using the Center of Excellence model to improve access to state-of-the-art facilities and to create opportunities for minorities to produce technical publications and patents. Through the Commerce Student Fellowship Program and the NIST/NRC Postdoctoral Associateship Program, NIST will also offer an additional 49 fellowships over five years to undergraduate, graduate, doctoral, and post-doctoral students. Finally, NIST will establish a collaborative metrology training center in at least one MSI and will develop two new NIST metrology training courses.

Ensuring All of America Benefits from Our Prosperity

Promoting Native American Economic Development -- While the country continues to thrive during the longest and strongest economic expansions in its history, Native Americans are one segment of the Nation's population that has been consistently left behind. This $53.7 million program will promote self-sufficient economic development activities like tourism and will provide the capital to encourage more collaboration between the Native communities and adjacent non-Native jurisdictions on economic development matters central to both communities.

Among the most distressed in the country, Native American communities suffer from a poverty rate twice the National average, unemployment rates eight times higher than the National average, and a median income less than two-thirds the National average. On July 7, 1999, President Clinton demonstrated his concern about this situation by visiting the Pine Ridge Reservation, home of the Oglala Sioux nation. This was the first visit by a sitting American President to a reservation since Franklin Roosevelt.

In keeping with the Administration's "New Markets" initiative, the Department of Commerce's Economic Development Administration (EDA) will concentrate $49.2 million on the provision of both basic and advanced infrastructure needs. EDA will give priority to projects that emphasize the attraction of outside capital to, and the location of basic commercial business operations in, Native American communities. In addition, workforce development, including distance learning facilities, will be given high priority. Such facilities are urgently needed for the attraction of new businesses to these communities as well as for producing trained and knowledge-based Native American employees for nearby privately-owned, off-reservation businesses.

The FY 2001 request also includes $4.5 million for ITA to use in the following ways. First, under the Department's Global Diversity Initiative, ITA will engage in a rigorous outreach program to identify Native-American owned firms with core attributes for successful international sales (management skills, sound products, and internal resources), and to help provide them with sufficient capability to become successful exporters. Native American businesses are a constituency which traditionally under-participates in the American economy, and this sector has not prospered as much as the American economy as a whole. Second, the Native American culture and products have a continued fascination within the mainstream culture in this country, and certainly in many foreign nations. Increasing the amount of tourism which focuses on Native American culture and products will bring needed jobs and income into native American communities, which are among the most economically depressed in the Nation.

Promoting Lower Mississippi Delta Region Economic Development -- Commerce requests $10 million to join a multi-agency effort that underscores the Administration's commitment to revitalize this area of the country. As a result of the longest peacetime economic expansion in American history, some areas of the delta region have improved, but much work remains to be done. As part of this Federal effort, Commerce will work to revitalize local economies by financing public works investments. We will build on our newly established EDA-US&FCS office in East Arkansas to help Delta businesses export more of their goods and services.

Ensuring All of America Benefits from Our Prosperity

Components

Initiative	Bureau	Request ($ millions)
MSI	NOAA	$17.0
	NIST	$11.0
The Cultural Heritage Community Development Export Initiative	EDA	$49.2
	ITA	$4.5
Promoting Lower Mississippi Delta Region Economic Development	EDA	$10.0
TOTAL		$91.7

Measures and Targets Summary

Measure	Target
NOAA	
# of students graduated with advanced degrees from the Collaborative Science Centers funded at MSIs, AEOS	17 students graduated in FY 2001
# of minority students and staff supported in the Graduate Scientist Program, Student Fellowship Program, the Environmental Entrepreneurship Program and through staff / faculty exchanges	102 students and staff supported in these programs during FY 2001
NIST	
DoC Centers of Excellence - establishment of consortia with major research universities and MSIs	2
DoC Student Fellowship Program -fellowships awarded	27
Collaborative Metrology training -establishment of a metrology training center in an MSI	1
NIST/NRC Postdoctoral Fellowship Program - additional postdoctoctoral fellows hired annually	22
EDA	
Amount of private sector dollars	If EDA provides $12.5M in Public Works grants in FY 2001, EDA expects that the private sector will invest about $8M

Building a New Consensus on Globalization

Rationale and Benefits

This initiative would help build a new consensus and addresses the concerns that while most of the country has benefitted strongly from the new economy there are communities that have not yet experienced all the benefits of increased trade. This initiative promotes trade and exports, addresses the impact on many communities of changing trade patterns, strengthens enforcement of our trade laws, and would help communities get back on their feet after a sudden and severe economic dislocation.

Context

To help build a new consensus for global trade, we are requesting $69 million. The Administration's FY 2001 budget provides $21.2 million for stronger enforcement of our trading laws, including -- for the very first time -- the placement of compliance officers overseas. EDA's Economic Adjustment grants program will double from about $35 million to $70 million to address in part the impacts of changing trade patterns and $10 million to help communities get back on their feet after a sudden and severe economic dislocation.

Trade Law Compliance -- To help build a new consensus for global trade, the Administration's FY 2001 budget provides an additional $21.2 million for stronger enforcement of our trade laws, including a substantial increase in staff addressing Asia trade compliance issues related to China, Japan and Taiwan. And, as mentioned above, this initiative will also provide— for the very first time— the placement of compliance officers overseas.

The size of the global marketplace, coupled with the complexity of trade law issues that America faces in seeking to succeed within it, argues for a comprehensive approach to these issues by the Commerce Department.
In FY 2001, the Department will devote a total of $6 million on monitoring and enforcing trade agreement compliance with China and Japan, which combine to represent about half of the trade agreement monitoring issues facing American business. An additional $2 million will be devoted to monitoring compliance with the EU and the rest of the world, and $1.7 million will be used to establish a Trade Law Assistance Center.

Economic or related events in other nations may result in short- or long-term violations to trade agreements which warrant special expertise to address. In FY 2001, we will use $6 million to establish two types of special teams: a mobile group of compliance experts who can provide "on-the-ground" support to address compliance and market access problems, and a resident group in countries which present long-term compliance challenges.

We face a number of surges in exports, and they warrant investigation, in order to determine if they derive from legitimate origins, such as changes in product demand and availability, or if they are caused by acts which violate trade agreements. To monitor these surges and to protect American business and consumers, an additional $3.7 million is required.

The growth of the WTO, the speed at which negotiations can be conducted under it, and the number of nations participating in it, has created an increased number of negotiations which must be conducted and agreements which must be enforced. In FY 2001, this increased workload will require an additional $1.8 million to manage.

Trade Promotion -- As one aspect of Trade Promotion, the Administration proposes to Stimulate Environmental Exports. Increasing exports of environmental technologies is a classic win-win proposition: it helps grow our economy, and it promotes a cleaner environment overseas, especially in countries with environmental threats, at the same time. In addition to the $11.6 million increase for promoting exports discussed under "Moving our Economy into the 21st Century by Accelerating the Transition to Electronic Commerce," our request includes a $4 million Environmental Technologies Export Initiative. ITA will work in partnership with NOAA and NIST in assisting American firms to take advantage of a rapidly growing world market -- the global market for envirotech was about $470 billion in 1997, and is projected to reach $600 billion by 2010. Despite America's vast experience and technology leadership in this area, we are not realizing this market's potential, and we currently export only 9% of the output of this sector, proportionally far less than our competitors.

Building a New Consensus on Globalization

Helping communities get back on their feet after an economic dislocation -- As the Administration continues to build on its record of expanding American exports around the globe, it relies on the expertise at EDA to work with communities which are adjusting to shifting international trade patterns. Under its Community Economic Adjustment program, EDA will provide $10 million in Economic Adjustment grants to enable communities to develop long-term solutions to sudden and severe economic dislocation as a result of international trade. In addition, while we have the strongest economy in our history, there still are communities suffering from plant closings and other severe economic dislocations. As a result, EDA is requesting a doubling of its funding for the flexible Economic Adjustment grants program, from $34.6 million in FY 2000 to $70 million (an increase of $35.4 million) with this FY 2001 budget. Portions of this increase will be crucial in assisting communities as they work to remain competitive in the global marketplace.

Components

Bureau	Request ($ millions)
ITA	$25.2
EDA	$44.4
Total	**$69.6**

Measures and Targets Summary

Measure	Target
ITA	
New-to-Export firms	36,949
Increase in dollar value of Gross Exports	$11,000 M
EDA	
Percent of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress	20%
Certification processing time for trade impacted firms	4% decrease

Protecting Our Environment While Growing Our Economy by Strengthening Our Natural Resources Infrastructure

Rationale and Benefits

This initiative includes $379 million of new investments which would provide a vital boost to the Nation's prosperity and livability. The budget reflects the major priorities for Commerce's role in the stewardship of the sustainable development of America's natural resources.

Context

The Department's budget request for an additional $379 million seeks to integrate sound economic growth while maintaining our mission of protecting and managing our ocean and coastal resources. This budget also builds on productive partnerships with other Federal agencies to maintain and improve satellite coverage, coverage that enables better long and short term weather and climate predictions.

This initiative proposes an additional $376 million for NOAA to build on the Administration's strong support of environmental issues - from building an impressive record of improving predictions for severe storms, to balancing economics with the need to protect and sustain fish and marine mammals, to working with states to develop solid coastal management programs. We are also requesting $3 million in grants for EDA to assist New England communities as fishery stocks in that region continue to recover.

The last century began with the establishment of the National Parks to conserve our lands. The Department starts this new century with a budget that will expand the conservation of the oceans and coastal resources as part of the Administration's Lands Legacy Initiative. Commerce's increase of $266 million for the Lands Legacy Initiative includes increased support for the National Marine Sanctuaries and National Estuarine Research Reserves, and for our ocean and coastal National parks. Our request also addresses the Nation's coral reef crisis and seeks to reverse the degradation of coral reefs by implementing priority recommendations of the U.S. Coral Reef Task Force, including reducing the impacts of fishing on these sensitive and important habitats.

The Department's Lands Legacy Initiative expands our work with tribes, States, communities, and the private sector to improve protection and sustainable use of the Nation's valuable ocean and coastal resources. Under its current Coastal Zone Management program, Commerce is seeking to dramatically increase available funding for grants and technical assistance available to coastal States to address the significant and costly impacts of rapid population growth, polluted runoff, deteriorating waterfront areas, and loss of coastal habitats. Under Lands Legacy, Commerce will also establish a $100 million Coastal Impact Assistance Fund to provide coastal States currently involved in offshore oil and gas production with additional resources needed to protect and sustainably use ocean and coastal resources. This fund will help States and local communities develop the tools to minimize the risks from coastal development including oil and gas activities.

Restoring the once-mighty Pacific salmon runs continues to be a priority, as does rebuilding Atlantic swordfish and groundfish stocks on both coasts. The initiative includes a total of $100 million for its Pacific Coastal Salmon Recovery Fund. These funds will enhance the recovery of threatened and endangered coastal salmon by sharing the costs of the conservation actions of tribes, States, and local communities in Alaska, Washington, Oregon and California. Our initiatives recognize that success requires creative approaches and putting a premium on working with fishermen.

This budget also includes $60 million to continue the Administration's commitment to honor the historic 1999 Pacific Salmon Agreement reached with Canada. This request will provide $20 million each to capitalize a Northern and Southern Fund. These endowment funds, administered by the Pacific Salmon Commission, will support habitat and stock enhancement, science, and salmon management activities in both countries. The remaining $20 million will be used to support a Vessel License Buyback program in Washington state. These investments, coupled with the proposals for Lands Legacy, will ensure that communities from coastal California to Alaska can reap the rewards of healthy fishery stocks.

Protecting Our Environment While Growing Our Economy by Strengthening Our Natural Resources Infrastructure

In addition to the increases sought for Lands Legacy and for honoring the Pacific Salmon Agreement, Commerce is proposing increases that will enable NOAA to better manage fisheries through more and better data collection while also conducting needed socio-economic analyses into the impacts of fishery regulation decisions. This increase also funds more at-sea observers to monitor foreign vessels' catch of both intended species and unwanted bycatch like sea turtles and sea birds. We also seek to establish a program to alleviate strains on over-fished fisheries. Our $10 million Fisheries Assistance Fund request will couple buyouts with cooperative management and research activities, tailored to meet the needs of fishing communities that seek assistance. We are also requesting funds to refurbish the *ADVENTUROUS*, a surplus Navy vessel, to enable it to conduct fishery and marine mammal research in the Western Pacific.

Resources are requested to help stem the crisis of extinction of marine life and their habitat. The number of species either listed by NOAA under the Endangered Species Act or under consideration for listing is growing. NOAA is committed to preventing the extinction of at-risk marine species and restoring their habitat and ecosystems, and is requesting an increase of $12.3 million to continues its effort to protect and conserve these living natural resources and their habitat. NOAA's approach includes establishing greater public involvement in conservation planning, creating incentives for landowners and States to protect species and their habitat in order to prevent the need to list, and entering into long-term conservation plans with landowners.

Finally, the request for safe navigation programs will enable NOAA to continue producing the first-class charts and other navigational products that mariners use to safely navigate our Nation's ports and sensitive coastal areas. These activities will further the efforts begun as part of the Year of the Ocean Initiative to improve the safety and efficiency of marine navigation within our Nation's ocean and coastal waters, while protecting the environment. Increases are requested to support the quality assurance mechanisms necessary to continue the Physical Oceanographic Real-Time Systems (PORTS), partnership of local port communities. PORTS continues to be a public private partnership success story that benefits the public by helping to promote safe, efficient marine navigation. The Department is also seeking funding to map the national shoreline, a third of which has never been accurately mapped. Shoreline mapping is critical to support our increased effort to create modern, electronic navigation charts (ENCs) and is used by States and localities to support coastal management. Finally, investing in the National Spatial Reference System will ensure the availability of the coordinate framework supporting all mapping, surveying and Global Positioning System (GPS) activities.

NOAA is also seeking to establish a new $28 million Climate Observations and Services Initiative to provide resources critical to extending our ability to produce forecasts on a longer-time scale. This initiative will support transitioning our current research efforts and knowledge into operational systems and products. To do this, NOAA will address a number of key deficiencies in its observation and data management systems and will implement new ocean observations. NOAA will develop a nationwide climate reference network over a period of three years which will ensure NOAA's capability to monitor changes of temperature and precipitation on a long-term and bias-free basis. Resources will also be dedicated to develop and maintain adequate data management and dissemination systems to assure public and private sector timely access to important environmental data sets. NOAA will develop new forecast products which emphasize risks of high-impact weather events in the context of climate variability. NOAA will expand operations at key remote baseline observatories which are critical to the world's longest atmospheric time series, supplying the public and scientific community with information on the state and recovery of the ozone layer, global carbon dioxide, and other trace gases affecting global climate. Finally, NOAA will establish and maintain a set of core ocean observations (temperature, surface wind stress, salinity, and sea level) essential to improving our understanding and prediction of climate variability.

The strength of our economy also depends on our ability to protect and predict the environment. The Department will focus on new ways to protect the ocean -- and help those who depend on it for their livelihood and way of life -- as well as predict weather and climate.

The Natural Disaster Reduction Initiative (NDRI) is Commerce's focused effort to provide and improve weather warnings and forecasts. NOAA's FY 2001 NDRI will maintain satellite continuity and enable NOAA to maintain and upgrade systems we have in place to ensure that they keep pace with technological improvements. Our FY 2001

Protecting Our Environment While Growing Our Economy by Strengthening Our Natural Resources Infrastructure

request funds the second year of the three-year AWIPS Software Build 5.

Funds are also requested to upgrade existing major systems to avoid obsolescence. Even though NOAA is just completing the modernization program, the technology employed originated in the 1980s. We need to continually update these systems (NEXRAD, ASOS, AWIPS, and the supercomputers) to avoid wholesale replacements in the future.

The increase to maintain satellite continuity is needed to support the next series of geostationary (GOES N-Q) and both series of polar-orbiting satellites, NOAA K-N' and NPOESS.

This budget will make sure that we provide decision-makers with the best possible science on global climate change.

EDA will provide public works and planning grants to assist New England communities as fishery stocks in the region continue to recover (3.0 million).

Components

Bureau	Request ($ millions)
NOAA	$376.0
EDA	$3.0
Total	$379.0

Measures and Targets Summary

Measure	Target
Increase lead time (minutes) and accuracy (%) for severe weather warnings for tornadoes	13 minutes 70% accuracy
Percent critical area survey backlog reduced (43,000 SNM backlog) cumulative reduction	29%
By 2005, 25% fewer overfished fisheries. Currently, 98 of 286 stocks are overfished; this number would be reduced to 74.	By 2001, 1% fewer stocks of fish will be overfished
# of acres of coastal habitats restored (cumulative)	70,000 by 2001
Percent of local technical assistance and economic adjustment strategy grants awarded to areas of highest distress	25%

Establishing Safeguards Against Unconventional National Security Threats

Rationale and Benefits

To address threats to the country's national security and electronic infrastructure, the Commerce Department seeks an increase of $89 million. Included in this amount are funds for Critical Infrastructure Protection Program and Counter-terrorism. Combating terrorism is an essential part of the President's overall defense strategy.

Context

Combating Terrorism and Weapons of Mass Destruction
To continue to combat terrorism and weapons of mass destruction, BXA requests $11.2 million. This amount will be used to fully implement the Chemical Weapons Convention, provide staff for the international technical assistance program, and strengthen export controls related to nuclear weapons and dual-use technology. The increase will also support implementation of valid Cox report findings including re-authorizing the Export Authorization Act (EAA), obtaining Department-level approvals for exports which are of high national security significance, streamlining licensing procedures, and strengthening U.S. leadership on high performance computer export policies. In addition, the Department is also requesting $1.6 million to address security concerns and responsibilities as outlined by current Executive Orders, Departmental regulations, and Inspector General recommendations.

Critical Infrastructure Protection (CIP) Program
In May 1998, the President signed Presidential Decision Directives (PDD) 62 and 63, establishing the interagency Critical Infrastructure Protection (CIP) Program. The Commerce Department was directly assigned three functions of CIP: the Critical Infrastructure Assurance Office, lead agency responsibility for the Information and Communications Sector and research and development responsibilities related to critical infrastructure. This program is an essential part of the President's overall defense strategy.

NIST is requesting $60.0 million for CIP, including $50 million to establish and operate an Institute for Information Infrastructure Protection (IIIP) to support research and development of new tools to protect the Nation's critical information infrastructures by working directly with industry, universities and government through the provision of research grants. The Institute will also assist with the coordination of agency-specific CIP research and development efforts. $5.0 million is requested for NIST to establish a team of computer security experts to help Federal agencies protect their information systems in accordance with PDD #63. An additional $5.0 million is included for research and development of new measurements and standards that identify and remedy vulnerabilities to natural and intentional disruptions. Other areas with Critical Infrastructure Protection budget increase requests include, BXA, $3.5 million; NOAA, $4.0 million; PTO, $2.2 million; and NTIA, $6.3 million.

Establishing Safeguards Against Unconventional National Security Threats

Components

Bureau	Request ($ millions)
Combatting Terrorism and Weapons of Mass Destruction	
Departmental Management	$1.6
BXA	$11.2
Subtotal	$12.8
Critical Infrastructure Protection	
BXA	$3.5
NOAA	$4.0
PTO	$2.2
NIST	$60.0
NTIA	$6.3
Subtotal	$76.0
Total	**$88.8**

Establishing Safeguards Against Unconventional National Security Threats

Measures and Targets Summary

Measure	Target
BXA	
Restructure export controls for the 21st century	
# of high risk transactions deterred	512
# of licensing decisions	12,000
Maintain a fully effective law enforcement program	
# of enforcement outreach visits	900
# of investigations completed	1,300
PTO	
Provide PTO's business areas with secure communications network-wide and reduce the threat of hacking and exploitation of captured electronic data	TBD
Reliable encryption and authentication services which will ultimately reduce patent cycle time	TBD
NTIA	
Identification of threats to the Nation's infrastructure	TBD
Enhancement of the U.S. War Plans Emergency database maintained by the Office of Spectrum Management	TBD
Assistance to Federal, State and local governments in protection of their NS/EP communications	TBD
Vulnerability awareness and education material for publication, speeches presentations and demonstrations	TBD
NIST	
Activity metrics related to establishing the IIIP - operations plan, staffing, oversight and advisory boards, etc.	Successful establishment of the IIIP
Achieve Critical Infrastructure protection R&D project milestonesa and disseminate findings in the areas of cryptography, security management, best security practices, and security of supervisory control systems.	Implement Public Key Infrastructure prototype; publish one model security management protection profile per year; publish one technical guideline and one technical report per year on best security practices; expand BACnet protocol; establish enhanced Virtual Cybernetic Building testbed; develop test methods to measure the effectiveness of manufacturing supervisory control system security features
Successfully complete key activities for Critical Infrastructure Protection Expert Review Team	Consult with Federal agencies on sensitive and critical systems; review agency CIP plans for key systems; conduct vulnerability assessments of Federal agency IT systems; assist in reviewing implemented security measures; issue best practice technical guidelines; technical reports, and other guidance; conduct computer intrusion drills; provide technical support for emergency security fixes.

Addressing Critical Construction Needs

Rationale and Benefits

This $37 million initiative addresses critical construction needs at the Census Bureau, NOAA, and NIST.

Context

To help resolve the Census Bureau's environmental and structural problems at its Suitland, Maryland facilities, we are requesting $3.2 million for bureau-specific space planning requirements in support of the GSA-sponsored renovation scheduled to begin in 2003.

While not included in the $37 million initiative, we are requesting advanced appropriations of $18.2 million, beginning in FY 2002, to address NOAA's environmental and structural problems at its Suitland, Maryland facilities. These facilities suffer from bacterial water contamination and asbestos, as well as outdated, almost 60-year old, building designs. Since May of this year, and for the foreseeable future, bottled water has been provided at the Suitland facilities because of the presence of fecal coliform bacteria and heavy metals. These funds will provide for above-standard-cost items and move-in expenses at NOAA's satellite operations facility that GSA will construct on this campus, scheduled to begin in 2002.

In addition to Suitland, we are requesting: $4.6 million for the reinforcement of the bluffs under our fisheries science center in La Jolla, California, $3 million to alleviate the overcrowding and obsolescence of the facility in Norman, Oklahoma, $11 million for NOAA's marine sanctuaries and estuaries reserves, $1 million for the Juneau, Alaska laboratory, and $9.5 million for NWS's Weather Forecast Offices and other construction needs. NIST is requesting $4.5 million to design a new primary electrical service at the NIST Boulder, Colorado facility and to address the backlog of safety, capacity, maintenance, and major repair projects at both the Gaithersburg, Maryland and Boulder facilities.

Components

Bureau	Request ($ millions)
CENSUS	$3.2
NOAA	$29.3
NIST	$4.5
Total	**$37.0**

Measures and Targets Summary

Measure	Target
CENSUS	TBD
NOAA	TBD
NIST	TBD

Enhancing the U.S. Statistical Infrastructure

Rationale and Benefits

Commerce is a premier statistical agency. This FY 2001 initiative, totaling $15.3 million, will improve the information crucial to decision-making by businesses and policy makers. We must guarantee that our Federal statistics can meet the demands policy makers have for data that accurately reflects the "real world."

Context

In FY 2001, there are four statistical areas on which the Department will be focusing. The first area is the completion of an accurate Decennial Census. This is an integral part of the Nation's Statistical Infrastructure. The second area is e-commerce as described earlier. This initiative focuses on the other key demographic and economic data that decision makers must have. The third area is the American Community survey where an increase of $3.4 million in FY 2001 will eventually allow for the elimination of the Decennial Census long-form. The fourth area is a $6.1 million request to measure the economic well-being of the Nation.

Other statistical improvements include:

- Demographic Survey Sample Redesign ($3.7 million) -- Demographic survey samples improves the quality, accuracy and confidence in major Federal socioeconomic indicators by updating the methodology for selecting survey samples and incorporating the results of the Decennial Census into major household surveys.

- Improved Export Data -- Census will improve the capture of low level (less than $2,500) undeclared, exports ($1.4 million) and ITA will improve trade statistics at low levels of geographic detail (State, local and regional levels) ($0.7 million)

Components

Bureau	Request ($ millions)
CENSUS	$14.6
ITA	$0.7
Total	**$15.3**

Enhancing the U.S. Statistical Infrastructure

Measures and Targets Summary

Measure	Target
CENSUS	
Meet all principal economic indicator published release dates on time	100% on time
Percent of household surveys attaining 100 percent of reliability specifications	100%
Percent of household surveys with initial response rates greater than 90 percent	100%
Reduce time between data collection and data release for selected household surveys	5% annual decrease
ITA	
Number of countries monitored	87
Reports analyzing impact on U.S. industry of changes in U.S. barriers	4,000

Assisting Public Broadcasting Digital Conversion

Rationale and Benefits

This initiative is part of the President's program to ensure that the benefits of public broadcasting continue and that the stations can meet the FY 2003 digital conversion target**.**

Context

Congressional mandates require Public Broadcasting Stations to convert from analog to digital transmission by 2003. NTIA is requesting an $84 million increase for competitive grants to assist public broadcasting stations transitioning from analog to digital transmission. Special consideration will be given to stations in underserved markets and to demonstration projects that address the special needs and service barriers encountered in the underserved markets.

Components

Bureau	Request ($ millions)
NTIA	$83.5
Total	**$83.5**

Measures and Targets Summary

Measure	Target
Assist in maintaining and extending the services of public broadcasting and telecommunications facilities, including digital broadcasting applications in the public interest	TBD
Number of digital conversion projects awarded	TBD
Percentage of public stations that have digital transmission capability	TBD
Universal public television service will continue in rural and disadvantaged communities	TBD

Economic Development Administration

Mission Statement

To create a climate conducive to the development of private enterprise in America's distressed communities.

Brief Background

EDA helps distressed communities overcome barriers that inhibit the growth of their local economies and their ability to effectively compete in regional, national, and global markets. EDA builds local capacity in the form of strategic investment planning which helps local communities plan for new technologies, job creation opportunities, and enterprise development.

Rapidly changing technology and trade patterns create new challenges and opportunities for local and regional economies. The economic prosperity generated by these changes have not been evenly distributed throughout the nation, or within regions. While some communities have benefited from the digital economy, others have been left behind. A term coined the "Digital Divide" by the Commerce Department reflects the manifestations of the "have and have-nots" in the digital economy. Just as proximity to the railroads was critical for the industrial economy, the technology era is one of access to bandwidth, telecommunication networks, modern infrastructure, and advanced research and training facilities.

Many communities lack the resources to keep pace with change, or to prepare for the technologies driving world commerce. These impoverished communities do not have the resources to create jobs, nor the ability to respond to innovations in technology and emerging world markets. These communities must first establish a foundation for growth in the digital economy through strategic investments in physical, financial, and human capital.

EDA supports local, state and regional planning partnerships that target assistance to economically distressed areas. These partnerships help communities plan and implement strategies for achieving and sustaining long-term economic growth. EDA's focus on locally developed strategies allows EDA to make strategic investments in modern infrastructure and local capital markets. EDA responds to local priorities and invests in projects that can stabilize local economies and create new opportunities for employment and private enterprise in distressed communities. EDA's flexible approach encourages communities to develop innovative strategies and to form strategic partnerships that will increase access to new technologies and emerging world markets.

Priorities

Department-Wide

E-Commerce - EDA funds innovative proposals that support local, State and regional efforts to close the digital divide. EDA's highly flexible, streamlined programs can bring communities into the mainstream of the information age. EDA will assist local, State and regional planning partners in acquiring information technology and the training they will need to serve distressed communities and position them to compete globally in the new digital economy.

Native American Economic Development Assistance - This initiative supports planning and investment for sustainable development programs that are needed to provide permanent jobs and income for Native American Communities, including Alaskan Native Villages. EDA has had a long history of funding critically needed infrastructure and economic development facilities in Native American communities.

Assisting Distressed Communities - EDA helps economically distressed communities participate in growth generated by advanced technologies and emerging world markets. EDA programs create opportunities for better jobs and new business enterprise in communities experiencing substantial unemployment, low per capita income, or other special needs such as major job losses due to plant closings or military/energy facility closures, disasters, or the depletion of natural resources.

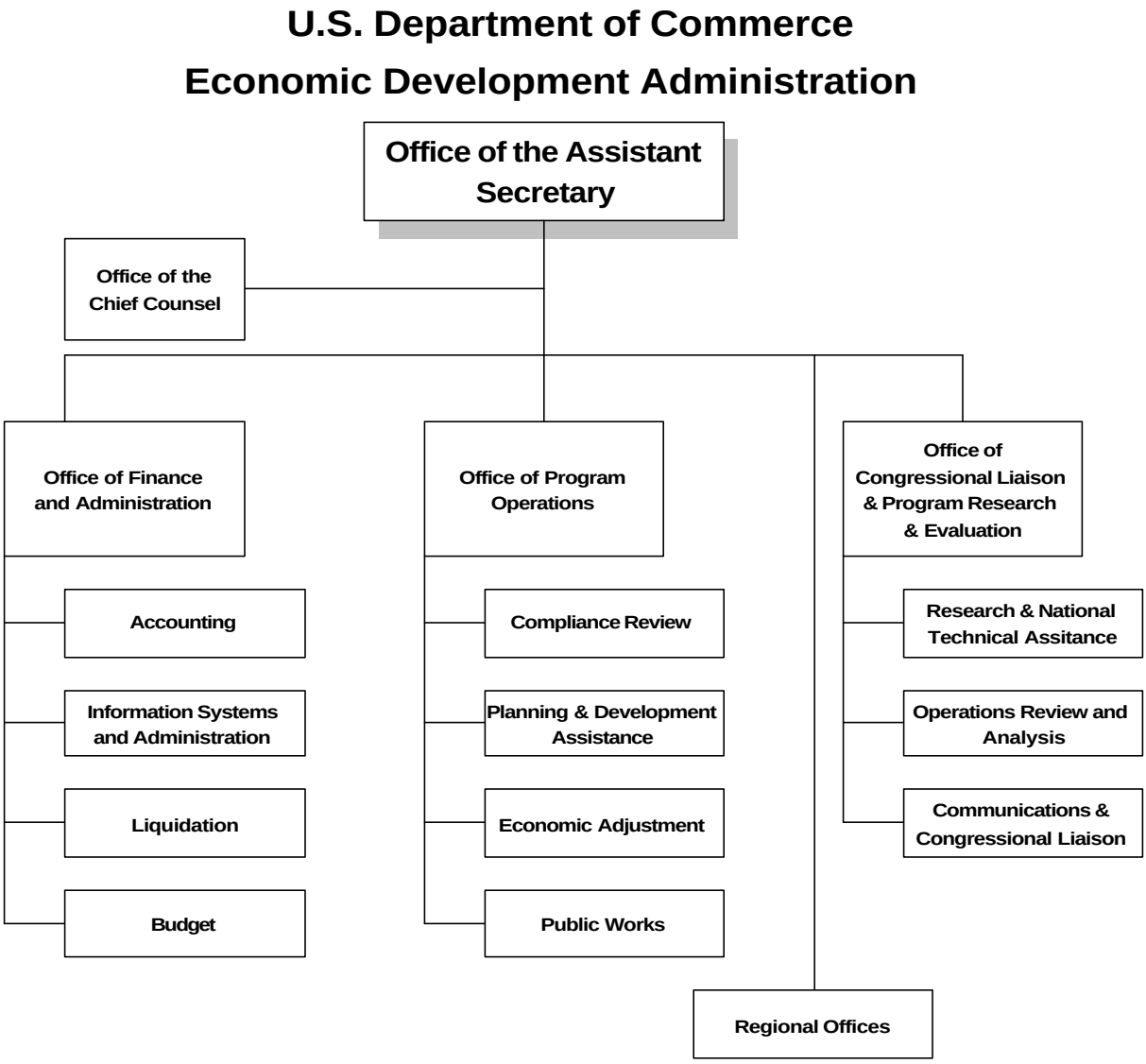
Bureau

Planning Partnerships - EDA fosters involvement with local, State and national entities to strengthen and expand regional networks of development organizations. Strategic partnerships provide critical support for coordinating federal, State, and local initiatives in economically distressed rural and urban communities.

Encouraging Innovation - EDA encourages communities to become more innovative in their approach to economic development. This initiative focuses on the use of technology, environment, and regional economic development for economic programs for distressed communities. EDA will recognize innovative approaches through awards for excellence in economic development.

Leveraging Investment - EDA plays a critical role in helping bridge the financing gap in distressed communities, and its investments serve as the seed funds for local development throughout the country. Often EDA's investments are what attracts and leverages capital from the private sector. EDA will aggressively act as a catalyst for private sector investment by funding a limited, innovative financing initiative within the defense adjustment program. It is based on the completed study *Defense Adjustment Infrastructure Bonds: Credit Enhancement Grants Make Affordable Capital Available.* Distressed communities usually lack adequate resoources for planning and infrastructure development and albeit private sector investment. EDA plays a critical role in helping these communities attract and leverage capital investment from the private sector.

Organizational Structure



Highlights of EDA FY2001 Annual Performance Plan

FY 2001 Proposed E-Commerce Initiative:

In FY 2001, as a part of a Departmental E-commerce Initiative**,** EDA will help expedite the deployment of advanced broadband Internet access to communities in areas of high distress. EDA's foremost objective for this initiative is to help distressed communities compete effectively in a global technology-dominated marketplace.

FY 2001 Proposed Indian Economic Development Program Initiative:

For FY 2001, EDA will implement an Indian Economic Development Program Initiative (IEDP)**.** EDA will use existing program tools to initiate a set-aside for Native American applicants to fund a variety of economic development projects, including telecommunication projects. The proposed IEDP Initiative is designed specifically to close infrastructure gaps and encourage sustainable and diversified economies in Native American communities.

A recent EDA-funded study, *Assessment of Technology Infrastructure in Native Communities* (June 1999), identified a considerable gap in both basic infrastructure such as roads, utilities, and housing, and more advanced technology infrastructure such as Internet access, cellular phone service, and cable television compared to non-Native communities. The study further points out, that a weak economic base for Native communities has made it difficult to support infrastructure investment, which in turn, undermines these communities' ability to implement successful economic development initiatives. Please see **Appendix 5** for further information regarding this initiative.

FY 2001 Proposed Community Economic Adjustment Initiative:

Consistent with the Administration's support of efforts to open international markets to US firms and to promote free trade, EDA will continue to assist those communities that experience a disproportionate share of the negative impacts associated with trade opening agreements or changing trade patterns. This funding will be used to support a variety of projects including preparation of economic development strategies, infrastructure improvements to remove impediments to economic development, and capitalization of revolving loan funds to help create new firms or expand existing ones.

FY 2001 Proposed Mississippi Delta Initiative:

In 1998, Congress recognized the Mississippi Delta region with the creation of the Lower Mississippi Delta Commision (LMDC). The geographical area is composed of 219 counties and parishes in the States of Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee. Despite the economic progress throughout the United States, the Delta region lags behind the rest of the country in employment, income, housing, transportation, access to capital, education levels, health care and economic development.

The Mississippi Delta: Beyond 2000 report is the result of Department of Transportation organized effort involving ten Federal agencies pledging to work together to coordinate government efforts in the Delta. The report presents four key themes: 1) revitalizing the regional economy; 2) improving the quality of life; 3) protecting and enhancing the region's natural resources, environment and tourism; and 4) developing and implementing regional planning. The requested funds will be used to provide construction, revolving loan fund, and technical assistance grants. Please see **Appendix 5** for further information regarding this initiative.

Targets and Performance Summary

Performance Goal 1: Support job creation and enterprise in distressed communities			
Long-term Outcome Measures	**FY 99 Funds**	**FY 00 Funds**	**FY 01 Funds**
Number of permanent jobs created or retained in distressed communities as a result of EDA grants	5,698 by FY 2002 28,492 by FY 2005 56,983 by FY 2008	5,651 by FY 2003 28,254 by FY 2006 56,509 by FY 2009	5,902 by FY 2004 29,508 by FY 2007 59,016 by FY 2010
Private sector dollars invested in distressed communities as a result of EDA grants	$0.21 billion by FY 2002 $1.04 billion by FY 2005 $2.08 billion by FY 2008	$0.20 billion by FY 2003 $1.02 billion by FY 2006 $2.04 billion by FY 2009	$0.20 billion by FY 2004 $0.99 billion by FY 2007 $1.99 billion by FY 2010
Interim & Process Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
State and local dollars committed to EDA-funded projects	$383 Million	$197 million	$211 million
Percent of public works and economic adjustment facilities and revolving loan fund grants awarded in areas of highest distress	36%	30%	30%
Application processing time for public works and economic adjustment construction, and revolving loan fund grants	38% decrease	6% decrease	6% decrease

This performance goal is supported by budget activities for Public Works and Capital Access as authorized by PWEDA under Section 201 (public works and development facilities), and Section 209 (economic adjustment infrastructure and revolving loan grants).

Performance Goal 2: Build community capacity to achieve and sustain economic growth			
Long-term Outcome Measures		**FY 00 Target**	**FY 01 Target**
Percent of sub-state jurisdiction members actively participating in the Economic Development District Program		75%	75%
Percent of Economic Development Districts and Indian tribes' grantees whose Comprehensive Economic Development Strategy (CEDS) is on time and acceptable		75%	75%
Percent of University Center clients rating technical assistance received as a 7 on a 1 to 10 scale (10 is best)		75%	75%
Percent of Trade Adjustment Assistance Center clients rating technical assistance received as a 7 on a 1 to 10 scale (10 is best)		75%	75%
Long-Term Outcome Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of research and national technical assistance results published or presented nationally each year	6 annually	5 annually	5 annually
Interim & Process Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Percent of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress	31%	25%	25%
Certification processing time for trade impacted firms	18% decrease	4% decrease	4% decrease

This performance goal is supported by budget activities for Planning and Technical Assistance as authorized by PWEDA under Section 203 and 206 (District and other planning grants); Section 207 and 208 (university centers, local technical assistance, and national technical assistance, research and evaluation grants); and Section 209 (strategic planning grants); and by the Trade Act of 1974, as amended.

Resource Requirements Summary

Total Bureau Dollars: $437 M

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Support job creation and private enterprise in economically distressed communities	$313 M	$312 M	$353 M
Build community capacity to achieve and sustain economic growth	$78 M	$74 M	$84 M

Total Bureau FTEs: 265
Skill Summary[1] : Economic development, planning, legal, engineering, technology, environmental (includes all EDA FTE – direct, reimbursables[2])

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Support job creation and private enterprise in economically distressed communities	171	174	174
Build community capacity to achieve and sustain economic growth	92	90	91

Total Bureau IT Dollars: $1.96 M
IT Requirements: Upgrade database management systems, develop new grantee performance management system[3]

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Support job creation and private enterprise in economically distressed communities	$1.7 M	$1.2 M	$1.27 M
Build community capacity to achieve and sustain economic growth	$1.0 M	$0.7 M	$0.69 M

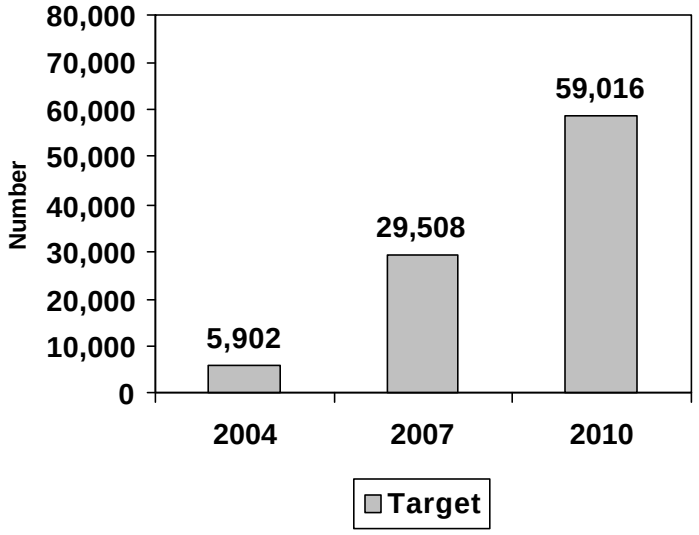
1 Total FTE is a combination of direct EDA human resources dedicated to the programs under each goal and non-direct human resources allocated to each goal. The allocation of indirect human is based on the share of direct human resources dedicated to each goal.
2 FY 1999 is based on actual obligations; FY 2000 is based on the appropriated program dollars and salaries and expenses; FY 2001 is based on the Presidential request.
3 IT dollars for each goal are derived from total FTE allocations for each goal.

Performance Goal 1:
Support Job Creation and Private Enterprise in Economically Distressed Communities

Rationale for Performance Goal

EDA helps communities respond to severe changes in local economic conditions resulting from a wide range of factors, including the loss of major employers, defense downsizing and base closures, trade impacts, and natural disasters. Strategic investments in public infrastructure and local capital markets can help distressed communities create and retain jobs, stabilize and diversify local economies, and generate future growth. EDA public works and economic adjustment grants, including revolving loan funds, implement comprehensive economic development strategies to address problems of substantial unemployment, low per capita income, or other special needs as authorized by the Public Works and Economic Development Act of 1965 (PWEDA). Long-term program objectives are to stabilize local economies, stimulate permanent employment and private investment, and improve incomes in economically distressed areas. EDA long-term investments are expected to generate results that increase over time, and can be measured over a period of years. Recent evaluations conducted by Rutgers University indicate that EDA public works and revolving loan fund projects (RLF) generate significant results within three years of grant approval, these results typically double over the next six years. Based on these findings, for construction and RLF long-term outcome measures**,** EDA requires grantees to report results at three, six and nine years following the grant award. Performance projections for direct permanent jobs created or retained, and for private dollars invested, are developed for each reporting interval, based on quantifiable program evaluations conducted by Rutgers University, et al. These include: *Public Works Program Performance Evaluation* (May 1997) and the *Defense Adjustment Program Performance Evaluation* (November 1997).

Measure 1.a:
Number of permanent jobs created or retained in distressed communities as a result of EDA grants

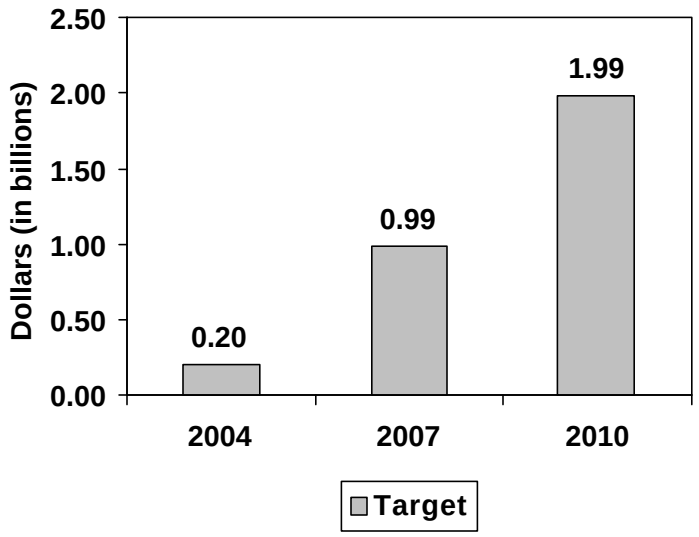


Data Validation and Verification:

Target: 59,016 by FY 2010
Data collection: Grantee performance reports
Frequency: Three, six and nine years after grant award
Data storage: EDA database under development
Verification: To test performance projections, provide training and improve reporting, EDA conducts pilot reviews of past investments. The *EDA GPRA Pilot I and II Reports* (November 1999) review the performance of 58 construction projects completed in FY 1993 and 44 revolving loan funds approved in FY 1993. The findings are consistent with the two prior evaluations, which include in-depth examinations of construction and revolving loan fund projects funded by EDA, and their impacts on the local economy. Projections for FY2001 performance are based on direct jobs only. Additional discounting of job projections is the result of external factors, producing conservative numbers (projections) for direct permanent jobs and private dollar invested. For further information regarding outcome projections and GPRA pilots, please see Appendix 5.

Performance Goal 1:
Create Jobs and Private Enterprise in Economically Distressed Communities

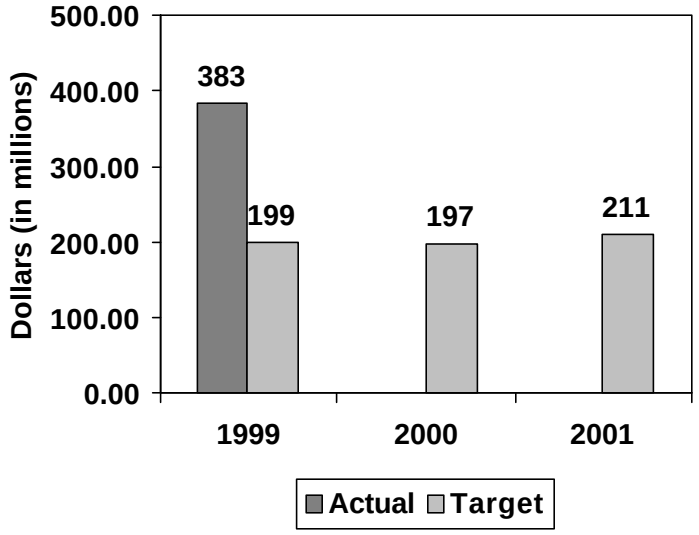
Measure 1.b: Private sector dollars invested in EDA projects



Data Validation and Verification:

Target: **$1.99 Billion by FY 2010**
Data collection: Grantee performance reports
Frequency: Three, six, and nine years after grant award
Data storage: EDA database under development
Verification: To test performance projections, provide training and improve reporting, EDA conducts pilot reviews of past investments. The *EDA GPRA Pilot I and II Reports* (November 1999) review the performance of 58 construction projects completed in FY 1993 and 44 revolving loan funds approved in FY 1993. The findings are consistent with the two prior evaluations. The findings include in-depth examinations of construction and revolving loan fund projects funded by EDA, and their impacts on the local economy. Projections for FY2001 performance are based on direct jobs only. Additional discounting for external factors produce conservative numbers (projections) for direct permanent jobs and private dollar invested. For further information regarding outcome projections and GPRA pilots, please see Appendix 5.

Measure 1.c: State and local dollars committed to EDA-funded projects

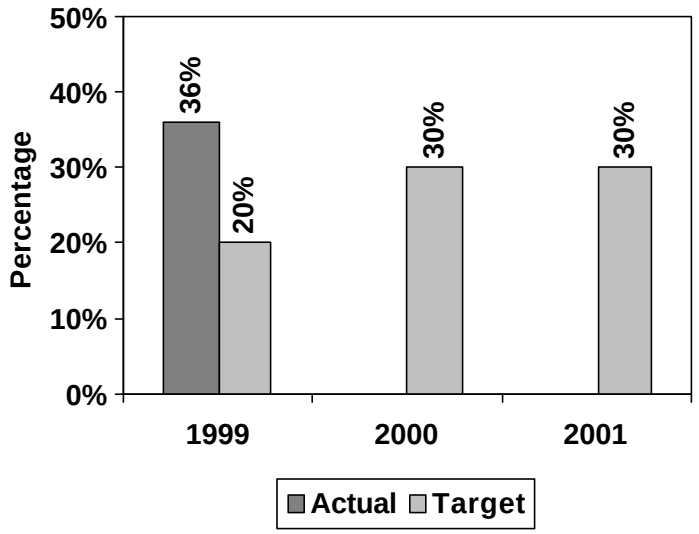


Data Validation and Verification:

Target: $211 million for FY 2001
Data collection: Grantee applications and progress reports
Frequency: At the time of grant award and project completion
Baseline: FY1998 grants
Data storage: EDA database
Verification: EDA verifies non-federal funds committed to projects prior to disbursement of grant funds.
Comment: New EDA legislation requires increased State and local matching funds.

Performance Goal 1:
Create Jobs and Private Enterprise in Economically Distressed Communities

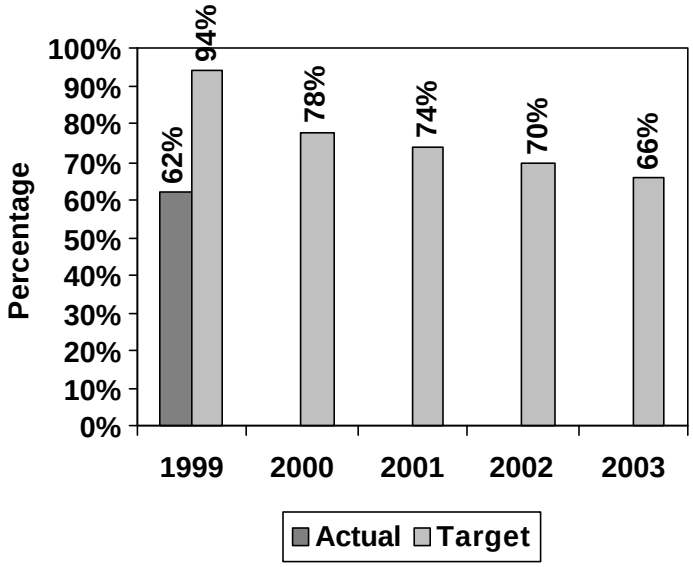
Measure 1.d: Percent of public works and economic adjustment facilities and revolving loan fund grants awarded in areas of highest distress



Data Validation and Verification:

Target: 30% of FY2001 grants
Data collection: Project locations entered by Regions
Frequency: Ongoing
Baseline: FY1998 grants
Data storage: EDA database
Verification: EDA samples projects periodically to ensure accurate project location codes. Statistical data is based on Bureau of Labor Statistics current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data. EDA will sample projects, periodically, to ensure accurate reporting.
Comment: The highest distress criteria, for a 70% grant rate, are defined by new EDA regulations. These criterua are reserved for projects located in areas where the 24-month unemployment rate is at least 180% of national average, or the per capita income is not more than 60% of national average. Projects located in disaster areas and Indian tribes are also included in definition.

Measure 1.e: Application processing time for public works and economic adjustment construction, and revolving loan fund grants



Data Validation and Verification:

Target: Reduce the application process by 6%
Data collection: Regional Offices enter dates when completed applications are received and numbered; Headquarters enters final decision dates.
Frequency: Ongoing
Baseline: FY1998 grants – 98 Median Days
Data storage: EDA database
Verification: EDA will sample projects, periodically, to ensure accurate reporting
Comment: In FY1999, new EDA legislation was introduced that resulted in late fiscal year project invitations and unusually compressed project development and processing. EDA shifted resources to achieve this level of performance under extraordinary circumstance, and cannot sustain project processing at this level without affecting other critical program and administrative functions. The baseline for FY2000 has been revised to address the significant variance between target and actual decrease in processing for FY1999. The new baseline (an average of FY1998 and FY1999) is 79.5 median days. The target will remain at 6% decrease. The baseline in FY2000 will be re-examined.

Performance Goal 1:
Create Jobs and Private Enterprise in Economically Distressed Communities

Program Evaluation Efforts

To complement its performance measurement system, EDA conducts systematic evaluations of all program activities to develop, test, and refine performance measures and benchmarks. EDA is making significant investments in program evaluation, and research to improve programs, and to provide useful information to local economic development practitioners. EDA's goal is to evaluate programs on a regular basis (i.e., every five years). EDA-sponsored evaluations under this goal include the following:

- Public Works Program Performance Evaluation (Rutgers University et al., March 1997)
- Defense Adjustment Program Performance Evaluation (Rutgers University, et al. November 1997)
- Public Works Program: Multiplier and Employment-Generating Effects (Rutgers University et al, 1998)
- EDA's Response to the Midwest Flood of 1993: An Evaluation (Aguiree International, 1998)

EDA will continue its strategy of evaluating its programs in order to serve its customers more efficiently and effectively and to develop facts and data that will help the agency focus on program direction. In addition, EDA sponsors research and national technical assistance projects to explore policy and program issues affecting distressed communities. For FY2000, EDA is currently evaluating its Revolving Loan Fund Program.

Strategies and Activities

Strategies	Activities
Provide construction grants for economic development projects in distressed communities	· Build or rebuild public infrastructure (roads, water, sewer, and other infrastructure) to support the establishment or expansion of commercial and industrial facilities in distressed communities · Help communities upgrade technology infrastructure and training facilities to prepare for a technology-based economy · Redevelop abandoned or under-utilized industrial sites and facilities, including "brownfields" to restore employment and private investment in distressed areas · Support resource recovery and sustainable development initiatives
Provide construction and revolving loan fund grants to implement economic adjustment strategies in response to sudden job loss and severe economic distress	Revolving loan fund grants will be used to: · Provide flexible financing to modernize aging plant and equipment, introduce new technologies, products and markets, and increase productivity · Invest in stabilizing and diversifying the local economy · Target flexible financing and modern infrastructure of growth industries and new enterprise in distressed communities. · Provide for defense adjustment and disaster recovery

Performance Goal 1:
Create Jobs and Private Enterprise in Economically Distressed Communities

Resource Requirements Summary

Total Dollars: $353 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$313 M	$312 M	$353 M

FTEs: 174

FY 99 Actual	FY 00 Enacted	FY 01 Request
171	174	174

IT Dollars: $1.3 million

FY 99 Appropriations	FY 00 Enacted	FY 01 Request
1.72 M	1.16 M	1.27 M

Crosscutting Issues

Intra-DOC

- TA/NIST: Technology policy and Manufacturing Extension Partnership (MEP)
- NTIA: Telecommunications and information infrastructure grants
- MBDA: Business assistance services
- NOAA: Natural disaster reduction, sustainable development and recovery from natural resource depletion.

Other Government Agencies

Economic Development

- *US Department of Agriculture (USDA) Rural Development/Rural Utilities Service (RD/RUS*) - community facilities and intermediary lending programs; supplemental funding for projects in distressed rural areas.
- *US Department of Transportation Federal Highways Administration (FHA) and Federal Aviation Administration (FAA)* – coordinate development projects in close proximity to federal highways and FAA controlled airports.
- *Appalachian Regional Commission (ARC)* – community economic development in the 13 state ARC service area

Environmental Issues

- *Environmental Protection Agency (EPA)* – brownfields redevelopment and air quality; EDA was the first agency to partner with *EPA* on brownfields redevelopment

Performance Goal 1:
Create Jobs and Private Enterprise in Economically Distressed Communities

Community Adjustment

- *Department of Defense Office of Economic Adjustment (OEA)* – defense adjustment
- *Department of Energy (DOE)* – community adjustment to energy facility closures

Disaster Mitigation

- *Federal Emergency Management Agency (FEMA)* - disaster mitigation, recovery, and training

Note: EDA has established interagency agreements with most of these agencies to define roles for coordinating special initiatives or funding related project activities. EDA began a systematic review of interagency agreements and performance measures for crosscutting programs/initiatives in FY 1999, and will update agreements in FY 2000 consistent with EDA's new legislation and Departmental requirements. Adjustments will be reflected in future updates to this report.

External Factors and Mitigation Strategies

- Changes in national or regional economic conditions that impact business growth and investment decisions in communities receiving EDA assistance affect program outcomes.

- Natural disasters and other major events can create a special need or unanticipated demand for EDA assistance, and can alter the mix of projects funded each year.

EDA's focus on strategic planning at the local level provides flexibility to fund many different types of project activities and innovative approaches to economic development. To preserve this flexibility, EDA does not predetermine funding for particular types of projects at the national level. Instead, EDA develops regional investment strategies to target assistance to distressed communities within each region. This allows EDA to respond quickly to regional variations in economic conditions and to the specific needs, opportunities and constraints that affect local economic development efforts within each region.

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Rationale for Performance Goal

Although economic development is a local process, EDA plays an important role in this process by helping distressed communities build capacity to identify and overcome barriers that inhibit economic growth. EDA's approach is to support local planning and long-term partnerships with state and regional organizations that assist distressed communities with strategic planning and investment activities. This process helps local communities set priorities, determine the viability of projects, and leverage outside resources to improve the local economy and sustain long-term growth.

EDA planning funds support the development of Comprehensive Economic Development Strategies (CEDS), which guide EDA investment decisions for public works and economic adjustment implementation grants, including revolving loan funds. Sound local planning also attracts other federal, State and local funds to implement long-term investment strategies. Evaluations of EDA's public works and defense adjustment programs show that EDA planning and technical assistance programs play a significant role in the successful completion and outcomes of its infrastructure and revolving loan fund projects.

Measure 2.a:
Percent of sub-state political jurisdiction members actively participating in the Economic Development District (EDD) program

Data Validation and Verification:

Target: 75% by FY 2001
Data collection: EDA Grantee Performance Evaluations
Frequency: 1/3 of EDDs to be evaluated annually
Data storage: EDA database
Baseline: FY2000 grants
Verification: EDA will conduct periodic performance reviews and site visits including interviews with clients.
Data Limitations: See below.
Comments: During FY 1999, EDA began testing a plan for evaluating the performance of EDDs, which receive EDA funding for ongoing planning activities. This evaluation cycle will provide annual program for one-third of EDA-funded Districts each year. OPCS procedures will require EDA regional offices to enter data within 30 days of a District evaluation.

Measure 2.b:
Percent of Economic Development District and Indian Tribe planning grantees whose Comprehensive Economic Development Strategy (CEDS) is on time and acceptable

Data Validation and Verification:

Target: 75% by FY 2001
Data collection: CEDS reports
Frequency: Annual
Baseline: FY 2000 grants
Data storage: EDA database
Verification: EDA HQ will review OPCS data.
Data Limitations: See below.
Comments: During FY 1999, EDA developed new guidelines consistent with EDA's new reauthorization legislation for the preparation of CEDS by District and Indian planning grantees. These guidelines received final OMB clearance in December of 1999. OPCS procedures will require EDA regional offices to enter appropriate data within 30 days of receipt of CEDS reports.

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Measure 2.c:
Percent of University Center clients satisfied with technical assistance provided for local economic and business development

Data Validation and Verification:

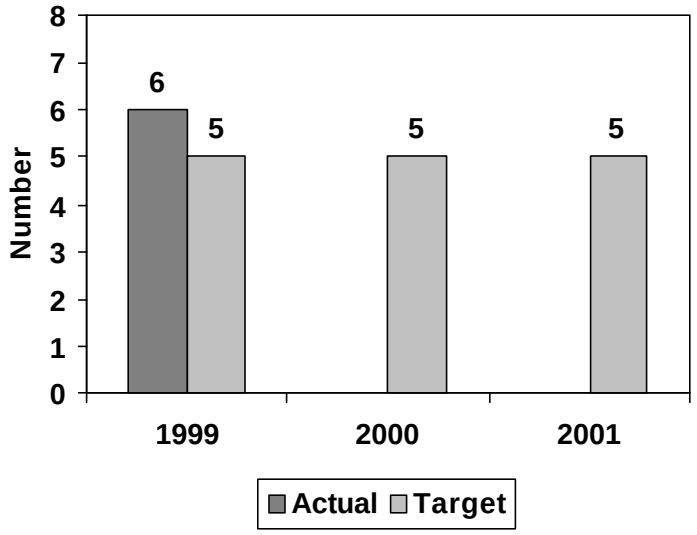
Target: 75% by FY 2001
Data collection: Grantee client survey / reports
Frequency: Annual
Baseline: FY2000 grants
Verification: Performance data will be verified for 1/3 of the University Centers. EDA HQ will annually review OPCS data.
Data limitations: See below.
Comments: During FY 1999, EDA developed a plan for evaluating 1/3 University Centers each year. GBeginning in FY 2000, client satisfaction ratings will be included in University Center Annual Reports. New OPCS procedures will require EDA regional offices to enter data within 30 days of receipt of reports.

Measure 2.d:
Percent of clients satisfied with assistance provided for trade adjustment

Data Validation and Verification:

Target: 75% for FY 2001
Data collection: Grantee client survey/reports.
Frequency: Annual
Baseline: FY 2000 grants
Data storage: EDA OPCS database
Verification: EDA will conduct periodic performance reviews and site visits to review and verify survey forms.
Data limitations: See below.
Comments: During FY 1999, EDA developed client satisfaction reports as part of each Trade Adjustment Assistance Center's annual report to EDA. These reports are due at the end of the second quarter of FY 2000.

Measure 2.e:
Number of research and national technical assistance results published or presented nationally each year



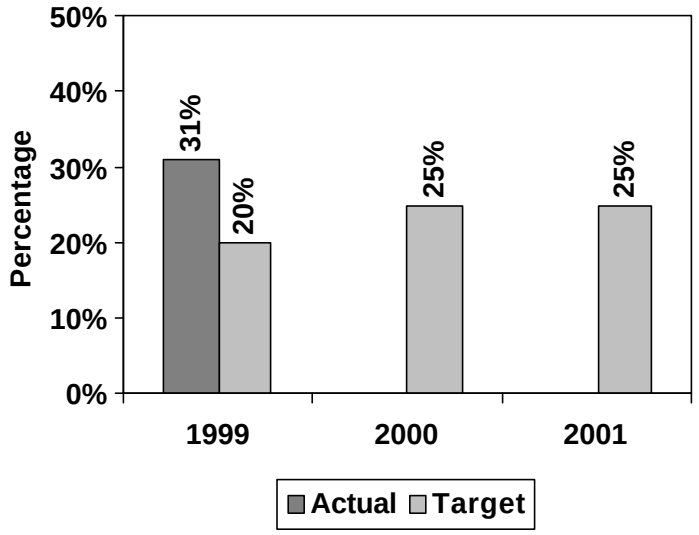
Note: Graph includes actual result for FY1999 funding.

Data Validation and Verification:

Target: 5 annually
Data collection: Grantee Reports
Frequency: Annual Review
Data storage: EDA project files.
Verification: EDA will verify by reviewing publications and national presentations.
Data limitations: None
Comments: EDA's research and national technical assistance continues to improve EDA's website as a resource for economic development professionals and practitioners serving economically distressed rural and urban communities.

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

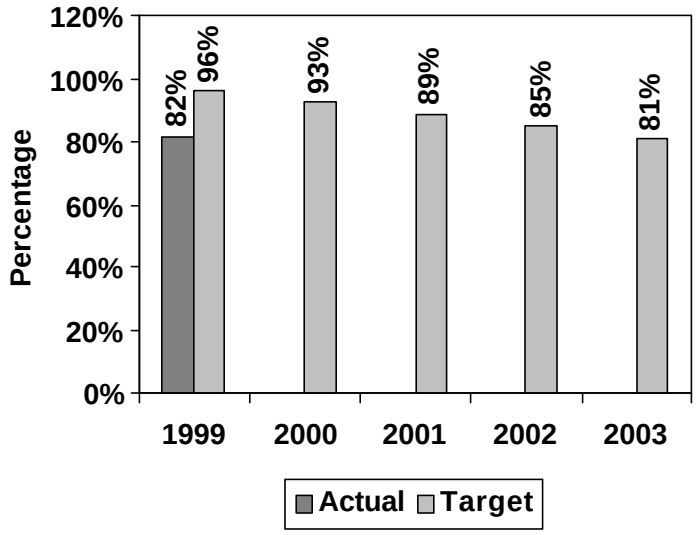
Measure 2.f:
Percent of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress



Data Validation and Verification:

Target: 25% of FY 2001 grants
Data collection: Project locations entered by Regions
Frequency: Ongoing
Baseline: FY1998 grants
Data storage: EDA database
Verification: EDA samples projects periodically to ensure accurate project location codes. Statistical data is based on Bureau of Labor Statistics current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data. EDA will sample projects, periodically, to ensure accurate reporting.
Comment: The highest distress criteria, for a 70% grant rate, are defined by new EDA regulations. These criterua are reserved for projects located in areas where the 24-month unemployment rate is at least 180% of national average, or the per capita income is not more than 60% of national average. Projects located in disaster areas and Indian tribes are also included in definition.

Measure 2.g:
Certification processing time for trade-impacted firm



Data Validation and Verification:

Target: Reduce the application processing time by 4% annually.
Data collection: Planning and Development Assistance Division Database
Baseline: FY 1998 was 56 Mean Days
Frequency: Quarterly
Data storage: Project Officer in charge of database
Verification: EDA will sample projects periodically to ensure accurate reporting.
Comments: In FY 1999, an 18 percent reduction in certification processing time was achieved while a 4 percent reduction was targeted. The greater reduction in processing time, than the stated target, is due to the extraordinary efforts by EDA staff to certify firms before the lapsed of authorization, which took place on June 30,1999. The TAA program was not re-authorized until FY 2000. The data collected and used for this measure ended on June 30, 1999. Due to this reauthorization anomaly, EDA will continue to use the stated target and FY 1998 baseline results in FY 2000.

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Program Evaluation Efforts

To complement its performance measurement system, EDA conducts systematic evaluations of all program activities to develop, test and refine performance measures and benchmarks. EDA is making significant investments in program evaluation and research to improve programs and provide useful information to local economic development practitioners. EDA's goal is to evaluate programs on a regular basis (i.e., every five years). The following is a listing of EDA- sponsored program evaluations:

- *Select Practices for Economic Development: EDA University Centers* (National Association of Manufacturing & Technical Assistance Centers, 1998)

- Effective Aid to Trade-Impacted Manufacturers (Urban Institute, 1998)

EDA will continue its strategy of evaluating its programs in order to serve its customers more efficiently and effectively and to develop facts and data that will help the agency focus on program direction. In addition, EDA sponsors research and national technical assistance projects to explore policy and program issues affecting distressed communities. For FY2000, EDA is currently evaluating its University Center Program, which is being conducted by Mt. Auburn Associates. EDA has also planned the following evaluations for FY2000:

- *Evaluation of EDA's Planning Program* (planned for FY 2000)– EDA will sponsor an evaluation of the effectiveness of EDA's Planning Program and the network of local partnerships that have provided assistance for economic development efforts at the local and regional level over the past 30 years. In 1998 EDA commissioned an independent evaluation of its regional planning process in order to increase the benefits of the process and enhance economic development capacity at the local level. That evaluation was completed in 1999 (see above). The current evaluation will complement this earlier evaluation by measuring the impact of EDA's assistance under the Planning Program.

- *Evaluation of EDA's Local Technical Assistance Pro*gram (planned for FY 2000) – EDA will sponsor an evaluation of this program, which provides funding for feasibility studies, consultants, technical advisors, professional services or similar activities required to solve specific development problems, assess development options, or increase local capacity to implement effective development strategies. In recent years funding for the program has been approximately $1.5 million per year with an average grant amount of approximately $25,000. The program was last evaluated in 1989.

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Strategies and Activities

Strategies	**Activities**
Build capacity for strategic planning and investment activities through a national network of: 320 Economic Development Districts (EDDs); 64 Indian tribes; 69 University Centers; and 12 Trade Adjustment Assistance Centers (TAACs). These programs work in unison to: enhance local capacity; Remove barriers to economic growth.	· Provide professional staff and technical expertise required to support the effective planning of economic development programs through a network of regional planning organizations and technical assistance centers · Award grants to support strategic planning and technical assistance providers · Develop an EDA web page to disseminate national research and other pertinent materials dealing with economic development
Disseminate information about research, best practices, and new knowledge about economic development issues and problems affecting distressed communities and diverse local economies to institutions, communities and entities engaged in enhancing America's economic competitiveness	· Provide research and national technical assistance grants for cutting edge research · Perform evaluations that provide practical, up-to-date information on the effectiveness of tools for economic competitiveness · Sponsor new research · Encourage state and local practitioners to share information · Use EDA's website to share information and research findings

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Resource Requirements Summary

Total Dollars: $84 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$78 M	$74 M	$84 M

FTEs: 91
Skill Requirements: Economic development policy, project management, legal, engineering,environmental

FY 99 Actual	FY 00 Enacted	FY 01 Request
92	90	91

IT Dollars: $0.7 million
IT Requirements: Upgrade database for project management and performance measures

FY 99 Actual	FY 00 Enacted	FY 01 Request
$1.0 M	$0.65 M	$0.69 M

Crosscutting Activities

Intra-DOC

- TA/NIST: Work on the Manufacturing Extension Partnership (MEP)
- National Oceanic and Atmosphere Administration (NOAA): coordination and planning for natural disaster reduction; sustainable development and recovery from natural resource depletion.
- MBDA: Business Assistance Centers; minority serving institutions.

Other Government Agencies

Economic Development

- *Appalachian Regional Commission (ARC)* – economic development planning in the 13 state ARC service area
- Indian and Alaskan Native Village Economic Development, *White House Conference on Building Economic Self-Determination in Indian Communities* – EDA will work with other departments to study the technology infrastructure needs of Indian communities and to develop a strategic plan for coordinating economic development activities for Native American and Alaska Native communities

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Environmental Issues

- *Environmental Protection Agency (EPA)* – environmental planning; assessments for the redevelopment of brownfields; research on economic impact of air quality standards;
- American Heritage Rivers Initiative – EDA partners with the *Council on Environmental Quality* and the *Department of the Interior* on economic revitalization of our Nation's rivers

Disaster Mitigation

- *Federal Emergency Management Agency (FEMA)* - disaster mitigation planning, recovery, and training

Note: EDA has established interagency agreements with most of these and other agencies to define roles in funding related project activities or initiatives. EDA began a systematic review of interagency agreements and performance measures for crosscutting programs/initiatives in FY 1999 and will update agreements in FY 2000 consistent with new legislation and Departmental requirements. Adjustments will be reflected in the update to this report.

External Factors and Mitigation Strategies

- Changes in national or regional economic conditions, natural disasters, or other major events can affect resources available for planning and technical assistance activities, as well as the types of activities funded.

Opportunities to implement plans and strategies may be limited by economic and other constraints at the local, regional or national level.

Economics and Statistics Administration

Mission Statement

The Economics and Statistics Administration's (ESA's) mission is to chronicle, understand and explain economic and societal change. Our goals are to:

- **Help maintain a sound Federal statistical system that monitors and measures America's rapidly changing economic and social arrangements;**
- **Improve understanding of the key forces at work in the economy and the opportunities they create for improving the well-being of Americans;**
- **Develop new ways to disseminate information using the most advanced technologies; and**
- **Support the information and analytic needs of the Commerce Department, the Executive Branch, and the Congress.**

The United States enjoys the reputation of being the world's unrivaled economic information leader, due in part to the timely and accurate analysis produced by the Economics and Statistics Administration (ESA). Producing such vital measures as the decennial census, the gross domestic product, and the balance of payments, ESA provides economic and demographic information that dramatically impacts the decision making of the President, Congress and businesses, and affects the lives of all Americans.

Organizational Structure

ESA includes: ESA Headquarters, The Bureau of Economic Analysis, and The Bureau of the Census.

ESA headquarters (comprised of The Office of the Under Secretary, the Policy Support staff, and STAT-USA) has three main roles: to provide management, financial analysis, and administrative support to all ESA agencies; to provide economic policy analysis; and to provide data dissemination services. The Office of the Under Secretary and the Office of Administration provide management, financial, and administrative services to ESA. Policy Support's staff economists conduct research on the factors contributing to US industrial strength and the relationship between industry performance and economic growth, including recent major studies on the scope and economic impacts of electronic commerce. Data dissemination services are provided by STAT-USA, an easy to use, "one-stop shop" that provides a focal point for business, economic, and trade statistics. STAT-USA is a revolving fund account that requires no government funding. (STAT-USA is discussed in detail in this section)

STAT-USA

As part of ESA headquarters, STAT-USA provides the public with access to key business, economic, and international trade information. **STAT-USA's mission is to: "produce, distribute, and assist other government agencies in producing world-class business, economic, and government information products that American businesses and the public can use to make intelligent and informed decisions."** It accomplishes this through its three primary products and services: the National Trade Data Bank (NTDB) CD-ROM, the USA Trade CD-ROM, and STAT-USA /Internet.

STAT-USA also performs services for other Commerce agencies, primarily in the area of information technology. Projects include LAN support and website development.

The organization obtains financial support for its activities through sales of its information products and

services. It receives no appropriated funds, but rather operates on a revolving fund. STAT-USA is organized into four functioning units including the Office of the Director, Customer Outreach, Operations, and ADP Support. All units are located in Commerce's H.C. Hoover Building except for the Customer Outreach functions, which are located within the USA Trade Center at the Ronald Reagan International Trade Center Building.

Priorities and Initiatives

This fiscal year is an important and challenging one for STAT-USA. The office's business operating plan is focused on the implementation of its STAT-USA/Internet "value-added" initiatives. In addition to its normal business activities, STAT-USA, through its employees, is expected to complete fifteen value-added initiatives, spanning all STAT-USA functional areas. The initiatives include key projects to update and improve the appearance of our website, and expand the services available on the web to include online help, online registration, and online questions and answers. The initiatives also address specific marketing and advertising campaigns, and customer service plans. These initiatives, compiled by a team of STAT-USA employees and reviewed and ranked by the entire staff, make up the core projects that will enable STAT-USA to improve its products and services and lead to a new, higher level of customer service. The initiatives are a key part of our measures of performance listed below.

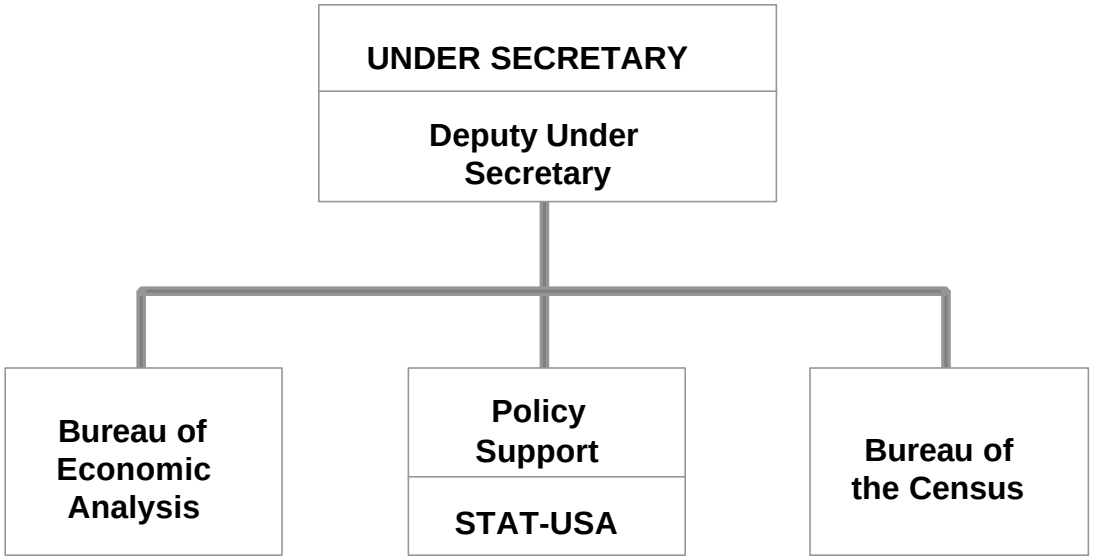
The Bureau of Economic Analysis serves as the Nation's accountant, developing measures and systems for collecting and interpreting vast amounts of diverse data from government and private sources. BEA produces such widely used statistical measures as gross domestic product (GDP), corporate profits, and balance of payments. (See the following section on the Bureau of Economic Analysis)

The Bureau of the Census chronicles societal and demographic change. The Bureau fulfills the constitutionally mandated requirement to conduct a decennial census, and the Bureau collects a wide range of economic and demographic data. The data provided by the Bureau of the Census shape important policy decisions that help improve our Nation's social and economic conditions. (See the following section on The Bureau of the Census)

Summary

ESA's staff and programs provide vital information, analysis, and advice to Commerce and other Executive Branch Departments, agencies, and officials. Many of the Nation's decisions are based upon the economic and demographic information the agency produces.

Organizational Structure



ESA Headquarters includes the Office of the Under Secretary and policy support staff, and STAT-USA, which is funded through ESA's revolving fund

Targets and Performance Summary

Performance Goal 1: Provide accurate, timely, and relevant economic data			
Measures	**FY 99**	**FY 00**	**FY 01**
Percent of scheduled releases issued on time ****	100%	100%	100%

Performance Goal 2: Provide accurate, timely, and relevant statistical data			
Measures	**FY 99**	**FY 00**	**FY 01**
Percent of household surveys attaining 100% of specified reliability specifications **	100%	100%	100%
Percent of household surveys with initial response rates >90% ***	100%	100%	100%
Annual reduction from time of data collection and data release for selected household surveys	9% decrease	Maintain decrease	Maintain decrease

Performance Goal 3: Conduct an accurate, timely, relevant and cost-effective Decennial Census			
Measures	**FY 99**	**FY 00**	**FY 01**
Produce apportionment counts using traditional census taking methods	N/A	N/A	100% on time
Adjust net population counts using the Accuracy and Coverage Evaluation Survey in all states *	N/A	N/A	100% on time
Meet all Census 2000 published data release milestones on time	N/A	N/A	100% on time

* The Accuracy and Coverage Evaluation Survey is intended to evaluate the census counts produced for the apportionment of Congressional Representatives among the states. It will be conducted subsequent to exhaustive efforts to enumerate everyone as accurately as possible using traditional census taking methods. The adjusted counts will be available in a form that allows states to use them for redistricting purposes. The more accurate adjusted counts can also be used for determining the allocation of Federal funds, and for ongoing statistical and programmatic purposes.

** Reliability: A series of statistical measurements that define the precision of a survey; e.g., standard error, coefficient of variation, and sample design effect.

*** Excludes Household Expenditures Survey

**** A Bureau of Economic Analysis measure that is affected by Census survey programs.

Resource Requirements Summary

Total Bureau Dollars: $3.4 billion

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide accurate, timely, and relevant economic data	$43.1M	$43.8M	$48.9M
Provide accurate, timely, and relevant statistical data	$485.0M	$498.0M	$535.0M
Conduct an accurate, timely, relevant, and cost-effective Decennial	$1,079.0M	$4,468.0M	$393.0M

Total Bureau FTEs: 13,386

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide accurate, timely, and relevant economic data	414	432	451
Provide accurate, timely, and relevant statistical data	5,753	6,456	6,799
Conduct an accurate, timely, relevant, and cost-effective Decennial	14,886	98,460	6,112

Total Bureau IT Dollars: $315.3M

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide accurate, timely, and relevant economic data	$6.0M	$6.1M	$9.3M
Provide accurate, timely, and relevant statistical data	$205.0M	$211.0M	$200.0M
Conduct an accurate, timely, relevant, and cost-effective Decennial	$214.0M	$407.0M	$106.0M

Bureau of Economic Analysis

Mission Statement

To produce and disseminate accurate, timely, relevant, and cost-effective economic accounts statistics that provide government, businesses, households, and individuals with a comprehensive, up-to-date picture of economic activity.

Reliable and consistent measures of economic activity are essential to the decision-making of business people and policymakers, and to the efficient operation of financial markets. The mission of BEA is to produce and disseminate accurate, timely, relevant, and cost-effective economic accounts statistics that provide government, businesses, households, and individuals with a comprehensive, up-to-date picture of economic activity.

As the Nation's accountant, BEA develops measures and systems for collecting and interpreting vast amounts of diverse data from government and private sources. BEA combines and transforms those data into a consistent and comprehensive picture of economic activity, which is summarized by the estimates of gross domestic product (GDP). BEA's national, regional, and international economic accounts form much of the core of the federal statistical system, which in turn is critical to sound economic decisions by businesses, individuals, state and local governments, and federal institutions, such as the Treasury Department and the Federal Reserve. These data provide many of the yardsticks by which the health and potential of the economy are judged. They affect every American who runs a business, saves for retirement, or takes out a mortgage. BEA data are also essential to the Federal government, providing information for policy development.

Priorities

Bureau

The major issue confronting BEA is the need to improve the accuracy and reliability of its economic accounts estimates. For example, there has been growing concern in the economic community over the "statistical discrepancy," i.e., the difference between GDP, as measured by final expenditures for the goods and services produced by the U.S. economy, and gross domestic income (GDI), an alternative measure that is derived by totaling the costs incurred and the incomes earned in the production of those goods and services. In theory, these measures should be equal, but the persistent discrepancy between them calls into question the accuracy of BEA's estimates. BEA is pursuing many initiatives to improve the accuracy and reliability of its estimates, including working with the Bureau of the Census, the Bureau of Labor Statistics, and other source data agencies to provide comprehensive coverage of services and other new and rapidly expanding sectors of the U.S. economy.

Department-Wide

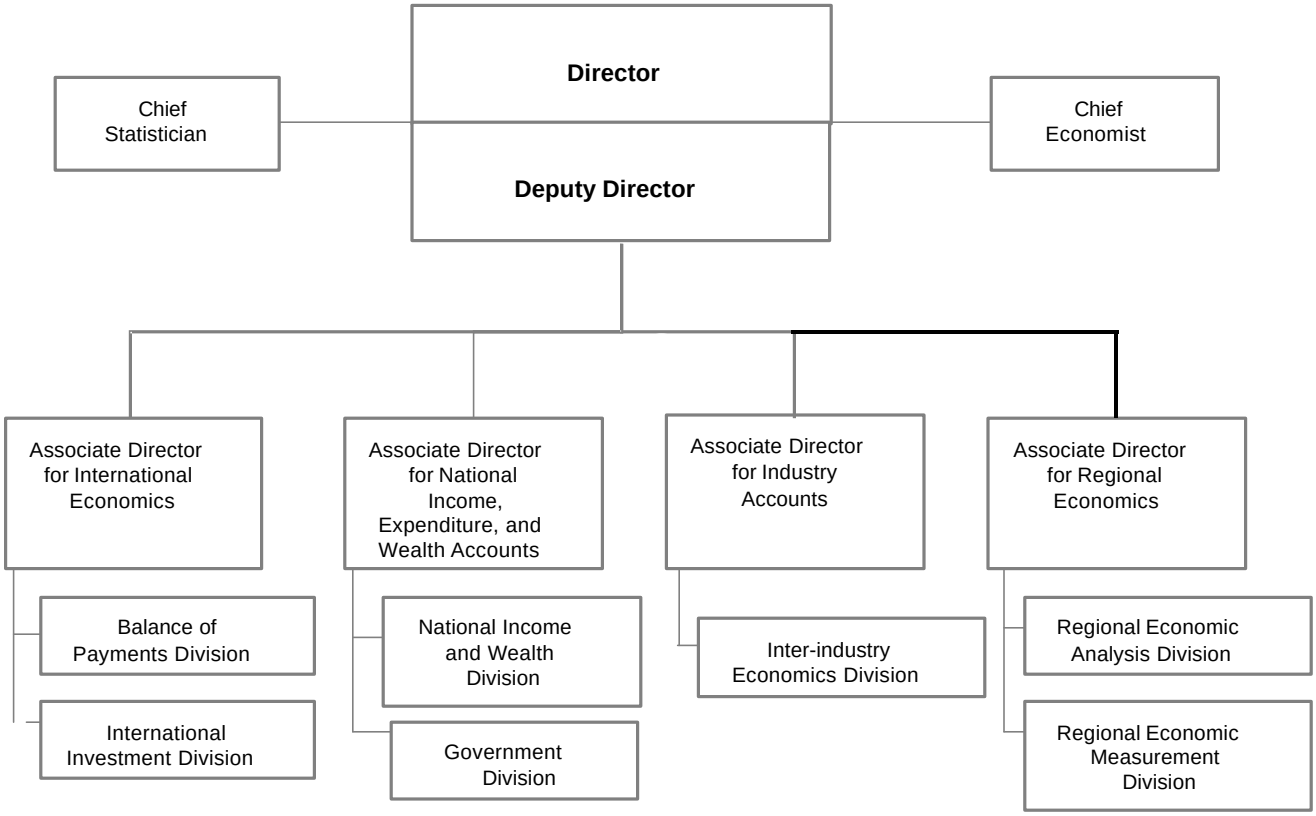
- *Electronic Commerce:* BEA supports the Department's electronic commerce initiative. If its economic accounts are to keep pace with the relentless growth and increasing complexity of the American economy, BEA must develop the capacity to capture and accurately measure all aspects of economic activity – from the traditional smoke-stack industries to the latest high-tech products and services, such as E-Business.

However, E-Business creates such fundamental changes in the nature of economic transactions that new data sources and methodologies are needed to measure it. Through coordination with its major source data suppliers, the Bureau of Census and the Bureau of Labor Statistics, BEA will provide the first detailed and consistent accounting of E-Business, including data on its volume, its impact on GDP and the U.S. economy, its regional and cross-industry impact, and its impact on incomes and prices. Incorporating coverage of E-Business into BEA's national, international, and regional accounts will provide a more comprehensive picture of today's economy.

- *Critical Infrastructure Protection:* BEA supports the Department's effort to ensure the security of critical infrastructure. The experiences of other agencies, both government and private, with actual and threatened acts of terrorism and destruction of electronic data systems dictate the need to increase our awareness of any vulnerabilities that may exist. By identifying and assessing those vulnerabilities, we will be able to take corrective and preventative actions to protect our critical systems. In addition, BEA has proposed an initiative that will enhance the security of BEA's data by undertaking a number of positive steps, such as procuring additional firewall protection and router hardware and software, installing automatic intrusion monitoring software, and upgrading authentication technology for remote access. These steps will help ensure that BEA is able to disseminate data promptly to its users via the BEA web site with confidence that the integrity of the data has not been compromised.

BEA

Organizational Structure



BEA

Targets and Performance Summary

Highlights of BEA's FY 2001 Performance Plan

Performance Goal 1: Provide accurate, timely, and relevant economic data			
Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Percent of scheduled releases issued on time	100%	100%	100%

Resource Requirements Summary

Total Bureau Dollars: $48.9 M

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide economic data	$43.1 M	$43.8 M	$48.9 M

FTEs: 451
Skills Summary: Economists, Accountants, Statisticians, Computer Specialists

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide economic data	414	432	451

IT Dollars: $9.3 M
IT Requirements: Optimum performance of LAN system requires:
- ***Re-engineering of critical applications***
- ***Construction of comprehensive database architectures***
- ***Implementation of secure electronic bridges to data suppliers & customers***

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide economic data	$6.0 M	$6.1 M	$9.3 M

BEA

Performance Goal 1:
Provide Accurate, Timely and Relevant Economic Data

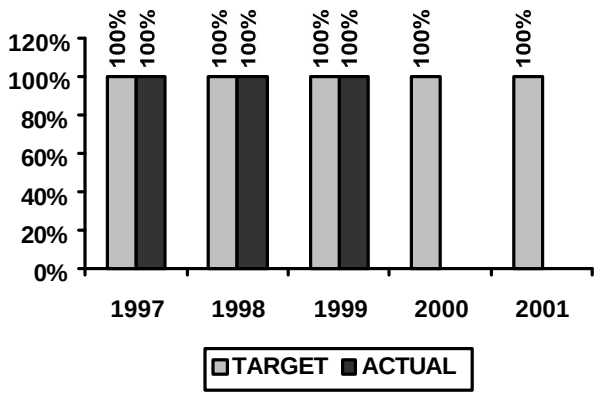
Rationale for Performance Goal

Measures of our Nation's economic activity are critical to sound economic decisions by businesses, individuals, and state and local governments, as well as the Federal government. Their impact can be seen in Federal budget projections, where the discrepancy in recent years between income- and product-side estimates of real GDP growth can result in a difference of $150 billion in 5-year budget projections. Over $115 billion in Federal grants to states are directly linked to BEA's estimates of regional income and product. In a recent private study, BEA's quarterly advance GDP data was named as one of the three most important statistical releases for its effect on financial markets.

In large part, the success of BEA is measured by public trust in its data. For example, economic reports on such variables as GDP, inflation, and personal income have an important influence on the formulation of consumer confidence and thus play a key role in consumers' expectations and buying plans.

To meet the needs of its users, BEA must produce and disseminate timely and relevant data. No matter how high the quality of the estimate is, the data are of no use until they are available to the data users. Thus, BEA strives to release its estimates as soon as reasonably possible, to publish a schedule of future release dates, and to consistently meet that schedule. In addition, the usefulness of BEA's estimates depends on how well they meet the needs of the broad range of data users. Therefore, achieving a high level of customer satisfaction is an important measure of the success of BEA's programs.

Measure 1.a:
Percent of scheduled releases issued on time



Data Validation and Verification:

Data collection: Annual schedule of BEA release dates as published in the Survey of Current Business and BEA records of actual release dates.
Frequency: Measure will be compiled annually; however, because releases are issued throughout the year, the measure can be evaluated at any time.
Data storage: BEA's Current Business Analysis Division maintains a schedule of upcoming release dates and records of actual release dates. Both sets of information are publicly available on BEA's Internet site.
Verification: Records of scheduled and actual release dates are a matter of public record.
Data Limitations: None.
Actions to be taken: Continue with no changes.

BEA

Performance Goal 1:
Provide Accurate, Timely and Relevant Economic Data

Strategies and Activities

Strategies	Activities
BEA: Data Quality	
Develop new and improved measures of output (real GDP) and prices	Extend quality adjustments to more products. Develop new concepts and methods for measuring difficult-to-measure and rapidly-growing goods and services, including E-Business. Develop new and updated source data for key components. Improve real GDP-by-industry and real gross state product estimates. Expand implementation of NAICS classification system. Develop independent estimates for not-for-profit sector.
Provide updated measures of the Nation's investment, saving, and wealth	Develop integrated saving and financial wealth estimates. Develop estimates of investment in E-Business related equipment. Improve treatment of employee stock options and pension plan contributions in estimates of employee compensation.
Provide improved measures of U.S. international trade and finance	Publish more detailed data on trade in services between U.S. companies and their foreign affiliates. Incorporate NAICS in survey results. Conduct quarterly selected services surveys . Collect data on E-Business-related international trade and investment. Eliminate gaps and overlaps between direct and portfolio investment. Develop means for collecting data on derivatives and new financial instruments. Develop estimates of understated exports and imports of goods.
BEA: Statistical Measures	
Reduce respondent burden	Develop electronic filing of BEA's surveys of direct investment and international services.
Increase efficiency of data transfers	Develop standardized data transfer and on-line interactive editing and processing systems for source data across national, regional, and international programs.
ESA: Data Dissemination	
Increase customer accessibility (with BEA)	Deliver data products to a wide range of customers through Internet and other electronic gateways, such as STAT-USA.
Provide information on economic events and the workings of the economy	Provide information, analyses, and guidance on pending economic policy decisions. Use STAT-USA as a focal point for business, economic, and trade data dissemination.

BEA

Performance Goal 1:
Provide Accurate, Timely and Relevant Economic Data

Resource Requirements Summary

Total Bureau Dollars: $48.9 M

FY 99 Actual	FY 00 Enacted	FY 01 Request
$43.1M	$43.8M	$48.9M

FTEs: 451

FY 99 Actual	FY 00 Enacted	FY 01 Request
414	432	451

Total IT Dollars: $9.3 M

FY 99 Actual	FY 00 Enacted	FY 01 Request
$6.0M	$6.1M	$9.3M

Cross-Cutting Activities

Other Government Agencies

- *BEA, the Bureau of the Census, the Bureau of Labor Statistics (BLS), and the Internal Revenue Service (IRS):* BEA works closely with its source data agencies, including Census, BLS, and the IRS, to make them aware of BEA's data needs and to encourage their cooperation in meeting those needs. In addition, BEA obtains source data from most government agencies that produce statistics.

- *Interagency Council on Statistical Policy:* Under the auspices of the Office of Management and Budget, BEA is a major participant in the Interagency Council on Statistical Policy, which works to improve collaborative activities of federal statistical agencies. Activities of the council have led to standardization of data and concepts, transfers of technology, methodology exchange, collaborative research, process improvement, improved customer service, reduced respondent burden, and infrastructure sharing.

- *The Bureau of the Census and the Bureau of Labor Statistics (BLS):* Scheduling of BEA's releases is based on the availability of source data provided by other agencies, including the Bureau of the Census and BLS.

- *Economic and Export Agencies:* STAT-USA originates few of the many thousands of files in its information base. Rather, it obtains files from major economic agencies in the government (BEA, Census, BLS, and the Federal Reserve) and agencies providing export information (Census, ITA, State Department, and others). STAT-USA also provides information technology (IT) solutions to other Commerce agencies to help them meet their IT needs.

BEA

Performance Goal 1:
Provide Accurate, Timely and Relevant Economic Data

External Factors and Mitigation Strategies

BEA is highly dependent on other government agencies and private organizations for the source data it uses to produce its economic accounts statistics. Thus, BEA's ability to provide accurate, timely, and relevant economic data and to move forward with improvements in its economic accounts is constrained by the quality and availability of that source data. BEA works closely with its data sources to obtain the best and most complete data possible and continually refines its estimation methods to improve its measures, especially in areas with source data deficiencies.

Bureau of the Census

Mission Statement

To be the preeminent collector and provider of data about the people and economy of the United States

The Bureau of Census' goal is to provide the best mix of timeliness, relevancy, quality, and cost for the data collected and services provided. The data provided by the Bureau of the Census shape important policy decisions that help improve our nation's social and economic conditions:

Bureau of the Census data provide the basis for estimating gross domestic product and leading economic indicators:

- They determine the apportionment of Congressional seats, as mandated in the Constitution.
- They inform us about education, income, and health care coverage.
- They are used by national, state, and local governments to formulate policy.
- They are used by large corporations and local businesses to devise their domestic and global strategies.

The credibility, expertise, and high statistical standards of the Bureau of the Census routinely elicit response rates of 90-95 percent for household surveys and 80 percent for business surveys. This allows the Bureau of the Census to provide the most accurate and reliable information available.

The Bureau of the Census has developed four bureau-wide strategies to achieve its mission. All goal-level strategies fall within one, or a combination, of these bureau-wide strategies:

- Valuing our employees
- Innovating in our work
- Responding to our customers
- Improving public cooperation

Priorities

Department-Wide

Decennial Census - To enable Congressional apportionment and distribute $180 billion in federal grants, the Bureau of the Census will plan for and conduct the Decennial Census in the year 2000.

Statistical Infrastructure - With ESA and BEA, the Bureau of the Census is leading the initiative to enhance the Nation's statistical infrastructure.

The Bureau of the Census

Bureau

How big is the Census?

- 275 million residents, 118 million housing units in the United States alone, 1.5 million housing units in Puerto Rico and the U. S. Island Areas
- 3 million applicants recruited, 860,000 jobs at peak, 520 Local Census Offices, 12 Regional Census Centers and 4 Data Processing Centers, 520 local area networks, 7,800 personal computers and 2,600 printers
- 20 million maps needed for field work, covering 8 to 9 million blocks, and 70 million questionnaires returned within a two week period

Major Milestones of the Census

- Beginning mid-March 2000 : Census questionnaires delivered/mailed
- April 1, 2000: CENSUS DAY
- March-May 2000: Census takers visit housing units in rural and remote areas to drop off and/or pick up forms
- April-August 2000: Census takers visit housing units that did not return census forms. This is referred to as "non-response follow-up" and coverage improvement.
- October-November 2000: All field work completed
- December 31, 2000: Apportionment counts delivered to the President
- April 1, 2001: All states receive redistricting counts

Targets and Performance Summary

Highlights of Census' FY 2001 Performance Plan

Performance Goal 2: Provide accurate, timely, and relevant demographic data			
Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Percentage of household surveys attaining 100% of specified reliability specifications **	100%	100%	100%
Percentage of household surveys with initial response rates >90% ***	100%	100%	100%
Percentage reduction from time of data collection to data release for selected household surveys	9% decrease	Maintain decrease	Maintain decrease
Performance Goal 3: Conduct Decennial Census			
Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Produce apportionment counts using traditional census taking methods	N/A	N/A	100% on time
Adjust net population counts using the Accuracy and Coverage Evaluation Survey in all states *	N/A	N/A	100% on time
Meet all Census 2000 published data release milestones on time	N/A	N/A	100% on time

* The Accuracy and Coverage Evaluation Survey is intended to evaluate the census counts produced for the apportionment of Congressional Representatives among the states. It will be conducted subsequent to exhaustive efforts to enumerate everyone as accurately as possible using traditional census taking methods. The adjusted counts will be available in a form that allows states to use them for redistricting purposes. The more accurate adjusted counts can also be used for determining the allocation of Federal funds, and for ongoing statistical and programmatic purposes.

** Reliability: A series of statistical measurements that define the precision of a survey; e.g., standard error, coefficient of variation, and sample design effect.

*** Excludes Household Expenditures Survey

The Bureau of the Census

Resource Requirements Summary

Total Bureau Dollars: $928 million ($719 million discretionary; $20 million mandatory; $188 million working capital fund)

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide statistical data	$485 M	$498 M	$535 M
Conduct Decennial Census	$1,079 M	$4,468 M	$393 M

FTEs: 12,911
Skills Summary: Statistics, Computers, HR/Financial/Facilities/Clerical, Data Processing

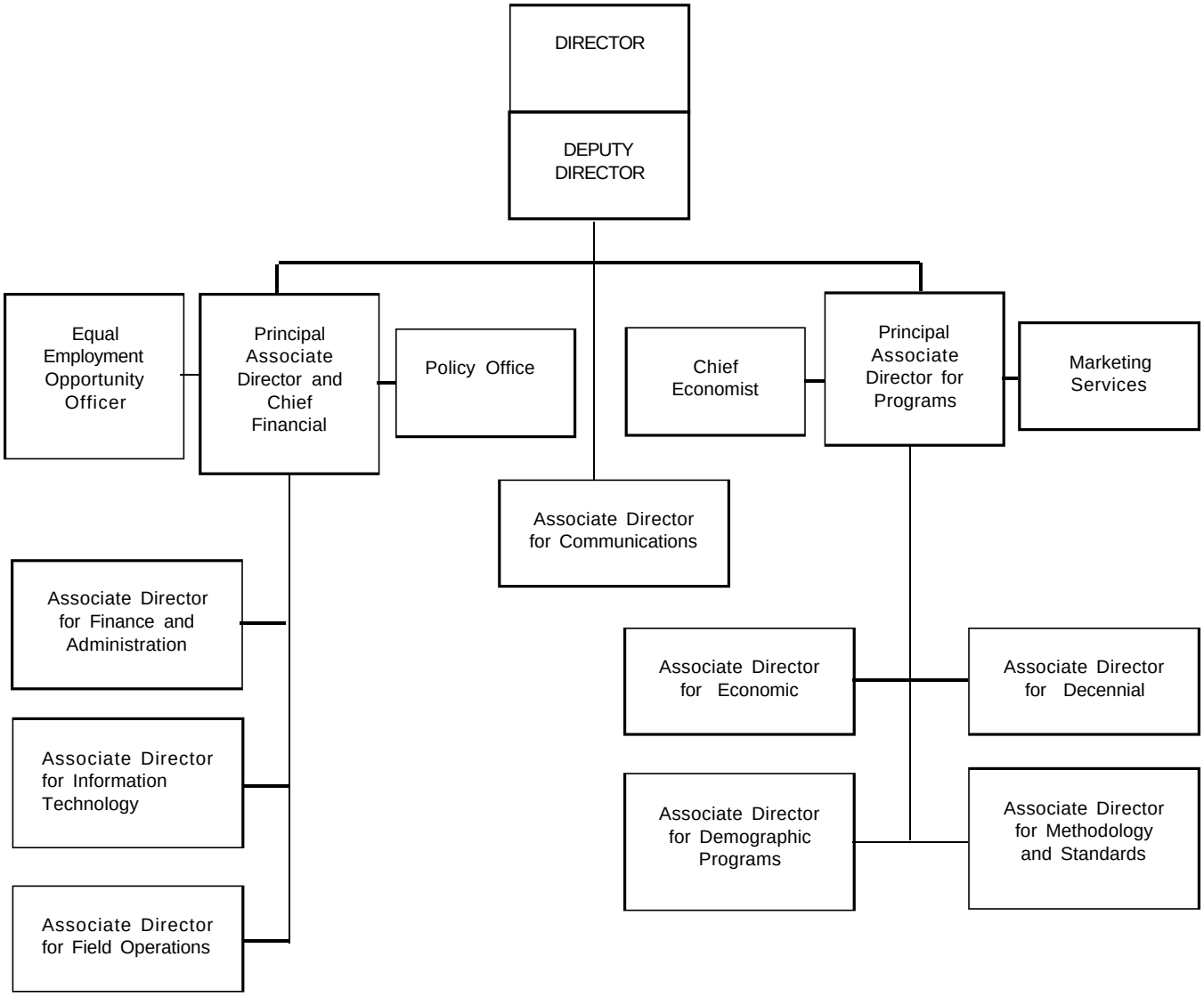
Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Provide statistical data	5,753	6,456	6,799
Conduct Decennial Census	14,886	98,460	6,112

IT Dollars: $306 M
IT Requirements: $306 million for mission critical infrastructure and architecture

Performance Goal	FY 99 Actual	FY 00 Actual	FY 01 Request
Provide statistical data	$205 M	$211 M	$200 M
Conduct Decennial Census	$214 M	$407 M	$106 M

The Bureau of the Census

Organizational Structure



The Bureau of the Census

Performance Goal 2:
Provide accurate, timely, and relevant demographic data

Rationale for Performance Goal

The Demographic Programs at the Census Bureau provide the data used to allocate over $180 billion in federal funds each year (population estimates and projections), analyses underlying the statistical definitions and standards used by the entire federal government in policy decisions, and the baseline sample units that underlie virtually every survey conducted in the United States by both private and public sectors.

Billions of government dollars are divided among states and communities, and businesses make decisions such as where to locate, based on demographic, social, economic, and housing profiles. The federal government needs such information to manage programs. Communities use it for economic development, for decisions about their future such as locating schools and expanding roads, and to see how they are doing compared with others.

Accurate measures of the country's demographic composition are critical to the efficient allocation of resources through both governmental appropriations and private markets. Improving data quality is fundamental to the Secretarial objective of enhancing our Nation's statistical infrastructure. Providing relevant demographic data in a timely manner supports the Secretary's initiative to enhance the country's statistical infrastructure. It is vital that the most meaningful demographic data be promptly available to policymakers at the federal, state, and local level and to stakeholders and data users who depend on that information to make important and critical decisions.

Demographic programs develop plans and programs to collect, process, and disseminate information from surveys and censuses on the population and its characteristics, and on the size and characteristics of the housing inventory. Official population estimates and projections for the Nation are prepared, and reports on socioeconomic, demographic and housing topics are published. Also, analytical research on emerging issues and trends such as the condition of children and the elderly, the employment of disabled individuals, and the characteristics of immigrants is undertaken.

Directing and coordinating technical and developmental work on the collection and analysis of data by race, Hispanic origin, and ancestry is a major responsibility. This work results in reports on the characteristics of special population groups, and for American Indian and Alaskan Native areas. An important aspect is examining reporting issues such as error or bias in these data.

Official statistics on income and poverty, as well as longitudinal data on income and program participation that federal agencies use to develop, modify, and monitor transfer programs originate from Demographic Programs. Especially important are data necessary to determine the impact of welfare provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, often called "welfare reform."

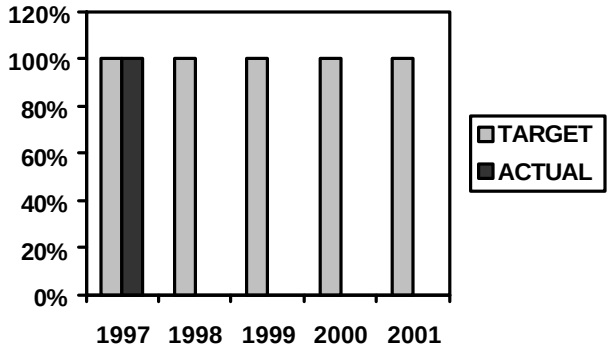
Much of the foundational analysis and research underlying the Office of Management and Budget's decisions on national statistical standards on topics such as occupational classifications, metropolitan areas, and race and ethnicity are conducted by Demographic Programs.

The Demographic Programs also plan and conduct surveys and special censuses, funded by other government agencies, that focus on topics of national importance, such as unemployment, crime, health, education, and consumer expenditures. Also, we process, analyze, and disseminate data from the Decennial Census. The demographic area is able to provide accurate, timely, and relevant data in an exemplary manner because of the excellent work done by the four divisions that comprise the directorate, Population; Housing and Household Economic Statistics; Demographic Surveys; and Demographic Statistical Methods.

The Bureau of the Census

Performance Goal 2:
Provide accurate, timely, and relevant demographic data

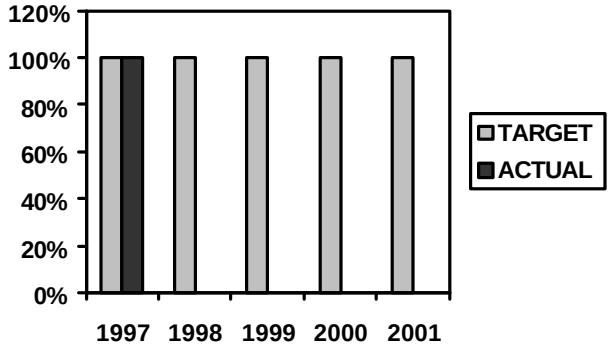
Measure 2.a:
Percentage of household surveys attaining 100% of specified reliability measurements



Data Validation and Verification:

Data collection: Performance measure data on reliability is collected, calculated, and assessed as the surveys are tabulated.
Frequency: Performance measures are available at the time of a survey's public data release.
Data storage: Survey performance data are in Census Bureau databases and are published in public press releases and data reports (Source and Reliability Statements in every release)
Verification: The Bureau maintains and adheres to methodological standards that are documented and reported publicly.
Data limitations: N/A
Actions to be taken: N/A

Measure 2.b:
Percentage of household surveys with initial response rates >90%



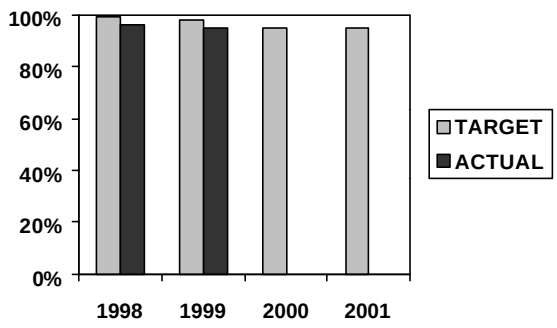
Data Validation and Verification:

Data collection: Response rates are monitored as the responses are collected in the field.
Frequency: Performance measures are available at the time of a survey's public data release.
Data storage: Survey performance data are in Census Bureau databases and are published in public press releases and data reports (Source and Reliability Statements in every release)
Verification: The Bureau maintains and adheres to methodological standards that are documented and reported publicly.
Data limitations: N/A
Actions to be taken: N/A

The Bureau of the Census

Performance Goal 2:
Provide accurate, timely, and relevant demographic data

Measure 2.c:
Percentage reduction from time of data collection to data release for selected household surveys



Data Validation and Verification:

Data collection: Data collection dates are published in advance. These set the baseline for release dates.
Frequency: As scheduled.
Data storage: Census Bureau databases and public data releases.
Verification: By comparison with past release dates. Official responses to customers will verify customer satisfaction.
Data limitations: N/A
Actions to be taken: N/A

Strategies and Activities

Strategies	Activities
Develop innovative methods to reduce nonresponse	Investigate the use of incentives to increase response rates
Test alternative questionnaire designs to improve response rates	Use acceptable questionnaire testing methods to introduce new questions and to improve existing survey instruments
Improve employee/respondent contact to increase response rates	Participate in new employee "goal sharing" to determine better performance incentives for field interviewer staffl develop better respondent outreach materials
Improve data accessibility	Provide data in easily accessible forms, focusing on the Internet for immediate user access
Increase value to respondents	Distribute "give back" information brochures about local communities
Determine ways to reduce report preparation and review process	Implement recommendations of report review process team
Study post-collection process to determine how to release data earlier	Extend the results of the post-collection process improvement for CPS supplements to other surveys

The Bureau of the Census

Performance Goal 2:
Provide accurate, timely, and relevant statistical data

Resource Requirements

Total Bureau Dollars: $535 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$485 M	$ 498 M	$535 M

FTEs: 6,799
Skills Summary: ***Statistics, Computers, HR/Financial/Facilities/Clerical, Data Processing***

FY 99 Actual	FY 00 Enacted	FY 01 Request
5,753	6,456	6,799

IT Dollars: $200 million
IT Requirements: ***$362 million for mission-critical infrastructure and architecture***

FY 99 Actual	FY 00 Enacted	FY 01 Request
$205 M	$211 M	$200 M

Crosscutting Issues

Other Government Agencies

BEA, the Census Bureau, the Bureau of Labor Statistics (BLS), and the Internal Revenue Service (IRS): BEA works closely with source data agencies, including Census, BLS, and the IRS to make them aware of BEA's data needs and to encourage their cooperation in meeting those needs.

Interagency Council on Statistical Policy: Under the auspices of the Office of Management and Budget, both BEA and the Census Bureau are major participants in the Interagency Council on Statistical Policy, which works to improve collaborative activities of federal statistical agencies. Activities of the council have led to the standardization, improved customer service, reduced respondent burden, and infrastructure sharing.

Additionally, the Census Bureau participates in numerous non-statistical federal agency activities, such as being a data supplier, a survey collection resource, and an advisory and research resource.

External Factors and Mitigation Strategies

Survey non-response rates continue to rise, perhaps affected by public perception. The Census Bureau's strategies address segments of this problem. Many aspects of public non-response are beyond the Census Bureau's control.

The Bureau of the Census

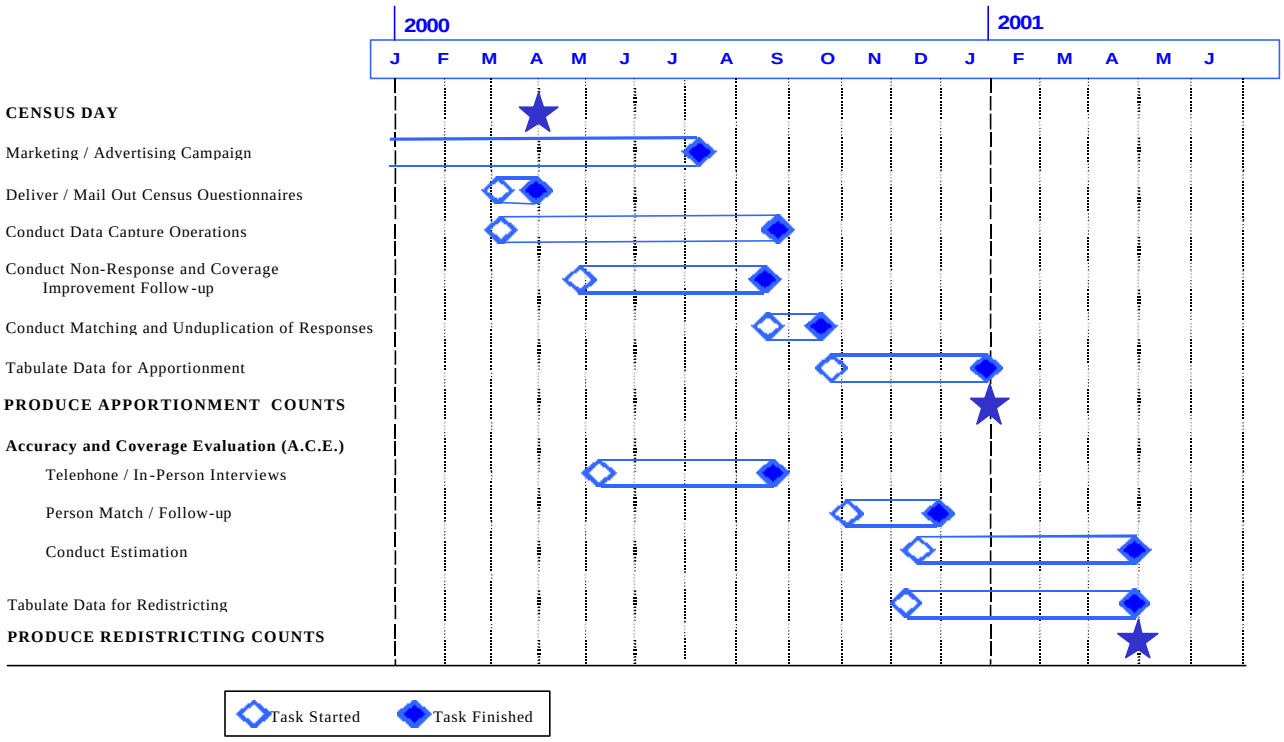
Performance Goal 3:
Conduct Accurate, Timely, Relevant, and Cost-effective Decennial Census

Rationale for Performance Goal

Improving data quality is fundamental to the Secretarial objective of enhancing our Nation's statistical infrastructure. Census has been designated a High-Impact Agency by the National Partnership for Reinventing Government (NPR). The Bureau of the Census' NPR quality goal for Census 2000 will be achieved by executing the most complete and accurate census possible. In January 1999, the Supreme Court ruled in Department of Commerce v. United States House of Representatives that the Census Act prohibits the Census Bureau from using statistical sampling in the decennial census to determine the population for congressional apportionments. In response, the Census Bureau revised the plan for Census 2000 and will use traditional census taking methods to produce apportionment counts by December 31, 2000. This resulted in a budget request for an additional $1.7 billion for FY 2000. This includes funding for increased coverage improvement programs and extensive quality assurance to ensure that the data collected are accurate. These plans were developed taking into account past experience with the effectiveness of various programs. Programs with demonstrated effectiveness were included. Ineffective or error prone methodologies were not. In their decision, however, the Supreme Court went on to say that the use of statistical sampling is lawful for purposes other than apportionment. The Census Bureau will therefore conduct an Accuracy and Coverage Evaluation Survey at the conclusion of the first phase of the census using modern statistical sampling techniques in order to produce more accurate and complete numbers. The Census Bureau expects to have these statistically corrected numbers ready by April 1, 2001, and plans to make the more accurate census counts available in a form that allows states to use them for redistricting purposes. The more accurate counts can also be used for determining the allocation of Federal funds, and for ongoing statistical and programmatic purposes.

Measure 3.a:
100% of legally mandated and published data releases made on schedule

Census 2000 Milestones



The Bureau of the Census

Performance Goal 3:
Conduct Accurate, Timely, Relevant, and Cost-effective Decennial Census

Data Validation and Verification:

Data collection The Census Bureau will use exhaustive traditional census taking methods to produce the most accurate apportionment counts possible by December 31, 2000. The Census Bureau will then conduct an Accuracy and Coverage Evaluation (ACE) Survey at the conclusion of the first phase of the census. People counted in the ACE will be compared with those enumerated in the census. After the matching is completed, a field interview will reconcile selected cases. Following that, the Bureau will use modern statistical methods to produce more accurate census counts statistically corrected numbers ready by April 1, 2001, and plans to make the more accurate census counts available in a form that allows states to use them for redistricting purposes. The more accurate counts can also be used for determining the allocation of Federal funds, and for ongoing statistical and programmatic purposes.
Frequency The measure will be obtained when legally mandated data are relased on schedule.
Data storage Internal Census databases
Verification The Bureau will adhere to a statistical methodology that is well documented and reported publicly.

Performance Goal 3:
Conduct Accurate, Timely, Relevant, and Cost-effective Decennial Census

Strategies and Activities

BUDGET FRAMEWORK	ACTIONS	BUDGET REQUEST
Program Development and Management	This category reflects the many activities associated with headquarters management, administrative, integration, and reporting requirements for Census 2000. As a result of the Supreme Court ruling, Census 2000 has become a considerably larger and more complex program requiring extended headquarters management capacity.	$35M
Data Content and Products	In FY 2001, work will focus on disseminating Census 2000 products. The Bureau will review, certify and deliver the Census 2000 data tabulations. The data to apportion Congressional seats will be delivered to the President by December 31, 2000 and redistricting data as required by P.L. 94-171 will be delivered to the States. We will begin to disseminate Census 2000 data via the American Factfinder system for the full range of Census users. The Bureau will also prepare and disseminate geographic products such as county, block maps, census tract outlines maps, county subdivision outline maps and many summary and profile products.	$63M
Field Data Collection and Support Systems	The Bureau will maintain the support systems needed for final Census 2000 data collection, evaluation programs and orderly closing of census offices, disposition of assets and resolution of any personnel and operational issues. This includes the field work associated with Accuracy and Coverage Evaluation (A.C.E.) survey person follow-up and final housing unit follow-up operations. A.C.E. is the coverage measurement methodology that enables the Bureau to assess the effectiveness of Census 2000 and to publish final census data below the state-level for use in redistricting activities, distribution of Federal funds and many other purposes.	$156M
Address List Development	The Bureau must begin to update the basic software environment in which the TIGER database functions. In FY 2001, the Bureau will evaluate commercially available software for the conversion.	$5M
Data Processing and Telecommunication-s Support	The Bureau will process the Coverage Improvement Follow-up and Accuracy Coverage Evaluations operations data. The Bureau will archive census questionaires, data capture information collected for evaluating census operations, data key census long form questions that fail edit checks, conduct computer and clerical coding of write-in responses, perform A.C.E. computer and clerical matching operations, and create a central repository for metadata.	$123M
Testing, Evaluations and Dress Rehearsal	The Bureau will implement the evaluation program designed to obtain information about the quality of Census 2000 data to provide for future census planning. The evaluations will be released in the form of a Report Card on Census 2000.	$81M
Puerto Rico, Virgin Islands and Pacific Areas	The Bureau will complete data collection and processing activities including questionaire check-in, data capture and processing. Creation of Census 2000 data products and final close-out of offices will also occur in this activity.	$6M
Marketing, Communications and Partnerships	The effectiveness of field outreach and promotion programs and the Census in Schools program will be evaluated.	$10M

The Bureau of the Census

Performance Goal 3:
Conduct Accurate, Timely, Relevant, and Cost-effective Decennial Census

Resource Requirements Summary

Total Bureau Dollars: $393 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$1,079 M	$4,468 M	$393 M

FTEs: 6,112
Skills Summary: Statistics, Computers, HR/Financial/Facilities/Clerical, Data Processing

FY 99 Actual	FY 00 Enacted	FY 01 Request
14,886	98,460	6,112

IT Dollars: $106 million
IT Requirements: $362 million for mission-critical infrastructure and architecture

FY 99 Actual	FY 00 Enacted	FY 01 Request
$214 M	$407 M	$106 M

Cross-Cutting Issues

Other Government Agencies

BEA, the Bureau of the Census, Bureau of Labor Statistics (BLS), and the Internal Revenue Service (IRS): BEA works closely with source data agencies, including Census, BLS, and the IRS, to make them aware of BEA's data needs and to encourage their cooperation in meeting those needs.

Interagency Council on Statistical Policy: Under the auspices of the Office of Management and Budget, both BEA and the Bureau of the Census are major participants in the Interagency Council on Statistical Policy, which works to improve collaborative activities of federal statistical agencies. Activities of the council have led to standardization of data and concepts, transfers of technology, methodology exchange, collaborative research, process improvement, improved customer service, reduced respondent burden, and infrastructure sharing.

Additionally, the Bureau of the Census participates in numerous non-statistical federal agency activities, such as being a data supplier, a survey collection resource, and an advisory and research resource. In conducting Census 2000, the Bureau is working closely with the U.S. Post Office to develop and update the census address list, and the Office of Management and Budget has established the Census Address List Appeals Office, which allows local and tribal governments to appeal final determinations made by the Census Bureau regarding suggested housing unit additions.

External Factors and Mitigation Strategies

Survey non-response rates continue to rise, perhaps affected by public perception. The Census 2000 Partnership and Marketing Program is a multi-faceted effort to remind the general population about the census, educate those members of the public who do not understand the purpose of the census and its significance to their communities, and motivate them to complete their census questionnaires. The Census Bureau recognizes that different segments of the population respond in different ways with different levels of trust and willingness to participate in the census. The Partnership and

The Bureau of the Census

Performance Goal 3:
Conduct Accurate, Timely, Relevant, and Cost-effective Decennial Census

Marketing Program incorporates five components designed to reach these populations in the manner most appropriate to each. Together, these components provide many vehicles to reach people many times in the places where they live, work, go to school, and play.

The components of the Partnership and Marketing Program include:

1. The establishment of partnerships with state, local, and tribal governments; community-based organizations; media and the private sector. Just as corporations have been developing partnerships with their suppliers and customers to improve their operations, the Census Bureau recognizes the value of local knowledge and has developed partnerships with stakeholders to improve the census. The goal of the partnership program is to increase the mail response among people who historically have not been persuaded by direct mail, advertising or other methods.

2. A direct mail campaign designed to draw attention to the census questionnaire when it arrives in people's mailboxes.

3. A paid advertising campaign to generate awareness about Census 2000 via print, broadcast and outdoor advertising. For the first time ever, the Census Bureau is using paid advertising to increase participation in the census. There is a concerted effort in the advertising campaign to reach out to every person living in the United States, Puerto Rico and the island areas. The ads for television, radio and print have been created in 17 different languages to reach the many non-English speaking communities.

4. A media relations campaign to encourage positive, informative coverage emphasizing the importance of responding to the census.

5. Promotions and special events to provide non-threatening, fun, educational activities in communities and schools, particularly in hard-to-enumerate areas.

In addition, the Census Bureau will also implement the Census 2000 language program, which is designed to help raise the response rate among foreign- language-speaking households. Census forms will be available in five languages other than English: Spanish, Chinese, Korean, Tagalog, and Vietnamese. In addition, language guides will be available in nearly 50 languages, including Spanish. Respondents can use these guides to assist them in answering the questionnaire that is mailed to them. The mailing strategy for Census 2000 is composed of three phases: households will receive an advance letter, then the questionnaire, and finally a reminder card. Upon receipt of the advance letter, the respondent has the option to request a questionnaire in Spanish or one of four other languages, which they can complete in place of the English questionnaire. The advance letter will include instructions in each of the languages mentioned above. By checking the appropriate box and returning the advance letter to the National Processing Center in the enclosed self addressed envelope, respondents can expect to receive a questionnaire in the selected language approximately one week later.

If the respondent does not care to return the advance letter requesting a specific language questionnaire within a week of receipt, they can contact a local Questionnaire Assistance Center for a translation guide to assist them in completing the English form. These guides will be distributed to our local and regional census offices and will be provided to local community groups and organizations by our local partnership specialist. They also will be available upon request by calling a toll free 1-800 number, which will include Spanish instructions on the automated voice mail menu system. In addition, the Questionnaire Assistance Centers will include bilingual staff familiar with the communities they serve, and a Census 2000 Language Identification Flashcard will be available to assist these staff members and respondents with identifying which language is spoken in the respondent's household. The Census Bureau is confident that its language program is the most effective way to ensure that linguistically isolated households receive the assistance they need to be enumerated in Census 2000.

International Trade Administration

Mission Statement

An ITA task force is currently formulating a new mission statement for incorporation in the Strategic Plan. Once the task force has completed its work, the accepted mission statement will be available for all GPRA-related documents.

The Department of Commerce's International Trade Administration (ITA) works within the Federal government to build the American economy by promoting U.S. foreign trade. ITA supports the business community by helping U.S. companies to export, partnering with industry, opening markets, and leveling the playing field for the international exchange of goods and services. ITA's four operational areas span both exports and imports, enabling ITA to serve as a complete source of international trade information and assistance for businesses. ITA's Trade Information Center and the Trade Compliance Center provide critical information to businesses to help in their export trade activities. ITA also plays a significant role in ensuring fair competition from imports.

In addition to maintaining a close relationship with U.S. businesses, ITA works with other government agencies and multilateral organizations to formulate trade policies and monitor market access and compliance with U.S. international trade agreements. These organizations include the Department of State, the Department of Treasury, the U.S. International Trade Commission, and the U.S. Trade Representative, as well as the World Trade Organization, the Organization for Economic Cooperation and Development, and the United Nations.

An ITA task force is currently formulating a new vision statement for incorporation in the Strategic Plan. Once the task force has completed its work, the accepted vision statement will be available for all GPRA-related documents.

Priorities

In an increasingly global economy, the role of exports in sustaining a robust economic infrastructure continues to grow. Exports support over 11 million U.S. jobs, including one in five manufacturing jobs. In recent years, export-related jobs are paying wages fifteen percent higher than the average U.S. wage. The competitive nature of the global marketplace raises challenges for ITA in leveling the playing field for U.S. businesses abroad and helping to remove tariff and non-tariff barriers to trade. Toward this end, ITA will carry out the Secretary's Broadening Trade initiative by breaking into new and under served international markets, while expanding the export support of small and medium-sized businesses.

ITA's priorities are derived directly from the Departmental priorities. These priorities guide the development of ITA program initiatives, which are listed below.

- *Increasing Manufacturers Exports Through E-Exporting initiative*
  This initiative launches a comprehensive e-commerce program to close the gap between manufacturers' export potential and actual performance.

- *E-Commerce initiative*
  This initiative is designed to bring small- and medium-sized businesses into exporting via virtual trade missions and trade shows.

- *Clean Energy and Environmental Exports initiative*
  This initiative focuses attention on one of the most critical aspects of environmental need – clean energy and energy efficiency. It will be closely coordinated with the technology development and commercialization programs of the Technology Administration and the National Oceanic and Atmospheric Administration.

- *Exporter Data Base Enhancement initiative*
  This initiative develops an array of statistics that measure the involvement of U.S. firms in export markets and the impact of exports on states, metropolitan and rural areas.

- *Expand Trade Compliance, Including Import Surge Monitoring, Expedited Investigations and Subsidies Enforcement*
  This initiative enhances the vigorous enforcement of the antidumping (AD) and countervailing duty (CVD) laws by enabling Import Administration to implement critical U.S. trade policy initiatives and new requirements set forth in the Uruguay Round Agreements Act. It also expands the Market Access and Compliance unit's efforts to ensure foreign compliance with the trade agreements we have negotiated.

- *Cultural Heritage Community Development Export initiative*
  ITA is proposing an initiative in response to the President's 1998 call for a renewed effort to promote economic prosperity in Native American and other communities through stimulation of increased American cultural heritage tourism. Our Native American project, to be conducted in conjunction with the Department of the Interior, is aimed at assisting Native Americans to benefit from the economic activities travel and tourism can bring as part of their overall economic development plans. In this regard, ITA will also continue to aid Native Americans to become exporters, enter new markets, and increase exports in established markets.

Management Challenges

The most significant challenge facing ITA is in the area of financial management.

ITA has not been able to comply with the requirements of the CFO Act of 1990. A number of material weaknesses in ITA's financial management systems and procedures have been identified. The ITA CFO is currently overseeing efforts to correct material weaknesses and obtain an unqualified (clean) audit opinion. Specifically, ITA expects to obtain a clean opinion on the Balance Sheet for FY 1999. We also expect to obtain a clean opinion on the remainder of our financial statements for FY 2000.

During FY 1999, ITA took a number of significant steps toward eliminating material weaknesses in financial management including:

- Appointed a Chief Financial Officer in September 1999 and Deputy Chief Financial Officer in January 1999. These individuals provided the proper financial management control over ITA financial operations. This includes all aspects of accounting operations, financial management, financial systems, and budget formulation and execution process.

- Transferred the accounting operations and financial support services to the Department of Interior's National Business Center. This action provided ITA with the unification of transaction processing into one accounting application under one organization ensuring the integrity of its financial accounting process.

- Transferred responsibility for domestic payments to the Department of Interior's National Business Center. This action allowed ITA to process payments from a single location improving management and internal controls over the quality of the payment functions.

- Implemented standardized financial policies and procedures for overseas posts in support of the CFO Act requirements. In conjunction with the dissemination of these new policies and procedures, ITA conducted the necessary training in headquarters and overseas to ensure the proper application of these procedures is followed. Also, ITA introduced, deployed, and installed the new Overseas Transaction Database providing a uniform, standard bookkeeping record that the overseas posts can use to monitor remaining budgets, open obligations, and receivables. This new system has been very useful in closing accounting records and ensuring ITA has the proper obligations recorded for year-end closing of its financial statements.

- Established a credit card network for domestic and overseas allowing ITA to make collections online by credit card. This process will provide the best combination of control, functionality, information reporting, and funds availability for ITA's collections program.

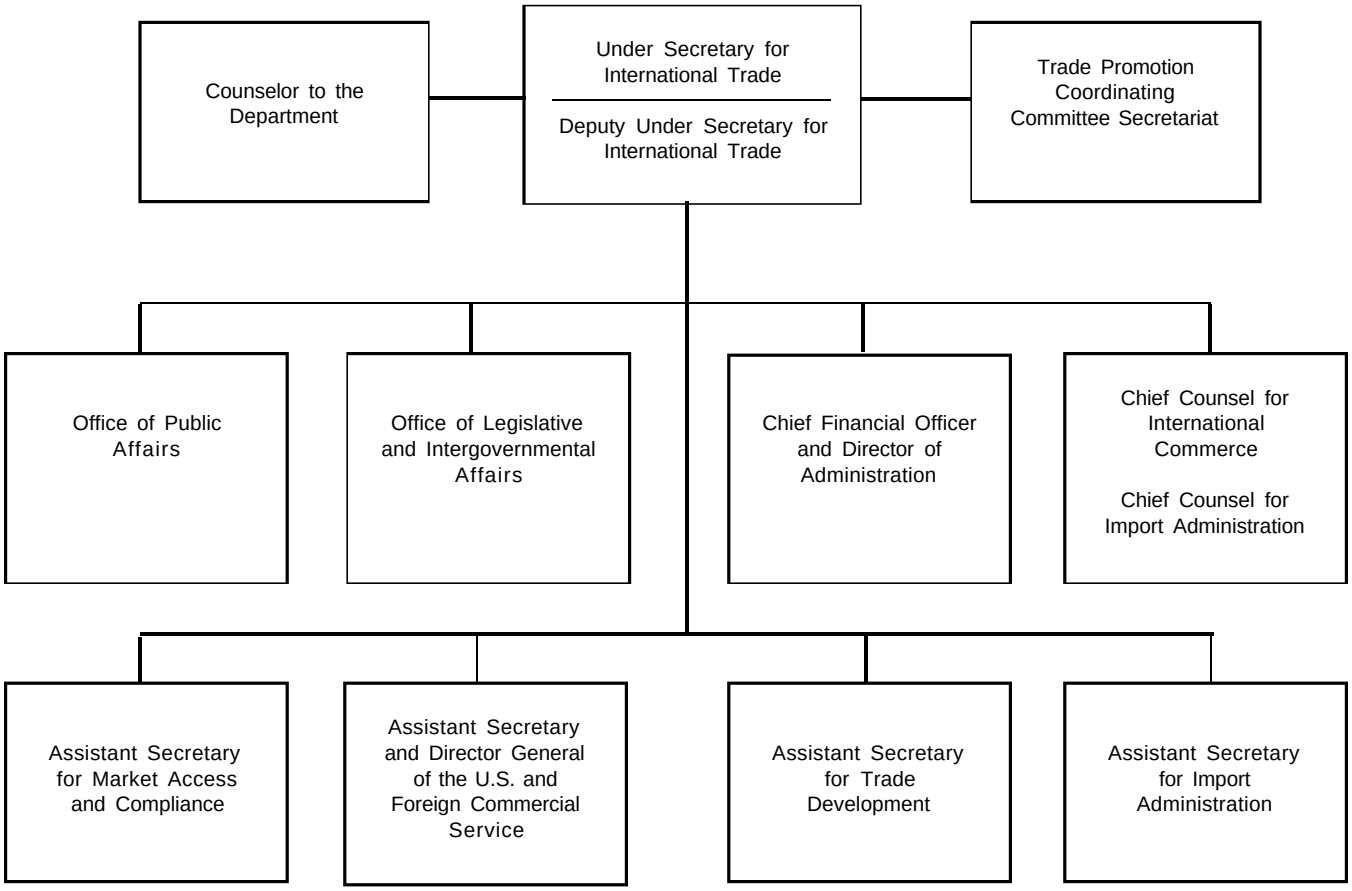
- Developed a new coding structure to track ITA's financial activities within the Federal Financial System administered by the National Business Center. This new coding structure, based on "smart-code" concept, captures multiple items including performance measure activity. Moreover, each disbursement and expense document has a unique number that can be traced back to the appropriate project through the new coding structure.

- Established detailed procedures for achieving a financial year-end close efficiently and accurately. These procedures ensured that financial records accurately reflect ITA's use of resources and utilization of budget authority.

External Challenges

ITA will face significant external challenges as it embarks on its path in the new millennium. Among these challenges will be the impact of the fast-paced trend toward globalization. As the world becomes increasingly interconnected, ITA will be forced to work harder to monitor, promote, and ensure equal access to international trade for U.S. businesses. Complicating this matter is the heated political environment stemming from the World Trade Organization negotiations in Seattle this past December. The argument around protectionism versus free trade will continue to be a source of both domestic and international contention throughout the coming years. In addition, weak economics abroad and the rising value of the U.S. dollar could limit the growth of U.S. exports in the near term.

Organizational Structure



Targets and Performance Summary

Highlights of the International Trade Administration FY 2001 Performance Plan

Performance Goal 1: Enforce U.S. trade laws and agreements to promote free and fair trade			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Dollar Value of Market Openings	$2.3 B	$2.0 B	$2.4 B
Performance Goal 2: Increase the number of small business exporters			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
New-to-Export Firms	42,351	36,066	36,949
Performance Goal 3: Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
New-to-Market Firms	67,835	64,914	66,187
Counseling Sessions	296,769	292,822	288,479
Performance Goal 4: Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Dollar Value of Gross Exports Supported	$9.8 B	10.5 B	$11.0 B

Resource Requirements Summary

Total FY 1999 Dollars: $357.1 Million

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Enforce U.S. trade laws and agreements to promote free and fair trade	$56.3 M	$52.0 M	$60.2 M
Increase the number of small business exporters	$155.2 M	$143.4 M	$166.1 M
Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)	$65.5 M	$60.6 M	$70.1M
Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts	$56.8 M	$52.5 M	$60.7 M

Total FY 1999FTEs: 2,422
Skill Summary: In-depth knowledge of international and domestic trade laws and regulations, in addition to country/industry-sector expertise; specialized knowledge of and experience in export marketing and promotion, foreign trade practices, and foreign government trade programs and policies.

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Enforce U.S. trade laws and agreements to promote free and fair trade	390	394	408
Increase the number of small business exporters	1,076	1,086	1,126
Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)	454	459	476
Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts	393	397	412

Total IT Dollars: 21.9 Million
IT Requirements: Infrastructure and related mission systems

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Enforce U.S. trade laws and agreements to promote free and fair trade	$3.9 M	$3.7 M	$3.7 M
Increase the number of small business exporters	$10.8 M	$10.1 M	$10.2 M
Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)	$4.6 M	$4.3 M	$4.3M
Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts	$4.0 M	$3.7 M	$3.7 M

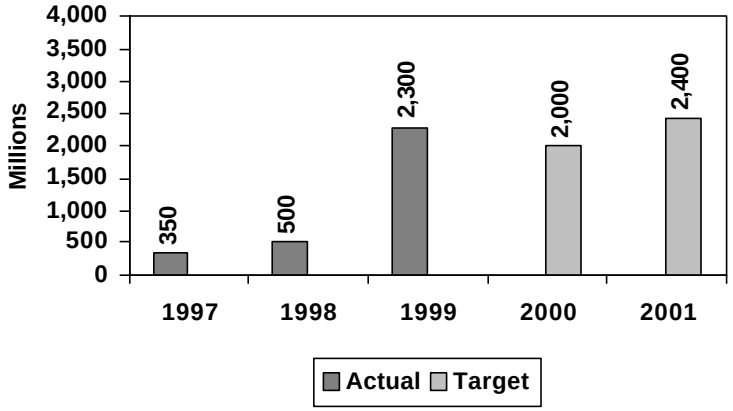
Performance Goal 1:
Enforce U.S. Trade Laws and Agreements to Promote Free and Fair Trade

Rationale for Performance Goal

This goal supports the *Broadening Trade* initiative as follows:

- Import Administration (IA) unit impartially enforces U.S. antidumping and countervailing duty (AD/CVD) laws to ensure that American businesses and workers face a level playing field in the domestic market versus foreign competitors.
- Subsidy Enforcement Office coordinates the Administration's subsidies enforcement efforts to ensure that U.S. exporters are not harmed by subsidized foreign competition.
- Market Access and Compliance (MAC) unit identifies existing and potential market access problems. MAC also initiates U.S. government action to overcome market access obstacles within different countries and regions.
- A key element in these efforts is ITA's Trade Compliance Center (TCC) , which monitors foreign compliance with over 250 trade agreements the U.S. has in force.
- Trade Development (TD) unit monitors international trade agreements, governing imports of essential items, such as steel, rubber, coal, computers, supercomputers, autos and auto parts, textiles and a broad range of consumer goods. TD also articulates U.S. industries' needs and concerns to American negotiators of international trade agreements and provides support for negotiating strategies.

Measure 1.a:
Value of Market Openings



Data Validation and Verification:

Data collection: Companies benefiting from market access sessions
Frequency: Annually, by fiscal year
Data storage: TCC will store and publish data
Verification: Each case handled by MAC is supported by varying degrees of economic analysis. The data in these analyses is usually a projection of potential growth in the U.S. share of the foreign market for both the company involved and for U.S. industry as a whole. Collaboration with the Commercial Service and the industry specialists in Trade Development is critical in the market analysis and serve as a "double check" on the data. Data from each case is maintained by both the country/regional desk and the Trade Compliance center. Since the data in these cases are usually estimates of future growth, a number of factors, including global trade trends and political developments would impact the actuals.

Explanation

This measure reflects the dollar value of opening world markets to U.S. exports by reducing and eliminating barriers to trade. Companies experiencing difficulty in accessing a foreign market engage MAC's help to gain entry. The Trade Compliance Center (TCC) works in conjunction with MAC's regional units in solving compliance problems. Dollar Value of Opening World Markets is one measure of MAC and ITA's efforts to help promote fair trade in global markets. MAC's two major activities; identify and combat market access barriers and monitor foreign compliance with U.S. trade agreements, to expand market opportunities for U.S. firms and workers. By monitoring and enforcing existing trade agreements, companies can receive the full benefit of these agreements and are able to export fairly in markets that were previously closed or put U.S. firms at a competitive disadvantage.

Program Evaluation Efforts

No program evaluation studies were conducted in FY 1999 which supported the subject performance goal.

Strategies and Activities

Strategies	Activities
MAC has two general strategies; institute careful monitoring of U.S. bilateral and multilateral trade agreements, and constant efforts to educate the business community on their rights under existing trade laws	In support of monitoring, MAC will continue to participate actively in bilateral and multilateral meetings, negotiations and consultations and address all relevant disputes. In support of efforts to educate, MAC will continue to counsel clients on how to receive the full benefits of existing trade agreements
IA's strategy focuses on the effective administration of the U.S. Antidumping (AD) and Countervailing Duty (CVD) laws (Tariff Act of 1930, as amended) and agreements negotiated to address sector-specific trade distorting practices	Pursuant to the Tariff Act of 1930, as amended, IA conducts the following AD/CVD case activities: investigations, administrative reviews, sunset reviews and suspension agreements. In further support of this strategy, IA has implemented and will continue to support the following measures to enhance AD/CVD program effectiveness: monitoring of significant import surges, expediting of investigations under certain circumstances and enhanced subsidy enforcement activities.
TD's strategy will focus on providing the analytical support for the new round of global trade negotiations and secure feedback from U.S. industry on foreign compliance with international trade agreements.	Expand ITA's analytical infrastructure to support timely and accurate assessments of (1) the impact on U.S. industries of the removal or reduction of U.S. tariffs and other barriers and (2) the impact of foreign trade barriers on exports by U.S. industry sectors. Develop strategies to support trade negotiations and strengthen the positions of U.S. trade negotiators. Enhance the role of the Industry Sector Advisory Committees in providing feedback on trade policy and trade agreement compliance.

Resource Requirements Summary

Total Dollars: $60.2 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
$56.3 M	$52.0 M	$60.2 M

Total FTEs: 408
Skill Summary: In-depth knowledge of international and domestic trade laws / regulations in addition to country / industry-sector expertise

FY 99 Actual	FY 00 Enacted	FY 01 Target
390	394	408

Total IT Dollars: 3.7 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
$3.9 M	$3.7 M	$3.7 M

Crosscutting Issues

Intra-DOC

- *Office of General Counsel:* Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *U.S. Trade Representative (USTR):* ITA works with the USTR to develop strategies for solving market access disputes and participates with USTR in major trade negotiations. ITA and the USTR jointly administer the Industry Consultations program, consisting of 20 trade advisory committees, which provide input to the Government on trade policy issues. IA works closely with U.S. industry to analyze potential subsidy practices that might violate the subsidies agreement of the Uruguay Round Agreement Act of 1994 (URAA) and cause harm to U.S. industry. Based upon this analysis, IA will prepare a recommendation that USTR take action before the World Trade Organization (WTO). IA and the USTR issue a joint annual report to Congress on both agencies' subsidies enforcement activities. MAC also supports trade policy initiatives initiated by USTR, frequently providing the bulk of the analysis, expertise, and staff support needed to achieve negotiating objectives.
- *International Trade Commission:* In an antidumping (AD) or countervailing duty (CVD) case, IA conducts the investigation and ITC concurrently conducts the industry injury investigation. If both IA's and ITC's investigations result in affirmative determinations, then IA issues an AD/CVD order to the U.S. Customs Service which results in a tariff rate adjustment.
- *U.S. Customs Service:* Because the AD/CVD law requires collection of offsetting duties at the time merchandise enters the country, IA communicates regularly with Customs to ensure the prompt and accurate implementation of IA's decisions. Customs then collects cash deposits and final duty assessments. IA responds to inquires from Customs' headquarters and port offices regarding the scope and potential evasion of AD/CVD orders, as well as other enforcement concerns.
- *Department of Treasury:* IA works closely with Treasury to monitor subsidy-related commitments contained in the IMF stabilization packages.

- *Department of State:* In AD/CVD proceedings, IA verifies information provided by foreign governments and companies in those countries. IA works closely with the Department of State to obtain country clearances, arrange meetings, and make necessary trip arrangements. In addition, IA works with State to obtain pertinent information on subsidy enforcement issues. MAC works on a daily basis with the State Department, U.S. embassies abroad — including State Department Economic Officers as well as U.S. and Foreign Commercial officers—to implement strategies for removal of foreign trade barriers to U.S. exports.
- *Department of Justice:* IA, in conjunction with the Office of the General Counsel, works with Justice's attorneys on pending AD/CVD litigation before the Court of International Trade and the Court of Appeals for the Federal Circuit.

Government/Private Sector

The President's Export Council, chaired by the Secretary of Commerce, advises the President on trade policy issues. Its membership includes 28 CEOs of private-sector companies, senior officials of eight Federal agencies (Commerce, State, Treasury, Labor, Agriculture, SBA, Export-Import Bank and USTR) and 10 Congressional representatives.

External Factors and Mitigation Strategies

All trade is subject to sharp changes in economic performance in markets around the world, national/ international politics, technological advances and large scale, unexpected capital movement. MAC staff has and will continue to identify these changes and adapt policies which continue to promote expanding overseas markets for U.S. firms and workers. The recent explosion of e-commerce provides an example of how interagency collaboration has helped shape a level playing field for U.S. exporters in this dynamic field.

Performance Goal 2:
Increase the Number of Small Business Exporters

Rationale for Performance Goal

Recently released data indicate that U.S. export assistance efforts are paying off. The number of SME exporters increased from 108,000 in 1992 to 238,000 in 1998, an average annual increase of 13.4 percent. But more work needs to be done. About 63 percent of SMEs export to only one market; and 87 percent export to four countries, or less.

US&FCS targets its products and services to the unique needs of small- and medium-sized enterprises (SMEs). US&FCS provides the types and levels of assistance that smaller companies need to begin exporting for the first time, or to enter new export markets or regions. Export assistance products and services are offered on a cost-recovery basis, providing SMEs with the services of a sophisticated international network, at a price they can afford.

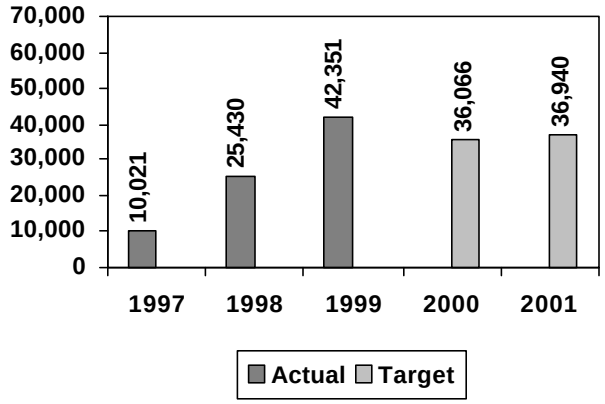
ITA's Trade Development unit sponsors export financing workshops to address the resource needs of SMEs. TD's Trade Information Center operates a trade "hotline" that provides information, referrals and country counseling to a mostly SME clientele. TD's Market Development Cooperator Program provides funds to support innovative export marketing by trade and nonprofit associations, with largely SME memberships. TD co-chairs (with USTR) the Federal Government's only Trade Advisory Committee for SMEs.

Increasing the number of SME exporters is a more specific aspect of broadening trade. Generic "broadening of trade" refers to providing export assistance and advocacy to all U.S. businesses - small and large - with the overarching goal of increasing the raw amount of U.S. exports. Increasing the number of SME exporters refers to getting small companies into the business of exporting, which has overarching goal of increasing the numbers of firms selling in export markets (regardless of the value of the transaction). The two goals have the same general focus, but approach it from different angels - increasing the dollar value of exports versus increasing the number of exporters.

Collecting statistics on NTE firms shows whether or not US&FCS is achieving its goal of increasing the number of SME exporters. The measure refers to the number of firms that use or participate in ITA activities that facilitate exports.

Performance Goal 2:
Increase the Number of Small Business Exporters

Measure: Number of New-to-Export Firms



Data Validation and Verification:

Data collection: US&FCS' Client Management System (CMS) and the Office of Trade Events Management (OTEM) Also, TD's Office of Export Promotion Coordination, Promotion Planning and Support Division (PPSD) collects data that is provided by participants in overseas trade events and reported by project managers of trade events.
Frequency: Statistics harvested and reported quarterly and annually
Data storage: US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS Office of Planning. Data is maintained in PPSD database operating on Lotus Notes platform.
Verification: Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out of office visits), and other activities. Each office manager reviews, verifies, and signs the reports. Data is verified by project managers and PPDS.
Data Limitations: Although US&FCS assists thousands of small businesses that are new to exporting each year, it can be difficult to quantify our successes. US&FCS' collection of data to measure numbers of clients who successfully export for the first time as a result of US&FCS assistance is wholly dependent on a client's willingness to provide such information. Many clients elect not to provide information to US&FCS due to business proprietary concerns. Additionally, because actual exports occur subsequent to the delivery of US&FCS services (frequently 12 to 18 months later), it is difficult to match outputs with outcomes in a 12-month period. Additionally, it is extremely difficult to track the actual dollar value of exports supported by US&FCS services because businesses are reluctant to reveal their business proprietary information to the federal government or to have their success stories published for competitors to read. Because of the difficulty in reliably measuring outcome performance, US&FCS instead tracks numbers of firms new to the export market as circumstantial evidence of overall export growth and export-fueled job creation. Data from NTEs/NTMs participating in some domestic trade events many not be included, resulting in the underreporting of the actual numbers of NTEs/NTMs firms assisted by ITA.

Program Evaluation Efforts

A number of program evaluation studies were conducted which indirectly supported the subject performance goal. Specifically: Management and Program Reviews (MPRs) of day-to-day operations were completed. These covered systems, procedures, and practices at three of ITA's foreign posts – Malaysia, Nigeria, and the Dominican Republic.

Performance Goal 2:
Increase the Number of Small Business Exporters

Strategies and Activities

Strategies	Activities
Achievable activities for E-commerce: US&FCS plans to use virtual trade shows, webcasting, "push" technologies, and enhanced website applications to support the goal. Actionable items for targeted assistance: US&FCS is undertaking an internal initiative to improve its existing products and services to meet the needs of its SME clients. US&FCS is also creating and testing new products explicitly designed to meet the specialized needs of SMEs and minority-owned firms. Build public/private sector partnerships to energize SMEs to begin conducting business on the Internet and the World Wide Web. Develop an Executive Export Management Certificate Program for SMEs. Implement an intra-agency tourism development effort, in coordination with the Bureau of Indian Affairs, utilizing cultural heritage tourism as a tool for economic development and export growth.	· Organize trade education outreach conferences to educate SMEs on the benefits of exporting and the services provided by the U.S. government · Conduct a multi-media instruction program for SMEs, using video-conferencing and educational video tools, to provide knowledge of foreign markets and broaden awareness of opportunities in specific emerging markets · Provide commercial intelligence reports and market-product matching services to guide SMEs in selecting and promoting their products to specific targeted markets · Develop an Internet-Based Market Penetration Program, enabling SMEs to participate in low-cost export marketing vehicles, such as virtual trade shows · Provide advocacy support tailored to SMEs through creation of Internet-based matching service that will bring together prime international contractors on major foreign projects and SMEs who can serve as their subcontractors, suppliers and consultants. · Implement aggressive Information Technology (IT) outreach effort, matching IT firms with relevant technologies to developing countries' special needs; working with NIST, conduct seminars to educate targeted developing markets on how to use IT to improve their economies. · Expand Market Development Cooperator Program to include special E-Exporting Awards Competition, showcasing innovative SME efforts to conduct business via the Internet and World Wide Web. · Develop and operate Internet -based tariff and trade information system covering import assessments, tariffs and other regulatory data to help U.S. manufacturers deliver products to their foreign clients.

Resource Requirements Summary

Total Dollars: $166.1 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
$155.2 M	$143.4 M	$166.1 M

Total FTEs: 1,126
Skill Summary: In-depth knowledge of export marketing and promotion, foreign trade practices, and foreign government trade programs and polices

FY 99 Actual	FY 00 Enacted	FY 01 Target
1,075	1,086	1,126

Performance Goal 2:
Increase the Number of Small Business Exporters

Total IT Dollars: $10.2 Million
IT Requirements: IT infrastructure and related mission systems

FY 99 Actual	FY 00 Enacted	FY 01 Target
$10.8 M	$10.0 M	$10.2 M

Crosscutting Issues

Intra-DOC

- *National Institute of Standards and Technology:* Coordinate technology commercialization efforts with Manufacturing Extension Program
- *Minority Business Development Administration*: Work together to craft and implement Urban Export Initiative for minority-owned businesses.
- *Office of General Counsel:* Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *Small Business Administration (SBA)*: Share clients to provide complementary counseling services
- *Ex-Im Bank*: Share clients and provide complementary counseling services
- *State/Local Government Agencies*: Share clients and proved complementary counseling services
- *Local Chambers of Commerce*: Share clients and provide complementary counseling services
- *Department of Energy* : DOE provides industry expertise for US&FCS trade events
- *Department of Defense/USAF*: The Air Force provides industry expertise for ITA trade events involving aircraft sales (e.g., the Paris Air Show)
- *Department of Transportation*: DOT provides industry expertise for US&FCS trade events
- *Department of Education*: Education provides industry expertise for US&FCS trade events
- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas
- *Bureau of Indian Affairs (BIA):* BIA provides industry expertise for ITA tourism development efforts
- *USAID*: Provides grant assistance for various overseas projects (e.g., American Business Centers in Russia)

External Factors and Mitigation Strategies

ITA's success in achieving this goal is dependent upon domestic and international economic conditions. A weak domestic economy or a weak dollar abroad tends to make overseas markets more financially attractive to U.S. firms. Conversely, a strong dollar or a weak overseas economy can cause export-ready firms to delay their exporting efforts. US&FCS trade specialists use their expertise to help SMEs develop trade strategies that take into account adverse economic conditions.

Tracking the achievements and problems of new small business exporters is dependent on clients' provision of this information. Trade specialists communicate to their clients the relationship between US&FCS' ability to provide services to clients (especially business facilitation services with no charge) and US&FCS' ability to demonstrate measurable results. While trade specialists in the field urge firms to provide this data, there is no obligation on the part of the firm to do so.

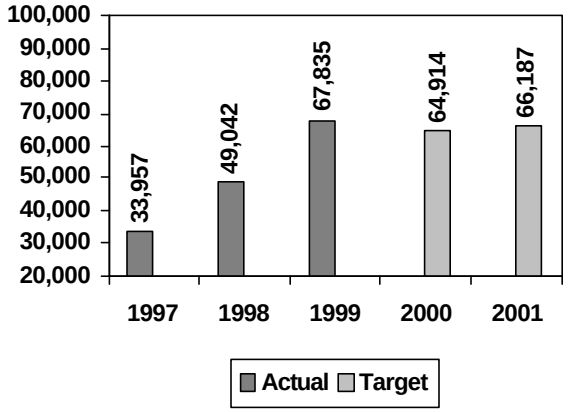
Performance Goal 3:
Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Rationale for Performance Goal

This goal supports the *Broadening Trade* initiative. One of President Clinton's highest priorities has been to provide greater economic opportunities for all Americans. In pursuit of this goal, the Administration developed this country's first-ever National Export Strategy to ensure that U.S. workers and businesses are able to profit from export opportunities in markets throughout the world. The Export Enhancement Act of 1992 mandates that the Secretary of Commerce, as chairperson of the Trade Promotion Coordinating Committee (TPCC), submit an annual report to Congress describing the status of the strategic plan developed by the TPCC. The TPCC has since submitted a National Export Strategy Report to Congress each year. The Strategy focuses on streamlining and strengthening government trade promotion and finance programs, regional trade promotion strategies, responses to foreign competitive practices that threaten fair and competitive market access, and initiatives that give exporters access to the tools they need to compete in the global marketplace.

The Trade Promotion Coordinating Committee (TPCC) was established by Congress under the Export Enhancement Act of 1992. In 1993, President Clinton issued an Executive Order formally establishing the TPCC and setting out its terms: it would be composed of 20 government agencies, chaired by the Secretary of Commerce, and would issue an annual Report to Congress articulating our National Export Strategy. In November 1993, the TPCC established a Secretariat in the Office of the Under Secretary for International Trade to provide a permanent point of contact for U.S. government agencies or private sector representatives seeking information on TPCC activities or who wish to rapidly place an issue on the TPCC's agenda. The TPCC agencies meet throughout the year at the principal (agency heads), deputy, and staff levels. As the Deputy Chair of the TPCC, the Under Secretary for ITA plays an active role in shaping the TPCC agenda. The Secretariat is also responsible for coordinating the development and monitoring of the implementation of the National Export Strategy.

Measure 3.a:
Number of New-to-Market Firms



Data Validation and Verification:

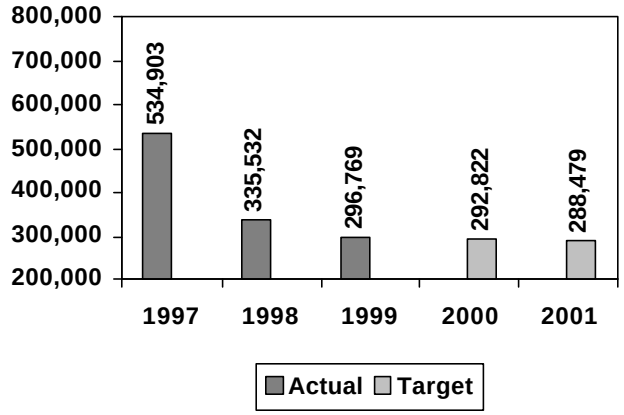
Data collection: US&FCS' Client Management System (CMS) and the Office of Trade Event Management (OTEM). TD's Office of Export Promotion Coordination, Promotion Planning and Support Division (PPSD) collects data that is provided by participants in overseas trade events and reported by project managers of trade events.
Frequency: Statistics harvested and reported quarterly and annually
Data storage: US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS' Office of Planning. Data is maintained in PPSD database operating on Lotus Notes platform.
Verification: Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out-of-office visits), and other activities. Each office manager reviews, verifies, and signs the reports. Data are verified by project managers and PPDS.
Data Limitations: It is extremely difficult to track the actual dollar value of exports supported by US&FCS services because businesses are reluctant to reveal their proprietary information to the federal government as well as to have their success stories published for competitors to read. Because of the difficulties in reliably measuring outcome performance, US&FCS instead tracks numbers of NTMs as circumstantial evidence of overall export growth and job creation. Data from NTEs/NTMs participating in some domestic trade events may not be included, resulting in underreporting of the actual numbers of NTEs/NTMs firms assisted by ITA.

Performance Goal 3:
Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Explanation

Collecting statistics on NTM firms shows whether or not ITA is achieving its goal of increasing the overall dollar value of U.S. exports. The measure refers to the number of firms ITA successfully assists with expanding their international efforts into new markets. Entering new export markets increases the overall value of U.S. exports. Because it is often impossible for US&FCS to obtain statistics on the gross dollar value of exports our programs support (due to the voluntary nature of reporting such information, and the non-contemporaneous nature of information we do get), this measure captures the outcome in a different, definable way.

Measure 3.b:
Number of counseling sessions



Data Validation and Verification:

Data collection: US&FCS' Client Management System (CMS) and the Office of Trade Event Management (OTEM).
Frequency: Statistics harvested and reported quarterly and annually
Data storage: US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS' Office of Planning.
Verification: Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out of office visits), and other activities. Each office manager reviews, verifies, and signs the reports.

Explanation

Of the five ITA performance measures in the FY 2001 Annual Performance Plan, four are outcome measures, and one is an output measure, i.e., "number of counseling sessions." ITA selected this output measure because of the substantial number of staff years it devotes to this activity; specifically, in FY 1999, ITA conducted 296,769 counseling sessions. ITA defines a counseling session as a telephone conversation (in excess of 15 minutes) or personal visit in which an ITA representative provides useful information to a U.S. firm or organization regarding export of its goods and services and/or relevant U.S. trade law.

The main thrust of the National Export Strategy is to ensure that U.S. workers and businesses are able to profit from export opportunities in markets throughout the world. ITA provides in-depth, value added counseling to U.S. firms seeking to expand their international market activities, as well as to companies that are just beginning to venture overseas. ITA employees help firms identify the best markets for their products, develop an effective market entry strategy, facilitate the implementation of these plans by advising clients on distribution channels, key factors to consider in pricing, and relevant trade shows and missions, and assist clients with locating appropriate public and private trade finance programs.

Program Evaluation Efforts

A number of program evaluation studies were conducted which indirectly supported the subject performance goal. Specifically: Management and Program Reviews (MPRs) of day-to-day operations were completed. These covered systems, procedures, and practices at three of ITA's domestic sites – Indianapolis, Portland (OR), and St. Louis.

Performance Goal 3:
Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Strategies and Activities

Strategies	Activities
Provide a "seamless web" of government services	US&FCS offers a seamless web of export counseling and assistance services delivered through a world wide network of 98 domestic export assistance centers and office locations in 72 countries. US&FCS services range from trade finance to trade complaints to specialized assistance for SMEs and minority-owned businesses
Develop more comprehensive trade statistics to measure the impact of exports on state and local economies and provide timely analyses in response to critical global events	-- Expand merchandise trade data program to cover the mining sector to assist state and local governments in measuring the jobs impact of exports -- Develop methodologies to generate data on services exports - fastest growing segment of the U.S. economy - at state and local levels -- Implement quarterly monitoring of impact on states of major international events (e.g., Asian crisis) -- Expand analysis of subnational exports to support key U.S. trade initiatives (e.g., China MFN, Fast-Track)
Improve environmental conditions and increase U.S. environmental technologies exports to emerging markets in Latin America, the Middle East, Eastern Europe and Asia. Focus on clean, efficient and renewable energy, as well as drinking water and wastewater treatment	-- Conduct training seminars and demonstration projects focused on specific technologies related to clean energy, energy efficiency, renewables and sustainable development -- Organize reverse missions to bring foreign officials in contact with U.S. environmental firms and expose them to U.S. environmental technologies -- Sponsor internships in the United States for foreign environmental specialists

Performance Goal 3:
Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Resource Requirements Summary

Total Dollars: $70.1 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
$65.5 M	$60.6 M	$70.1 M

Total FTEs: 476
Skill Summary: In-depth knowledge of export marketing and promotion, foreign trade practices, and foreign government trade programs and policies

FY 99 Actual	FY 00 Enacted	FY 01 Target
454	459	476

Total IT Dollars: $4.3 Million
IT Requirements: IT infrastructure and related mission systems

FY 99 Actual	FY 00 Enacted	FY 01 Target
$4.6 M	$4.3 M	$4.3 M

Crosscutting Issues

Intra-DOC

- *National Institute of Standards and Technology (NIST)*: Coordinate our efforts to help Small Business Exporters (SBEs) export new technology; execute a cooperative agreement to provide Standards attaches.
- *Census:* Fund reimbursable agreements to produce customized statistics and collaborate on development of methodologies to generate data on Services exports;
- *NIST:* Coordinate elements of the environmental technologies export initiative with NIST's technology development and commercialization programs.
- *NOAA:* Coordinate elements of the Environmental Technologies Initiative with NOAA's environmental programs.
- *Office of General Counsel:* Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *Small Business Administration (SBA)*: Share clients to provide complementary counseling services
- *Ex-Im Bank*: Share clients and provide complementary counseling services
- *State/Local Government Agencies*: Share clients and proved complementary counseling services
- *Local Chambers of Commerce*: Share clients and provide complementary counseling services
- *Department of Energy* : DOE provides industry expertise for US&FCS trade events

Performance Goal 3:
Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

- *Department of Defense/USAF*: The Air Force provides industry expertise for ITA trade events involving aircraft sales (e.g., the Paris Air Show)
- *Department of Transportation*: DOT provides industry expertise for US&FCS trade events
- *Department of Education*: Education provides industry expertise for US&FCS trade events
- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas
- *USAID*: Provides grant assistance for various overseas projects (e.g., American Business Centers in Russia)Cross.
- *TPCC* : Coordinate implementation of Environmental Technologies Initiative with the Environmental Trade Working Group of the TPCC

External Factors and Mitigation Strategies

Growth in the number of U.S. firms that export is closely tied to domestic and international economic conditions. A strong dollar or a weak overseas economy can cause export-ready firms to delay their exporting efforts. ITA trade specialists use their expertise to help firms develop trade strategies that take into account adverse economic conditions.

Our challenge is to continue our export expansion in the face of increasing global economic uncertainty. Financial turmoil, though subsiding, is still buffeting a number of economies around the world, including Russia, Asia, and Latin America. President Clinton has underscored to Russian and Asian leaders that they must take tough steps to reform their economies and restore economic confidence. The TPCC agencies' export promotion programs and activities counterbalance the increasing global economic uncertainty by including technical assistance (financial, legal, measurement and standards, and intellectual property rights) to support economic reforms in Asia and emerging economies, increasing trade finance resources for U.S. exporters, engaging China at high-level negotiations and joining Africa in a real partnership that benefit economies on both sides of the Atlantic.

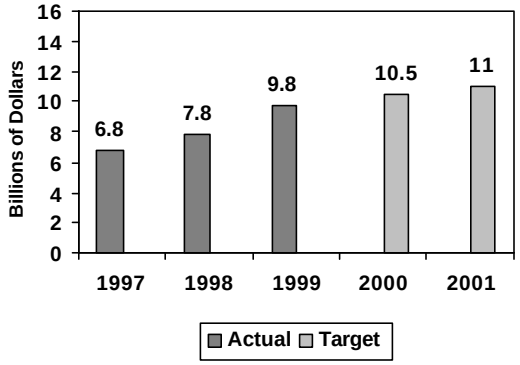
Performance Goal 4:
Strengthen and Institutionalize ITA's Trade Promotion &Trade Advocacy Efforts

Rationale for Performance Goal

This goal supports the *Broadening Trade* initiative. In slightly more than six years, ITA's Advocacy Center has helped over 270 U.S. companies win foreign contracts worth potentially $67 billion in U.S. exports over the life of the contracts.

This goal also supports the *Digital Department* initiative through its efforts to use the technology of electronic commerce to help firms use the Internet both to receive ITA's services and to promote their own products abroad.

Measure 4.a:
Dollar value of gross exports supported through advocacy efforts



Data Validation and Verification:

Data collection: Companies that benefited from USG advocacy
Frequency: Annually (fiscal year)
Data storage: Advocacy Center maintains a database that tracks advocacy projects, efforts undertaken, and results.
Verification: Advocacy Center staff conducts follow-up calls annually to a significant sample of customers to verify the dollar value of exports generated through the support of USG efforts. The validation process covers: current status of each project, material changes regarding total project value, U.S. export content, and satisfaction with Advocacy Center or U.S. Embassy/ Consulate services. In addition, the Advocacy Center posts cleared company "advocacy" success stories on its website.

Explanation

This measure tallies the estimated dollar value of exports generated by U.S. firms and organizations, with the assistance of ITA advocacy efforts. According to the latest figures available, in FY 1999 USG advocacy assisted U.S. firms in obtaining 77 foreign contracts, worth $9.8 billion, and having U.S. content of $5.3 billion over the life of the contracts. Of these 77 successes, 23 were small and medium-sized businesses. Increased focus on advocacy efforts in FY 2001 are expected to yield even greater successes for U.S. firms, especially SMEs, in the international arena

Program Evaluation Efforts

The Advocacy Center conducts an annual survey of a sample of its customers to get feedback on the effectiveness of its services. The annual survey of FY 1999 was undertaken during January 2000, with the Advocacy Center contacting 18 companies regarding claimed "successes" in 19 separate competitions in which the USG provided advocacy. (The 19 competitions were selected out of 78 successful projects for FY 1999.) Survey responses will be tallied and analyzed during the second quarter of FY 2000.

Performance Goal 4:
Strengthen and Institutionalize ITA's Trade Promotion &Trade Advocacy Efforts

Strategies and Activities

Strategies	Activities
ITA will strengthen trade promotion efforts by increasing and enhancing its field presence and service delivery network; and through pioneering efforts to move electronic commerce into the mainstream of trade; and by enhancing and improving existing products and services, and creating new product lines to meet changing needs	ITA will enhance its field presence by placing specialists in selected locations (e.g., NIST-trained Standards Experts in overseas locations). ITA will test and deliver new e-commerce services, e.g., virtual trade shows, webcasting, "push" technologies, and enhanced website applications. ITA will continue its Innovation 2003 effort to enhance/improve products and services. New products will be piloted and introduced world-wide when successful.
Enhance advocacy efforts for SMEs (as part of the Presidential Manufacturing Initiative)	-- Create a new program, within ITA's Advocacy Center, to match SMEs to major international firms as subcontractors, suppliers and consultants. -- Develop and implement a coordinated advertising campaign (encompassing videos, promotional brochures) to reach out to the large number of SMEs currently unaware of the USG's advocacy program. -- Develop partnership agreements with MBDA, minority business multiplier organizations and Manufacturing Extension Partnerships to broaden the advocacy center's customer base.

Resource Requirements Summary

Total Dollars: $60.7 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
$56.8 M	$52.5 M	$60.7 M

Total FTEs: 412
Skill Summary: Ability to interact with high-level business, USG, and foreign government officials as an official representative of the U.S. Government

FY 99 Actual	FY 00 Enacted	FY 01 Target
393	397	412

Performance Goal 4:
Strengthen and Institutionalize ITA's Trade Promotion &Trade Advocacy Efforts

Total IT Dollars: $3.7 Million
IT Requirements: IT infrastructure and related mission systems

FY 99 Actual	FY 00 Enacted	FY 01 Target
$4.0 M	$3.7 M	$3.7 M

Crosscutting Issues

Intra-DOC

- *Office of General Counsel:* Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *Trade Promotion Coordinating Committee (TPCC) Agencies:* Coordinate advocacy strategies and responses
- *Offices of the President and Vice President:* Work with these executive offices to coordinate advocacy strategies and responses

External Factors and Mitigation Strategies

The overall strength of the global economy influences the Advocacy Center's fiscal year numbers. To counter the effects of global macroeconomic trends that may lower U.S. exports, the Advocacy Center will increase efforts to promote U.S. companies' bids in regions with higher export potential.

Mitigation Strategies: To counter the effects of global macroeconomic trends that may lower U.S. exports, the Advocacy Center will increase efforts to promote U.S. companies' bids to regions with higher export potential. ITA will closely monitor and provide foreign market research to assist companies gain greater awareness of difficult or challenging markets

Bureau of Export Administration

Mission Statement

BXA is a regulatory agency that promotes U.S. national and economic security, public safety, and foreign policy interests by managing and enforcing the Department's security-related trade and competitiveness program

BXA seeks to control the spread of weapons of mass destruction (WMD), maintain a strong U.S. defense industrial base and promote higher quality manufacturing processes in the U.S. The bureau's continuing major challenge is combating the proliferation of WMD while furthering the growth of U.S. exports, which are critical to maintaining America's leadership in an increasingly competitive global economy. Within this framework, BXA serves U.S. businesses engaged in international trade by processing applications for export of controlled commodities in accordance with the Export Administration Regulations (EAR). The Bureau also serves this clientele by expediting the export licensing process and by providing various educational initiatives and guidance on how to conform to applicable laws and regulations. The bureau is particularly vigilant in evaluating transactions involving advanced technologies and dual use products (i.e., those subject to diversion to, and use in chemical, biological, nuclear and missile weapons programs).

The bureau enforces antiboycott law; it also performs research and analysis in support of U.S. industries pursuant to mandatory legal authorities. Recent legal mandates placed on BXA include: controlling exports of encryption products, overseeing U.S. industry compliance with the Chemical Weapons Convention (CWC) treaty, enforcing industrial fastener quality legislation, and protecting critical infrastructures in the U.S.

Even if the United States and its close allies have the most effective export control conceivable, weapons of mass destruction or the commodities and technologies to make and deliver them are finding their ways from or through other nations to rogue nations or terrorists who would make use of them. The U. S. and other nations and their citizens are at risk just as if we did not have effective export controls. In recognition of this fact, BXA works closely with other relevant agencies of the U. S. government to assist key exporting and transit countries to develop and strengthen export control systems.

BXA seeks an international order that is free from both the destabilizing effects of weapons of mass destruction and unnecessary regulatory burdens associated with trade in controlled commodities.

Initiatives and Priorities

Expand Economic Growth, Trade and Prosperity - BXA supports this goal by assisting small and medium sized businesses to increase their participation in export markets. It does this by helping them to understand export control requirements through outreach visits, conferences, and seminars. With increased concern about the proliferation of WMD, BXA has brought U.S. export controls in line with the new international political environment by reforming the dual-use export control system. At the same time, BXA seeks to enhance its export regulatory effectiveness by educating stakeholders in the export licensing process -- i.e., exporting businesses -- thereby improving industry compliance with export control regulations and strengthening international export control efforts. Combined, these two efforts will result in a streamlined dual-use commodity control list, and an improved license application cycle for controlled items without compromising our national security and public safety interests. These efficiencies will allow U.S. exporters to be more competitive in world markets, benefiting both the exporters and the U.S. economy.

CWC Inspection Program: Export Administration is seeking additional resources to ensure that United States industry complies with all treaty reporting and facility inspection requirements, and that confidential business information (CBI) of U.S. chemical and pharmaceutical firms is protected from unauthorized release during CWC inspections. This role contributes to the national security and economic strength of the United States and helps to keep the U.S. competitive by ensuring that its cutting edge technology is protected. As lead agency, Commerce will (1) collect, process, and report U.S. companies' CWC data declarations and (2) host on-site CWC inspections at commercial facilities. New resources contained in this request, when added to resources previously approved by Congress or pending in the President's FY 2000 budget, will fully staff BXA's CWC operations, and provide for the full-year costs of Department of Defense participation in these inspections. Because of the delay in enactment of CWC implementing legislation by the Congress, the commencement of required inspections of U.S. facilities has been delayed. The CWC's international administrative agency, the Organization for the Prohibition of Chemical Weapons, has indicated it wants to conduct 61 inspections of U.S. facilities in calendar year 2000. The currently budgeted BXA/EA CWC inspection group will be stretched to conduct 43 such inspections, and additional personnel are desperately needed.

Enforcing Laws to Combat Terrorism and Proliferation: Combating terrorism is an essential part of the President's overall defense strategy. Additional resources are being requested to enable Export Enforcement (EE) personnel to use their expertise in targeting outbound shipments for investigation to assist the Customs Service in targeting inbound shipments (a cross-cutting initiative responsive to Presidential Decision Directive 62). Increasing effective inspections of cargo inbound into U.S. ports is essential to protect our nation from terrorism. EE is also requesting additional resources to enhance its counter-terrorism program that was started in 1997. This will include increasing outreach at the Department of Energy's national high technology laboratories to address Inspector General (IG) concerns about the laboratories' lack of understanding about export control issues; and enhance visa application reviews. In addition, this initiative will fully fund enforcement costs associated with obtaining administrative warrants for inspections of U.S. facilities required by the Chemical Weapons Convention (CWC); enforcing data declaration and inspection requirements, and enforcing export controls and import restrictions on scheduled chemicals (which was a new responsibility for EE in 1999). These increases are part of the departmental-crosscutting initiative to Combat Terrorism and Weapons of Mass Destruction.

Stregthening Export Controls of Key Nations: Management and Policy Coordination is seeking additional resources to establish the Nonproliferation and Export Control (NEC) Cooperation initiative as a Department of Commerce-funded program. Since FY 1993, BXA has been using limited base resources to deliver technical assistance on establishing and strengthening export control and enforcement to the republics of the former Soviet Union and former Warsaw Pact. If these nations are leaking weapons of mass destruction and the means to make more, no matter how good our export controls are, our security is jeopardized. For seven years, without direct funding, BXA has used funds from other Departments to pay the non-personnel costs of its program (those funds cannot be used to pay BXA personnel costs). Because of BXA's prior successes in this program, and the pressing security interests involved, there is increasing demand in Congress and other federal Departments for BXA to provide more assistance to the same set of nations and expand activities to include China, India, Pakistan, and other countries considered prime proliferation risks. The Departments of Defense (DoD) and State, among others, have said they need to expand their support to BXA for this purpose, but BXA has reached the limit of what its current staff complement for this activity can do and must start refusing the requests and funding. This initiative will enable BXA to play the vital expanded role that sister departments acknowledge can only be played by BXA.

Critical Infrastructure Program – In support of the Department's comprehensive e-commerce initiative, protection of the Nation's basic information systems must be one of the highest priorities. A Presidential directive in 1998 created the Critical Infrastructure Assurance Office (CIAO) and placed it in the Commerce Department to coordinate actions within both the Federal government and private sector to protect critical infrastructures. The National Plan for Information Systems Protection, Version 1.0, issued in January 2000, is the first attempt by any national government to develop ways to protect electric systems, communications, and transportation networks, all of which are computer controlled, from deliberate attack and sabotage. The first step of the plan focuses on efforts being undertaken within the Federal government to protect the nation's critical cyber-based infrastructure. The second step will focus on efforts of infrastructure owners and operators as well as the perspectives of the broader business community and the general public.

In addition to coordinating the development of the National Plan, Commerce is helping to foster the Partnership for

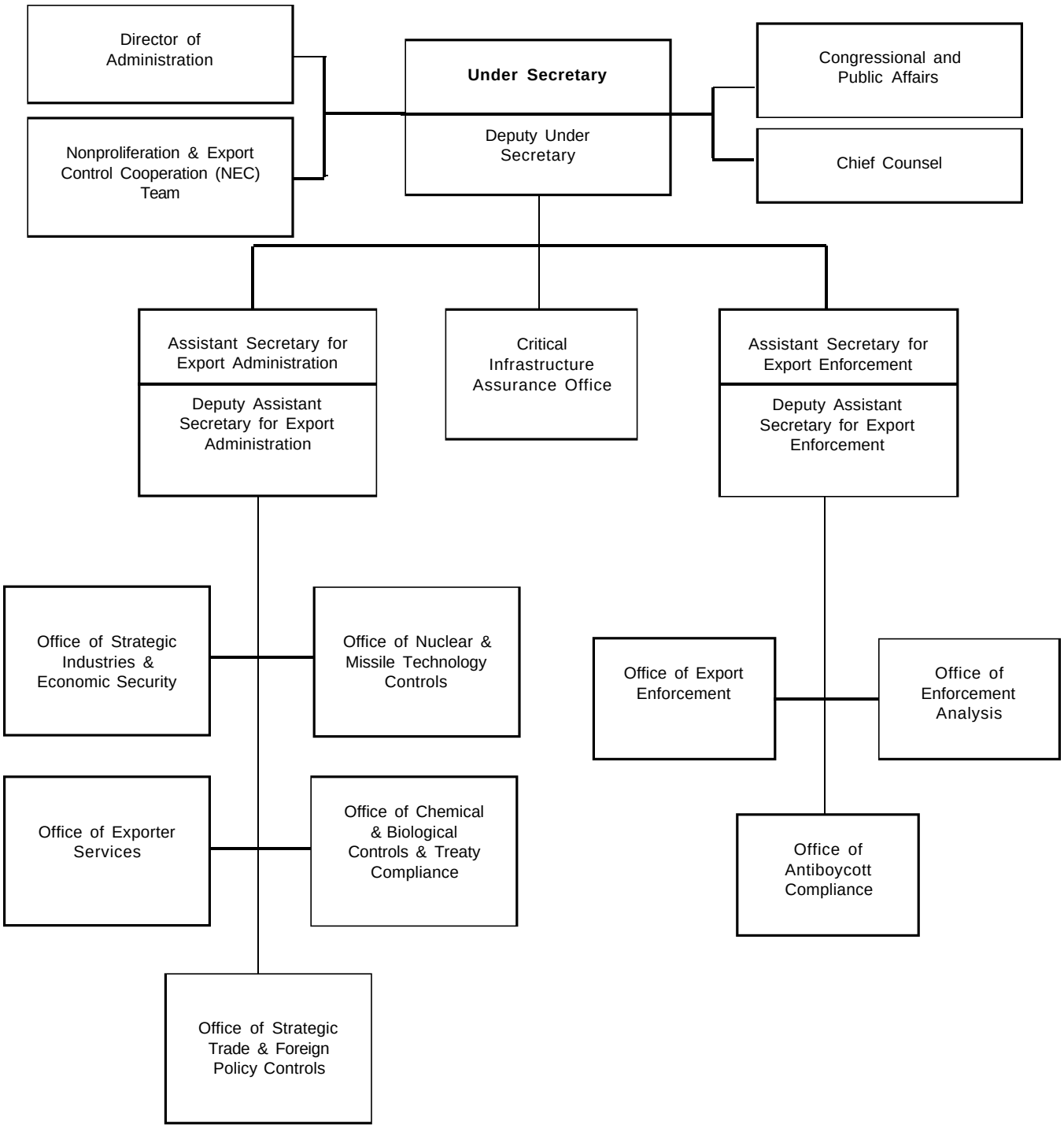
Critical Infrastruture Security. For the national plan to succeed, the government and private sector must work together in a partnership that raises awareness and, when appropriate, serves as a catalyst for action. A strategy of cooperation and partnership between the private sector and the U.S. government to protect the nation's infrastructure is the linchpin of this effort.

For FY 2000, the CIAO's funding was reduced from the President's Budget (PB) request of $6.4M ($6.0M was appropriated for FY 99) to $3.0 M, resulting in staff reductions and reduced program activity. For FY 2001, the additional $3.5M above FY 2000 appropriations will (1) restore the CIAO's base to $6.0M and (2) provide $0.5M for the State pilot Information Sharing Analysis Centers (ISACs). The restoration will still fall short of the FY 2000 PB request, but will permit the CIAO to perform its coordination and facilitation role in support of PDD-63 during the final year of its projected existence.

Management Challenges

Export Control Automated Support System (ECASS) Redesign – The ECASS system is BXA's principal computer system for its licensing and enforcement activities. Because it is a fifteen-year-old design, its ability to expand and to incorporate needed enhancements is severely limited, and it increasingly fails to provide necessary support for BXA missions. ECASS redesign and replacement has been a priority for several years. BXA contracted with Booz, Allen & Hamilton (Booz-Allen) to conduct a reengineering study of BXA business processes in advance of redesigning the information architecture that will support these processes. This is consistent with the Information Technology Management Reform Act (the so-called Clinger-Cohen Act) that mandates that analysis and revision of mission-related processes occur before making significant information technology investments. The redesigned processes and the replacement for ECASS should improve fulfillment of critical portions of BXA's mission of controlling exports for national security, foreign policy, and short supply reasons. Specifically, the new ECASS will support the BXA goal of restructuring export controls for the 21st century by facilitating more rapid processing of cases and the goal of maintaining a fully effective law enforcement program by providing real time access to enforcement data.

Organizational Structure



Targets and Performance Summary

Highlights of the Bureau of Export Administration FY 2001 Performance Plan

Performance Goal 1: Restructure export controls for the 21st century			
Measures	FY 99 Actual	FY 00 Target	FY 01 Target
High risk transactions deterred (#)	1,160	508	512
Licensing decisions (#)	12,598	12,500	14,000
Average processing time for license applications (days)	40	33	32
Export assistance seminars/conferences(#)	136	115	120
Nonproliferation and export control international cooperative exchanges (#)	46	30	37

Performance Goal 2: Maintain a fully effective law enforcement program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons			
Measures	FY 99 Actual	FY 00 Target	FY 01 Target
Enforcement outreach visits (#)	1,142	900	1,010
Investigations completed (#)	1,069	1,300	1,225
Investigations accepted for criminal or administrative remedies (#)	68	80	70
End-use visits conducted (#)	869	680	680

Performance Goal 3: Facilitate transition of defense industries			
Measure	FY 99 Actual	FY 00 Target	FY 01 Target
Strategic industry analyses completed (#)	352	295	300

Resource Requirements Summary

Total Dollars: $64.9 Million

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Restructure export controls for the 21st century	$24.2 M	$24.9 M	$35.2 M
Maintain a fully effective law enforcement program	$25.9 M	$25,.4 M	$29.2 M
Facilitate transition of defense industries	$0.5 M	$0.5 M	$0.5 M

Total FTEs 447
Skill Summary: In-depth knowledge of the Export Administration Regulations, related policies, and commodity-controlled items, as well as analytical skills

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Restructure export controls for the 21st century	172	195.5	215
Maintain a fully effective law enforcement program	188	207.5	224
Facilitate transition of defense industries	8	8	8

Total IT Dollars:$5.4 Million
IT Requirements: Operations, maintenance and reengineering

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Restructure export controls for the 21st century	$1.6 M	$2.0 M	$2.6 M
Maintain a fully effective law enforcement program	$1.7 M	$2.1 M	$2.7 M
Facilitate transition of defense industries	$0.07 M	$0.08 M	$0.1 M

Performance Goal 1:
Restructure Export Controls for the 21st Century

Rationale for Performance Goal

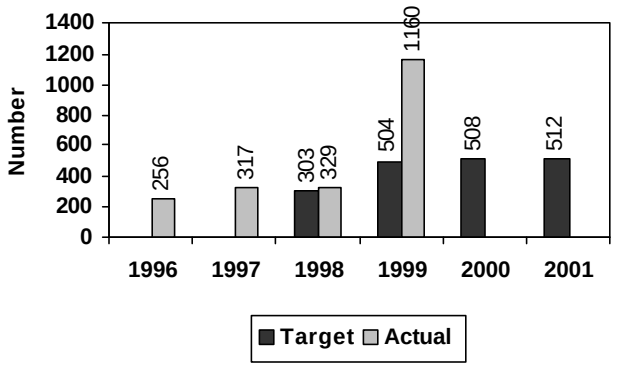
BXA strives to streamline the application processing system and educate the U.S. exporting community in requirements of the Export Administration Act (EAA) and the Export Administration Regulations (EAR):

- To prevent illegal transactions by means of a more effective control system
- To improve U.S. exporter competitiveness in the global marketplace by helping exporters meet shipping deadlines and reduce transaction costs
- To improve U.S. exporter competitiveness through prompt export licensing decisions

BXA also strives to strengthen foreign national export control systems to reduce proliferation of controlled commodities that are produced locally or are being transshipped:

- To ensure that sensitive technologies are not inappropriately transferred outside the U.S.
- To provide a level playing field internationally through the development of export control systems meeting international standards in all countries thought to be significant exporters or transshippers of sensitive goods and technologies.

Measure 1.a:
Number of high risk transactions deterred



Data Validation and Verification

Data collection: Export Control Automated Support Systems **(**ECASS)
Frequency: Annual
Data storage: ECASS
Verification: ECASS contains appropriate systems edits. ECASS is also open to audit by GAO and the IG. Data is queried for retrieval through the Licensing Officer Access subsystem or generated via hardcopy through the Reports subsystem.
Data limitations: The inability to produce additional detail on the reasons for Returned Without Action (RWA).
Actions to be taken: Add capability to ECASS to record and report RWA reason code.

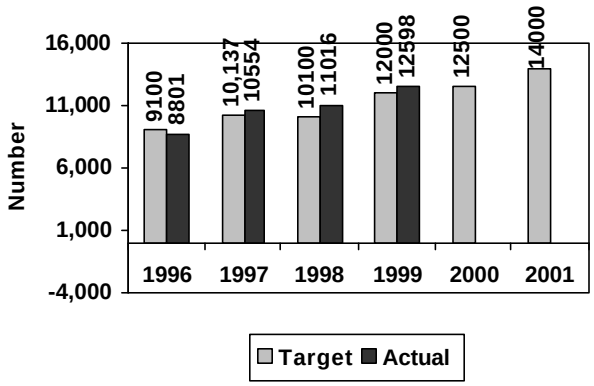
Explanation

The number of high-risk transactions that BXA reviewed and subsequently denied is based upon a careful risk assessment. There are several ways in which such assessments are conducted. License applications are reviewed based on the control number, the reasons for the controls (national security; foreign policy; antiterrorism, etc.), the end-user, and the end-use. Control lists are cross checked to determine if any of the parties to the transaction are denied or listed entities. In most cases the case is referred to the interagency community for its review as well. This includes input from the intelligence community to help determine the likelihood that the export will be used for purposes other than intended or contrary to U.S. policies. Also considered are factors such as the likelihood of diversion, the practices of the end-user, and the inability or unwillingness of an exporter to agree to certain conditions which we may require if a transaction is to be approved. U.S. security is enhanced through the judicious implementation of controls on transfers of materials, equipment, technology, and software that could be used for weapons applications.

FY 2000, FY 2001 Targets: No revisions, however the targets are too high unless ECASS is modified to include data on applications that were Returned Without Action (RWA). A key assumption is that the India sanctions will be lifted.
Data Issues: See Data limitations.
Discontinued Measures: Not applicable.

Performance Goal 1:
Restructure Export Controls for the 21st Century

Measure 1.b:
Number of licensing decisions



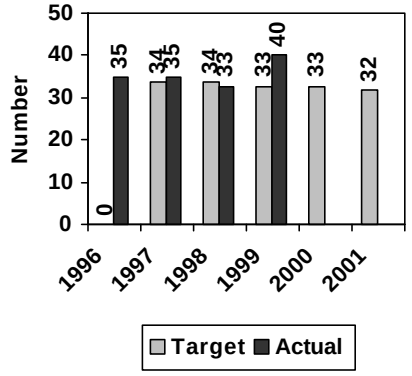
Data Validation and Verification:

Data collection: ECASS
Frequency: Annual
Data storage: All license processing data are stored in ECASS
Verification: ECASS contains appropriate systems edits. ECASS is also open to audit by GAO and the IG. Data is queried for retrieval through the Licensing Officer Access subsystem or generated via hardcopy through the Reports subsystem.
Data limitations: None.
Actions to be taken: None.

Explanation

This measure counts the total number of applications that were approved, denied or RWA during the fiscal year. Upon receipt, license applications are reviewed for completeness (front-end review) and entered into ECASS, BXA's electronic processing system. If the application is incomplete, additional information is requested from the exporter before proceeding. If complete, the application is screened against an automated list of end-users of concern and forwarded to the appropriate licensing and enforcement specialists for a complete analysis of the application. This includes review against available intelligence information and required referrals to other export control agencies, and subsequent policy reconsideration/determination. The number of export licensing decisions is the best measurement for the scope of the dual-use export control system as it relates to trade in advanced goods and technology.

Measure 1.c:
Average processing time for license applications



Data Validation and Verification:

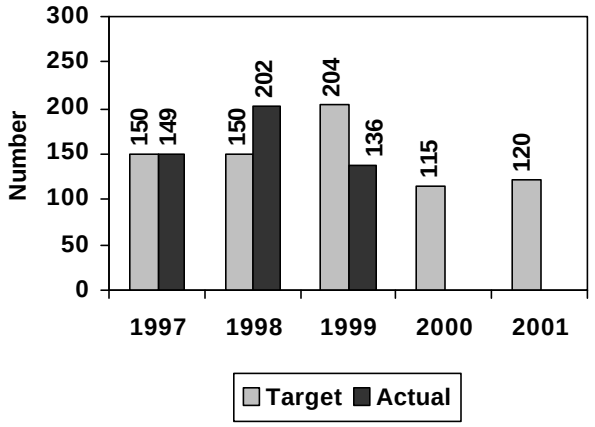
Data collection: ECASS
Frequency: Annual
Data storage: All license processing data are stored in the ECASS
Verification: ECASS contains appropriate systems edits. ECASS is also open to audit by GAO and the IG. Data is queried for retrieval through the Licensing Officer Access subsystem or generated via hardcopy through the Reports subsystem.
Data limitations: None.
Actions to be taken: None.

Explanation

This measure reflects the average number of calendar days that elapsed between registration and final action for all applications processed during the fiscal year, regardless of the date received. The less time it takes to process a license application, the sooner an exporter can ship product. This enhances exporter finances by speeding revenue production time and reducing storage costs, and enables the exporter to make timely shipment and thereby compete with foreign competitors. U.S. exporters lose sales if a foreign competitor can ship a product faster.

Performance Goal 1:
Restructure Export Controls for the 21st Century

Measure 1.d:
Number of export assistance seminars/conferences



Data Validation and Verification:

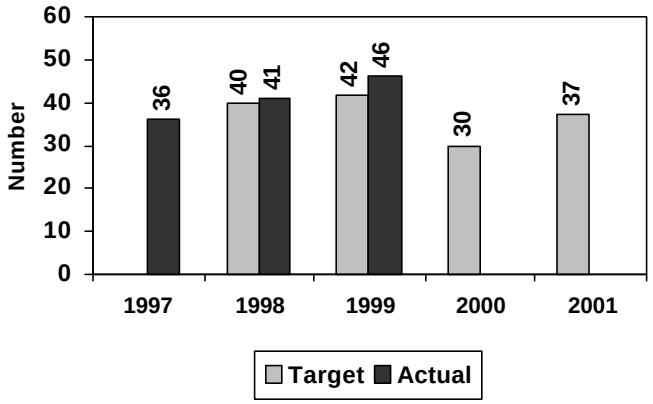
Data collection: Counts of seminars and conferences from the seminar schedule published each year.
Frequency: Annual
Data storage: The Office of Exporter Services collects and stores the data.
Verification: None
Data limitations None**.**
Actions to be taken: None.

Explanation

This measure counts the number of training events in which BXA either is a sponsor or participant and reflects the transfer of knowledge from the government to the private sector regarding export control requirements. The BXA outreach program to the domestic and international business communities encourages compliance with EAR. Seminars also heighten business awareness of Administration objectives and improve compliance with regulatory requirements. In support of BXA's goal to "Facilitate Transition of Defense Industries," these seminars also help identify market opportunities for firms in the U.S. defense industrial base, and identify those firms that could benefit from BXA advocacy and defense industrial base programs.

Performance Goal 1:
Restructure Export Controls for the 21st Century

Measure 1.e:
Number of nonproliferation and export control international cooperative exchanges



Data Validation and Verification:

Data collection: NEC activity files, reporting cables, and other files
Frequency: Annual
Data storage: NEC collects and stores the data.
Verification: Independent auditors verified the content of NEC outputs.
Data limitations: An *output* rather than an *outcome* measure is used because NEC activity has a greater ability to affect the output (i.e., the number of technical exchanges) than it has to affect the outcome (i.e., improvements in the export control systems in the foreign countries). The latter is substantially determined by the actions of foreign sovereign governments, a factor clearly out of NEC control.
Actions to be taken: None.

Explanation

This measure includes technical exchanges, executive exchanges, symposia, fora, workshops, and training courses, assessments, and other multilateral and bilateral activities in which BXA has the lead or a primary role. These exchanges are the primary means by which BXA implements its nonproliferation and export control cooperation programs with foreign governments. This measure records the number of exchanges and not the number of countries participating. If one exchange involves multiple countries (e.g., the annual update event) the exchange is counted as one item.

FY 2000, FY 2001 Targets: The FY 2000 targeted output of 30 exchanges reflects deletion from the FY 2000 budget of requested FTE and a forecast reduction in funding from the Departments of Defense and State. The FY 2001 target is increased to 37 exchanges based on the increases in FTE contained in the President's FY 2001 budget.

Program Evaluation Efforts

- BXA developed a performance management approach pursuant to the Government Performance and Results Act (GPRA) of 1993, to determine success and failure of its international cooperative export control activities. The approach links inputs (time, money and staff) and outputs (technical exchanges in each of five substantive fields) to desired outcomes that increase the effectiveness of a national export control system. Staff collects and analyzes evidence (legislation, procedures, control lists, etc.) to determine achievement of desired outcomes, of which there are 39.

- BXA was credited with hard work and timely response in providing the export licenses for the encryption items necessary for a U.S. consortium to win a bid on a major Public Key Infrastructure (PKI) project in Hong Kong. This contract should help dispel the perception in the information technology industry that the U.S. Government is reluctant to provide the licenses necessary for electronic commerce initiatives. The five licenses submitted by U.S. firms for this project were approved with an average processing time of 35 days. One of the licenses was approved in 23 days. The changed perceptions concerning U.S. licensing policy for encryption resulting from this case should lead to more opportunities for U.S. businesses in this important industry to make sales of encryption hardware and software.

- At the Missile Technology Control Regime (MTCR) annual meeting in Paris on June 3-4, 1999, the BXA representative participated in the resolution of an impediment to the approval of several pending missile-related export cases for Israel through discussions with Austria, a MTCR partner. If this issue had not

Performance Goal 1:
Restructure Export Controls for the 21st Century

been satisfactorily resolved, denial of the pending U.S. cases would have jeopardized longstanding business relationships between Israeli and U.S. companies.

- Since the implementation of the Simplified Network Application Program (SNAP), up to 46 percent of export license applications have been submitted to BXA via the Internet. SNAP reduces delays for the exporter and is more cost-effective for BXA since it eliminates the expensive and error-prone process of transferring data from paper applications. SNAP accepts most applications and notices that exporters must submit to BXA. During the same period, 41 percent of requests for advisory opinions and commodity classifications came through SNAP.

- The Office of Management and Budget (OMB) approved BXA's request for a streamlined process for collecting national security information from the U.S. defense industrial base. BXA now has general, multi-year OMB approval for BXA survey authority. BXA will therefore be able to reduce the time required to obtain collection approval from five months to less than one month. This will enable BXA to respond quickly to national security issues as they arise, and make policy recommendations in a more timely manner. The streamlined process will also be less burdensome for BXA, as well as OMB, consolidating multiple information collection activities under a single, perpetual authority.

- The Government Printing Office (GPO) has arranged a grant through the Federal Depository Library that will allow GPO to provide the public free electronic access to the Export Administration Regulations, via the Internet, at no cost to BXA or the public. The total annual savings to Commerce and the taxpayers will be $70,000, in addition to the $126,000 savings to industry for free electronic access to the EAR.

Strategies and Activities

Strategies	Activities
Achieve receipts, reviews, interagency consultations, and decisions on export license applications that are accurate, consistent, and timely	Use state-of-the-art information technology.
Provision of full range of information to the U.S. exporting community	Create publications, seminars, and web sites, and perform individual consultations.
Development of uniform control lists and licensing practices with like-minded supplier nations.	Consult with representatives of supplier nations.
Develop and implement a model country plan that addresses all five functional areas of effective export control systems (legal and regulatory framework, licensing procedures and control lists, enforcement mechanisms, industry-government relations, and systems administration and automation), and tailor it to the specific needs of each participating countries.	-- Technical exchanges (bilateral or multilateral) for senior and mid-level export control officials that take place at headquarters or in the field -- Modular training materials prepared and used by specialists in their functional areas and made available in two or more languages -- Automated job tools that foreign officials can use in the execution of their work (e.g., classifying commodities, developing of performance for Licensing Officers)

Performance Goal 1:
Restructure Export Controls for the 21st Century

Resource Requirements Summary

Total Dollars: $35.2 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$24.2 M	$24.9 M	$35.2 M

Total FTEs: 215
Skill Summary: Analytic skills, technical expertise, knowledge of commodity-controlled items

FY 99 Actual	FY 00 Enacted	FY 01 Request
172	195.5	215.0

Total IT Budget: $2.6 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$1.5 M	$2.0 M	$2.6 M

Cross-Cutting Activities

Other Government Agencies

- The international export control system represents the integration of the interests of several distinct interest groups. Each makes a unique contribution to the system. The groups are:
  - Governments of nations that administer and enforce internationally agreed-upon standards
  - Industries of nations that produce items and technologies requiring control
  - Multilateral control regimes that establish the standards and norms implemented by individual nations
  - Various non-government and academic organizations of individual nations.
- *Departments of State, Defense, Energy, Treasury, and Justice:* BXA works with these agencies and departments to develop and implement U.S. export control policy and programs, including developing encryption policy, implementing sanctions, and participating in multilateral regimes such as the Missile Technology Control Regime and the Wassenaar Arrangement. BXA also coordinates intelligence and enforcement operations with these agencies.
- *U.S. Customs Service and the Nonproliferation Center:* BXA coordinates export control cooperation technical exchanges and activities with other nationswith these agencies, in addition to those mentioned above.
- BXA works closely with the *Departments of State, Defense, Energy , Justice, U.S. Customs, and the FBI* to coordinate asessment of the interntional export control system and to prioritize, design, and fund programs in which interagency resources are focused on specific national and regional issues.

Performance Goal 1:
Restructure Export Controls for the 21st Century

External Factors and Mitigation Strategies

External Factors:

- Changes in the world situation (e.g., nuclear tests, terrorist activity) requiring new export restrictions.
- Developments in technology requiring adjustments to control lists.
- New legislative requirements for additional controls or license application review.

Mitigating Strategy:

- All of the above factors can be mitigated through the design of well targeted, appropriate regulations and through the timely education of the public.

External Factors:

- The press of other mandated priorities impedes prompt license processing.

Mitigating Strategy:

- Improve clarity of information provided to the Legislative branch to reduce the need for GAO and IG requests.
- Expedite implementation of the Government Paperwork Elimination Act to facilitate more rapid FOIA processing.
- Work more closely with OGC to eliminate labor and time intensive computer runs in response to FOIA requests when they are known to be protected under section 12 (c) of the Export Administration Act.

External Factors:

- Exporters violate export control laws and regulations because they are not aware of changes in requirements pertaining to them.

Mitigating Strategy:

- Ensure exporters have rapid access to regulatory and policy changes. Disseminate guidance via export control seminars, individual counseling, and the Internet.

External Factors:

- BXA continues to rely on other agencies, most recently the Department of State, to fund the technical exchanges and activities relating to international export control cooperation. The process of obtaining earmarked funds from other agencies to support this work, and ensuring that all the detailed requirements of those agencies are satisfied, is extremely cumbersome and fraught with uncertainty and delay and makes some inefficiencies unavoidable.

Mitigating Strategy:

- BXA works with a number of funding entities and may submit several proposals aimed at achieving the same objective in order to make receipt of needed funding more likely.

Performance Goal 1:
Restructure Export Controls for the 21st Century

External Factors:

- Scheduling of technical exchanges and activities is contingent on the interagency coordination process and the other countries involved.

- The pace of efforts to assist other nations to strengthen their export control programs depends on the intitiative of individual countries to make use of this cooperative assistance and on the willingness of other U.S. agencies to provide for their experts to participate in the technical exchanges.

Mitigating Strategy:

- Close and frequent contact with other pertinent U.S. agencies and patient, continuing consultation with foreign export control officials minimizes these problems.

External Factors:

- Unforeseeable shifts in U.S. policy (e.g., suspension of activity with Belarus) occasionally prevent performance of scheduled, funded technical exchanges or preclude participation of some invited participants.

Mitigating Strategy:

- Rapid contact with service providers to minimize cancellation cost.
- Reduce the number of exchanges while focusing on reaching broader audiences.

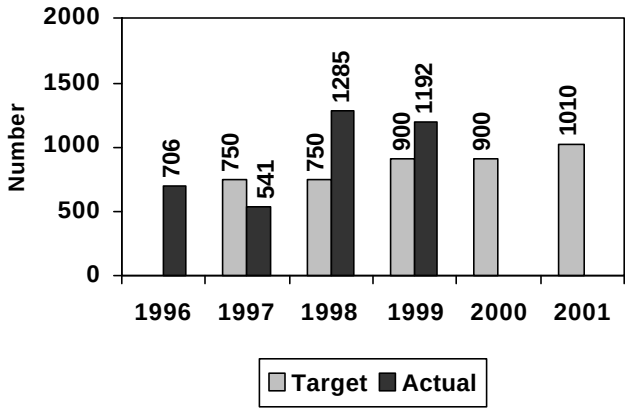
Performance Goal 2:
Maintain a Fully Effective Law Enforcement Program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons

Rationale for Performance Goal

A number of aggressive investigation and verification activities are aimed at deterring export control violations, and imposing criminal or administrative sanctions on violators.

BXA conducts outreach visits and conferences sponsored by trade and business associations and continuing legal education institutions. These outreach efforts support the *Expand Economic Growth, Trade and Prosperity* initiative while protecting important national security and foreign policy interests by helping exporters understand export control regulations.

Measure 2.a:
Number of enforcement outreach visits



Data Validation and Verification:

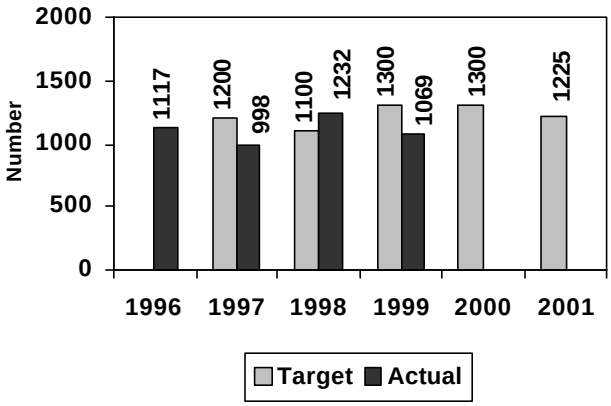
Data collection: "Enforce" subsystem of ECASS and paper files; agent monthly activity reports.
Frequency: Annual
Data storage: The Office of Export Enforcement (OEE) collects and stores the data in Enforce and its case files.
Verification: Following an outreach visit, the agent enters the data in ECASS. The Special Agent in Charge countersigns each entry. The Antiboycott-related data are verified by a manual count of entries in OAC case files.
Data limitations: None
Actions to be taken: None.

Explanation

As part of their preventive enforcement mission, BXA special agents visit U.S. firms under "Project Outreach." During each outreach visit, the agents educate the firm about BXA's enforcement program and seek the firm's voluntary cooperation in detecting potential illegal transactions. Antiboycott outreach occurs in the form of presentations to organizations concerning compliance with the Antiboycott provisions of the EAA. These outreach efforts focus on conferences sponsored by trade and business associations and continuing legal education institutions.

Performance Goal 2:
Maintain a Fully Effective Law Enforcement Program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons

Measure 2.b:
Number of investigations completed



Data Validation and Verification:

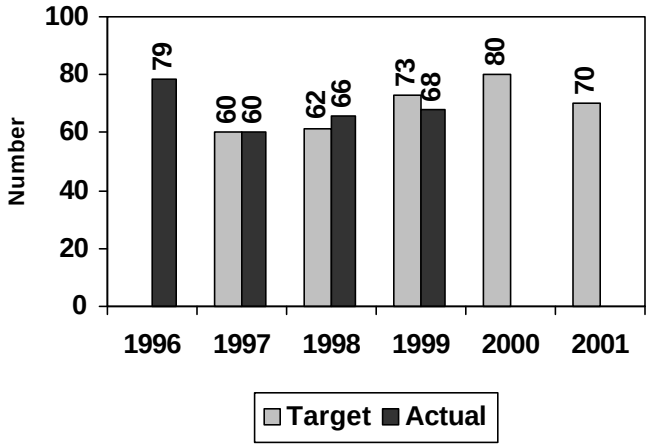
Data collection: "Enforce" subsystem of ECASS and case management database
Frequency: Annual
Data storage: The OEE collects and stores the data. Cases are also tracked in ECASS.
Verification: Data are obtained through a query of the Enforce database using the investigative tracking system. This query reflects the total number of cases completed during FY 1999. The investigating Special Agent enters these data into Enforce during and upon the completion of the investigation. Each entry is countersigned by the Special Agent in Charge, thereby providing a complete verification of the data entered. The data for the annual report are developed via Enforce query verified by a manual count of entries. The Antiboycott data are verified via manual count of entries in OAC case files.
Data limitations: None.
Actions to be taken: None.

Explanation

When there is reason to believe that the EAA and the EAR have been violated, BXA criminal investigators and Compliance Officers initiate a formal investigation and open a case file. Investigations result in a criminal or administrative penalty, a warning letter for minor infractions, or closing of the case if no violation is found. This output measure covers one of the most important features of our law enforcement program, namely, the pursuit of an investigation to a proper conclusion based on the facts and law.

Performance Goal 2:
Maintain a Fully Effective Law Enforcement Program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons

Measure 2.c:
Number of investigations accepted for criminal or administrative remedies



Explanation

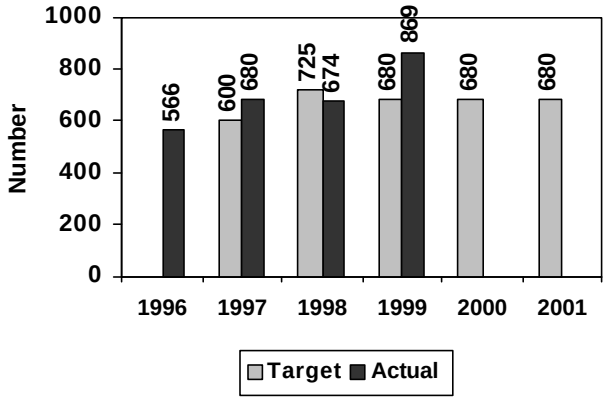
This measure refers to investigations accepted by U.S. Attorney offices for criminal prosecution and/or by the Chief Counsel for Export Administration for administrative sanctions.

Data Validation and Verification:

Data collection: "Enforce" subsystem of ECASS and case management database
Frequency: Annual
Data storage: The OEE and the Chief Counsel for Export Administration collect and store the data. Case status information is reconciled quarterly.
Verification: Data are obtained through a query of the Enforce database using the investigative tracking system. To obtain the total number of cases accepted for criminal prosecution, the case action query program is used which reflects cases accepted by U.S. Attorneys' offices. These data are entered by the investigating case agent and countersigned by the Special Agent in Charge. To obtain the total number of cases accepted for administrative remedies, the administrative action query is used which reflects cases accepted by the Chief Counsel for Export Administration. The Office enters these data. Validation is accomplished via manual verification by counting the entries in the system. The Antiboycott related data are obtained through a query of case status information in OAC case files. This case status information is reconciled/verified on a quarterly basis.
Data limitations: Prior to FY 1999, these data were calculated by querying the total number of cases presented for criminal prosecution and subtracting the number of cases declined. In an effort to more accurately account for the data, a new computer program was added in FY 1999 to reflect cases accepted for criminal prosecution.
Actions to be taken: None.

Performance Goal 2:
Maintain a Fully Effective Law Enforcement Program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons

Measure 2.d:
Number of end-use visits conducted



Data Validation and Verification:

Data collection: Enforcement subsystem of ECASS, ad hoc programs, and a PC database for high performance computer (HPC) end-use checks.
Frequency: Annual.
Data storage: The OEE and the Office of Enforcement Analysis collect and store the data. OEE and the U.S. & Foreign Commercial Service (US&FCS) personnel make and document visits. OEA performs data entry into ECASS, and into a database of HPC end-use checks.
Verification: Pre-license check (PLC) data are compiled through ECASS data query programs that have built-in checks that prevent duplicative counting. For post shipment verification (PSV) data, cable requested PSVs are queried using ECASS or by using a query with a PC database for HPC checks. OEA personnel manually verify both of these queries. Safeguard PSV checks are queried through ECASS as well. An ad hoc database, maintained by OEE/Intel, is used for verification of that data.
Data limitations: None.
Actions to be taken: None.

Explanation

A key element of the BXA activity is conducting on-site visits to foreign end-users of selected goods and technologies exported under the EAR. End-use visits consist of pre-license checks and post-shipment verifications. Pre-license checks are performed prior to issuance of licenses by BXA and are generally performed by U.S. & Foreign Commercial Service (US&FCS) personnel. US&FCS officials, and BXA Special Agents perform post-shipment verifications to ensure that the products are being used by the authorized end-users for the authorized end-uses.

This output measure supports the following goals:

- Maintaining an effective law enforcement program, by determining the legitimacy of controlled export transactions
- Improving public knowledge of and compliance with export regulations, by educating foreign consignees of U.S.-origin items
- Increasing cooperation with domestic and international law enforcement, export control and policy organizations, by sharing information with law enforcement counterparts located in countries where the visits are conducted

Program Evaluation Efforts

During Fiscal year 1999, BXA levied over $2 million in civil and criminal penalties on individuals and corporations in 11 cases.

BXA was recognized for leadership in negotiating and implementing the U.S.-China End-Use Visit Arrangement (EUVA), a U.S. strategic objective for the past 15 years. Negotiated with senior Chinese officials, the EUVA is an extraordinary breakthrough in U.S.-China export control relations and was one of the President's most noted accomplishments at the June 1998 U.S.-China Summit. The EUVA strengthens the U.S. dual-use licensing and enforcement system and demonstrates the Department of Commerce's commitment to U.S. export control/ nonproliferation goals.

Performance Goal 2:
Maintain a Fully Effective Law Enforcement Program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons

Strategies and Activities

Strategies	Activities
Obtain tips and leads concerning possible violations, while educating exporters about how to comply with the export control laws and regulations	-- Target companies for outreach based on: leads and referrals, types of industry, types of exports, regions, and newness of exporters. -- Conduct outreach visits to industry
Ensure that the products are being used by the authorized end users for the authorized end-uses	-- Target end-use checks on shipments of greatest diversion risk and proliferation concern.
Determine whether violations of the law have occurred	-- Investigations are conducted in a timely and efficient manner.
Insure that the export control system works effectively	-- BXA presents cases to prosecutors for possible initiation of criminal or administrative enforcement proceedings in order to punish past and deter future violators.
Determine the legitimacy of controlled export transactions	-- BXA conducts visits overseas to educate foreign consignees about U.S. export laws, and share information with foreign export control officials.

Resource Requirements Summary

Total Dollars: $29.2 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$25.9 M	$25.4 M	$29.2 M

Total FTE: 224
Skill Summary: Knowledge of Export Administration Regulations, investigative skills, the ability to analyze export controls, and the ability to analyze intelligence information and data on end-use visits

FY 99 Actual	FY 00 Enacted	FY 01 Request
188	207.5	224

Performance Goal 2:
Maintain a Fully Effective Law Enforcement Program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons

Total IT Budget: $2.7 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$1.7 M	$2.1 M	$2.7 M

Cross-Cutting Activities

Intra-DOC

- The Antiboycott Office works with OEE to share data on cases/companies. Enforcement works with the Chief Counsel for Export Administration on administrative cases.

Other Government Agencies

- *U.S. Customs Service, FBI, Postal Service, Departments of Justice and State, and the Intelligence Community:* BXA works with these agencies on matters involving law enforcement cooperation, development of leads, intelligence coordination, implementation of export control policy, and coordination regarding issues such as export license investigations and fastener quality. The Bureau will continue to improve liaison with law enforcement agencies. Field offices and headquarters participate in interagency working groups with the FBI and the Postal Service. Data are shared with the Customs Service via the Treasury Enforcement Computer System (TEC).

External Factors and Mitigation Strategies

Number of completed investigations and Number of investigations accepted for criminal or administrative remedies:

External Factors:

- The priorities and resources of the Department of Justice and the Chief Counsel for Export Administration directly influence the accomplishment of the measures.
- BXA may have to rely on other agencies to conduct investigative activities (including execution of search warrants, surveillance, and undercover operations).

Mitigation Strategies:

- Targeting investigations effectively, conducting investigative activities professionally, and presenting cases to prosecutors persuasively
- Communication with other agencies and monthly meetings to discuss new export control issues and the possibility of working together on joint cases

Performance Goal 2:
Maintain a Fully Effective Law Enforcement Program to protect U.S. national security and public safety, uphold U.S. foreign policy, and ensure the nonproliferation of dual-use commodities and chemical weapons

Number of End-Use Visits Conducted:

External Factors:

- The number of pre-license checks will vary with the annual volume of license applications.
- The number of post-shipment verifications will vary in accordance with the volume of HPC exported to certain countries annually. The NDAA mandates post-shipment verifications for all HPCs that are exported to countries on a certain list. Thus, if more computers having performance capabilities in the HPC range subject to inspection are manufactured in the future, the number of required post-shipment checks will increase accordingly.

Mitigation Strategy:

- Increases in workload beyond the capability of established resource levels will be accommodated by concentrating on areas of highest risk.

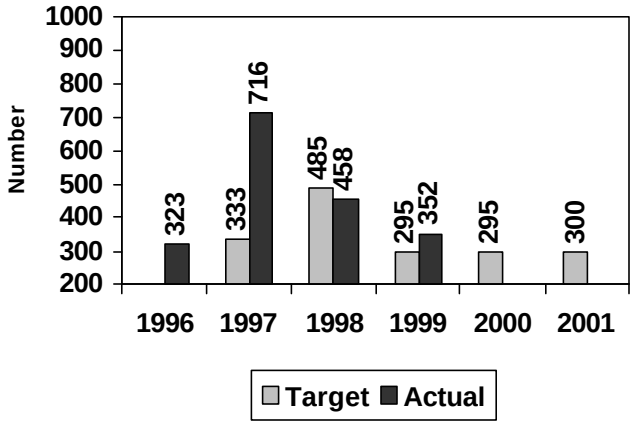
Performance Goal 3:
Facilitate Transition of Defense Industries

Rationale for Performance Goal

A strong economic/industrial infrastructure is partly dependent upon the ability to transition our defense industries to peacetime activities and products while at the same time maintaining technological superiority to support the next generation of defense systems. This is accomplished by:

- Ensuring the continued viability of U.S. firms: Develop new commercial avenues for former defense products.
- Maintaining the economic viability of high tech industries: Provide the research base from which new innovations will appear.
- Keeping U.S. defense firms competitive domestically and internationally: Develop new and innovative product lines.

Measure 3.a:
Number of strategic industry analyses completed



Data Validation and Verification:

Data collection: The analytical products are written reports, which are forwarded to the requester and are available for review and assessment.
Frequency: Annual
Data storage: The Office of Strategic Industry and Economic Security collects and stores the data. **S**everal databases are involved.
Verification: None**.**
Data limitations: None
Actions to be taken: None

Explanation:

These are analyses undertaken as part of the broad responsibility to support the U.S. defense industrial and technology base. They include reviews of the economic/industrial base impacts of:

- International Defense Memoranda of Understanding
- Sales/disposal from the national Defense Stockpile and of Excess Defense Articles
- Defense downsizing and base closure
- The practice of offsets in defense trade
- Unilateral export controls and foreign availability.

Also included are assessments of the international competitiveness and production capabilities of strategic industries and technologies. Specific categories of analyses include the following:

- Defense Diversification and Needs Assessment Survey response referrals
- Defense Memoranda of Understanding impact reviews
- Impact of Excess Defense Article assessments
- Stockpile Disposal Market impact analyses
- Industrial Capabilities studies
- Impact of Offsets in Defense Trade analyses
- Impact of Unilateral Export Controls analyses.

There is a significant drop in the number of Defense Diversification and Needs Assessment Survey response referrals in FY 1998 and beyond because this program was funded in prior years by the Economic Development Administration, which is no longer providing funding for its continuation.

Performance Goal 3:
Facilitate Transition of Defense Industries

Program Evaluation Efforts

- BXA coordinated Defense Trade Advocacy efforts that were instrumental in garnering sales of more than $4 billion in Greece and Singapore.

- BXA completed a research project, *Statistical Handbook of the Ball and Roller Bearing Industry*. The handbook is the result of a partnership between BXA and the American Bearing Manufacturers Association (ABMA). The project was initiated at a bearing forum held at the Department of Commerce in June 1997, and was subsequently coordinated with ABMA's Statistical Committee. The handbook places into a single reference volume the most useful publicly available statistics about the industry and answers a longstanding call for such information.

- Defense Priorities and Allocations System (DPAS) support for the NATO Operation Allied Force in the Balkans continued with a successful effort to expedite the production and delivery of component parts and materials for the U.S. Air Force Joint Direct Attack Munition (JDAM) produced by Boeing. BXA staff worked closely with nine Boeing subcontractors to accelerate deliveries. In addition, two of these subcontractors, Rockwell-Collins and Honeywell, requested BXA assistance with their suppliers. Accordingly, five Rockwell-Collins suppliers and 14 lower-tier electronic parts vendors to Honeywell's supplier, General Dynamics, were contacted to obtain accelerated deliveries of production materials. BXA efforts saved up to two months of delivery lead-time that enabled Boeing to meet USAF delivery requirement for 1320 JDAMs.

- BXA was successful in blocking a proposed U.S. Navy transfer of 48 Mk 46 torpedoes from the Excess Defense Articles (EDA) stockpile to Greece. The transfer would have had a serious impact on manufacturer Raytheon's marketing of torpedoes and upgrades in Greece. As a result of BXA intervention, the U.S. Navy will withdraw the EDA request and the torpedoes will be sold to Greece.

Strategies and Activities

Strategies	Activities
Macro- and micro-economic research is used to support critical industry analyses and export control assessments	-- Affected industries are surveyed and resulting information is provided to the public at large. --Proposed government actions affecting the well being of firms are assessed and the consequences for the companies and economy at large are measured and provided to decision-makers.

Resource Requirements

Total Dollars: $0.5 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$0.5 M	$0.5 M	$0.5 M

Performance Goal 3:
Facilitate Transition of Defense Industries

Total FTEs: 8
Skill Summary: Program-related analytic skills

FY 99 Actual	FY 00 Enacted	FY 01 Request
8	8	8

Total IT Dollars: $0.1 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$0.07 M	$0.08 M	$0.1 M

Cross-Cutting Activities

Government Agencies

- *Department of Energy:* BXA participates in an interagency review of foreign participation in DOE-sponsored Research and Development Agreements. DOE is partnered with BXA in promoting the reuse of surplus manufacturing equipment at former U.S. military bases.
- *Departments of Labor, State and Treasury; U.S. Trade Representative (USTR):* Representatives from these departments participate in an interagency group chaired by BXA which prepares the annual report, *Offsets in Defense Trade*, for the U.S. Congress.
- *Department of Defense (DOD):* BXA works closely with DOD in providing support for U.S. industry competing for international defense procurement opportunities.
- *Department of State:* BXA participates in the State-chaired Conventional Arms Transfer Committee.
- *U.S. Trade Representative:* BXA is part of a USTR-led interagency team that is developing and implementing the U.S.- E.U. Transatlantic Economic Partnership.

External Factors and Mitigation Strategies

External Factors:

- The biggest external factor affecting the overall volume of strategic industry analyses completed is the environment for international defense trade and cooperation.
- Domestic and international economic conditions affecting the health of U.S. strategic industry influence the need for strategic industry analyses. The overall health of the global economy also impacts the number of export licenses submitted.
- Unanticipated global events may also affect such analyses by shifting the commodities and destinations subject to exports control, thereby requiring new industry analyses. These events may also result in changes to control requirements.

Mitigation Strategy:

- Target analyses to the most critical industrial sectors and work with other like-minded supplier nations to develop comparable acquisition and sales practices.

Minority Business Development Agency

Mission Statement:

MBDA promotes the growth of minority-owned businesses through increased access to the marketplace and financing.

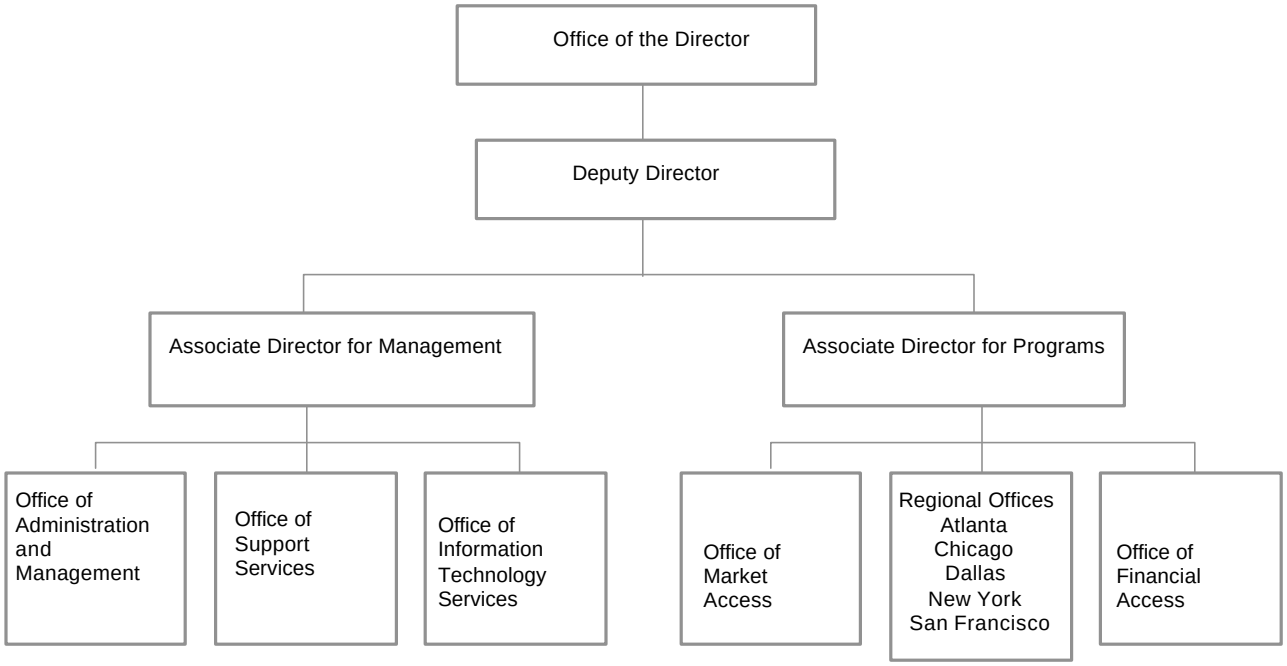
The Minority Business Development Agency (MBDA) seeks to foster the growth, competitiveness, and full participation of minority businesses in the global economy in the new millennium.

MBDA is the only federal agency mandated to encourage the growth and development of minority-owned businesses in America. MBDA provides assistance to socially or economically disadvantaged groups who own or wish to start or expand their own businesses, including African Americans, Native Americans, Puerto Ricans, Spanish-speaking Americans, Eskimos, Aleuts, Asian Indians, Asian Pacific Americans and Hasidic Jews. MBDA accomplishes this assistance by providing these groups with access to the marketplace and financing, management and technical assistance, education and training. Access to the marketplace and financing continue to be major factors affecting minority-owned businesses. Information that provides this access is key. In recognizing this important need, MBDA has developed a number of electronic commerce initiatives.

Organizational Structure

MBDA's headquarters is in Washington, D.C., where all activities are planned, developed, coordinated and evaluated. MBDA has five Regional Offices (Atlanta, Chicago, Dallas, New York and San Francisco) and four District Offices (Boston, Los Angeles, Miami and Philadelphia) where staff oversee assistance and services in multi-state regions. In these multi-state regions, MBDA funds 42 Minority and Native American Business Development Centers, 7 Minority Business Opportunity Committees, and 7 Business Resource Centers. The following organization chart reflects MBDA's structure for promoting business and economic development for minority-owned businesses and entrepreneurs.

Minority Business Development Agency



Priorities

Department-Wide

MBDA's e-commerce initiatives for minority-owned businesses directly support the Secretary's initiative to make the Commerce Department a "Digital Department" by the year 2002. These initiatives include online business development centers that provide valuable information on emerging markets and other topics of interest to minority businesses. Also, specific online systems have been developed that contain and provide the information and tools for minority businesses in areas of contract and procurement opportunities, capital access, management and technical assistance and e-commerce education.

Bureau

MBDA's bureau-specific initiatives support the Commerce Department's "Digital Department" initiative as well. These include employee professional development in e-commerce; common desktop computer structure for employees; integrated networks and standardized databases for employee use; and use of electronic forms.

Targets and Performance Summary

Highlights of the Minority Business Development Agency FY 2001 Performance and Plan

During FY 2001, MBDA will assist minority firms in understanding the "New Realities" of the business environment in issues such as: Supply-Chain Management, Just-in-Time Delivery, contract bundling, quality assurance, ISO 9000, electronic commerce, and emerging consumer marketplaces; providing more services electronicially; and developing strategic partnerships with programs such as the Export Assistance Centers, and the Manufacturing Extension Program Centers to provide a more sophisticated level of management and technical assistance for larger and growing firms.

Performance Goal 1: Improve opportunities for minority-owned businesses to have access to the marketplace			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Dollar value of contracts awarded to assisted minority-owned businesses	$616 M	$620 M	$650 M

Performance Goal 2: Improve the opportunities for minority-owned businesses to pursue financing			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of financial packages received by assisted minority-owned businesses	755	760	775
Dollar value of financial packages to assisted minority-owned businesses	$ 709 M	$730 M	$750 M

Resource Requirements Summary

Total Bureau Dollars: $28.3 Million

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Improve opportunities for minority-owned businesses to have access to the marketplace	$14 M	$14.3 M	$15.3 M
Improve the opportunities for minority-owned businesses to pursue financing	$13 M	$13 M	$13 M

Total FTEs: 120
Skill Summary: Marketing, Finance, Research, IT/Internet

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Improve opportunities for minority-owned businesses to have access to the marketplace	61	72	72
Improve the opportunities for minority-owned businesses to pursue financing	41	48	48

Total Bureau IT Dollars: $2.0 Million
IT Requirements: Operations, maintenance and reengineering

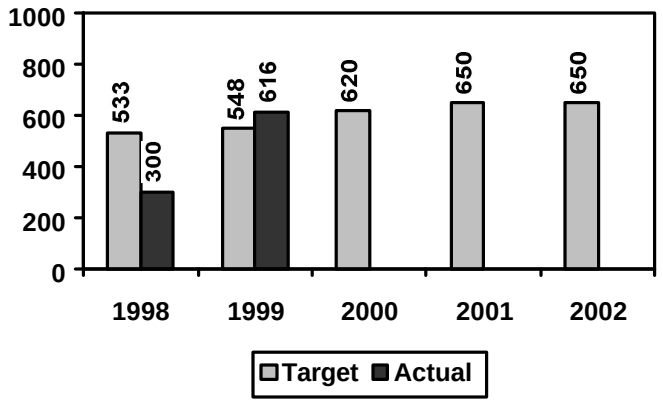
Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Improve opportunities for minority-owned businesses to have access to the marketplace	$.9 M	$.9 M	$1.2 M
Improve the opportunities for minority-owned businesses to pursue financing	$.6 M	$.6 M	$.8 M

Performance Goal 1:
Improve Opportunities for Minority-Owned Businesses to Have Access to the Marketplace

Explanation of Performance Goal

According to Census data, minorities comprise 28% of U.S. population but only 11% of the total number of U.S. firms and 6% of total business receipts. This is evidence that the minority business sector is significantly underutilized. Increased access to growth markets by minority-owned firms will benefit all segments of the U.S. economy by providing a mechanism to generate wealth, income, and employment. This is particularly important as we move toward a digital economy in which firms must use e-commerce tools to survive and grow.

Measure 1.a:
Dollar value of contracts awarded



Data Validation and Verification:

Data collection: Direct secure (SSL) Extranet link from MBDA HQ to client service delivery sites.
Frequency: Collect real-time, report quarterly
Data storage: The Performance Database Management System running on a clustered platform.
Verification: A 100% client verification survey
Data limitations: Responsiveness to the client verification survey.
Actions to be taken: Follow-up notices to unresponsive clients.

Explanation

The dollar value of contracts awarded is an important measure because it demonstrates the extent, in terms of dollars, that minority-owned businesses, assisted by MBDA, were successful in getting contract awards to provide goods and services domestically and abroad. If the dollar value of contracts awarded is substantial, minority-owned businesses have a greater opportunity to enhance their contribution to total business receipts.

Program Evaluation Efforts

Reports generated from MBDA's Performance Database Management System will be used to evaluate efforts of the programs. The report mechanism of this system is set to generate these reports daily, monthly, quarterly as well as annually.

Strategies and Activities

Strategies	Activities	Budget Request
Promote the increased use of e-commerce by minority-owned firms	-- Match firms and opportunities electronically (Phoenix and Opportunity Database System) -- Train business executives in e-commerce (E-Commerce Course)	$3.1 M
Provide information and management and technical assistance nationwide	-- Locate business development resources online (Resource Locator) -- Learn how to start and grow a business online (Online Business Development Center). -- Find information about growth industries online (Virtual Business Centers)	$3.1 M
Provide direct management and technical assistance through a network of business organizations	-- Fund a network of organizations to provide personalized management and technical assistance (Business Development Centers) -- Fund a network of organizations to identify contracting opportunities (Minority Business Opportunity Committees) -- Provide sophisticated market research to locate new customers and stores (Market Analyst)	$7.6 M
Provide leadership and services that advocate entry into growth markets	-- Provide information and electronic tools to gain access to the nation's fastest growing consumer segment (Emerging Minority Marketplace) -- Sponsor a major national event where minority businesses, corporations and policy makers can develop solutions to business problems (Minority Enterprise Development (MED) Week)	$1.5 M

Resource Requirements Summary

Total Bureau Dollars: $15.3 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
$14 M	$14.3 M	$15.3 M

Total FTEs: 72
Skill Requirements: Marketing, IT/Internet

FY 99 Actual	FY 00 Enacted	FY 01 Target
61	72	72

Strategies and Activities

Total Bureau IT Dollars: $1.2 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
$ 0.9 M	$ 0.9 M	$ 1.2 M

Crosscutting Issues

Intra-DOC

MBDA works with the *International Trade Administration (ITA)* to assure that minority-owned businesses are included in Department trade missions and other international trade opportunities and have access to the M&TA services of the Export Assistance Centers.
MBDA works with the *National Institute of Standards and Technology (NIST)* and the *National Oceanic and Atmospheric Administration (NOAA)* to include minority-owned businesses in programs involving new and emerging technology such as aquaculture and manufacturing technology and have access to M&TA services of the Manufacturing Extension Program Centers.
MBDA is working with *Census* to expand survey of minority-owned businesses annually and conduct research on the Emerging Minority Marketplace to provide market information about the fastest growing consumer segment.
MBDA is working with the *Economic Development Administration (EDA)* to move minority-owned businesses into its high technology business incubators.

Other Government Agencies

MBDA works with the *Small Business Administration* to assure that minority-owned small businesses benefit from its existing management and technical assistance services available to other businesses.
MBDA works with the *Export-Import Bank* to ensure that minority-owned businesses have access to export financing and export markets.
MBDA works with the *U.S. Agency for International Development* on referral of trade opportunities to ensure that minority businesses have access to export markets.

External Factors and Mitigation Strategies

- Emergence of the Digital Economy—Anecdotal evidence indicates that minority businesses are lagging in their adoption of e-commerce technologies. MBDA has adopted a “leadership by example” strategy of changing its own internal culture to adapting programs and service delivery to electronic technologies.

- Changing Demographics—Ninety percent of the net new growth in the U.S. population over the next 50 years will be in minority groups. This rapid change in demographics presents a lucrative consumer marketplace for minority firms. But they first must become aware of this change and adapt their business practices. MBDA has commissioned the Census Bureau to develop information about this marketplace and its purchasing power. New electronic online market research tools are being developed to bring this information to minority firms and it will be the focus of the year 2000 MED Week.

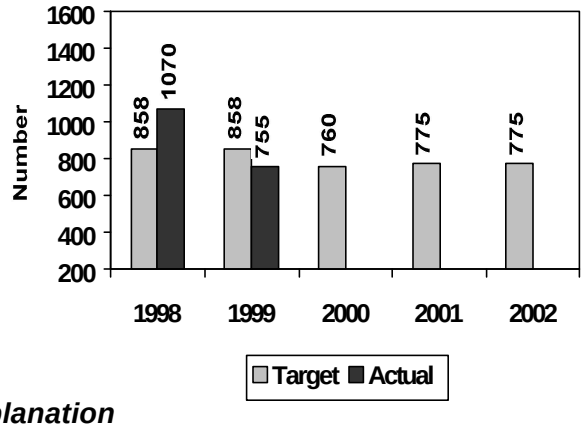
- New Business Practices—Corporate purchasing practices are undergoing a radical change that require minority suppliers to alter their strategies. Supply-chain management, ISO 9000, and business-to-business e-commerce demand that minority businesses also adopt e-commerce technology, be willing to partner with other firms and reengineer their processes. MBDA will use its advocacy powers to inform and convince minority firms of the need for these changes and provide access to the management and technical assistance resources of new strategic partners such as the Electronic Commerce Resource Centers and Manufacturing Extension Program Centers.

Performance Goal 2:
Improve Opportunities for Minority-Owned Business to Pursue Financing

Explanation of Performance Goal

Access to capital continues to be a major obstacle for minority-owned businesses to get started and grow. According to a policy brief dated February 1999 prepared by the Milken Institute on "Mainstreaming Minority Business," demand for capital in the minority community is estimated to be in excess of $144 billion per year, of which only $1.2 billion is currently being satisfied. The continued growth of the minority business sector and the minority community will result in skyrocketing capital demand over the next 20 years. Stakeholders interviews conducted by MBDA in 1997 further reflect these financing difficulties. MBDA is working to address these difficulties by collecting and assessing information about the financing needs of the minority business community; disseminating this information to financial institutions, policy-makers and the minority business community; exploring innovative strategies and instruments to increase capital flow to minority communities; and working in public/private partnerships.

Measure 2.a: Number of financial packages (loans)



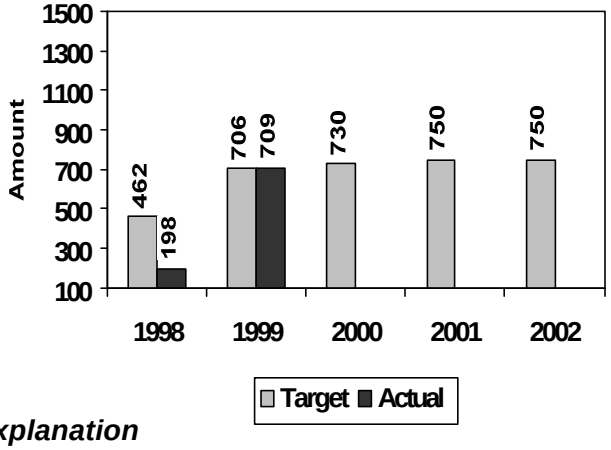
Data Validation and Verification:

Data collection: Direct secure (SSL) Extranet link from MBDA HQ to client service delivery sites.
Frequency: Collect real-time, report quarterly.
Data storage: The Performance Database Management System running on a clustered platform.
Verification: A 100% client verification survey.
Data limitations: Responsiveness to the client verification survey.
Actions to be taken: Follow up notices to unresponsive clients.

Explanation

The number of financial packages is an important measure because it shows how many of the minority-owned businesses assisted by MBDA were successful in getting access to financing to get started or to grow.

Measure 2.b: Dollar value of financial packages (loans)



Data Validation and Verification:

Data collection: Direct secure (SSL) Extranet link from MBDA HQ to client service delivery sites.
Frequency: Collect real-time, report quarterly.
Data storage: The Performance Database Management System running on a clustered (fail-over) SQL platform.
Verification: A 100% client verification survey
Data limitations: Responsiveness to the client verification survey.
Actions to be taken: Follow up notices to nonresponsive clients.

Explanation

The dollar value of financial packages is an important measure because it measures the volume of "start up" and expansion (or growth) finacing received by MBDA assisted minority-owned businesses.

Program Evaluation Efforts

Reports generated from MBDA's Performance Database Management System will be used for the program evaluation efforts. The report mechanism of this system is set to generate these reports daily, monthly, quarterly as well as annually. Client satisfaction with assistance, timeliness of responses and accuracy of information provided to businesses are key factors on which the program evaluation efforts will be based.

Strategies and Activities

Strategies	Activities	Budget Request
Increase access to capital for minority firms by providing electronic information and management and technical assistance to firms seeking capital	-- Create capital access website providing information on applying for financing. -- Provide personalized feedback to minority firms via MBDA's Business Development Centers and the Internet that will increase the likelihood of obtaining capital.	$6.5 M
Enhance the ability of minority firms to apply for debt capital by providing a streamlined, electronic application process.	-- Capital access website. -- Develop partnerships with national financial institutions (e.g. Money Store, Bank of America, First Union Bank, etc.) that focused on penetrating the minority business community.	$1.3 M
Educate the minority business community on the requirements of applying for capital, including necessary documentation, the importance of credit scoring, etc.	-- Capital access website. --Develop short brochure detailing how to apply for a business loan.	$1.3 M
Produce periodic reports on the capital needs of minority businesses and disseminate widely.	-- Produce study on the capital needs of minority businesses. -- Disseminate study to financial institutions, the policymaking community and minority businesses.	$2.6 M
Advocate for increased access to equity and debt capital with federal and state governments, financial institutions, and the minority business community.	-- Policy forum and ongoing meetings on innovative strategies to increase access to capital for minority businesses	$1.3 M

Resource Requirements Summary

Total Bureau Dollars: $13 Million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$13 M	$13 M	$13 M

Total FTEs: 72
Skill Requirements: Finance / Research

FY 99 Actual	FY 00 Enacted	FY 01 Request
41	48	48

Total Bureau IT Dollars: $0.8 Million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$0.6 M	$0.6 M	$0.8 M

Crosscutting Issues

Other Government Agencies

MBDA works regularly with the SBA in a variety of areas. These include: providing information about SBA loan guarantee programs to MBDA's clients and funded network (BDCs), in connection with the Department of Commerce's Capital Access Task Force and Minority Business Coordinating Council; developing President Clinton's New Markets program; and pilot securitizations of small and minority business loans in California. In addition, MBDA has collaborated with the National Economic Council, the Department of the Treasury, the Office of the Comptroller of the Currency, the Federal Reserve and the Department of Housing and Urban Development on the New Markets program and on the Department of Commerce's Capital Access Task Force. Finally, MBDA has worked closely with the California State Treasurer's office on the pilot securizations in California.

External Factors and Mitigation Strategies

Current Factor: The overall health of the economy and prevailing interest rates may influence the number and dollar value of financial packages that can obtained by all businesses, including minority-owned businesses.

Current Strategy: MBDA will make every effort to ensure that information on financing opportunities is made available to minority-owned businesses. MBDA will make extensive use of the Internet in doing this. Also, MBDA will promote and help set up strategic alliances and joint ventures to provide financing opportunities for minority-owned businesses.

National Oceanic and Atmospheric Administration

Mission Statement

The National Oceanic and Atmospheric Administration's mission is to describe and predict changes in the Earth's environment, and conserve and manage wisely the Nation's coastal and marine resources so as to ensure sustainable economic opportunities.

NOAA conducts research to develop new technologies, improve operations, and supply the scientific basis for managing natural resources and solving environmental problems. NOAA's comprehensive system for acquiring observations - from satellites to radar to ships and submersibles - provides the quality data and information needed for the safe conduct of daily life and the efficient pursuit of the complex activities of modern society. Common products and services include weather and climate warnings and forecasts, environmental technologies, marine fisheries statistics and regulations, nautical charts, assessments of environmental changes, and hazardous materials response information. These capabilities, products, and services support the domestic security and global competitiveness of the United States, and they affect the lives of nearly every citizen today.

NOAA's FY 2001 budget request provides the resources to maintain essential services, facilitate progress in key investment areas of national interest, and address statutory obligations. This proposed budget ensures an appropriate balance among the environmental assessment, prediction, and stewardship needs of the Nation. For FY 2001, NOAA requests $2.9 billion and approximately 12,600 FTE to manage natural resources and provide assessment and prediction of the Earth's environment. NOAA efforts are key components of the Department of Commerce strategic plan and will contribute significantly to achieving DOC's strategic goals.

The challenge of investing strategically in the Nation's future is accompanied by the requirement of effective agency management, to identify and realize opportunities for savings, and to focus on what matters to Americans. NOAA envisions a 21st century in which environmental stewardship, assessment, and prediction serve as keystones to enhancing economic prosperity and quality of life, better protection of lives and property, and strengthening of the U.S. balance of trade. This vision depends on NOAA actions that:

- Create and disseminate reliable assessments and predictions of weather, climate, space environment, ocean and living marine resources, nautical and geodetic phenomena and systems.
- Implement integrated approaches to environmental management and ocean and coastal resources development for economic and social health.
- Ensure continuous operational observing capabilities -- including buoys, satellites, ships, submersibles, and radars.
- Build and use new information networks, including investing in state-of-the-art computing capabilities.
- Develop public-private, interagency, and international partnerships for the expansion, transfer, and archiving of environmental knowledge.
- Invest in scientific research and the development of new technologies to improve current operations and prepare for the future.
- Improve NOAA's ability to serve its customers and forge stronger ties with its partners and stakeholders.

Priorities

Department-Wide

- *Natural Resources* - In support of this initiative, NOAA will work to reduce overfishing and overcapitalization of the Nation's fishery resources; better manage protected and threatened resources; protect coastal habitats from continued loss and degradation; conduct more research into the effects of climate changes on the oceans and atmosphere; and promote safe navigation.

- *Minority Serving Institutions* – NOAA contributes to the Department's priority to support Minority Serving Institutions (MSI) by proposing a $17 million increase in FY2001 to build capacity at MSIs. This initiative cuts across all of NOAA's strategic goals, and helps train students in sciences that serve NOAA's mission.

Bureau

- *Natural Disaster Reduction Initiative* - NOAA contributes to this initiative by providing weather and climate warnings and forecasts to the general public. The National Weather Service acquires and processes hyrdometeorological, ocean, and space-based observations, conducts weather and climate research, and maintains historical environmental data, and makes this information available to public and private concerns.

- *Lands Legacy* - The FY 2001 Budget provides resources to address the most serious challenges facing the Nation's coasts and oceans. This includes resources to enhance the twelve National Marine Sanctuaries which allows NOAA to fulfill its mission of marine resource protection and management. Also included are additional resources to maintain and protect our critical estuaries, as well as mapping and monitoring of fragile coral reefs. With additional funds in FY 2001, NOAA will also address the effects of polluted run-off in coastal areas, implement priority recommendations of the U.S. Coral Reef Task Force, enhance the recovery of threatened and endangered coastal salmon, and provide grants to coastal States involved in offshore oil and gas production. In addition, NOAA is a key player in the Administration's Clean Water and South Florida Ecosystem Restoration Initiatives.

- *Climate Observations and Services* – During recent years, there has been a growing demand from emergency managers, the private sector, the research community, decision-makers in the U.S. and international governmental agencies and the general public to provide timely data and information about climate variability, climate change and trends in extreme weather events. The economic and social need for continuous, reliable climate data and longer-range climate forecasts has been clearly demonstrated. This initiative will support transitioning our current research efforts and knowledge into operational systems and products. To do this, NOAA will focus its efforts to address key deficiencies in its observation and data management systems, implement new ocean observations, and develop a broad spectrum of new forecast products.

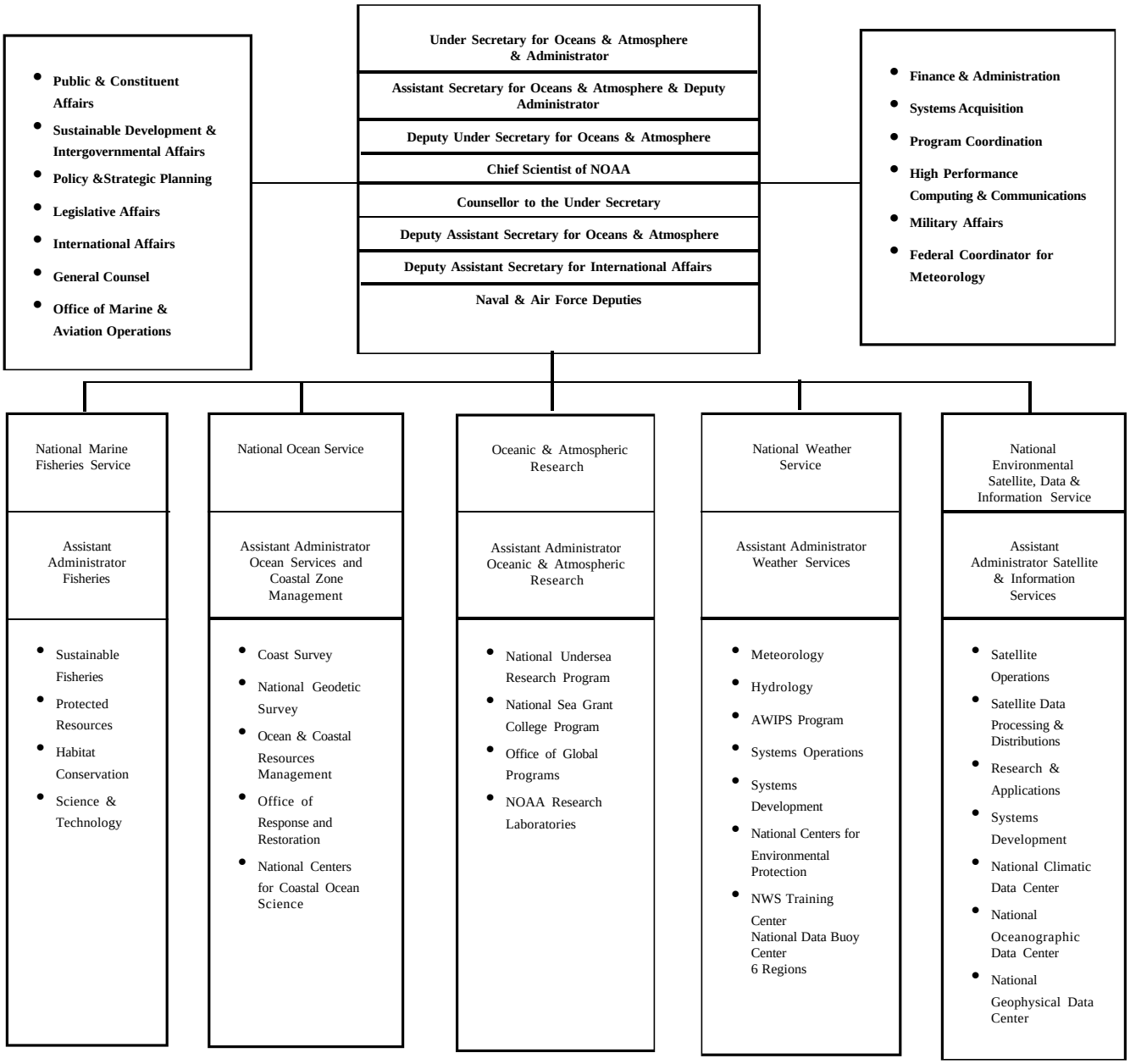
- *America's Ocean Future Initiative* - To implement the 1999 interagency report "Turning to the Sea: America's Ocean Future" NOAA's FY 2001 Budget Request continues to focus on necessary actions designed to explore, protect, and restore America's vital ocean resources. Highlighting the important role the ocean plays in the daily lives of all Americans, the Administration introduced measures to promote new scientific insight into the oceans, sustain use of fisheries and other marine resources, provide new opportunities for economic growth, and protect fragile coastal communities and ecosystems, such as coral reefs, from damage and environmental degradation.

NOAA Specific Management Challenges

For FY 1999 an IPA firm has reported that preliminary analysis indicates an unqualified opinion on all financial statements, no material weaknesses, four reportable conditions, and five management letter comments.

NOAA's progress indicates a commitment to preparing high-quality, reliable, and meaningful financial statements. Remaining fiscal internal controls and the production of recurring financial reports and statements can only be addressed with the replacement of NOAA's current financial system. To this end, NOAA is proceeding with the implementation of the Commerce Administrative Management System (CAMS).

Organizational Structure



Targets and Performance Summary

Highlights of NOAA's FY 2001 Performance Plan

To fulfill its mission, NOAA continues to develop new technologies, improve operations, and supply the scientific basis for managing natural resources and solving environmental problems. The FY 2001 request supports NOAA's role by providing resources to maintain essential service, facilitate progress in key investment areas of national interest, and address statutory obligations. This request ensures an appropriate balance among the environmental assessment, prediction and stewardship needs of the Nation.

Performance Goal 1: Advance Short-Term Warning and Forecast Services			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Increase lead time (minutes) and accuracy (%) for severe weather warnings for Tornadoes	12 min 70% accuracy	12 min 70% accuracy	13 min 70% accuracy
Decrease false alarm rate (FAR) (%) for severe weather warnings for Tornadoes	72% FAR	65% FAR	59% FAR
Increase lead time (minutes) and accuracy (%) for severe weather warnings for Flash Floods	41 min 83% accuracy	55 min 86% accuracy	57 min 86% accuracy
Increase lead time (hours) of warnings for Hurricanes	23 hours	20 hours	21 hours
Increase accuracy (%) of 3-day forecast of precipitation	N/A	20%	22%
Increase lead time (hours) and accuracy (%) of warnings for Winter Storms	11 hours 85%	12 hours 85%	13 hours 86%
Increase accuracy (%) and decrease false alarm rate (%) of forecasts of ceiling and visibility (Aviation Forecasts)	19% 52%	20% 50%	21% 46%
Increase accuracy (%) of forecast for winds and waves (Marine Forecasts)	50%	51%	53%

Performance Goal 2: Implement Seasonal to Interannual Climate Forecasts			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
ENSO Forecasts - Accuracy (correlation)	.85	.85	.85
U.S. temperature - skill score	24	20	20
New and improved data sets developed and produced (cumulative per year)	6	6	6
Global Ocean-Atmosphere-Land System (GOALS) experiments implemented (%)	20%	25%	25%

Targets and Performance Summary

Performance Goal 3: Predict and Assess Decadal to Centennial Change			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Document the "turnover" of CFC source gases in order to verify the effectiveness of global policy action	1	N/A	N/A
Publish updated trend results of air quality measurements	1	N/A	1
Lead development of a peer reviewed initial assessment of regional ozone in North America, including summarizing results for customers	1	N/A	N/A
Results of 90% of the research activities cited in the 2001 IPCC third Assessment of Climate Change	N/A	N/A	90% cited

Performance Goal 4: Promote Save Navigation			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Percent critical area survey backlog reduced (43,000 SNM backlog) cumulative reduction	20.7%	24.3%	27.8%
Percent of National Spatial Reference System (cumulative complete)	59%	64%	72%

Performance Goal 5: Build Sustainable Fisheries			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Percent of fish stocks assessed of 201 identified	79%	N/A	N/A
Number of Fishery Management Plans with controlled access implemented	27	N/A	N/A
By 2005, 25% fewer overfished fisheries (currently 86 of 279 stocks are overfished.)	N/A	-8%	1%
By 2005, 60% of stocks have sufficient essential fish habitat	N/A	10%	40%
By 2005, 9% increase in employment in non-capture fishing and other sectors in fishing communities	N/A	1%	3%
By 2005, 17% increase in economic contribution of aquaculture to Gross Domestic Product (GDP)	N/A	2%	4%

Performance Goal 6: Recover Protected Species			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of recovery plans/conservation plans developed	24	27	N/A
Number of species with population status improved	15	16	N/A
Number of annual investigations of mortality of protected species	10	15	N/A
BY 2005, reduce the probability of extinction of 5 threatened species/ESUs out of 23 threatened species/ESUs (cumulative)	N/A	N/A	0
BY FY 2005 mortality of strategic marine mammal stocks incidental to commercial fishing operations in six fisheries will be at insignificant levels (annual)	N/A	N/A	6
BY 2005, reduce the probability of extinction of 8 endangered species/Endangered Species Units (ESUs) (cumulative)	N/A	N/A	0

Performance Goal 7: Sustain Healthy Coasts			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number acres of coastal habitat restored (cumulative)	43,000	55,000	70,000
Number of U.S. coastal regions with reduced introductions and impacts of non-indigenous species (total of 6 regions)	0	1	2
Percent of U.S. shoreline and inland areas with improved ability to identify extent and severity of coastal hazards	5%	14%	18%

Resource Requirements Summary

Total Dollars: $2.9 Billion

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Advance Short-Term Warning and Forecast Services	$1,351.0M	$1,261.0M	$1,364.5M
Implement Seasonal to Interannual Climate Forecasts	$105.4M	$121.2M	$129.5M
Predict and Assess Decadal to Centennial Change	$117.1M	$95.4M	$114.2M
Promote Safe Navigation	$155.5M	$104.6M	$109.5M
Build Sustainable Fisheries	$684.0M	$441.6M	$435.4M
Recover Protected Species	$85.4M	$154.6M	$278.3M
Sustain Healthy Coasts	$270.1M	$274.6M	$483.6M

Total FTEs: 12,600
Skill Summary: Meteorologists, Hydrologists, Engineers, Oceanographers, Physical Scientists, Atmospheric Scientists, Computer Specialists, Chemists, Physicists, Mathematicians, Cartographers, Fishery Biologists, Fishery Economists, Ecologists, Marine Ecologists, Toxicologists

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Advance Short-Term Warning and Forecast Services	6,351	6,145	6,178
Implement Seasonal to Interannual Climate Forecasts	549	561	563
Predict and Assess Decadal to Centennial Change	485	486	508
Promote Safe Navigation	878	878	868
Build Sustainable Fisheries	2,330	2,460	2,479
Recover Protected Species	575	682	712
Sustain Healthy Coasts	890	867	912

Resource Requirements Summary (cont.)

Total IT Dollars: 277.0 Million
IT Requirements: Advanced Weather Interactive Processing System (AWIPS), Next Generation Weather Radar (NEXRAD) System, Geostationary Operational Environmental Satellites (GOES) Ground System, Geophysical Fluid Dynamics Laboratory (GFDL), National Marine Fisheries Service Fishing Information Technology System, Climate Prediction Center Climate Computer

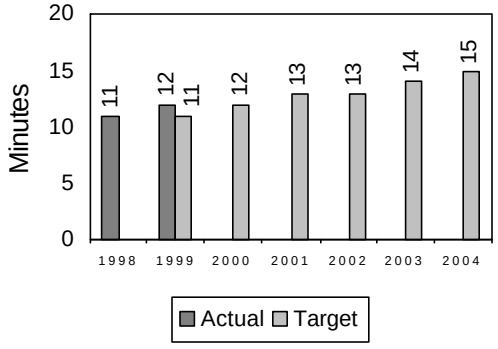
Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Advance Short-Term Warning and Forecast Services	$161.0M	$182.8M	$107.0M
Implement Seasonal to Interannual Climate Forecasts	$20.4M	$16.7M	$27.8M
Predict and Assess Decadal to Centennial Change	$9.6M	$5.0M	$7.3M
Promote Safe Navigation	$3.9M	$3.2M	$3.7M
Build Sustainable Fisheries	$24.5M	$24.0M	$33.0M
Recover Protected Species	$24.5M	$24.0M	$33.0M
Sustain Healthy Coasts	N/A	N/A	N/A

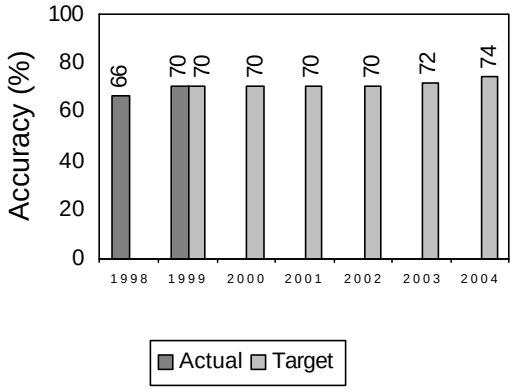
Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Rationale for Performance Goal

The environment has profound effects on human welfare and economic well-being. Significantly improved short-term warning and forecast products and services enhance public safety, through the protection of life and property, and the economic productivity of the Nation. They also enhance NOAA's ability to observe, understand, and model the environment, and effectively disseminate products and services to users.

Measure 1.a:
Increase lead time (minutes) and accuracy (%) for severe weather warnings for Tornadoes





Data Validation and Verification:

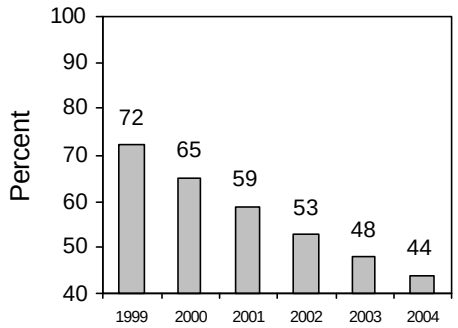
Data collection: National Weather Service (NWS) Field Offices
Frequency: Monthly
Data storage: National Weather Service Headquarters (NWSH), Office of Meteorology (OM), Silver Spring, MD
Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of warnings from every NWS office across the Nation. Warnings are received real-time and stored as files on an Office of Systems Operations (OSO) server at NWSH. OM accesses the OSO server to retrieve the warnings and parse the data into a relational database. OM transmits weekly reports of the warning information to each NWS office where they are quality controlled for correctness. Each NWS office transmits to OM monthly reports of severe weather events using a computer application program designed specifically for that purpose. The severe weather event program includes extensive quality control checks to ensure the highest possible reliability of each report. The data in each report is parsed into the relational data base that also contains the severe weather warnings. The warnings and events are matched and appropriate statistics are calculated and made available to all echelons of the NWS.
Data limitations: There are limitations of scientific verification in assessing data. The fundamental purpose of scientific verification is to objectively assess program performance through the use of standard statistical analysis. However, a number of factors unique to the atmospheric sciences must be considered to ensure proper interpretation of objectively derived statistics. The primary factor to consider is the natural variation of this performance measure related to annual fluctuations in meteorological conditions associated with severe weather. Outyear measures are dependent on a stable funding profile and take into account improved use of the Weather Surveillance Radar (WSR-88D), new satellites, improved forecast models, new and continued U.S. Weather Research Program (USWRP) research activities, investments in critical observing systems, and continued support of the Advanced Weather Interactive Processing System (AWIPS).
Actions to be taken: Data collection and verification will continue and false alarm rates will be reported in future years. Forecaster accessibility to this data will be enhanced.

Explanation

The lead time for a tornado warning is the difference between the time the warning was issued and the time the tornado affected the area for which the warning was issued. The lead times for all tornado occurrences throughout the year are averaged to get this statistic. The accuracy of the warnings is the percentage of times a tornado actually occurred in an area that was already covered by a warning.

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Measure 1.b:
Decrease false alarm rate (FAR) (%) for severe weather warnings for Tornadoes



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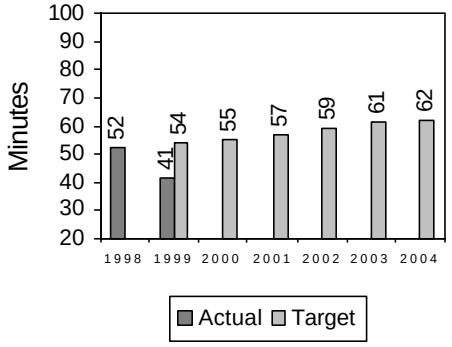
Actions to be taken: Data collection and verification will continue and false alarm rates will be reported in future years. Forecaster accessibility to this data will be enhanced.

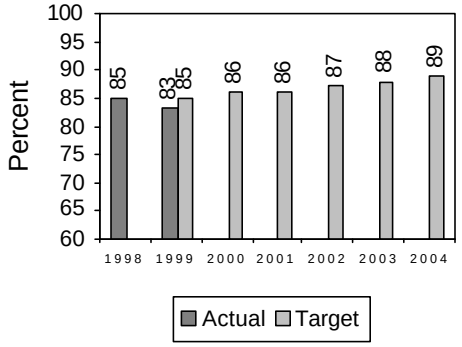
Explanation

The false alarm rate is the percentage of all warnings that are incorrect, such as a tornado warning that was issued for a particular area, but a tornado did not occur.

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Measure 1.c:
Increase lead time (minutes) and accuracy (%) for severe weather warnings for Flash Floods





Data Validation and Verification:

Data collection: National Weather Service (NWS) Field Offices
Frequency: Monthly
Data storage: National Weather Service Headquarters (NWSH), Office of Meteorology (OM), Silver Spring, MD
Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of warnings from every NWS office across the Nation. Warnings are received real-time and stored as files on an Office of Systems Operations (OSO) server at NWSH. OM accesses the OSO server to retrieve the warnings and parse the data into a relational database. OM transmits weekly reports of the warning information to each NWS office where they are quality controlled for correctness. Each NWS office transmits to OM monthly reports of severe weather events using a computer application program designed specifically for that purpose. The severe weather event program includes extensive quality control checks to ensure the highest possible reliability of each report. The data in each report is parsed into the relational data base that also contains the severe weather warnings. The warnings and events are matched and appropriate statistics are calculated and made available to all echelons of the NWS.
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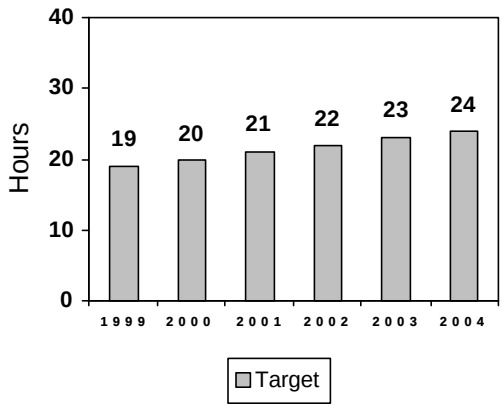
Actions to be taken: Data collection and verification will continue and new performance measures will be reported in future years. Forecaster accessibility to this data will be enhanced.

Explanation

The lead time for a flash flood warning is the difference between the time the warning was issued and the time the flash flood affected the area for which the warning was issued. The lead times for all flash flood occurrences throughout the year are averaged to get this statistic. The accuracy of the warnings is the percentage of times a flash flood actually occurred in an area that was already covered by a warning.

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Measure 1.d:
Increase lead time (hours) of warnings for Hurricanes



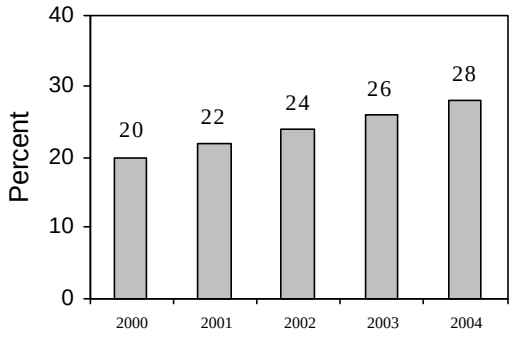
Data Validation and Verification:

Data collection: National Hurricane Center (NHC)
Frequency: Annual
Data storage: NHC/Tropical Prediction Center, Miami, FL
Verification: Hurricane storm verification is performed for hurricanes, tropical storms, and tropical depressions and considered whether over land or water. The NHC issues warning when hurricane conditions are expected along the coast within 24 hours. The location and timing of these warnings are based upon a number of factors, including the official NHC track forecast. The average lead times for hurricane warnings in the Atlantic basin are calculated at the end of each hurricane season.
Data limitations: There is large variability in the hurricane warning program due to sample sizes and types of storms each year. There may be years with unusually easy or difficult forecasts. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.
Actions to be taken: Data collection and verification will continue and accuracy of lead time will be reported.

Explanation

A hurricane warning is issued when hurricane force winds are predicted to affect a portion of the U.S. coastline. The lead time is critical for the evacuation of vulnerable areas

Measure 1.e:
Increase accuracy (%) of 3-day forecast of precipitation



Data Validation and Verification:

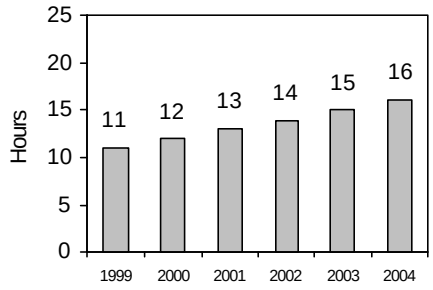
Data collection: Hydrometeorological Prediction Center (HPC)
Frequency: Annual
Data storage: World Weather Building, Camp Springs, MD
Verification: HPC has produced the Quantitative Precipitation Forecast (QPF) since the early 1960s and has kept verification statistics related to the QPF program since that time. All data is examined for accuracy and quality control procedures are applied.
Data limitations: The NWS routinely prepares and distributes to internal and external customers predictions of heavy rainfall. The HPC has the responsibility to prepare both graphical and text products depicting the areas threatened by heavy precipitation in the contiguous United States. There will be a significant amount of variability and the improvements may not be achieved exactly as predicted. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.
Actions to be taken: Data collection and verification will continue. Forecaster accessibility to this data will be enhanced.

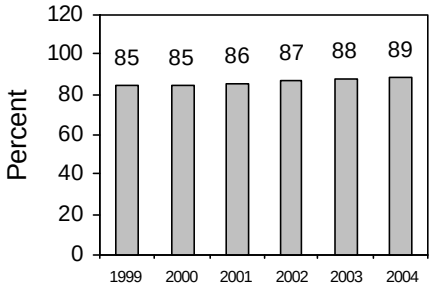
Explanation

The accuracy of a forecast of precipitation issued 3 days in advance.

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Measure 1.f:
Increase lead time (hours) and accuracy (%) of warnings for Winter Storms





Data Validation and Verification:

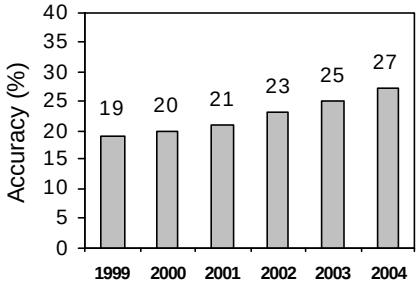
Data collection: National Weather Service (NWS) Field Offices
Frequency: Daily
Data storage: National Weather Service Headquarters (NWSH), Office of Meteorology, Silver Spring, MD
Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of forecasts and observational from each NWS office across the Nation. The quality controlled, collated data are transmitted to the National Centers for Environmental Prediction in Camp Springs, MD where it is stored as computer files. The data files are retrieved by the NWSH, Office of System Development (OSD). Following additional quality control the data are stored on an OSD workstation and used to generate semi-annual statistics on forecast accuracy.
Data Limitations: Documentation for heavy snowfall is printed annually. Due to the relatively few number of cases each year, the projections assume a 3-year average (current plus 2 previous years equally weighted). Due to the large volume of data gathered and computed, a document for the above cannot be finalized until well into the following fiscal year. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and continued support of AWIPS.
Actions to be taken: Data collection and verification will continue. Forecaster accessibility to this data will be enhanced.

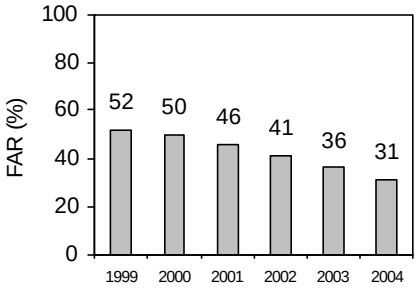
Explanation

A winter storm warning is issued when 4 or more inches of snow or sleet is expected in the next 12 hours, or 6 or more inches in 24 hours, or 1/4 inch or more of ice accretion is expected.

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Measure 1.g:
Increase accuracy (%) and decrease false alarm rate (%) of forecasts of ceiling and visibility (Aviation Forecasts)





Data Validation and Verification:

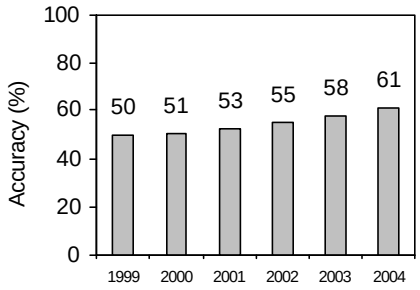
Data collection: National Weather Service (NWS) Field Offices
Frequency: Daily
Data storage: National Weather Service Headquarters (NWSH), Office of Meteorology, Silver Spring, MD
Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of forecasts and observational from each NWS office across the Nation. The quality controlled, collated data are transmitted to the National Centers for Environmental Prediction in Camp Springs, MD where it is stored as computer files. The data files are retrieved by the NWSH, Office of System Development (OSD). Following additional quality control the data are stored on an OSD workstation and used to generate semi-annual statistics on forecast accuracy.
Data limitations: Documentation for temperature verification is printed annually. Due to the large volume of data gathered and computed, documentation for the above cannot be finalized until well into the following fiscal year. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and implementation of AWIPS.
Actions to be taken: Data collection and verification will continue. Forecaster accessibility to this data will be enhanced.

Explanation

Visibility and cloud ceiling forecasts are critical for aircraft operations.

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Measure 1.h:
Increase accuracy (%) of forecast for winds and waves (Marine Forecasts)



Data Validation and Verification:

Data collection: National Weather Service (NWS) Field Offices
Frequency: Daily
Data storage: National Weather Service, National Centers for Environmental Prediction (NCEP), Ocean Modeling Branch (OMB), Camp Springs, MD
Verification: Verification is the process of comparing the predicted weather to the actual event. The process begins with the collection of forecasts and observational from each NWS office across the Nation. The quality controlled, collated data are transmitted to the National Centers for Environmental Prediction in Camp Springs, MD where it is stored as computer files. The data files are retrieved by the NWS, NCEP, OMB. Following additional quality control the data used to generate quarterly statistics on forecast accuracy.
Data Limitations: Documentation for temperature verification is printed annually. Due to the large volume of data gathered and computed, documentation for the above cannot be finalized until well into the following fiscal year. Outyear measures are dependent on a stable funding profile and take into account improved use of the WSR-88D, new satellites, improved forecast models, new and continued research activities of the USWRP, investments in critical observing systems, and implementation of AWIPS.
Actions to be taken: Current data collection and verification will continue and national data collection and verification will be added for forecasts for the Great Lakes. Forecaster accessibility to this data will be enhanced.

Explanation

Wind speeds and waves heights are critical for the safe operations of ships and boats.

Program Evaluation Efforts

- Program evaluations at NWS field offices are conducted annually.
- Quality control procedures are also followed to ensure the highest possible reliability of gathered data and weather products.
- The National Academy of Sciences is also involved in program analysis and evaluation processes on a national level.

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Strategies and Activities

Strategies	Activities	Budget Request
Sustain modernized weather service operations.	Increase understanding of the environment through research and investments in new technologies to provide to provide more accurate and timely weather warnings and forecasts required by the Nation.	$743.2M
Maintain continuous operational satellite coverage critical for warnings and forecasts.	Position satellites over the United States to provide uniform coverage with visible and infrared (day and night) imagery. Combine satellite coverage with data from other systems to form a complete set of information about the space from the Earth's surface to the upper atmosphere.	$500.8M
Strengthen observing and prediction systems.	Improve observing systems, develop better understanding of natural processes, and enhance predictive models and dissemination systems through scientific, technological and programmatic advances, and international cooperation.	$62.0M
Improve customer service to the public, emergency managers, the media, and private forecasters.	Utilize telecommunications systems to ensure effective dissemination to the users of weather forecasts, warnings, and other products. Expand external outreach activities to ensure customers can effectively use NOAA's products.	$13.6M

Resource Requirements

Total Dollars: $1.4 billion

FY 99 Actual	FY 00 Enacted	FY 01 Request
$1,350,923	$1,261,027	$1,364,520

Total FTE: 6,178
Skill Summary: Meteorologists, Hydrologists, Electronic Technicians, Hydrometeorological Technicians, Engineers, Oceanographers

FY 99 Actual	FY 00 Enacted	FY 01 Request
6351	6145	6178

Performance Goal 1:
Advance Short-Term Warnings and Forecasts

Resource Requirements

Total IT Dollars: 107.2 million
IT Requirements: Advanced Weather Interactive Processing System:, Next Generation Weather Radar (NEXRAD) System, Geostationary Operational Environmental Satellites (GOES) Ground System, Automated Surface Observing System (ASOS).

FY 99 Actual	FY 00 Enacted	FY 01 Request
$160.9M	$182.9M	$107.2M

Cross-Cutting Issues

Intra-DOC
NOAA works closely with *NIST* and *EDA*, and other agencies such as FEMA, the Corps of Engineers, the Bureau of Reclamation, and others as well as State and local governments to participate in the Federal Natural Disaster Reduction initiative which is focused on reducing the costs of natural disasters and saving lives through improved warnings and forecasts and the provision of information to improve resiliency to disaster.

Other Government Agencies
Weather and climate services are provided to the public and industry through a unique partnership between NOAA and the private meteorological sector. NOAA provides forecasts and warnings for public safety, and the private sector promotes dissemination of forecasts and the tailoring of basic information for business uses.

NOAA works very closely with DoD, especially the Air Force, to complement DoD meteorological services in the interest of national security. NOAA works closely with the U.S. Coast Guard for the dissemination of marine weather warnings and forecasts. NOAA also works directly with FAA on aviation forecasts and with NASA on launch forecasts and solar forecast effects.

External Factors and Mitigation Strategies

A number of factors unique to the atmospheric sciences must be considered when reviewing the performance measures for this goal. The primary factor to consider is the natural variation of this goal related to annual fluctuations in meteorological conditions associated with severe weather. Another factor is that damage to critical equipment (e.g. supercomputer fire, satellite outage) can impact daily operations for extended periods, even though numerous safety measures and back-up procedures are in place.

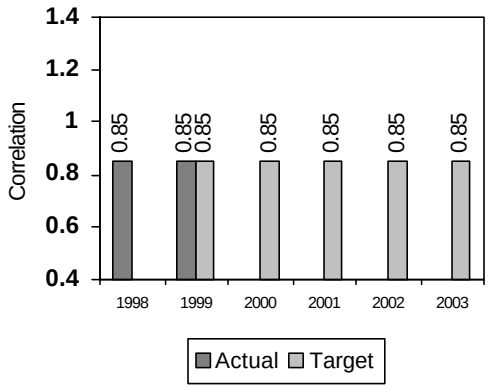
Although the performance measure under this goal may improve, the impact on society may not be obvious due to factors beyond our control. For example, the hurricane warnings may become more accurate, but because of the increase in population along the coastlines, the deaths, injuries, and/or damage estimates may increase.

Performance Goal 2:
Implement Seasonal to Interannual Climate Forecasts

Rationale for Performance Goal

NOAA works with academic and international partners to provide one-year lead-time forecasts of global climate variability, especially El Niño, and consequent precipitation and surface temperature distributions. These forecasts increase society's ability to mitigate economic losses and social disruption from such events.

Measure 2.a:
ENSO (El Niño/Southern Oscillation) Forecasts - Accuracy (correlation)



Data Validation and Verification:

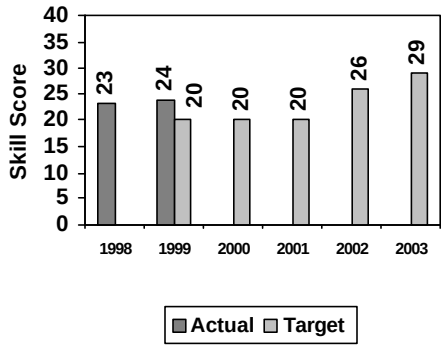
Data collection: Forecasts of sea surface temperature in a portion of the Pacific Ocean, and observations from buoys, ships, and satellites.
Frequency: Annual
Data storage: National Weather Service's National Centers for Environmental Prediction, Camp Springs, MD
Verification: NOAA quality controls the incoming data (e.g., error checking, interstation comparison), and the satellite data can be compared with the in situ data to help validate the data accuracy.
Data limitations: This measure assesses the correlation between forecasts of sea surface temperature (based on models) and actual sea surface temperature (based on satellite and in situ observations). Improvements in forecasting ability depend upon improved observations, models, and research. Forecasts will likely be better in El Niño years than in non-El Niño years.
Actions to be taken: Efforts will be undertaken to determine the limits in predictability of the atmosphere induced by tropical Pacific sea surface temperature changes, to diagnose and model the global response to warm, cold and neutral states of the ENSO cycle, and to examine the changes in probabilities of extreme events induced by ENSO.

Explanation

The 1997-1998 El Niño was the best monitored and most successfully predicted El Niño on record. NOAA provided advance forecast of El Niño impacts, leading to great savings to a variety of economic sectors. ENSO forecasts require a variety of data, such as ocean observations, remote satellite-based observations, and terrestrial measurements. This program is the only U.S. Federal effort aimed at providing forecasts of climate events and their consequent impacts

Performance Goal 2:
Implement Seasonal to Interannual Climate Forecasts

Measure 2.b:
U. S. temperature - skill score



Data Validation and Verification:

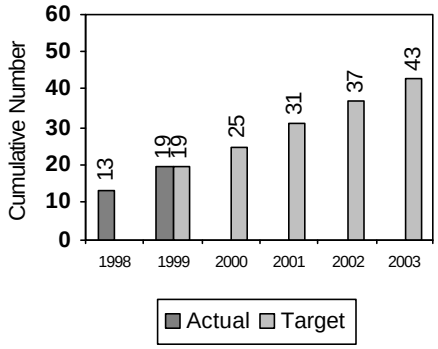
Data collection: Forecast data, observations from U.S. Weather Forecast Offices (WFO) and from a cooperative network maintained by volunteers across the Nation..
Frequency: Annual
Data storage: National Weather Service's National Centers for Environmental Prediction, Camp Springs, MD
Verification: NOAA performs quality assurance analysis of the data (e.g., error checking, elimination of duplicates, interstation comparison) both at the national and WFO level.
Data limitations: For those areas of the United States where a temperature forecast (i.e., warmer than normal, cooler than normal, normal) is made, this score measures how much better the prediction is than the random chance of being correct. Skill score is based on a scale of -50 to +100. If forecasters match what would be predicted by random chance, the skill score is 0. Anything above 0 shows positive skill in forecasting. Given the difficulty of making advance temperature and precipitation forecasts for specific locations, a skill score of 20 is considered quite good and means the forecast was correct in almost 50 percent of the locations forecasted. Forecasts will likely be better in El Niño years than in non-El Niño years.
Actions to be taken: Temperatures across the U.S. will be measured using NOAA's cooperative network maintained by volunteers across the Nation. Temperature data will be collected and analyzed by NOAA.

Explanation

Accurate measures of temperature are critical to many sectors of the national economy, including agriculture and energy utilities. This measure compares actual observed temperatures with those forecasted from areas all across the country.

Performance Goal 2:
Implement Seasonal to Interannual Climate Forecasts

Measure 2.c:
New and improved data sets developed and produced (cumulative per year)



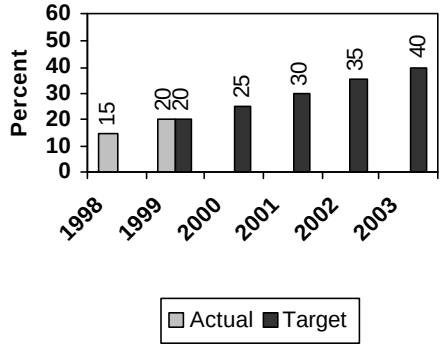
Data Validation and Verification:

Data collection: Satellite data sets from NOAA and Department of Defense environmental satellites, and in *situ* data sets worldwide from ships, buoys, aircraft, radiosondes.
Frequency: Annual
Data storage: National Environmental Satellite, Data, and Information Service's National Climatic Data Center in Asheville, NC, and Office of Satellite Data Processing and Distribution in Suitland, MD
Verification: NOAA performs quality control, including error checking, elimination of duplicates, and interstation comparison. In addition, for the satellite data, NOAA itself does the data processing
Data limitations: In the future, the National Oceanographic Data Center and the National Geophysical Data Center may also contribute to this performance measure, if funding levels permit. Compilation of the in situ data sets, particularly the global data sets, relies on continued international data exchange cooperation.
Actions to be taken: NOAA will meet the growing demand for environmental data to a rapidly expanding user base by first addressing base erosion created by inflationary increases. This measure tracks NOAA's success in providing data to a diverse user community.

Explanation

NOAA collects in *situ* as well as satellite data over the oceans and land. The data are quality controlled and archived by NOAA. The data sets are used to calibrate, initialize, and verify forecasting models run by computers. In addition, these databases are valuable in that they help in monitoring the current climate, as well as in better understanding historical climate variability.

Measure 2.d:
Global Ocean-Atmosphere-Land System (GOALS) experiments implemented (%)



Data Validation and Verification:

Data collection: Progress reports
Frequency: Annual
Data storage: NOAA Office of Global Programs, Silver Spring, MD
Verification: Progress is reported to NOAA management at Quarterly Reviews.
Data limitations: The Global Ocean-Atmosphere-Land System Program has been formulated to continue improvements in the prediction of ENSO, extend our understanding and predictive capability to include global seasonal-to-interannual climate variations, and develop the observational and computational means for predicting these variations. Should the program be prolonged due to, for example, unexpected research findings or fiscal constraints, the program could be extended and the percentage of the program completed could stall.
Actions to be taken: The GOALS program lifetime is 1995-2010. At its conclusion, the program's measure of success will be our increased understanding of global climate variability and predictability on seasonal-to-interannual time scales. In order to achieve the objectives of GOALS, the program has four major elements: a) modeling, b) observations, c) empirical studies, and d) process studies.

Explanation

The Global Ocean-Atmosphere-Land System (GOALS) program builds upon the successful El Niño research of the recently completed Tropical Ocean-Global Atmosphere (TOGA) program. While TOGA made possible our ability to forecast El Niño up to a year in advance with useful skill, the forecasts are limited in that they focus on the evolution of the tropical Pacific and its related climate impacts. GOALS is designed to continue research necessary for continuous improvements of El Niño predictions and to extend predictability of climate fluctuations beyond the tropical Pacific to include the effects of the other tropical oceans, higher latitude oceans, and land surface processes on seasonal-to-interannual climate variability, particularly at higher latitudes. For more information on GOALS, please visit the following website: http://www.ogp.noaa.gov/MPE/GOALS/goals.html

Performance Goal 2: Implement Seasonal to Interannual Climate Forecasts

Program Evaluation Efforts

A number of NOAA line offices participate in the seasonal-to-interannual performance goal. The Office of Oceanic and Atmospheric Research (OAR) conducts periodic reviews of the activities of its Environmental Research Laboratories. The NESDIS holds management performance reviews several times each year. The NWS conducts reviews of the National Centers for Environmental Prediction (NCEP). Programs are also evaluated by the National Science Foundation and the National Research Council. NOAA also holds annual constituent workshops at which NOAA's seasonal climate forecast efforts are discussed with the community of seasonal-to-interannual climate forecast users and input is solicited to shape future efforts.

Strategies and Activities

Strategies	Activities	Budget Request
Improve our ability to forecast seasonal climate variability, including temperature and precipitation, to provide significant socio-economic benefits to the United States, including the protection of life and property.	Implement climate prediction systems to deliver useful seasonal-to-interannual climate forecasts for the U.S. and collaborate in a multi-national effort to generate and use similar forecasts.	$19.5M
Analyze, distribute, and save information from climate observations and data systems to further build our research and forecasting efforts.	Enhance global observing and data systems required to provide data for the initialization and validation of model predictions of seasonal-to-interannual climate variations.	$71.6M
Emphasize research to improve our understanding of El Niño and other modes of climate variability, and improve models and accuracy of predictions with longer lead times.	Invest in process and modeling research that leads to improved predictability of temperature and rainfall distributions.	$29.9M
Foster discussion and assessments with various user communities to ensure that they understand and benefit from our climate forecasts; solicit user input to generate more useful forecasts.	Assess the impacts of climate variability on human activity and economic potential, and improve public education so that climate forecasts are understood and acted upon.	$0.4M

Resource Requirements

Total Dollars: $129.5 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$109.2 M	$121.2 M	$129.5 M

Total FTE: 563
Skill Requirements: Meteorologists, Oceanographers, Physical Scientists, Atmospheric Scientists, Computer Specialists

FY 99 Actual	FY 00 Enacted	FY 01 Request
549	561	563

Total IT Dollars: $27.8 million
IT Requirements: Satellite Active Archive: $1.5M, NOAA Virtual Data System: $2.5M, National Environmental Data Archive & Access System $4.0M, Climate Prediction Centers Climate Computer

FY 99 Actual	FY 00 Enacted	FY 01 Request
$20.4M	$16.7M	$27.8M

Performance Goal 2:
Implement Seasonal to Interannual Climate Forecasts

Cross-Cutting Activities

Other Government Agencies

NOAA works with a wide variety of partners in the area of climate forecasts, including other Federal agencies (e.g., the Federal Emergency Management Agency (FEMA) and the Agency for International Development), State and local agencies (e.g., State departments of environmental protection and emergency preparedness managers), academia, foreign government agencies, and international organizations. In preparing for the 1997-1998 El Niño, NOAA worked closely with FEMA and State and local officials, greatly improving the public preparedness for the severe weather resulting from El Niño.

External Factors and Mitigation Strategies

- A major failure of the earth observing and computing infrastructure would impair NOAA's ability to produce seasonal-to-interannual forecasts. NOAA has been looking for backup outside the organization. For example, the Department of the Navy provides backup to the National Centers for Environmental Prediction mainframe computer.

- An unanticipated major increase of the customer base for climate related products may strain NOAA resources. In such event, NOAA would prioritize its activities to meet the immediate increase in demand, while it looks for alternative ways to meet the needs of all its customers.

Performance Goal 3:
Predict and Assess Decadal to Centennial Change

Rationale for Performance Goal

Policymakers require, and NOAA and its partners provide, science-based information for decisions regarding decadal to centennial changes in the global environment, specifically for climate change and greenhouse warming; ozone layer depletion; and air quality improvement.

Measure 3.a:
Document the "turnover" of CFC source gases (whose atmospheric abundance is expected to begin decreasing in 1998) to verify the effectiveness of global policy actions

Documents on Turnover				
1998	**1999**	**2000**	**2001**	**2002**
N/A	1	N/A	N/A	1

Data Validation and Verification:

Data collection: Research from NOAA/OAR/ERL/ Aeronomy Laboratory
Frequency: Aperiodic (approximately every 3-5 years)
Data storage: NOAA Aeronomy Laboratory, Boulder, CO
Verification: Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the publication process.
Data limitations: Turnover of gases refers to the increase and decrease of specific gases in the atmosphere over time. Five years is the period generally used to expect reasonable progress in a field such that a new assessment or report could be justified. Those products take 2 ½ to 3 years to produce. The scientific assessments of the state of our understanding of the stratospheric ozone depletion are sponsored by NOAA, the National Aeronautics and Space Administration, the United Nations Environmental Program, and the World Meteorological Organization. They are undertaken every three to five years based on advancements in the science. The fourth assessment was published in 1999. The fifth is underway at this time.
Actions to be taken: Collect information and produce reports for peer-reviewed publication.

Explanation

Chlorofluorocarbons (CFCs) are man-made pollutants that react with the natural environment of the upper atmosphere and cause damage to the earth's protective ozone layer. Worldwide concern over the depletion of the ozone layer forced global policies that restrict CFC production. Policy makers rely on the community of atmospheric scientists to document if new regulations are decreasing CFCs and restoring the earth's ozone layer.

Performance Goal 3:
Predict and Assess Decadal to Centennial Change

Measure 3.b:
Publish updated trend results of air quality measurements

Number of Publications				
1998	**1999**	**2000**	**2001**	**2002**
N/A	1	N/A	1	N/A

Data Validation and Verification:

Data collection: Research from NOAA/OAR/ERL/ Aeronomy Laboratory
Frequency: Biennial
Data storage: NOAA/Air Resources Laboratory, Silver Spring, MD
Verification: Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the scientific publication process.
Data limitations: Five years is the period generally used to expect reasonable progress in a field such that a new assessment or report could be justified. Those products take two and a half to three years to produce
Actions to be taken: Collect information and produce reports for peer-reviewed publication.

Explanation:

NOAA's mission includes the responsibility to publish scientific findings in the peer-reviewed science literature and to communicate results to the public. This performance measure indicates how well long-term climate findings are being reported to a growing community of climate scientists and to an increasingly concerned public constituency.

Measure 3.c:
Lead development of a peer-reviewed initial assessment of regional ozone in North America, including summarizing results for customers

Number of Publications				
1998	**1999**	**2000**	**2001**	**2002**
N/A	1	N/A	N/A	1

Data Validation and Verification:

Data collection: Research from NOAA/OAR/ERL/ Aeronomy Laboratory
Frequency: Aperiodic (approximately every 3-5 years)
Data storage: Research from NOAA/Aeronomy Laboratory, Boulder, CO
Verification: Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the publication process.
Data limitations: Five years is the period generally used to expect reasonable progress in a field such that a new assessment or report could be justified. Those products take two and a half to three years to produce. The assessments conducted under the North American Research Strategy for Tropospheric Ozone are conducted on a three to five year interval determined by the scientific advancements that have occurred and the perceived requirements for updates to Congress, the Office of Science and Technology Policy, and the interagency Committee on Environment and Natural Resources. The chart above represents the present assessment schedule.
Actions to be taken: Collect data and provide assessment of regional ozone and air quality

Explanation

Regional ozone affects public health by reducing air quality. This measure will provide a baseline assessment of regional ozone in North America, and provide vital data to air quality managers and decision makers.

Performance Goal 3:
Predict and Assess Decadal to Centennial Change

Measure 3.d:
Results of 90% of the research activities cited in the 2001 IPCC Third Assessment of Climate Change

Research Activities				
1999	**2000**	**2001**	**2002**	**2003**
N/A	N/A	90% cited	N/A	N/A

Data Validation and Verification:

Data collection: Research from NOAA/OAR/Aeronomy Laboratory
Frequency: Aperiodic (approximately every 3-5 years)
Data storage: NOAA Aeronomy Laboratory, Boulder, CO
Verification: Data are taken using proven, peer-reviewed procedures. The results are also peer-reviewed by internationally qualified experts as part of the publication process.
Data limitations: The time scales of processes influencing the climate system vary from years to millennia. Changes in the rates of emissions of greenhouse gases take years to decades to implement; the stabilization of the concentrations of long-lived species in the atmosphere takes decades to millennia; equilibration of the climate system given a stable level of greenhouse species takes decades to centuries; equilibration of sea level given a stable climate takes centuries; and even though the impact on ecological systems may be relatively rapid, restoration or rehabilitation of disturbed ecological systems may take decades to centuries. The IPCC (Intergovernmental Panel on Climate Change) Assessments provide the scientific, technical, and economic information that can be used inter alia in evaluating whether there are possible interferences in the climate system and in evaluating adaptation and mitigation strategies that could be used in stabilizing greenhouse species in the atmosphere at a level that would prevent interferences with the climate system. These Assessments are conducted under the sponsorship of the World Meteorological Organization and the United Nations Environment Programme and take several years to produce. They are undertaken every three to five years based on advancements in science. The last assessment was published in 1995 and the next is underway at this time.
Actions to be taken: Collect information and produce reports for peer-reviewed publication.

Explanation

The Earth absorbs radiation from the sun, primarily at the land and sea surface. This energy is then redistributed by atmospheric and oceanic circulation and radiated back to space. Any factor which alters the radiation received from the Sun or lost to space, or which alters the redistribution of energy within the atmosphere, and between the atmosphere, land and ocean can affect climate. Policymakers look to the community of atmospheric and oceanographic scientists to provide periodic updates on our understanding of the science of climate change and potential impacts of humans and the natural environment.

Program Evaluation Efforts

NOAA's programs are routinely evaluated by a variety of outside reviewers. The NOAA Science Advisory Board, made up completely of private sector, university, and other Federal agency scientists, provides input on Climate and Air Quality Research. NOAA's Office of Global Programs, funded in OAR's Climate and Global Change research line item, receives review from international science agencies, universities and private sector scientists, as well as the National Research Council and the National Science Foundation. The NOAA Research Laboratories are reviewed on a regular basis. The Sea Grant Colleges are visited at least every two years by a review panel.

Performance Goal 3:
Predict and Assess Decadal to Centennial Change

Strategies and Activities

Strategies	Activities	Budget Request
Characterize the agents and processes that force decadal to centennial change.	Natural events and human activities can cause changes in climate. The atmospheric amounts of many greenhouse gases are increasing. This goal addresses understanding natural and man-induced greenhouse processes.	$9.3M
Understand the role of the ocean as a reservoir of both heat and carbon dioxide to address a major source of uncertainty in climate models.	Research has highlighted the role of the oceans in climate change. Accurate simulations of the coupled air-sea system are essential for predicting and assessing climate variability.	$29.8M
Ensure a long-term climate record by enhancing domestic and international weather networks, observing procedures, and information management systems. Document present and past changes and variations in the climate system, including extreme events, and rapid climate changes, exploiting national and international observing networks, satellites, and paleoclimatic data.	A well-documented, long-term record of climate data is required to ascertain the sensitivity of the climate system to changes in atmospheric composition and the impact of climate change on socio-economic, biogeochemical, and physical systems.	$32.6M
Guide the rehabilitation of the ozone layer by providing the scientific basis for policy choices associated with ozone-depleting compounds and their replacements.	A better definition of which substitutes are "ozone-friendly" will help our chemical industry avoid production of a substitute that later proves to destroy unacceptable amounts of ozone.	$7.1M
Provide the scientific basis for better air quality by improving the understanding of high surface ozone episodes in rural areas and by strengthening the monitoring network to detect cleaner air quality and improving the characterization of airborne fine particles.	Stations that detect air quality must be upgraded and maintained to provide the required information to achieve a more effective Clean Air Act implementation.	$5.4M
Develop models for the prediction of long-term climate change (including extreme events and rapid climate changes), carry out scientific assessments, and provide human impacts information.	Explanatory environmental models must be strengthened through better understanding of the atmospheric and oceanic processes to meet the challenges of understanding and foreseeing climate variability and long term changes.	$13.0M

Performance Goal 3:
Predict and Assess Decadal to Centennial Change

Resource Requirements

Total Dollars: $114.2 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$92.2 M	$95.4 M	$114.2 M

Total FTE: 508
Skill Requirements: Meteorologists, Instrumentation Engineers, Oceanographers, Instrumentation Technicians, Computer Scientists, Chemists, Physicists, Mathematicians, Electronic Engineers

FY 99 Actual	FY 00 Enacted	FY 01 Request
485	486	508

Total IT Dollars: $7.0 million
IT Requirements: Geophysical Fluid Dynamics Laboratory (GFDL)

FY 99 Actual	FY 00 Enacted	FY 01 Request
$9.6 M	$5.0 M	$7.0 M

Cross-Cutting Activities

Intra-DOC

NOAA, in partnership with *ITA and TA* within the Department of Commerce, other Federal agencies, the private sector, and academia, is providing the foundation the U.S. will depend upon to lead new emerging global industries in economically and environmentally sustainable ways.

Other Government Agencies and the Private Sector

- NOAA depends strongly on universities to help accomplish its science objectives through a network of *Joint and Cooperative Institutes* and universities.
- NOAA also funds academic researchers through competitive, peer-reviewed programs, including the Global Climate Change Program.

External Factors and Mitigation Strategies

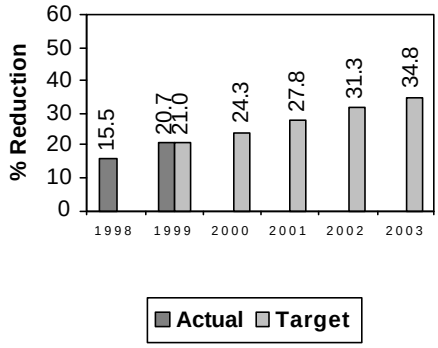
The science of climate change crosses generations and has progressed through the evolution of technology. Our ability to accomplish measures of performance like these is contingent upon many external factors, including the advancement of climate change itself.

Performance Goal 4: Promote Safe Navigation

Rationale for Performance Goal

NOAA serves commercial and recreational mariners around the Nation by providing these customers with nautical charts, tides and currents data, and geographic positioning data for safe navigation. Geodetic services are vital to the broader mapping and surveying industry nationwide. Shoreline data and real-time tides and currents information also serve the coastal resource management and oil spill/disaster response communities. NOAA is currently exploring innovative ways to modernize its services in a cost-efficient manner to meet customer needs.

Measure 4.a: Percent reduction in the backlog (square nautical miles) of hydrographic surveys for critical areas (cumulative)



Data Validation and Verification:

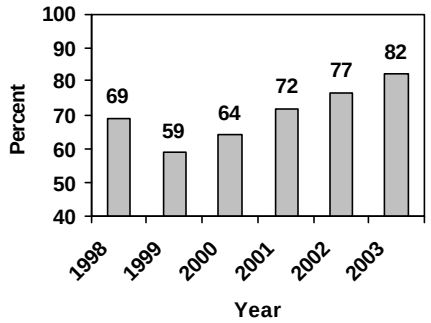
Data collection: Progress reports on data collected from hydrographic survey platforms.
Frequency: Annual
Data storage: National Ocean Service will store data and publish nautical charts.
Verification: National Ocean Service will apply established verification and validation methods
Data Limitations: Progress in reducing the backlog is measured against a baseline value of 43,000 square nautical miles as determined in 1994. Weather can affect scheduled surveys.
Actions to be taken: Coordinate acquisition and processing of hydrographic surveys both in-house and through contracts

Explanation

Hydrographic surveys are conducted to determine depths and the configuration of the bottoms of water bodies, especially as it pertains to navigation. This includes the detection, location, and identification of wrecks primarily through the use of side scan sonar and multibeam sonar technology and GPS. This information is critically important to the production of both paper and electronic nautical charts for safe and efficient navigation; other user communities that benefit in addition to the commercial shipping industry include recreational boaters, the commercial fishing industry, port authorities, coastal zone managers and disaster response planners. Ships traversing our coastal waters are relying on charts based on sounding data that are more than 50 years old in many places. In 1994, NOAA identified 43,000 square nautical miles of seafloor in U.S. waters in critical need of resurvey, with over half of this area in Alaskan waters. Many of these high priority areas carry heavy commercial traffic, are less than 30 meters deep, and are changing constantly. NOAA's surveying activities balance in-house resources with contracts and use the latest full bottom coverage sounding technologies to eliminate the remaining critical area backlog of approximately 34,100 square nautical miles in the Nation's ports, harbors and other coastal areas. NOAA's hydrographic fleet supporting in-house surveying capabilities consists of the WHITING, RUDE and RAINIER. For more information on the hydrographic survey program, please access the NOAA website at http://chartmaker.ncd.noaa.gov/ocs/text/hydrog.htm#survey.

Performance Goal 4:
Promote Safe Navigation

Measure 4.b:
Cumulative percent of National Spatial Reference System (NSRS) complete to provide a common geographic framework tied to the Global Positioning System



Data Validation and Verification:

Data collection: National Ocean Service/National Geodetic Survey which defines and manages the NSRS, the foundation for the Nation's spatial data infrastructure
Frequency: Ongoing, annual reporting
Data storage: Automated database at National Ocean Service
Verification: National Ocean Service will apply standard verification and validation methods.
Data Limitations:
Actions to be taken: Statistics on completion.

Explanation

In order to meet the Nation's navigation and other positioning needs, NOAA is enhancing the NSRS to provide the higher accuracy and accessibility needed for use with the space-based Global Positioning System (GPS). GPS satellites transmit signals that allow determination of position, height, velocity and time. The NSRS, a system of reference stations and monuments across the Nation, provides integrity to geographic coordinates obtained from GPS satellite signals for accurate positioning in support of numerous applications including land surveying, navigation, mapping, infrastructure development including 911 emergency response, and scientific applications. New uses for GPS are being found every day, and many of these new uses involve precision heights; NOAA launched its Height Modernization effort in 1998 to accelerate completion of the NSRS in three dimensions. Access to accurate, reliable real-time height data can save time and money, and protect lives, property, and the environment. For more information on applications and benefits of height modernization, please refer to the NOAA website at http://www.ngs.noaa.gov/initiatives /height_modernization.shtml.

Program Evaluation Efforts

A number of Marine Board (National Research Council) studies were carried out between 1992 and 1996 to evaluate the nautical charting program and its transition into the digital era. Study recommendations have been incorporated into the program and their successful implementation is being monitored through existing performance measures. Particularly important are the recommendations for reducing the survey backlog, implementing new digital production techniques, and delivering new electronic chart products. Another important recommendation urged the program to make substantial use of contract support for all aspects. In FY 1995, contracting was less than 5% of the program activities; in FY 2000 contract support will approach $19 million, more than half of the program's annual appropriation. In 1996 the National Academy of Public Administration examined all of the programmatic components of Promote Safe Navigation to determine if they could be converted into a performance-based organization. The result of the study found that these essential programs would not survive on product receipts.

More recently the marine transportation community strongly expressed the need for integrated real-time information, forecasts and cooperation across federal agencies to achieve a safe and efficient navigation system at NOAA-sponsored stakeholder meetings in 1998 and 1999, and at the Department of Transportation's Marine Transportation

Performance Goal 4: Promote Safe Navigation

System (MTS) National Conference held in November of 1998. The September 1999 Report to Congress that assessed the U.S. Marine Transportation System further articulated the need for clearly defined, coordinated and consistent Federal leadership to achieve the MTS vision: becoming the world's most technologically advanced, safe, efficient, globally competitive and environmentally responsible system for moving goods and people. NOAA's navigation safety and support functions underwent substantial review to identify opportunities for greater coordination and focus areas among Federal agencies.

The Hydrographic Services Improvements Act of 1998 also provided Congress and NOAA an opportunity to evaluate NOAA's capabilities for acquisition and dissemination of hydrographic data, development of standards and formats for hydrographic services, and contracting for the acquisition of hydrographic data. NOAA now contracts out over fifty percent of its annual critical area hydrographic survey requirements while maintaining Federal competence and expertise with existing and developing surveying technologies. Congress also authorized the 1998 Height Modernization Study to evaluate the technical, financial, legal, and economic aspects of modernizing the national height system with GPS. The study demonstrated the significant benefits to the Nation in terms of dollars and lives saved associated with GPS technology, and it led to current development of the vertical component of the National Spatial Reference System.

Strategies and Activities

Strategies	Activities	Budget Request
Provide mariners with predictions and observations of water levels, tides and currents, and weather conditions in ports.	Increase access to quality-assured tide, current , meteorological and positioning data, particularly in real-time, enabling commercial mariners to navigate in and out of ports efficiently and with confidence that they will not run aground.	$15.1M
Update nautical surveys to accurately chart the depth of the sea floor and identify obstructions to navigation. This survey activity will balance in-house resources with contracts and use the latest full-bottom coverage sounding technologies.	Eliminate the remaining backlog of approximately 34,100 square nautical miles of the total 43,000 square nautical miles critical hydrographic surveys in the Nation's ports, harbors, and other coastal areas.	$21.2M
Build, maintain, and deliver a digital nautical charting database.	Create a digital nautical charting database to support new electronic charting systems which integrate satellite positioning, tidal heights and currents, radar and sonar, and navigational aids.	$26.1M
Enhance the National Spatial Reference System (NSRS) using GPS to support the digital revolution in mapping, charting and surveying. The ability of GPS to accurately measure heights is particularly important to marine surveying and navigation.	Develop an accurate national spatial reference system as the Nation relies increasingly upon the satellite Global Positioning System (GPS) for surveying and navigation.	$20.2M
Delineate the national shoreline using state-of-the-art technology to serve the Nation's navigational and coastal management requirements.	Provide accurate shoreline data, a critical component of nautical charts.	$4.8M

Performance Goal 4: Promote Safe Navigation

Resource Requirements

Total Dollars: $109.5 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$97.6 M	$104.6 M	$109.5 M

Total FTE: 868
Skill Requirements: Cartographers, Photogrammetrists, Geodesists, Hydrographers, Meteorologists, Oceanographers, Physical Scientists, Engineers, Computer Scientists

FY 99 Actual	FY 00 Enacted	FY 01 Request
878	878	868

Total IT Dollars: $3.7 million
IT Requirements: Nautical Charting and Hydrographic Surveying System; Physical Oceanographic Real-Time Systems (PORTS) and Data Processing and Analysis Subsystem (DPAS) for National Water Level Observation Network; Geodetic Support System.

FY 99 Actual	FY 00 Enacted	FY 01 Request
$3.9M	$3.2M	$3.7M

Cross-Cutting Activities

Intra-DOC
NOAA, in partnership with Technology Administration and the National Telecommunications and Information Administration within the Department of Commerce, and other civil agencies from all civil departments, participates on the Interagency GPS Executive Board, which jointly manages the GPS satellite program as a national asset with the Department of Defense. Now a dual-use system heavily employed by civilian and commercial sectors, GPS is a global information utility that the United States has committed to provide free to the world for use as the international standard for navigation, positioning and timing.

Other Government Agencies and the Private Sector
NOAA works closely with agencies such as the Department of Transportation, the U.S. Coast Guard and the U.S. Army Corps of Engineers in support of Marine Transportation System goals and objectives to identify and improve navigation services for maritime commerce, while preserving navigation and environmental safety. NOAA and the Department of Transportation also cooperate on the development of the Nationwide Differential GPS System, which employs NOAA's Continuously Operating Reference Stations to enable high accuracy GPS positioning in three dimensions across the Nation. This system benefits from a multi-purpose cooperative effort between government, academia and the commercial sector, and supports numerous NOAA objectives and activities.

NOAA's Physical Oceanographic Real-Time Systems (PORTS) are also partnership opportunities between NOAA, local government and the private sector. PORTS is a public information system developed by NOAA that furnishes real-time information to the general public for safe and cost-effective navigation, search-and-rescue, hazardous material and oil-spill prevention and response, and scientific research. PORTS builds on NOAA's National Water Level Observation Network of 175 stations to provide real-time water levels, currents, oceanographic and meteorological data, nowcasts and predictions from bays and harbors to the maritime community in a variety of user-friendly formats, including telephone voice response and Internet. Port authorities underwrite the system's operation and maintenance, and NOAA provides data quality assurance and dissemination. NOAA hopes to expand its quality assurance capabilities to support future PORTS systems.

Performance Goal 4: Promote Safe Navigation

External Factors and Mitigation Strategies

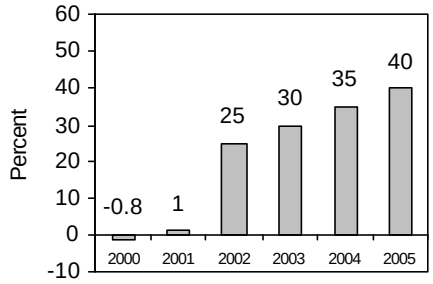
Weather has a significant impact on Promote Safe Navigation activities. Both in-house and contract hydrographic survey schedules can be affected by adverse weather conditions (storm, winds, high seas) and equipment failure, as can aerial photography flights scheduled for shoreline photogrammetry. Storm damage frequently renders water level stations inoperable, affecting surveying capabilities and real-time observations of water levels and currents so critical to safe navigation. Natural disasters such as earthquakes and hurricanes can elevate the critical priority of an area because of shoreline changes or obstruction accumulation; man-made impacts such as shifts in shipping patterns, newly regulated shipping lanes, port expansions or wrecks will also increase NOAA's designated critical areas. NOAA also receives requests to survey areas not identified as critical; for example, ship groundings frequently prompt requests from the Coast Guard and others to survey "non-critical" areas, diverting efforts away from the survey schedule. Finally, in addition to mission activities, NOAA ships and aircraft provide immediate response capabilities for unpredictable events such as recovery and search efforts after the TWA Flight 800 and EgyptAir Flight 990 crashes, damage assessment after major oil spills such as the *Exxon Valdez*, the Persian Gulf War and the *New Carissa*, and severe hurricanes. NOAA mitigates the impacts of weather, disaster events and equipment malfunction with back-up plans for relocating assets to other projects, or by reassessing schedules for other windows of opportunity.

Performance Goal 5:
Build Sustainable Fisheries

Rationale for Performance Goal

Billions of dollars in economic growth, thousands of jobs, and countless recreational fishing opportunities are wasted as a result of overfishing and overcapitalization in commercial and recreational fisheries. While many fisheries are well managed and produce positive benefits, others are severely depleted or overcapitalized, and must be restored and managed to realize their long-term potential. Rebuilding and reducing overcapitalization in existing fisheries will promote the economic and biological sustainability of U.S. fishing resources. Building sustainable fisheries will increase greatly the Nation's wealth and quality of life.

Measure 5.a:
By 2005, 25% fewer overfished fisheries (Currently 86 of 279 stocks are overfished. By 2005, of these 86 stocks, 22 will no longer be overfished.)



Data Validation and Verification:

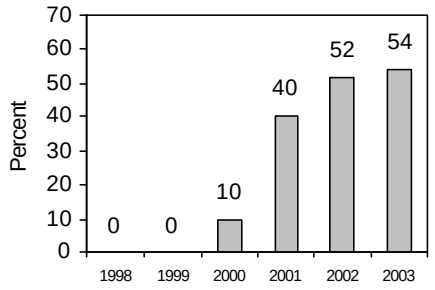
Data collection: NOAA/ National Marine Fisheries Service (NMFS) Report to Congress: Status of Fisheries of the United States.
Frequency: Annual
Data storage: NOAA/NMFS Office of Sustainable Fisheries
Verification: Stock assessments and peer-reviews (internal and outside the agency)
Data Limitations:
Actions to be taken: The Magnuson-Stevens Sustainable Fisheries Act, reauthorized in 1996, requires that overfishing be eliminated in ten years. A period of two years has been provided to amend the Fisheries Management Plans of affected overfished stocks to reflect the new law. The 25% goal means that the currently 86 overfished fisheries will be reduced to 64 or less by 2005. External factors that may affect NOAA's ability to reach this target include the impact of climate and other natural conditions, such as El Niño, on fisheries stocks.

Explanation:

To eliminate overfishing and allow fishing at sustainable levels, considerable information is necessary about the stock size and age structure and the physical and biological processes that control the ecosystem dynamics. This measure indicates that our actions will result in a decrease in the number of fisheries that are classified as overfished. As reported in the 1997 NOAA Fisheries Report to Congress, 86 fisheries were classified as overfished of the 279 fisheries for which we have information. The 25% goal means that we will reduce the number of overfished fisheries from 86 to 64 or less by 2005. The quantification will be based on the NOAA Fisheries Annual Report to Congress on Overfishing.

Performance Goal 5:
Build Sustainable Fisheries

Measure 5.b:
By 2005, 60% of stocks have sufficient essential fish habitat



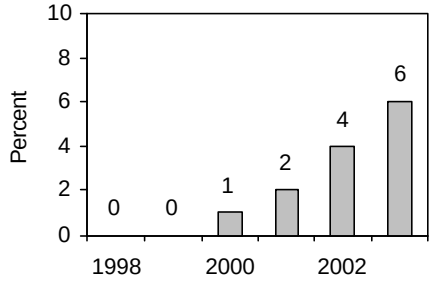
Data Validation and Verification:

Data collection: Regional offices of NOAA/NMFS
Frequency: Annual
Data storage: Regional Office of NOAA/NMFS
Verification: Interagency and internal peer-review.
Data limitations:
Actions to be taken: The reauthorization of the Magnuson-Stevens Sustainable Fisheries Act of 1996 requires NMFS to identify, protect and restore essential fish habitats. Regulations have been promulgated to define "essential fish habitat," and Regional Fisheries Management Councils, as key stakeholders, have participated extensively in this regulatory process. External factors that may affect NOAA's ability to reach this target include the impact of biological and other natural conditions.

Explanation

This performance measure is a way to measure progress with the Essential Fish Habitat provisions of the Magnuson-Stevens Fisheries Conservation and Management Act. Habitat is crucial for fisheries recruitment and the maintenance of healthy "fishable" stocks. The measure above focuses on the percentage of stocks that have adequate habitat.

Measure 5.c:
By 2005, 9% increase in employment in non-capture fishing and other sectors in fishing communities



Data Validation and Verification:

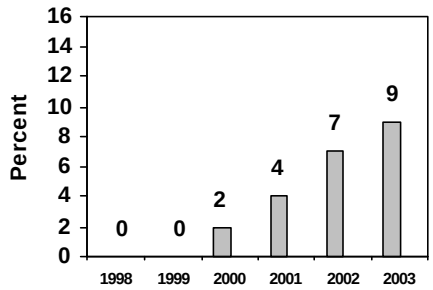
Data collection: U.S. Department of Commerce/ Bureau of Economic Analysis & NMFS
Frequency: Annual
Data storage: U.S. Department of Commerce/Bureau of Economic Analysis & NMFS
Verification: BEA and/or NMFS has been consulted and may provide the information and verification.
Data limitations: BEA statistical data is by county, not by fishing community.
Actions to be taken: NMFS has approached the Bureau of Economic Analysis to provide the information starting with 1999 figures. External factors that may affect NOAA's ability to reach this target include impact of national and/or local economic conditions. Non-capture fishing is aquaculture. NMFS has begun discussions with BEA to evaluate the utility of their data as a metric for this performance measure. NMFS will define "fishing communities" and work with BEA data and other data to provide a baseline and a measurement methodology.

Explanation

The rebuilding of overfished stocks required under the Magnuson-Stevens Act will result in lower harvest levels, and therefore fewer fishing vessels and fishing-related jobs and a potential for overall reduction in economic activity in many coastal communities. The measure above will account for our activities to shift employment from traditional fishing to aquaculture (non-capture fishing) and to other vocations, especially marine vocations that will help minimize community change. NOAA is working with other Federal, State and local agencies to address these impacts on fishing communities through a variety of programs including loans, retraining, vessel and permit buyouts, and community planning. While NOAA alone does not cover the total costs of such programs, it acts as a catalyst in working with other DOC agencies such as the Economic Development Administration and with other Federal agencies such as the Department of Labor and the Small Business Administration to coordinate community assistance to address the economic and social impacts of reduced fishing levels.

Performance Goal 5:
Build Sustainable Fisheries

Measure 5.d:
By 2005, 17% increase in economic contribution of aquaculture to Gross Domestic Product



Data Validation and Verification:

Data collection: NOAA/NMFS, BEA, U.S. Department of Agriculture
Frequency: Annual
Data storage: BEA, NMFS, USDA
Verification: Discussions with BEA have been initiated, and a satellite account to provide aquaculture economic information may be established.
Data limitations: NMFS data is reported about 18 months after the end of a calendar year. The first USDA aquaculture census occurred in 1998, and will be repeated only every third year.
Actions to be taken: BEA will serve as a satellite account. Aquaculture is defined as marine aquaculture, including the Great Lakes. External factors that may affect NOAA's ability to reach this target include the impact of national and/or local economic conditions. Aquaculture is total U.S. aquaculture production, less catfish and trout. NOAA will work with BEA, USDA and with NMFS to define measurement methodologies.

Explanation

Marine aquaculture can play an important role in producing fish for food, thereby reducing our dependence on wild stocks, and can offer new business and employment opportunities in coastal communities impacted by reduced fishing activity. In addition to food production, aquaculture can also be used to enhance wild stock populations, assist in recovery plans for protected species and to produce non-food products such as ornamental fish, baitfish, and drugs and pharmaceuticals. The measure above specifically addresses economic benefits to the Nation of increased aquaculture production.

Program Evaluation Efforts

Virtually every aspect of the National Marine Fisheries Service fisheries science program is peer reviewed, either internally within NMFS or outside the agency, e.g., the National Academy of Sciences and the National Science Foundation. NMFS also relies on extensive informal networks of university partnerships and laboratories throughout the Nation. Moreover, reviews often occur by opposing parties' scientists in the court system when fisheries management decisions are litigated.

Performance Goal 5: Build Sustainable Fisheries

Strategies and Activities

Strategies	Activities	Budget Request
As evidenced by the Sustainable Fisheries Act amendments, there is a strong consensus among lawmakers, fishery managers, the fishing industry, and the public that depleted fishery resources must be restored and that healthy fisheries must be maintained and managed for greater efficiency.	Eliminate and prevent overfishing and overcapitalization.	$292.6M
The rebuilding of overfished fisheries required under the Magnuson-Stevenson Act will result in lower harvest levels, and therefore fewer fishing vessels and fishing-related jobs, and potentially an overall reduction in economic activity in many coastal communities. To minimize economic impact of fisheries management decisions on communities, NOAA is working with other Federal, State, and local agencies to address these impacts on fishing communities through a variety of programs including loans, retraining, vessel and permit buyouts, and community planning.	Attain economic sustainability in fishing communities.	$66.6M
Sound marine aquaculture will enhance the Nation's ability to meet the growing domestic and global demand for seafood, as a growing number of wild stocks are overfished or fully utilized.	Develop environmentally and economically sound marine aquaculture.	$29.4M

Resource Requirements

Total Dollars: $435.4 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$411.5 M	$441.6M	$435.4M

Total FTE: 2,481
Skill Requirements: Fishery Biologists, Fishery Economists

FY 99 Actual	FY 00 Enacted	FY 01 Request
2,330	2,371	2,481

Total IT Dollars: $33.0 million
IT Requirements: National Marine Fisheries Service Fishing Information Technology System

FY 99 Actual	FY 00 Enacted	FY 01 Request
$24.5M	$24.0M	$33.0M

Performance Goal 5:
Build Sustainable Fisheries

Cross-Cutting Activities

Intra-DOC

NOAA will focus on reducing overfishing and overcapitalization of U.S. fishery resources by improving stock assessment and prediction, improving essential fisheries habitat, and reducing fishing pressure, including downsizing of fishing fleets. The Department of Commerce, enlisting the support of key bureaus such as EDA, MBDA, and NIST, and other Federal agencies, such as the U.S. Department of Agriculture, Small Business Administration, and the U.S. Department of Labor, will play a key role in mitigating the impact of these critical resource conservation decisions in the transition to economically sustainable communities.

External Factors and Mitigation Strategies

There are external factors that may affect NOAA's ability to reach the targets mentioned in this report. These factors include the impact of climate and other natural conditions, such as El Nino on biological stocks. In addition, the impact of national and/or local economic conditions may affect NOAA's ability to reach certain targets.

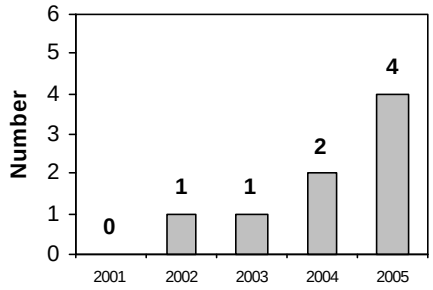
Performance Goal 6: Recover Protected Species

Rationale for Performance Goal

NOAA's overall objectives for recovering protected species are to prevent the extinction of protected species and to maintain the status of healthy species. NOAA measures its performance in meeting these objectives by focusing on the agency's ability to manage protected species through conservation programs and recovery plans, and through constant monitoring and research regarding the status of species and the stresses that affect their mortality.

Quantitative measures of the probability of extinction for protected species were developed in FY 1999 and FY 2000 to establish the baseline from which program performance (reduction in the probability of extinction) is to be measured. NMFS recognizes the need for objective procedures to determine the status of protected species based on population analyses that take into account species biology and threats to existence that are both human-caused and natural, The RPS FY 2001-2005 budget proposal is based in part on measuring our ability to reduce the probability of extinction for at-risk species. RPS performance will be measured by the results of our attempts to reduce the risk of extinction for protected species from detrimental human activities, e.g., reducing incidental and direct takes, increasing species habitat, decreasing negative interactions, and mitigating natural phenomena.

Measure 6.a: By FY 2005, reduce the probability of extinction of 5 threatened species out of 23 threatened species (cumulative)



Data Validation and Verification:

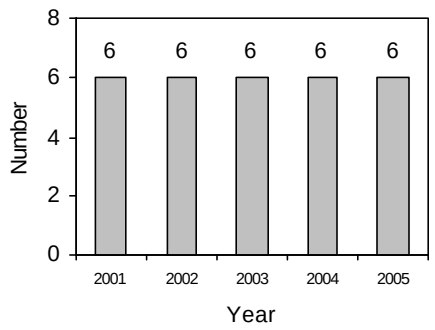
Data collection: NMFS
Frequency: Annual
Data storage: NMFS Office of Protected Resources
Verification: Audits. Internal peer-review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Sciences, and other organizations.
Data limitations: None
Actions to be taken: Reducing the probability of extinction requires a reduction in human activities detrimental to the survival of protected species, i.e. reducing incidental and direct takes, increasing species habitat, decreasing negative interactions, and mitigating natural phenomena.

Explanation

5 of the 23 threatened species have been identified to be the most critical threatened species in danger of progressing to endangered species listings. Several include the North Atlantic loggerhead turtle, Pacific salmonids, and Johnson's seagrass. Performance will be measured by the results of attempts to reduce the probability of extinction for protected species from detrimental human activities such as reducing incidental and direct takes, increasing species habitat, and mitigating natural phenomena.

Performance Goal 6:
Recover Protected Species

Measure 6.b:
By FY 2005 mortality of strategic marine mammal stocks incidental to commercial fishing operations in six fisheries will be at insignificant levels (annual)



Data Validation and Verification:

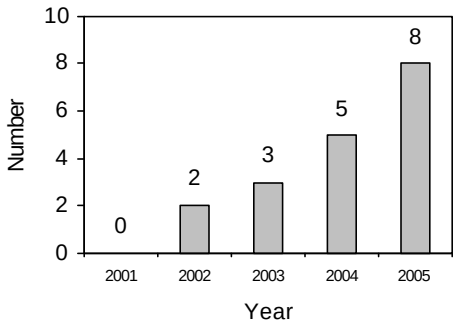
Data collection: NMFS
Frequency: Annual
Data storage: NMFS Office of Protected Resources
Verification: Audits. Internal peer-review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Sciences, and other organizations.
Data limitations: None
Actions to be taken: A successful program to reduce mortality of marine mammal stocks will require the following research on marine mammal behavior, assessment of marine mammal populations, reduction of interactions in problem fisheries, and monitoring / analysis via the observer program.

Explanation

One of the most significant impacts on marine mammal stocks is death from entanglement and drowning in fishing gear. Certain marine mammal species are particularly vulnerable to interactions with fisheries due to location and type of fishing gear used. The six fisheries and marine mammal stocks targeted in this measure include: the Harbor porpoise in New England multispecies and Mid-Atlantic gillnet fisheries; Pilot whales, beaked whales, sperm whales and humpback whales in the California/Oregon thresher shark and swordfish drift gillnet fisheries; Pilot whales in the Atlantic pelagic longline fishery; North Atlantic right, humpback, fin, and minke whales in New England multispecies and Mid-Atlantic gillnet fisheries, Gulf of Maine and Mid-Atlantic lobster fisheries, and the southeastern Atlantic shark gillnet fishery. New fishing technologies to reduce gear impacts need to be developed, and strategies to reduce interactions between fishing gear and marine mammals need to be devised. Education is also needed on ways fishermen can avoid marine mammals while still allowing them to catch fish.

Performance Goal 6:
Recover Protected Species

Measure 6.c:
By FY 2005, reduce the probability of extinction of 8 endangered species/Endangered Species Units (ESU) (cumulative)



Data Validation and Verification:

Data collection: NMFS
Frequency: Annual
Data storage: NMFS Office of Protected Resources
Verification: Audits. Internal peer-review within NOAA and external peer-review by regional fishery councils, the National Science Foundation, the National Academy of Sciences, and other organizations.
Data limitations: None
Actions to be taken: Reducing the probability of extinction requires a reduction in human activities detrimental to the survival of protected species, i.e. reducing incidental and direct takes, increasing species habitat, decreasing negative interactions, and mitigating natural phenomena.

Explanation

RPS has identified 8 species on a list of 33 endangered species as the most critically in danger of extinction. These 8 species include the Pacific leatherback turtle, Hawaiian monk seal, North Atlantic right whale, Western Steller sea lion, North Pacific right whale, Western Steller sea lion, North Pacific right whale, and Pacific salmonids. Efforts to prevent extinction will focus on identifying the factors contributing to extinction and developing and implementing recovery plans to address these factors.

Program Evaluation Efforts

Evaluation efforts include peer reviews of proposals, internal and external reviews of programs, and quarterly reviews of NOAA's overall performance in protected species recovery. Constituent input is an important part of the evaluation process and is solicited regularly through constituent workshops.

Strategies and Activities

Strategies	Activities	Budget Request
Prevent extinction of protected species.	Reduce threats of commercial and recreational activities that contribute to stress on marine species and ecosystems, threatening their survival.	$230.5M
Maintain the status of healthy species.	Recover protected species Avoid further decline of other at risk species Improve science to lead to better long-term conservation and management strategies.	$34.2M

Performance Goal 6: Recover Protected Species

Resource Requirements

Total Dollars: $278.3 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$79.6 M	$154.6M	$278.3M

Total FTE: 712
Skill Requirements: Fishery Biologists, Fishery Economists

FY 99 Actual	FY 00 Enacted	FY 01 Request
575	682	712

Total IT Dollars: $33.0 million
IT Requirements: National Marine Fisheries Service Fishing Information Technology System

FY 99 Actual	FY 00 Enacted	FY 01 Request
$24.5M	$24.0M	$33.0M

Cross-Cutting Issues

Other Government Agencies

Over the past year, NOAA has developed innovative partnerships with the States of Maine, Washington, Oregon, and California to promote the recovery of listed and at-risk salmon and steelhead species.

External Factors and Mitigation Strategies

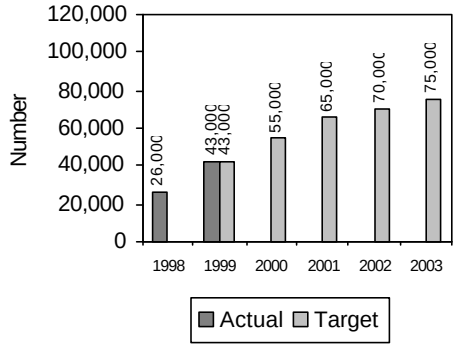
The impact of climate, biological, and other natural conditions affect NOAA's efforts to recover protected species and maintain the status of healthy species. Research may identify opportunities to pursue mitigating strategies in some cases.

Performance Goal 7:
Sustain Healthy Coasts

Rationale for Performance Goal

NOAA has three primary objectives to sustain healthy coastal ecosystems and the communities and economies that depend on them: (1) protect, conserve and restore coastal habitats and their biodiversity, (2) promote clean coastal waters, and (3) foster well-planned and revitalized coastal communities. To meet these objectives, NOAA integrates a broad range of research, assessment and management activities from four of NOAA's five line offices (National Ocean Service (NOS), Office of Oceanic and Atmospheric Research (OAR), National Marine Fisheries Service (NMFS), and the National Environmental Satellite, Data and Information Service (NESDIS)). NOAA works with many government and nongovernmental partners at local, State, national and international levels to address the critical challenges facing coastal areas. NOAA measures its performance in meeting these objectives by tracking key outcomes, such as the number of coastal wetlands restored, changes in coastal water quality, number of coastal States with effective nonpoint pollution control programs, and the percent U.S. shoreline with improved ability to identify and mitigate the impacts of natural hazards.

Measure 7.a:
Number of acres of coastal habitat restored (cumulative)



Data Validation and Verification:

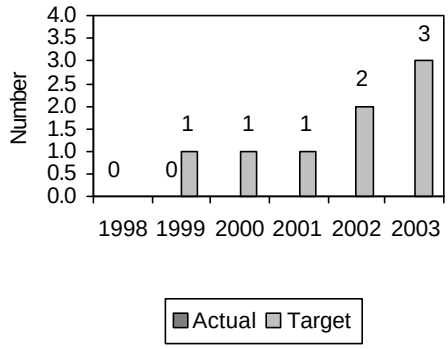
Data collection: Primary source is National Marine Fisheries Service, Office of Habitat Conservation. Other input from National Ocean Service.
Frequency: Annual
Data storage: NMFS/Habitat Office will collect information, conduct assessments, and store data.
Verification: NMFS/Habitat Office will collect quality control data to ensure criteria are being met by data used to calculate performance.
Data limitations: None
Actions to be taken: Continue to initiate and implement restoration projects for critical coastal habitats such as wetlands and coral reefs.

Explanation

This measures shows the cumulative number of acres of coastal wetlands restored through NOAA's National Marine Fisheries Service, Office of Habitat Conservation. The measure represents the outcome of many different restoration projects, most of which are implemented by NOAA in partnership with other Federal agencies, State agencies, and local groups.

Performance Goal 7: Sustain Healthy Coasts

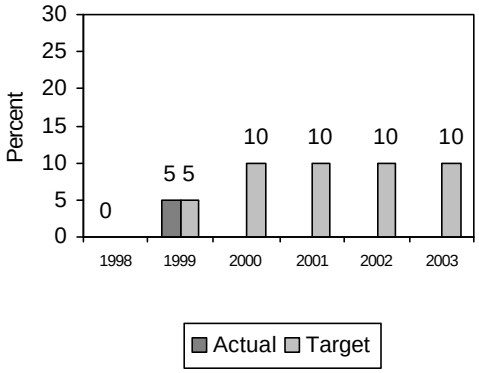
Measure 7.b: Number of U.S. coastal regions with reduced introductions and impacts of non-indigenous species (total of 6 regions)



Data Validation and Verification:

Data collection: NOAA Office of Oceanic and Atmospheric Research, U.S. Department of the Interior, and state agencies.
Frequency: Annual
Data storage: OAR will collect data, conduct assessments and store data
Verification: Original research data verified through peer-review; OAR will obtain quality control data from other sources to ensure criteria are being met for inclusion in performance calculations.
Data limitations: Reaching these targets will also depend on activities of other Federal and State agencies with management responsibilities in this area.
Actions to be taken: Implement program to monitor National Marine Sanctuaries for invasive species; develop rapid response strategy to prevent and control invasives in National Marine Sanctuaries and other areas; continue support for ballast water demonstration projects.

Measure 7.c: Percent of U.S. shoreline and inland areas with improved ability to identify extent and severity of coastal hazards



Data Validation and Verification:

Data collection: National Ocean Service, other Federal and state agencies.
Frequency: Annual
Data storage: NOS will collect information, conduct assessments, and store data.
Verification: All data used in coastal hazard risk assessments is quality controlled; risk assessment models are tested for accuracy and coverage (amount of shoreline covered).
Data limitations: This measure tracks development and implementation of "coastal hazard risk atlases" as an indicator of improved ability to identify the extent and severity of coastal hazards. Reaching these targets will also depend on activities of other Federal and State agencies with management responsibilities in this area.
Actions to be taken: Evaluate risk of natural hazards for specific U.S. coastal regions; develop coastal risk atlas to identify extent and severity of coastal hazards for coastal regions.

Explanation

This measure tracks improvements in our ability to identify the risks of natural hazards in U.S. coastal regions. Activities are underway to develop coastal risk atlases that evaluate the risk, extent and severity of natural hazards in coastal areas. These risk atlases will help coastal communities more effectively make land use decisions before and after severe events such as storms or floods to reduce risks to life and property. Currently, many coastal communities make major decisions on land-use, infrastructure development, and hazard responses without adequate information on the risks and possible extent of natural hazards impacts in their area.

Performance Goal 7: Sustain Healthy Coasts

Program Evaluation Efforts

NOAA's goal to sustain healthy coasts is the product of over 25 years of experience helping to understand and manage coastal resources so that their ecological and economic productivity can be fully realized and sustained. Evaluation efforts exist at a variety of levels, from peer-reviews of proposals and evaluations of individual projects, to internal and external reviews of entire programs and quarterly reviews of NOAA's overall performance in coastal stewardship areas. Constituent input is an important part of the evaluation process and is solicited regularly through constituent workshops.

Strategies and Activities

Strategies	Activities	Budget Request
Coastal habitats produce many of the Nation's commercial and recreational fisheries. They also are the foundation for most coastal tourism and recreation industries that contribute over $58 billion annually to the U.S. economy. Protecting and restoring coastal habitats and their biodiversity is an investment in the long-term sustainability of the Nation's coastal resources and the communities and economies that depend on them.	Protect, conserve, and restore coastal habitats and their biodiversity.	$192.1 M
Clean water is essential for productive coastal ecosystems and sustainable coastal communities. Contaminated coastal waters threaten living resources, human health, and economic stability. The primary source of coastal water pollution is run-off from urban and agricultural areas that washes nutrients and other contaminants into coastal waters.	Promote clean coastal waters to sustain living marine resources and ensure safe recreation, healthy seafood, and economic vitality.	$96.4 M
The U.S. economy is increasingly dependent on coastal resources. One in every six jobs is marine related and one-third of the Nation's gross domestic product is produced in coastal areas through tourism, recreation, and other industries. These industries depend on healthy coastal resources to survive. Effective planning and revitalization of coastal communities is essential to sustainable management of both natural areas and the coastal communities that depend on them.	Foster well-planned and revitalized coastal communities that sustain coastal economies, are compatible with the natural environment, minimize the risks from nature's hazards, and provide access to coastal resources for public use and enjoyment.	$176.4 M

Resource Requirements

Total Dollars: $486.8 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$261.0 M	$278.7 M	$486.8 M

Performance Goal 7: Sustain Healthy Coasts

Resource Requirements (cont.)

Total FTE: 912
Skill Requirements: Marine Ecologists, Fisheries Biologists, Environmental Educators, Land Use Planners, Toxicologists, Chemists, Engineers, Oceanographers , economists.

FY 99 Actual	FY 00 Enacted	FY 01 Request
890	867	912

Total IT Dollars: N/A
IT Requirements: Sustaining healthy coasts does not rely on any one major IT system

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	N/A

Cross-Cutting Activities

Other Government Agencies

NOAA has leveraged its resources through a variety of effective international, interagency, State, local, private-sector, and other partnerships to develop world-class coastal stewardship capabilities. These partnerships are essential to effectively integrate coastal science, assessment, monitoring, education, and management activities.

In FY 2001, for example, SHC will work with other Federal agencies, States, and academic partners to initiate new research necessary to sustainably manage the Nation's coastal ecosystems. This research will provide managers and decision-makers with information, solutions, and technologies as part of interagency initiatives developed by the National Science and Technology Council's Committee on Environment and Natural Resources.

Through SHC, NOAA provides technical and scientific assistance to a variety of partners involved in protection, monitoring, and restoration of coastal resources. For example, NOAA provides critical information to the U.S. Coast Guard to help the Coast Guard respond to approximately 70 serious oil and chemical spills every year. Through SHC, NOAA is also working closely with other agencies, DOC bureaus, states, local governments, and industry on important crosscutting activities such as reducing the risks and impacts of natural hazards, protecting and restoring essential fish habitats, reducing run-off pollution, forecasting and preventing harmful algal blooms, and exploring the deep ocean and new uses of the ocean's rich biodiversity

External Factors and Mitigation Strategies

Changes in climate, biological, and other natural conditions may affect some of NOAA's activities to sustain healthy coasts. In addition, many of these coastal stewardship activities depend on contributions from multiple partners, particularly States, territories and other Federal agencies (e.g., EPA, Interior, DOT/Coast Guard, FEMA, NSF, USDA). The failure of one or more of these partners to fulfill their cooperative contributions could have very serious impacts on the overall effort to sustain healthy coasts.

Patent and Trademark Office

Mission Statement

The PTO promotes industrial and technological progress in the United States and strengthens the national economy by:

- **Administering the laws relating to patents and trademarks.**
- **Advising the Secretary of Commerce, the President of the United States, and the Administration on patent, trademark, and copyright protection.**
- **Advising the Secretary of Commerce, the President of the United States, and the Administration on trade-related aspects of intellectual property.**

As the steward for the Nation's patent and trademark registration system, PTO has maintained its basic role of granting patents and registering trademarks. In this role, PTO operates in a dual management capacity: like a business, totally reliant on, and accountable for, the judicious use of revenue from its fee-paying customers; and as a Federal agency, accountable for maintaining and strengthening the foundation and integrity of the Nation's patent and trademark systems.

As a fee-for-service agency, PTO expects to receive 699,100 patent and trademark applications in FY 2001 – applications which are the force behind our robust domestic and global economy. Fees for these applications are paid in advance by customers to process requests for products and services. To be responsive to customers, PTO must take a short-term perspective by hiring the engineers, scientists and attorneys needed to stay current with incoming work. PTO also must take a long-term perspective by investing in reengineering, automated systems and innovative resource management practices needed to ensure a viable organization of the future.

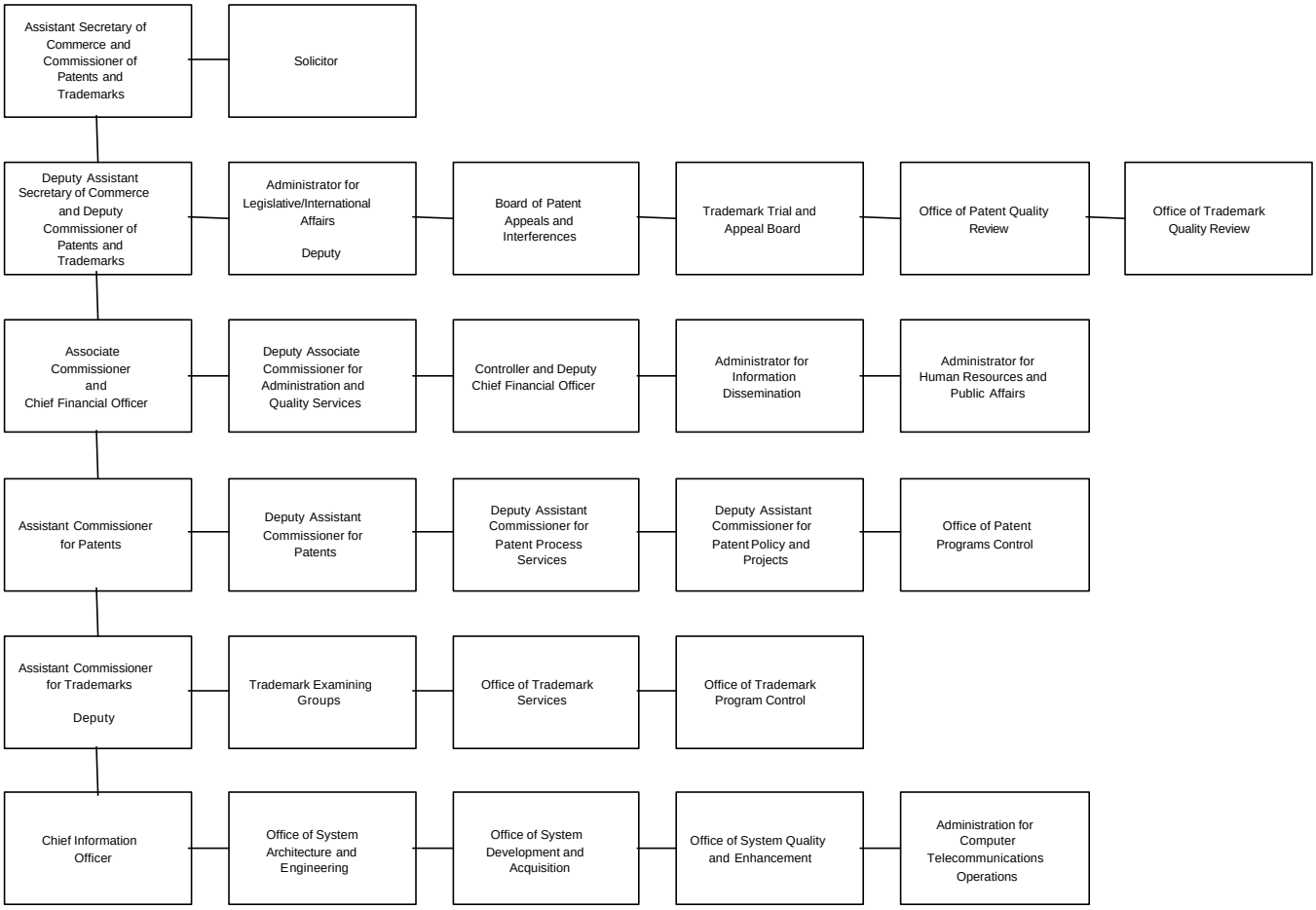
The underlying premise behind the transition to performance-based organization status, is that PTO must be responsive to its customers by using the fees paid for products and service to enhance timeliness, quality and customer satisfaction. With resources made available in fiscal years 2000 and 2001, PTO will strive to make progress on its High Impact Agency goals and the related performance targets.

Bureau Context

Department-wide

- Establishing Safeguards Against Unconventional National Security Threats. PTO is pursuing an Electronic Mail Room/Public Key Infrastructure for the secure exchange of structured documents between automated information systems operating at PTO and external correspondents, and conducting a vulnerability assessment of the Crystal City campus.
- *E-Commerce.* PTO will maintain automated patent and trademark activities at the current level and offer access via the Internet to a range of electronic databases and services.

Organizational Structure



Targets and Performance Summary

Highlights of the Patent and Trademark Office FY2001 Performance and Plan

PTO's fiscal year 2001 plans focus on our two strategic goals. The first goal is to provide our customers with the highest level of quality and service in all aspects of PTO operations. To do this we will implement the American Inventors Protection Act of 1999 (Public Law 106-113), manage growth while improving processing times, enhance quality and customer satisfaction, and invest in information technology for future performance. We also plan to continue activities associated with our second strategic goal to maintain and grow our domestic and international leadership roles in intellectual property rights policy.

Performance Goal 1: Help protect, promote and expand intellectual property rights systems throughout the United States and abroad			
Measure	FY 99 Actual	FY 00 Target	FY 01 Target
Number of technical assistance activities completed	99	102	104

Performance Goal 2: Grant exclusive rights, for limited times, to inventors for their discoveries			
Measures	FY 99 Actual	FY 00 Target	FY 01 Target
Average cycle of original inventions processed (months)	12.9	10.2	10.0
Percent of customers satisfied	57	70	75
Workload cost indicator	$2,494.20	$2,646.99	$2,761.59

Performance Goal 3: Enhance trademark protection			
Measures	FY 99 Actual	FY 00 Target	FY 01 Target
Pendency time to first action and registration/disposal (months)	4.6 18.9	3.0 13.8	3.0 13.8
Percent of customers satisfied	69	80	80
Workload cost indicator	$557.87	$495.95	$472.36

Performance Goal 4: Promote awareness of, and provide effective access to, patent and trademark information			
Measures	FY 99 Actual	FY 00 Target	FY 01 Target
Percent of key products and services meeting schedules or cycle time of standards	64	80	80
Customer satisfaction with key products and services (Note the scale changed for the fiscal year 1999 actual.)	75	Conducted every two years	90
Workload cost indicator	$14.19	$8.90	$10.86

Resource Requirements

Total Dollars: $1,039 million*

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Help protect, promote and expand intellectual property rights systems throughout the United States and abroad	$16.1 M	$18.8 M	$22.7 M
Grant exclusive rights, for limited times, to inventors for their discoveries	$626.6 M	$694.3 M	$808.9 M
Enhance trademark protection	$101.3 M	$110.3 M	$124.3 M
Promote awareness of, and provide effective access to, patent and trademark information	$59.6 M	$57.9 M	$62.9 M

* $20 million transferred to OPM for retirement benefits.

Total Bureau FTEs: 7,449 FTE
Skill Summary: Knowledge of global intellectual property rights systems and policies; expertise in intellectual property law and appropriate scientific and technical disciplines.

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Help protect, promote and expand intellectual property rights systems throughout the United States and abroad	85	101	114
Grant exclusive rights, for limited times, to inventors for their discoveries	4,753	5,362	5,949
Enhance trademark protection	791	1,078	1,126
Promote awareness of, and provide effective access to, patent and trademark information	231	260	260

Total Bureau IT Dollars: $168.6 M
IT Requirements: Electronic Commerce; Electronic Filing; Electronic Workplace; Clinger-Cohen Act; Capital Programming

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Help protect, promote and expand intellectual property rights systems throughout the United States and abroad	$4.2 M	$4.9 M	$5.8 M
Grant exclusive rights, for limited times, to inventors for their discoveries	$91.9 M	$93.2 M	$114.8 M
Enhance trademark protection	$25.5 M	$25.7 M	$29.9 M
Promote awareness of, and provide effective access to, patent and trademark information	$13.4 M	$16.0 M	$18.1 M

Performance Goal 1:
Help Protect, Promote, and Expand Intellectual Property Rights Systems Throughout the United States and Abroad

Rationale for Performance Goal

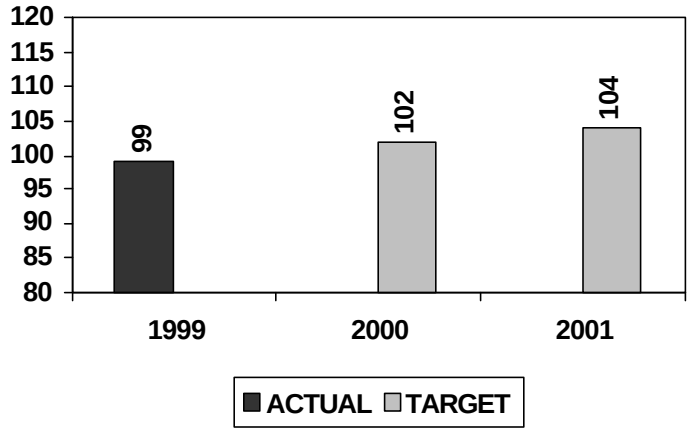
Providing technical assistance to nationals of foreign countries is one method of promoting U.S. competitiveness in the global marketplace. Assistance also strengthens and safeguards the Nation's economic infrastructure by indirectly promoting and shaping intellectual property throughout the world. PTO provides seminars and technical training to officials in countries on reforming their intellectual property structures.

PTO will meet its performance target by enhancing its activities to include compliance with the Agreement on Trade-Related Aspects of Intellectual Property's (TRIPS) Article 67. Article 67 requires developed country members of the World Trade Organization to provide technical assistance to developing and least-developed countries in preparing laws and regulations on the protection and enforcement of intellectual property.

To support the E-Commerce initiative, the PTO will work with the World Intellectual Property Organization (WIPO) to achieve electronic filing of Patent Cooperation Treaty (PCT) applications. The PTO will also electronically receive and process PCT applications at the PTO. PTO will continue working with the WIPO to develop activities that will incorporate information technology in the administration of intellectual property systems.

A share of IT funds will support initiatives to safeguard against National security threats (e.g., dual data centers).

Measure 1.a:
Number of technical assistance activities completed



Data Validation and Verification:

Data collection
Frequency: Annually
Data storage: Records of the Office of Legislation and International Affairs
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally.
Data limitations: None

FY2000, FY2001 Targets: Based on the performance statistics in FY 1999, FY 2000 performance target is changed to 102 and the FY 2001 performance target is changed to104.

Performance Goal 1:
Help Protect, Promote, and Expand Intellectual Property Rights Systems Throughout the United States and Abroad

Program Evaluation Efforts

Quality Management

PTO conducted a self-assessment using the Baldrige criteria to project key requirements for delivering ever-improving value to customers while maximizing overall effectiveness and productivity of the delivering organization.

Customer/Stakeholder Input

In conjunction with the National Academy for Public Administration, PTO conducted customer/stakeholder focus sessions to gain a better understanding of their perspectives on end outcomes of the patent and trademark systems.

Technical Assistance/Training

Beginning in FY 2000, the Office of Legislative and International Affairs (OLIA) is tracking the opinions of the students regarding the effectiveness of training sessions.

Strategies and Activities:

Strategies	Activities
Partner and negotiate with foreign patent and trademark organizations. Increase technical assistance to developing countries.	Partner with other government agencies to provide seminars and technical training.

Resource Requirements

Total Dollars: $22.7 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$16.1 M	$18.8 M	$22.7 M

Total FTEs: 114
Knowledge of global intellectual proerty rights systems and policies; expertise in intellectual property law

FY 99 Actual	FY 00 Enacted	FY 01 Request
85	101	114

Total IT Dollars: $5.8 million
IT Requirements: Wire the World, Share of Enterprise Infrastructure

FY 99 Actual	FY 00 Enacted	FY 01 Request
$4.2 M	$4.9 M	$5.8 M

Performance Goal 1:
Help Protect, Promote, and Expand Intellectual Property Rights Systems Throughout the United States and Abroad

Cross-Cutting Activities

Other Government Agencies

United States Trade Representative: The Policy area partners with this office in assessing trade issues especially as they relate to Special 301 and the Trade Related Aspects of Intellectual Property rights (TRIPs). The Policy area also works with USTR in reviewing laws for TRIPs compliance.

Department of Justice, The Customs Office, and the Federal Bureau of Investigation: The Policy area partners with this Office in providing technical assistance to developing countries. They also work together to develop methods for combating piracy and counterfeiting of U.S. goods in foreign countries. Under a recent passage of legislation, the head of the PTO and the Department of Justice will jointly chair an Intellectual Property Enforcement Council.

United States Agency for International Development (USAID): The Policy area partners with this Office in providing technical assistance to developing countries.

Departments of State and Agriculture and the Copyright Office: The Policy area partners with these agencies in the formulation of intellectual property proposals. Additionally, the PTO reports technical assistance activities to the Department of State on an annual basis.

External Factors and Mitigation Strategies

The major external factor affecting PTO's ability to meet this goal is the failure to have access to user fees, which are paid in advance by customers to process requests for products and services. If adequate resources are unavailable to the PTO, Policy functions will reduce their activities proportionately. PTO is working with the Administration on various options to ensure that full revenue collections are allocated to the purposes for which they were paid.

Performance Goal 2:
Grant Exclusive Rights, for Limited Times, to Inventors for their Discoveries

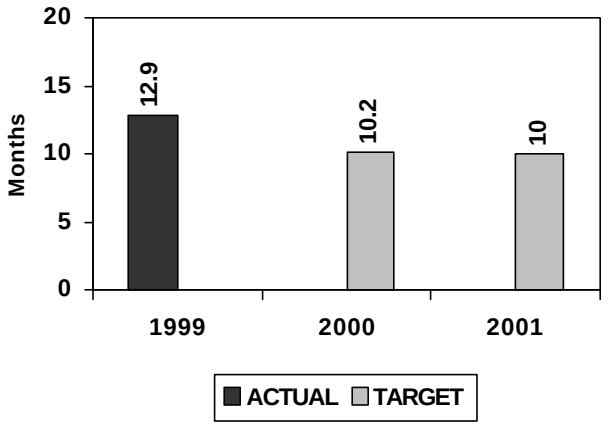
Rationale for Performance Goal

A PTO decision on patentability must be of high quality and rendered in a timely manner because it influences investment, development and marketing strategies, and eventually, the financial viability of U.S. businesses.

In support of E-Commerce, the Patent Business will accelerate electronic processing of patent applications. A share of IT funds will support initiatives to safeguard against National security threats (e.g., dual data centers).

The PTO will test reengineered patent examination processes and automated systems; deploy electronic processing of patent applications; reduce patent processing time for inventions; establish a fee structure that encourages participation in the patent system while reflecting costs; and offer Patent employees innovative training programs.

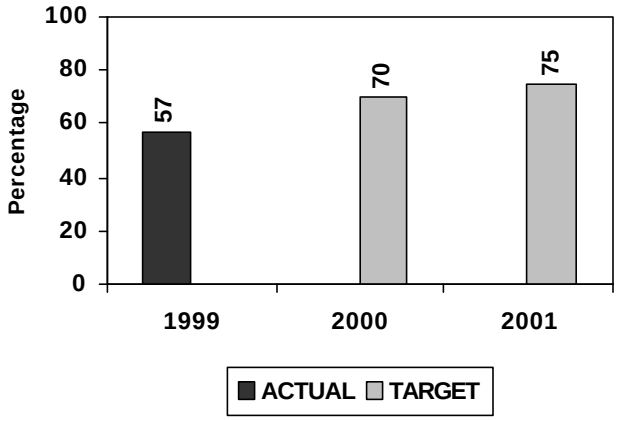
Measure 2.a:
Cycle time of inventions processed



Data Validation and Verification:

Data collection
Frequency Input—Daily; Reporting—Monthly
Data storage PALM, Automated systems, reports.
Verification Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally.
Data limitations None

Measure 2.b:
Percentage of customers satisfied



Data Validation and Verification:

Data collection
Frequency Surveys are currently conducted and results reported annually.
Data storage
Verification Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally.
Data limitations None

Performance Goal 2:
Grant Exclusive Rights, for Limited Times, to Inventors for their Discoveries

Program Evaluation Efforts

Quality Management

PTO conducted a self-assessment using the Baldrige criteria to project key requirements for delivering ever-improving value to customers while maximizing overall effectiveness and productivity of the delivering organization. In addition, Patents makes use of input from the Office of Quality Review, in-process reviews, and customer service efforts to improve value to customers.

Customer/Stakeholder Input

In conjunction with the National Academy for Public Administration, PTO conducted customer/stakeholder focus sessions to gain a better understanding of their perspectives on end outcomes of the patent and trademark systems.

Patent Working Lab

The Patent Working Lab to test reengineered processes opened in 1998 and ran for one-year. Based on lessons learned, concepts tested in the Lab focusing on balancing the distribution of work with the potential of delivering improvements in customer and employee satisfaction and greater quality of work products will be piloted in fiscal year 2000.

Strategies and Activities:

Strategies	Activities	Budget Request
Implement the American Inventors Protection Act of 1999.	Support implementation of pre-grant publication, term extension, expanded reexamination and performance-based organization.	$20,006,000 and base
Manage growth while improving processing time.	Increase patent examiner staff, technical support staff, print 168,300 patents, enhance competitiveness in the labor market by offering retention bonuses and accelerated promotions.	$22,695,000 and base
Establish an Integrated Quality Management System.	Increase customer satisfaction and patent examiner training; enhance classification and examiner search activities; improve sampling and effectiveness of Patent Quality Review.	$24,004,000 and base

Performance Goal 2:
Grant Exclusive Rights, for Limited Times, to Inventors for their Discoveries

Resource Requirements

Total Dollars: $808.9 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$626.6 M	$694.3 M	$808.9 M

Total FTEs: 5,949
Skill Summary: Engineers, Scientists

FY 99 Actual	FY 00 Enacted	FY 01 Request
4,753	5,362	5,949

Total IT Budget: $114.8 million
IT Requirements: Patent Image Capturing Systems; Application Capture and Review (PACRS); Tools for Electronic Application Management (TEAM); Electronic Filing System (EFS); Patent International Priority Document Exchange (IPDE); Share of Enterprise Infrastructure

FY 99 Actual	FY 00 Enacted	FY 01 Request
$91.9 M	$93.2 M	$114.8 M

Cross-Cutting Activities

Other Government Agencies

- Departments of Agriculture, Justice and State: The Patent Business partners with these agencies in the formulation of intellectual property proposals.
- USAID: The Patent Business partners with USAID to improve systems for effectively granting and protecting intellectual property rights.
- Departments of Defense and Energy and NASA: The Patent Business partners with these agencies in handling patent applications having national security implications.
- Department of Health and Human Services: The Patent Business partners with HHS in handling both AIDS-related and recombinant DNA information.

Performance Goal 2:
Grant Exclusive Rights, for Limited Times, to Inventors for their Discoveries

External Factors and Mitigation Strategies

The major external factor affecting PTO's ability to meet this goal is the failure to have access to user fees, which are paid in advance by customers to process requests for patent products and services. PTO is working with the Administration on various options to ensure that full revenue collections are allocated to the purpose for which they were paid; i.e. processing patent applications and granting patents.

A second major factor is continually increasing demand for patent products and services, for example, the rate of growth in patent applications continues to rise above expectations. PTO has enhanced its forecasting capabilities and is working with major customer groups to stay abreast of changes in demand patterns to enable PTO to seek Administration and Congressional approval to use revenues over plan to meet the increasing demand. PTO also is identifying reengineering and automation options to increase processing effectiveness and efficiencies, as well as innovative human resources practices to recruit and retain examiners in the tight job market.

Performance Goal 3: Enhance Trademark Protections

Rationale for Performance Goal

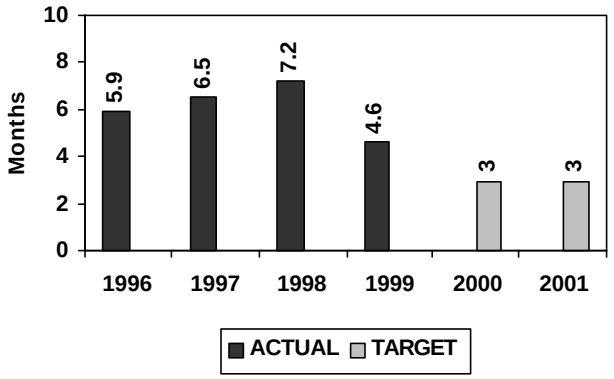
PTO will maximize the business potential of trademarks and contain the cost of trademark application processing.

PTO will reduce trademark processing time, and provide trademark customers the option to file applications and related papers electronically by placing electronic trademark applications on the PTO web site. Finally, PTO will establish a fee schedule that encourages participation in the trademark system, and aligns fees with the cost of providing services. PTO will offer employees innovative training programs and work-at-home opportunities.

In support of E-Commerce, the Trademark Business will enhance communication with customers and employees by transforming trademark processing into a fully electronic operation.

A share of IT funds will support initiatives to safeguard against National security threats (e.g., dual data centers).

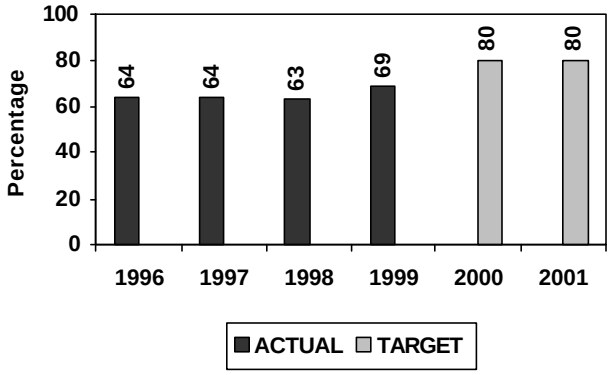
Measure 3.a: Pendency time to first action



Data Validation and Verification:

Data collection
Frequency Varied. Input—Daily; Reported—Monthly.
Data storage TRAM/Trademark Information System
Verification Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally.
Data limitations None

Measure 3.b: Percentage of customers satisfied



Data Validation and Verification:

Data collection
Frequency Surveys are conducted and results reported annually.
Data storage
Verification Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally.
Data limitations None

Performance Goal 3:
Enhance Trademark Protections

Program Evaluation Efforts

Quality Management

PTO conducted a self-assessment using the Baldridge criteria to project key requirements for delivering ever-improving value to customers while maximizing overall effectiveness and productivity of the delivering organization.

Customer/Stakeholder Input

In conjunction with the National Academy of Public Administration, PTO conducted customer/stakeholder focus sessions to gain a better understanding of their perspectives on end outcomes of the patent and trademark systems.

Trademark Work-At-Home

The two-year pilot conducted between March 1997 and March 1999 review whereby 18 Trademark examining attorneys worked at home three days a week was evaluated. Based on preliminary results, the program will be expanded.

Strategies and Activities:

Strategies	Activities	Budget Request
Manage Growth While Improving Processing Times.	Sustain current service levels while processing increased workloads.	$4,800,000 and base
Establish an Integrated Quality Management System.	Enable Trademark Quality Review to continue to review a four percent sample of examined applications.	$111,000 and base
Implement the American Inventors Protection Act of 1999.	Support establishment of the Trademark Advisory Council and other performance-based organization costs.	$128,000 and base

Resource Requirements

Total Dollars: $124.3 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$101.3 M	$110.3 M	$124.3 M

Performance Goal 3:
Enhance Trademark Protections

Total FTEs: 1,126
Skill Summary: Expertise in U.S. trademark law and procedures, knowledge of intellectual property rights systems and policies

FY 99 Actual	FY 00 Enacted	FY 01 Request
791	1,078	1,126

Total IT Budget: $29.9 million
IT Requirements: Trademark Image Capture and Retrieval System (TICRS); Trademark Electronic Application System (TEAS); Trademark Search System (TSS); Share of Enterprise Infrastructure.

FY 99 Actual	FY 00 Enacted	FY 01 Request
$25.5 M	$25.7 M	$29.9 M

Cross-Cutting Activities

Intra-DOC

None

Other Government Agencies

U.S. Customs Service: The Trademark Business partners with the Department of Treasury's U.S. Customs Service regarding counterfeit goods or services

External Factors and Mitigation Strategies

To meet this goal, PTO is working with the Administration to ensure that full revenue collections are allocated to the purpose for which they were paid; i.e. processing trademark applications and registering trademarks.

A second major factor is continually increasing demand for trademark products and services, for example, the rate of growth in trademark applications continues to rise above expectations. PTO has enhanced its forecasting capabilities and is working with major customer groups to stay abreast of changes in demand patterns to enable PTO to seek Administration and Congressional approval to use revenues over plan to meet the increasing demand. PTO also is identifying reengineering and automation options to increase processing effectiveness and efficiencies.

Performance Goal 4:
Promote Awareness of and Provide Effective Access to, Patent and Trademark Information

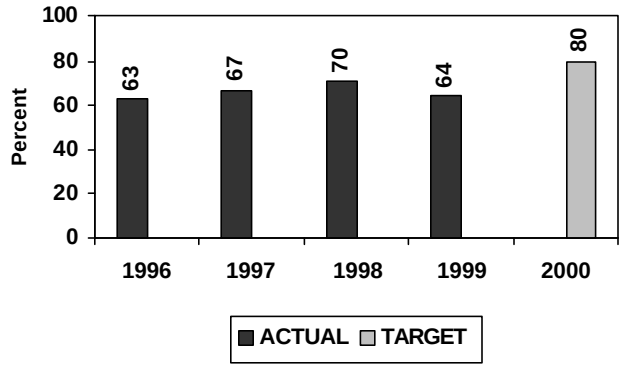
Rationale for Performance Goal

Timely availability of patent and trademark information serves the fundamental purpose of the patent and trademark laws by disclosing new technologies and providing public notice concerning intellectual property rights.

To support the E-Commerce initiative the Information Dissemination Business will enable customers to use the Internet to request the status of their patent and trademark applications, to place orders and receive products, and to access patent and trademark data. PTO will offer electronic accessibility to customers to check application status, place orders and receive products via the Internet. The PTO will also offer employees innovative training programs and will establish a fee schedule that encourages participation in the patent and trademark systems and aligns with cost.

A share of IT funds will support initiatives to safeguard against National security threats (e.g., dual data centers).

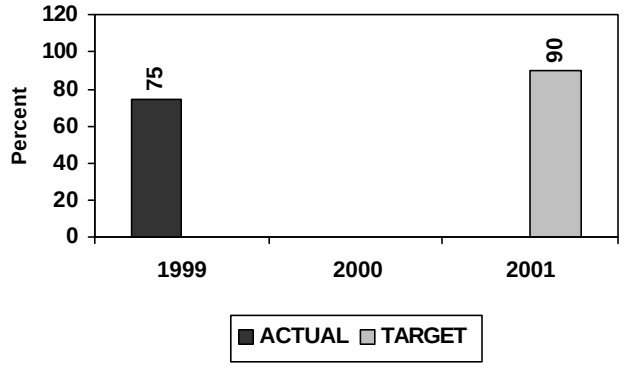
Measure 4.a:
Percent key products and services meeting schedules or cycle time of standards



Data Validation and Verification:

Data collection:
Frequency: Quarterly
Data storage: Program reports and automated systems.
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally.
Data limitations: For the most part, data are collected manually from program managers.

Measure 4.b:
Customer satisfaction with key products and services



Data Validation and Verification:

Data collection:
Frequency: Surveys are conducted and results reported bi-annually.
Data storage:
Verification: Completeness and existence of supporting data is verified during the annual financial statement audit. Final test for reasonableness is performed internally.
Data limitations: None

Performance Goal 4:
Promote Awareness of and Provide Effective Access to, Patent and Trademark Information

Program Evaluation Efforts

Quality Management

PTO conducted a self-assessment using the Baldrige criteria to project key requirements for delivering ever-improving value to customers while maximizing overall effectiveness and productivity of the delivering organization.

Customer/Stakeholder Input

In conjunction with the National Academy of Public Administration, PTO conducted customer/stakeholder focus sessions to gain a better understanding of their perspectives on end outcomes of the patent and trademark systems.

Strategies and Activities:

Strategies	Activities	Budget Request
Implement the American Inventors Protection Act of 1999.	Support implementation of pre-grant publication.	$974,000 and base

Resource Requirements

Total Dollars: $62.9 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$59.6 M	$57.9 M	$62.9 M

Total FTEs: 260
Skill Summary: Knowledge of the value of, and methods for, disseminating patent and trademark information

FY 99 Actual	FY 00 Actual	FY 01 Request
231	260	260

Total IT Budget: $18.1 million
IT Requirements: Increased Internet Access by Customers to PTO's products and services and data; Share of Enterprise Infrastructure

FY 99 Actual	FY 00 Actual	FY 01 Request
$13.4 M	$16.0 M	$18.1 M

Performance Goal 4:
Promote Awareness of and Provide Effective Access to, Patent and Trademark Information

Cross-Cutting Activities

Intra-DOC

Bureau of Census: The Information Dissemination Business provides the Census Bureau the annual report on patent statistics for the Statistical Abstract of the United States.

Other Government Agencies

- *Government Printing Office (GPO):* GPO replicates PTO's CD-ROM products and makes them available to their depository libraries.
- *National Science Foundation (NSF):* PTO partners with NSF on the Report to the President on Science and Engineering Indicators.
- *U.S. Customs Service*: PTO provides Customs with CD-ROMs of trademark information

External Factors and Mitigation Strategies

The major external factor affecting PTO's ability to meet this goal is the failure to have access to user fees, which are paid in advance by customers to process requests for patent and trademark information products and services. PTO is working with the Administration on various options to ensure that full revenue collections are allocated to the purpose for which they were paid; i.e. disseminating patent and trademark information.

A second major factor is continually increasing demand for information products and services, for example, the rate of growth in assignment (title of ownership) applications continues to rise above expectations. PTO has enhanced its forecasting capabilities and is working with major customer groups to stay abreast of changes in demand patterns to enable PTO to seek Administration and Congressional approval to use revenues over plan to meet the increasing demand. PTO also is identifying reengineering and automation options to increase processing effectiveness and efficiencies.

Technology Administration

Mission Statement

The Technology Administration's mission is to work with U.S. industry to maximize technology's contribution to U.S. economic growth by maintaining and improving key components of the Nation's technological infrastructure; fostering the development, diffusion, and adoption of new technologies and leading business practices; creating a business and policy environment conducive to innovation; and disseminating technical information.

The Technology Administration (TA) works with U.S. industry to maximize technology's contribution to U.S. economic growth. TA develops and disseminates measurement techniques, reference data, test methods, standards, and other types of infrastructural technologies and services required by U.S. industry to compete in the 21st century; fosters the development, diffusion, and adoption of new technologies; disseminates technological information; and promotes a business environment conducive to innovation. Led by the Under Secretary for Technology, TA fulfills its broad responsibilities through three component organizations:

- **The Office of the Under Secretary for Technology,** which provides policy guidance to the Secretary of Commerce and the Technology Administration's component agencies and serves as an advocate for innovation and industrial competitiveness within and outside of government. The Under Secretary coordinates the civilian technology efforts of all Federal agencies and helps to shape Federal civilian R&D priorities based upon the views of industry. The Under Secretary also provides counsel to the Secretary of Commerce on all matters affecting innovation and coordinates with counterparts in the trade and economic agencies to create unified, integrated trade and technology policies. Pursuant to this role, the Under Secretary also oversees the Office of Technology Policy (OTP) and Office of Space Commercialization (OSC).

- **The National Institute of Standards and Technology (NIST),** which works with U.S. industry to address technology needs, delivering broadly useful results shared among companies, industries, and consumers. In addition to its core measurement, testing, and standards functions, NIST also conducts three key extramural programs: the Advanced Technology Program, to stimulate the development of high risk, broad impact technologies by U.S. firms; the Manufacturing Extension Partnership, to help smaller businesses adopt new manufacturing and management technologies; and the Baldrige National Quality Program, to help U.S. business and other organizations improve the performance and quality of their operations by providing clear standards and benchmarks of quality.

- **The National Technical Information Service (NTIS),** which operates a central clearinghouse of scientific and technical information which is useful to American business and industry. NTIS is directed to collect scientific and technical information, catalog, abstract and index the information, permanently archive the information and disseminate products in the forms and formats most useful to its customers; develop electronic and other new methods and media to disseminate information; provide information processing services to other Federal agencies; and charge fees for its products and services that permit NTIS to recover its costs.

Initiatives and Priorities

Department-wide

Accelerating the Transition to Electronic Commerce: Businesses increasingly are using e-commerce for a wide range of critical processes throughout the supply chain, from exchanging product design data to conducting financial

transactions. This trend promises to have a broad economic impact by lowering production costs and raising productivity throughout the economy. Current industry forecasts indicate that business-to-business e-commerce transactions will continue to grow rapidly, and may approach $3 trillion per year by 2003. The continued growth and efficient adoption of these practices requires new infrastructural tools and capabilities. In FY 2001, TA is requesting additional resources to collaborate with the private sector to build new infrastructure for a new economy:

- *E-commerce tools for small businesses (MEP / Electronic Commerce Outreach):* This initiative will provide tools for small businesses to adopt and efficiently use business-to-business e-commerce processes. With fewer information technology resources, small businesses often are at a disadvantage in trying to work with larger companies through business-to-business e-commerce. NIST's Manufacturing Extension Partnership (MEP), in partnership with the Small Business Administration and the Department of Agriculture, will develop an "E-Commerce Jump Start Kit" and other tools to help small business fully participate in e-commerce. MEP's nationwide system of centers and offices will help disseminate the tools to small businesses and provide additional support in adopting electronic business practices.

- *Standards for electronic data exchange (Manufacturing Interoperability) :* Businesses increasingly are using e-commerce to exchange technical data with suppliers, which can substantially decrease manufacturing costs, accelerate time to market, and improve efficiency. However, inadequate standards for exchanging highly-complex data among different software programs impose a significant cost on the economy—the automotive supply chain alone loses $1 billion annually due to this problem. NIST will develop standards and technologies to improve software interoperability for product data exchange and related applications.

- *Wireless e-commerce (Information Technology for the 21st Century):* The core of e-commerce information exchange—networks of wires and optical fiber—currently restrict mobility, accessibility, and the volume of information exchange. Wireless networks represent the future of e-commerce communications, but substantial technical advances are needed to enable widespread adoption of advanced wireless networks. NIST will develop new materials, standards, and other infrastructural technologies that the private sector needs to successfully develop and deploy wireless communications and networking technologies.

Expanding Commerce's Partnerships with Minority Serving Institutions: With the pool of well-trained U.S. technical professionals falling far behind projected needs, the Nation cannot ignore opportunities to enhance the capacity of minority-serving institutions (MSIs). MSIs educate a disproportionately large number of minority scientists and engineers, but because they suffer from a lack of resources to provide top quality training they remain an under-utilized resource. To enhance the capacity of MSIs, NIST will pursue two complementary efforts:

- *Partnering with Minority-Serving Institutions:* NIST will partner with MSIs through grants and cooperative ventures to help build capacity for training minority scientists, engineers, and technicians by improving the training and research experience of MSI faculty, providing research opportunities for undergraduate and graduate MSI students, upgrading MSI research facilities, and working with MSIs on joint technical projects benefiting both NIST and the MSIs.

- *Expanding technical training opportunities at NIST (Postdoctoral Fellowship Program):* NIST will expand its highly successful NIST/National Research Council postdoctoral fellowship—which brings top young scientists and engineers to NIST for advanced research and training—and emphasize partnering with MSIs to identify top candidates. The fellowship program enhances technology transfer between NIST, universities, and industry, and serves as an important tool to recruit new NIST technical staff.

Establishing Safeguards Against Unconventional National Security Threats: The National economy and the Federal government increasingly depend on information technology (IT) infrastructure — the computer systems, networks, software, and embedded processors that help ensure military security, enable financial transactions, control delivery of utility services, permit timely communications, control manufacturing, store and disseminate information, and conduct essentially all economic and government functions. Because this information infrastructure is complex and comprised of highly interconnected systems, even limited attacks or system failures could disrupt large segments of the economy and/or critical government services. NIST will address the crucial problem of critical infrastructure protection (CIP) through three complementary programs that combine public and private sector resources to address current and future national IT security needs. [These programs also respond to the Presidential priority of protecting critical national

infrastructures, as described in Presidential Decision Directive #63 and other communications.]

- *Expert team to identify and help fix Federal IT security vulnerabilities (CIP Expert Review Team):* NIST will establish a team of computer security experts to help Federal agencies identify and fix vulnerabilities in their software, computers, networks, and other information technology resources.

- *NIST information technology security research and development (CIP Research and Development):* NIST will conduct research to develop new security solutions for parts of the public and private sector critical information infrastructure, including advanced cryptography, development of standard security management procedures and practices, and protection of supervisory systems (used to control public utilities, automated building systems, automated manufacturing systems, and other applications).

- *Grants to develop world-leading private sector IT security research and development capacity in the United States (Institute for Information Infrastructure Protection):* NIST will establish the Institute for Information Infrastructure Protection (IIIP) to increase the security, reliability, and survivability of the information technology systems and networks that comprise the nation's information infrastructure. There is a strong need for new research into advanced technologies, tools, measurements, and test methods that can raise the level of reliability and security of critical information technology-based systems and networks. The IIIP will lead a partnership among industry, academia, and government to develop the R&D capacity, technologies, and knowledge needed to protect the Nation's critical information infrastructure.

Addressing Critical Construction and Base Program Needs: In order to continue serving industry adequately, NIST must repair, upgrade, or replace existing facilities. In FY2001, NIST will take the first step toward increasing its base for safety, capacity, maintenance, and major repairs. Planned efforts include a wide range of projects, such as continued upgrades to the fire safety system, removal of hazardous asbestos materials, replacement of compressors or antiquated control systems and electrical switch gear, replacement and repair of selected roofs and roads, improved accessibility for the handicapped, and several urgently needed construction and major renovation projects on NIST's Boulder, Colorado campus.

Effective Program and Service Delivery (Meeting Our Unfunded Mandates): The Office of the Under Secretary for works in partnership with the private sector to develop, coordinate, and advocate national policies that maximize technology's contribution to U.S. economic growth and improve living standards for all Americans. New requests from Congress and the Administration have increased the Under Secretary's responsibilities and call for additional resources in four key areas:

1) the Office of Space Commercialization (OSC) will be expanded to meet new Congressional mandates and Presidential initiatives;
2) the Partnership for the Next Generation Vehicle (PNGV) will develop an economic roadmap identifying actions needed to accelerate commercialization of the PNGV technologies, while minimizing local economic discontinuities as automotive production shifts to advanced automotive technologies;
3) the Office of the Under Secretary will expand the breadth and depth of its reporting on agency technology transfer activities; and
4) the National Medal of Technology program will seek to increase the number of high quality Medal nomination submissions, extend outreach to under-represented communities, and expand media coverage to advance the public's understanding of technology.

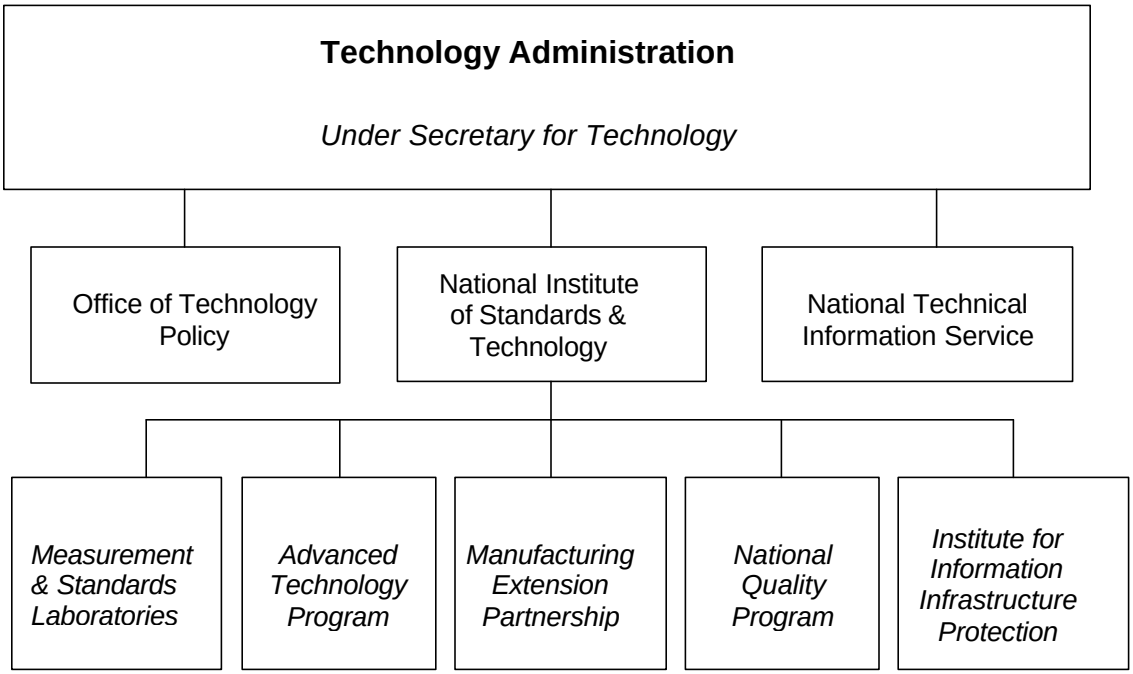
Bureau

Stimulating the Development of Advanced Technology in the Nation (Advanced Technology Program): NIST's Advanced Technology Program (ATP) provides co-funding to the private sector to accelerate the development of high-risk, broadly enabling technologies, thus helping to sustain U.S. global competitiveness. ATP is a rigorously competitive, cost-shared R&D partnership program with companies of all sizes, universities, and other research organizations. While government provides the catalyst, industry conceives, cost-shares, manages, and executes all ATP projects. ATP is in its tenth year of existence, and the evidence shows that the program is working well. The FY 2001 request of approximately $32 million would permit awarding of approximately $65 million in new R&D funding.

Enabling New Science and Technology Breakthroughs at the Atomic Scale (Nanotechnology): Nanotechnology involves understanding and manipulating things at the scale of individual atoms or small groups of atoms. At this tiny scale (on the order of a nanometer or a few billionths of an inch), the properties of materials and devices can be radically different than at "normal" scales or even microscopic sizes. For example, nanotechnology holds the promise of developing materials ten times stronger than steel but ten times lighter by manipulating individual atoms or small groups of atoms, or of building ultra-small robotic devices (too small to be seen by the unaided eye) that could travel through the human body to deliver medicines or find and destroy cancer cells. Nanotechnology will stimulate broad advances in all major economic sectors, including health care, semiconductors, communications, defense, biotechnology, and information technology. NIST is participating with several other Federal agencies in the President's National Nanotechnology Initiative to develop the science and technology to make potential nanotechnology applications a reality. NIST will develop the measurements and standards needed by industry, universities, and government research labs to exploit nanotechnology.

New Super-fast Methods of Materials and Chemical Research (Combinatorial Methods): Combinatorial methods exploit advances in information technology and automation to greatly accelerate research, development, and testing of new materials — from pharmaceuticals to metal alloys to ceramics to complex chemicals to biological products. Through combinatorial methods, scientists can conduct a very large number of experiments in parallel, rather than the traditional sequential method of conducting one experiment, checking the results, and then conducting another experiment with different conditions. Combinatorial methods have been used very successfully in the pharmaceutical industry, but have not yet been broadly adopted in other areas with great potential, including materials science, chemical synthesis, and biotechnology. NIST will develop new measurement techniques and standards to speed the application of combinatorial methods in other fields by industry, universities, and other government agencies.

Organizational Structure



Targets and Performance Summary

Performance Goal 1: Assure and improve measurements and standards			
Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Qualitative assessment and performance evaluation using a peer review process	N/A	N/A	N/A
Economic impact studies	N/A	N/A	N/A
Standard reference materials (SRMs) available	1,288	1,300	1,315
Standard reference data (SRD) available	60	63	66
Number of items calibrated	3,118	3,200	3,100
Technical publications produced	2,414	2,450	2,450

Performance Goal 2: Stimulate advanced technologies			
Measures	**FY 99 Estimate**	**FY 00 Target**	**FY 01 Target**
Economic impact studies	N/A	N/A	N/A
Cumulative number of technologies under commercialization	120	170	200
Cumulative number of technical publications	480	680	790
Cumulative number of patents filed	640	770	920

Performance Goal 3: Assist small manufacturers			
Measures	**FY 99 Estimate**	**FY 00 Target**	**FY 01 Target**
Increased sales attributed to MEP assistance	$443M	$595M	$748M
Labor and material savings attributed to MEP assistance	$45M	$60M	$76M
Capital investment attributed to MEP assistance	$359M	$483M	$607M
Inventory savings attributed to MEP assistance	$33M	$44M	$56M

Targets and Performance Summary (cont'd)

Performance Goal 4: Promote performance and quality management			
Measures	**FY 99 Estimate**	**FY 00 Target**	**FY 01 Target**
Number of applications per year to the MBNQA and Baldrige-based State and local quality programs	892	916	935
Number of Baldrige *Criteria* mailed by the BNQP and Baldrige-based State and local quality programs	203,700	197,600	193,600

Performance Goal 5: Protect the national information infrastructure			
Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Activity metrics related to program establishment - such as an operations plan, staffing, oversight and advisory boards	N/A	N/A	Successful establishment

Performance Goal 6: Analyze and develop technology policies			
Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of roundtables, seminars, and negotiations held with industry, government and academia to advance TA policy goals	25	25	25

Performance Goal 7: Collect, organize, preserve, and disseminate government scientific, technical, and business-related information			
Measures	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of items in archive	2,874,416	2,924,416	N/A
Number of documents reproduced from electronic media	721,295	750,000	N/A

Resource Requirements Summary

Total Dollars: $830,148 (thousands)

Goal	FY 99 Actual		FY 00 Enacted		FY 01 Request	
	Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
Assure and improve measurements and standards	$295,020	$119,269	$384,115	$105,416	$368,196	$106,266
Stimulate advanced technologies	$190,343	0	$142,600	0	$175,467	0
Assist small manufacturers	$127,901	$3,509	$104,180	$890	$114,137	0
Promote performance and quality management	$3,877	$2,369	$4,903	$1,600	$5,191	$1,600
Protect the national information infrastructure	N/A	N/A	N/A	N/A	$50,000	0
Analyze and develop technology policies	$10,842	$147	$7,945	$575	$8,716	$575
Collect, preserve, and disseminate government technical, scientific, and business information	$1,084	$32,211	0	$40,000	0	0

Total Bureau FTEs: 3,317 FTE

Goal	FY 99 Actual		FY 00 Enacted		FY 01 Request	
	Direct	Reimbursable	Direct	Reimbursable	Direct	Reimbursable
Assure and improve measurements and standards	2050	712	2041	722	2106	714
Stimulate advanced technologies	271	0	280	0	280	0
Assist small manufacturers	89	20	113	0	114	0
Promote performance and quality management	39	0	40	0	40	0
Protect the national information infrastructure	N/A	N/A	N/A	N/A	12	0
Analyze and develop technology policies	43	1	50	1	50	1
Collect, preserve, and disseminate government technical, scientific, and business information	0	322	0	260	0	0

Resource Requirements Summary (cont'd)

Total Bureau IT Dollars: $61,797 (thousands)

Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Assure and improve measurements and standards	$48,004	$49,800	$54,834
Stimulate advanced technologies	$2,814	$3,741	$3,265
Assist small manufacturers	$2,590	$2,761	$2,853
Promote performance and quality management	$490	$561	$635
Protect the national information infrastructure	N/A	N/A	N/A
Analyze and develop technology policies	$176	$181	$210
Collect, preserve, and disseminate government technical, scientific and business information	$9,922	$7,444	0

Performance Goal 1:
Assure and Improve Measurements and Standards

Rationale for Performance Goal

The NIST *Measurement and Standards Laboratories* (MSL) develop and deliver measurement techniques, reference data, test methods, standards, and other types of infrastructural technologies and services that provide a foundation for industry in all stages of commerce: research, development, testing, production, and marketing. NIST laboratories also support U.S. firms in the global marketplace by working to eliminate trade barriers associated with different national standards, testing, and certification requirements.

Since its establishment in 1901 as the National Bureau of Standards, NIST has collaborated closely with industry to anticipate and address the Nation's measurement, standards, and technology needs. NIST's extensive and diverse interactions with industry provide an important source of information about the quality, direction, and future demand for NIST products and services.

NIST evaluates its performance and plans its work in part through direct customer feedback, but also through three distinct evaluation mechanisms: peer review and other forms of external assessments; economic impact studies; and quantitative output tracking. Each of NIST's programs uses a different mix of these three evaluation mechanisms, tailored to each program's distinct goals, outputs, and management needs. Taken alone, no individual measurement mechanism provides a singularly robust and comprehensive source of performance evaluation data. Taken together, however, all three evaluation mechanisms—combined with continual feedback from customers—collectively provide NIST management as well as external stakeholders with a highly detailed, rich and reliable set of performance data encompassing NIST's strategic goals.

Measure 1.a:
Qualitative assessment and performance evaluation using peer review

Since 1959 the NIST Measurement and Standards Laboratories have been reviewed annually by the National Research Council. The current NRC Board on Assessment of NIST Programs is composed of approximately 150 scientists and engineers, organized into seven panels (one for each of the seven NIST laboratories) plus two subpanels for specialized programs. Panel reviews are reported at the Division level (the major organizational unit for the laboratories), and build upon assessments of research processes at the project and program levels.

The NRC Board on Assessment review is independent, technically sophisticated, and extensive. Each panel conducts a two- to three- day on-site review of an individual laboratory's technical quality, with particular attention to the following factors:

- Technical merit of the laboratory programs relative to the state-of-the art.
- The degree to which the laboratory programs conform to their mission.
- The effectiveness with which the laboratory programs are carried out and the results disseminated.
- The adequacy of the laboratory's facilities, equipment, and human resources, insofar as each affects the quality of the technical programs.

Data Validation and Verification:

Data collection: NRC Board on Assessment panels observe and analyze each MSL lab.
Frequency: Annual
Data storage: NRC
Verification: NRC independence and high technical capability; internal NRC quality controls.
Data limitations: Data are inherently qualitative and non-cumulative
Actions to be taken: None available

NRC panel reports for each laboratory become the basis for a comprehensive annual peer review report of the NIST MSL [The most recent NRC report, covering FY 1999, was released in October 1999 and can be viewed at http://www.nap.edu/books/NI000763/html/]. The NRC report provides each laboratory not only with an external quality assessment, but also with a valuable source of information for its own performance assessment, planning, and management functions. For FY 2001, the NRC will again review the MSL, and NIST will seek to obtain similarly strong findings as those provided in FY 1999 (see table below). To complement this peer review information, the

Performance Goal 1:
Assure and Improve Measurements and Standards

complement this peer review information, the MSL will continue to compile benchmarking data that compare specific NIST measurement capabilities and practices relative to those of other national metrology institutes (NMIs), measurement laboratories, and industry measurement needs.

Measure 1.b:
Economic impact studies

NIST augments the performance data obtained through peer review and benchmarking with formal microeconomic impact assessments of the long-term impacts of specific research projects. These studies provide qualitative assessments and quantitative estimates of the economic impacts resulting from the different types of technology infrastructure that NIST provides to U.S. industry. These impacts include increases in R&D efficiency and manufacturing productivity, enhanced product quality, and lower market transactions costs. Where data allow, quantitative estimates are provided in one of several generally acceptable forms: net present value, benefit-cost ratio, or internal rate of return.

NIST has been conducting economic impact studies on a regular basis since 1992. In addition to demonstrating consistently strong social rates of return and positive benefit/cost ratios, these studies provide NIST management with detailed information that is useful for evaluating current and prospective research projects and for supporting strategic planning processes.

Currently, about five new impact studies are initiated annually, focusing on projects with substantial histories. Because such studies are conducted intermittently and at the project level, they cannot be used to generate cumulative quantitative impact data for annual GPRA reporting. Recent economic impact studies and related information are available at: http://www.nist.gov/director/planning/strategicplanning.htm.

Data Validation and Verification:

Data collection Research is contracted to economic and technical experts, who generate quantitative estimates and qualitative information using performance data gathered through industry surveys and field research. Project cost data are supplied by NIST.
Frequency Intermittent.
Data storage Contractors collect and maintain all data. Survey results, cost data, and all calculations are presented in final reports.
Verification Data are gathered and analyzed by highly qualified economists and technical specialists using well-developed research methods and standard economic and business analysis metrics, as specified and monitored by NIST.
Data limitations Elements of study population s often are too diffuse to measure; availability and quality of industry data often are uneven; impact estimation typically requires counterfactual data, which can be difficult to estimate; outcomes are specific to each project—e.g. results are not cumulative and not readily comparable.
Actions to be taken Data collection is limited temporally and spatially to maximize data reliability.

Performance Goal 1:
Assure and Improve Measurements and Standards

Table: Summary of FY 1999 NRC Peer Review Findings

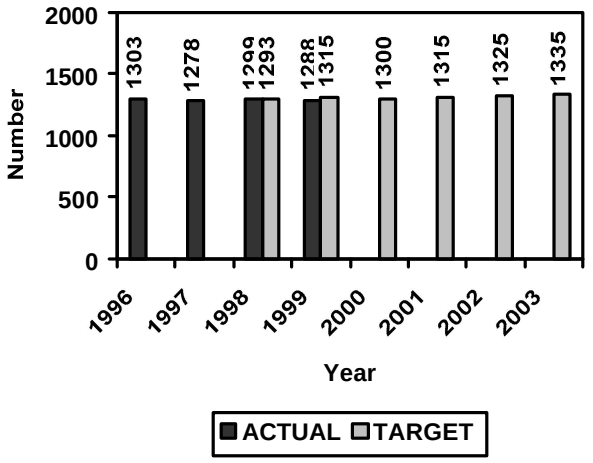
LAB	NRC Summary Finding, FY 1999*
Electronics and Electrical Engineering (EEEL)	..."[T]he technical activities under way in the EEEL are producing important results that have significant impacts on relevant industries. Given that the laboratory's mission to provide measurement capabilities for the U.S. electronics and electrical industries is very broad, EEEL management must make careful decisions about how to best utilize the limited resources available to NIST. The panel applauds the laboratory's historically verified ability to select specific areas for focused activities with carefully targeted impacts."
Manufacturing Engineering (MEL)	"Overall the laboratory continues to make significant technical progress and to contribute substantially to the manufacturing industries. Benchmarking exercises have shown that much of the MEL's work is among the best in the world. Programs and projects being pursued are supportive of both the MEL and the NIST missions, and the laboratory has made good progress in developing criteria for program prioritization. Continued effort will result in even more appropriate criteria and in their application in all MEL divisions."
Chemical Science and Technology (CSTL)	"The technical work of the CSTL provides high-quality chemical measurement capabilities and state-of-the-art basic and applied research in a broad range of technical areas. In conformance with the NIST mission, the laboratory maintains an array of programs that foster development of the essential measurement standards and technologies for both current and future technical needs of U.S. industry. The breadth of scientific research and expertise in CSTL reflects the range of customers that benefit from the laboratory's work-encompassing the newer semiconductor, aerospace, and biotechnology industries as well as the more mature chemical processing, health, and energy-related industries."
Physics (PL)	"The work of the [PL] is a mix of both basic and applied research. The basic research, in particular, calls for assessment against standards of quality rather than numerical objectives. Overall, the panel found the work of the laboratory to be of high technical merit. The staff of the laboratory represent one of the world's finest assemblages of talent in many areas of physics. In many cases, research is at or defines the state of the art in its field. Research programs and projects are generally appropriate to the mission of the laboratory and of NIST."
Materials Science and Engineering (MSEL)	"The panel found the quality of all programs to be very high as well as supportive of the laboratory's mission to stimulate more effective production and use of materials by working with materials suppliers and users to ensure the development and implementation of the measurements and standards infrastructure for materials. As confirmed by recent literature citation index analyses, surveys, and workshops, the advances by the laboratory are held in the highest regard by materials industry and research personnel both in the United States and abroad. This leadership in the characterization and measurement of materials is very important to maintaining U.S. materials industries' strong position in the global marketplace."
Building and Fire Research (BFRL)	"The technical merit of the work performed in the BFRL is very high. The current array of programs supports the laboratory's mission and contributes to the U.S. effort to meet the national construction technology goals for research and development, which include reduced operation, maintenance, and energy costs and increased health and safety. Overall, the laboratory has world-class researchers that exhibit great enthusiasm and dedication."
Information Technology (ITL)	"Overall, the panel found that the technical work under way in the ITL was of high quality and that projects are appropriate and well aligned with the laboratory and division missions. This laboratory services a broad range of customers through three essentially different types of activities: research related to measurements and standards for information technology, collaborations with other NIST laboratories in mathematics, statistics, and computational science, and technical infrastructure support services, such as maintenance of computer hardware and networks on the NIST campus. The ITL works hard to fulfill the diverse demands of its mission and is making progress on appropriately integrating the various components of the laboratory into a coherent whole that can take full advantage of the potential synergies among the wide range of expertise residing within the ITL."

*Summary findings were provided by NRC Board on Assessment of NIST Programs on 8/5/99. The complete FY 1999 review document was published in October, 1999 and can be viewed at: http://www.nap.edu/books/NIooo763/html/

Performance Goal 1:
Assure and Improve Measurements and Standards

In part due to the long time frame and intermittent character of economic impact assessments, NIST also tracks MSL's responses to the Nation's established measurement needs NIST through a series of quantitative metrics that track key product and service outputs, such as standard reference materials (SRMs), reference data, and instrument calibration services. These three output metrics convey useful information to management regarding the production and dissemination of particular NIST products and services. However, these output metrics do not provide information about the quality or impact of particular products and services. Moreover, they do not comprehensively represent the output from NIST laboratories. For instance, the technical expertise needed to generate and deliver these products and services supports effective participation in national and international standards organizations. Through these organizations NIST supports the harmonization of measurement and standards practices, which in turn promotes international trade and domestic economic growth.

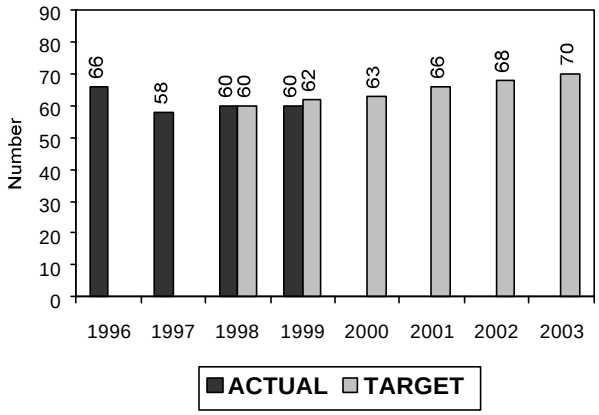
Measure 1.c:
Standard reference materials (SRMs) available



Data Validation and Verification:

Data collection NIST Standard Reference Materials Program.
Frequency Ongoing
Data storage NIST's Standard Reference Materials Program.
Verification Data represent direct and verifiable counts of SRMs produced. Internal verification includes review by NIST Technology Services and NIST Director's Office. Financial data associated with SRM sales are included in NIST's audited financial statements.
Data limitations Data provide information on output levels only; the aggregate quality, composition, and other factors may have a larger bearing on downstream impact than the aggregate level of production.
Actions to be taken There are no obvious replacements for output tabulations due in part to the diverse array of SRMs produced by NIST as well as to the lack of a direct or systematic relationship between volume and impact. Nevertheless, NIST continues to explore alternative metrics that could capture leverage in the secondary market and other factors related to downstream impact.

Measure 1.d:
Standard reference data (SRD) available

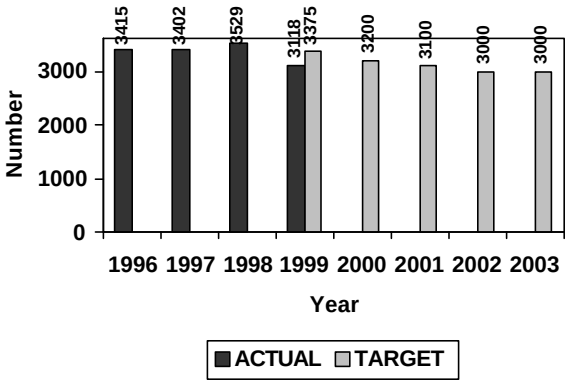


Data Validation and Verification:

Data collection NIST Standard Reference Data Program.
Frequency Ongoing
Data storage NIST's Standard Reference Data Program.
Verification Data represent a direct and verifiable count of SRD products developed and disseminated by NIST. Internal verification includes review by NIST Technology Services and NIST Director's Office. Financial data associated with SRD sales are included in NIST's audited financial statements.
Data Limitations Data provide information on output levels only; factors such as the aggregate composition of databases as well as the mode of access and user interface may have a significant bearing on downstream impact. In addition, output tabulations of data collections do not capture work entailed in updating existing databases.
Actions to be taken There are no obvious replacements for output tabulations due in part to the diverse array of SRD produced by NIST as well as to the lack of a direct or systematic relationship between the number of databases available and impact. Nevertheless, NIST continues to explore alternative metrics that could capture use rates, leverage, and other factors related to downstream impact.

Performance Goal 1:
Assure and Improve Measurements and Standards

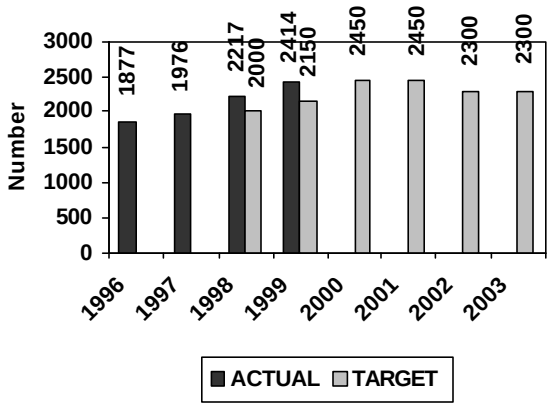
Measure 1.e:
Number of items calibrated



Data Validation and Verification:

Data collection NIST Calibration Services Program.
Frequency Ongoing
Data storage NIST's Calibration Services Program.
Verification Data represent direct and verifiable counts of items calibrated by NIST MSL. Internal verification includes review by NIST Technology Services and NIST Director's Office. Financial data associated with calibration sales are included in NIST's audited financial statements.
Data limitations Data provide information on service output levels only and represent a measure of throughput but not workload per se, as the number of tests and/or time and calibration effort required can vary substantially across items. As with SRMs and SRD, downstream impact is a function of the nature of individual calibration services more than the sheer volume of items calibrated.
Actions to be taken There are no obvious replacements for output tabulations due in part to the diverse array of calibration services produced by NIST as well as to the lack of a direct or systematic relationship between service volume and impact. Nevertheless, NIST continues to explore alternative metrics that could capture leverage in the secondary market and other factors related to downstream impact.

Measure 1.f:
Technical publications produced



Data Validation and Verification:

Data collection NIST Office of Information Services.
Frequency Ongoing
Data storage Publications data are gathered and maintained by NIST Office of Information Services.
Verification Data represent direct and verifiable counts of NIST technical publications that have been cleared for publication by the internal Washington and Boulder Editorial Review Boards. Internal verification includes review by NIST Technology Services and NIST Director's Office.
Data limitations Data are not adjusted for quality and do not capture utility or impact.
Actions to be taken NIST is developing a subcategory measure of publications in peer review journals as a proxy for quality, and is exploring the cost-effectiveness and validity of conducting regular citation tracking as a proxy for breadth of dissemination (partially indicative of impact).

Technical publications are a primary product of NIST's research activities in measurement science and technology. Many of these publications appear in prestigious scientific journals and withstand peer review by the scientific community. Others appear in technological forums where measurement standards and technologies developed by NIST staff (at times in collaboration with private sector partners) are disseminated. NIST uses publications as one of the mechanisms to transfer the results of its work to the U.S. private sector or to other government agencies that need cutting-edge measurements and standards.

Performance Goal 1:
Assure and Improve Measurements and Standards

Program Evaluation Efforts

The programmatic objectives and performance of the Measurement and Standards Laboratories are reviewed regularly by the Visiting Committee on Advanced Technology, a legislatively mandated panel of 15 external advisors that meets quarterly to review NIST's general policy, organization, budget, and programs.

Objectives and Strategies

Objectives	Strategies
Anticipate and address the Nation's most important needs for physical and information-based measurements and standards.	· Work with industry, government, and the scientific community to identify the science and technology required for a robust measurement and standards infrastructure. · Perform laboratory research that develops the measurement tools, data, and models for advanced science and technology.
Strengthen the national system of standards, measurement, measurement traceability, and conformity assessment.	· Promote the efficient delivery of measurement services to meet both current and future infrastructure needs. · Foster the development of domestic voluntary standards needed by government and industry. · Stimulate the development of a robust private conformity assessment system in the United States.
Provide leadership in harmonizing international measurements and standards to facilitate international trade.	· Compare measurement systems and practices with other industrialized countries, to assure consistency and eliminate measurement-related reasons for duplicate testing. · Foster international voluntary standards needed by government and industry. · Collaborate with international standards organizations and counterpart laboratories in researching and developing standards · Use training and consultation to strengthen national metrology systems.

Resource Requirements

Total Dollars: $368.2 million - direct, $106.3 million - reimbursable

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
$295.0 M	$119.3 M	$384.1 M	$105.4 M	$368.2 M	$106.3 M

Total FTE: 2,106 - direct, 714 - reimbursable
MSL professional staff consists of 54% Ph.D., 19% MA/MS, 18% BA/BS

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct	Reimbursable	Direct	Reimbursable	Direct	Reimbursable
2050	712	2041	722	2106	714

Performance Goal 1:
Assure and Improve Measurements and Standards

Total IT Dollars: $54.8 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$48,004	$49,800	$54,834

Cross-Cutting Issues

Intra-DOC

NIST plays a large role in a wide variety of intra-governmental and government-industry coordination committees. For example, NIST has leadership positions on the committees, subcommittees, and working groups of the National Science and Technology Council (NSTC).

Other Government Agencies

NIST provides research and services in measurement and standards to almost every other agency in the Federal government with scientific missions, contracted through specific Interagency Agreements or Memoranda of Understanding. NIST measurement research, services, and facilities have long contributed to national defense and security, to the nationwide safety and quality-assurance systems that ensure the accuracy of health care measurements, to the accuracy of environmental measurements, and to law enforcement standards.

External Factors and Mitigation Strategies

Industry-specific business conditions and technological developments affect the level and range of demand for NIST products and services over time. For instance, annual demand for calibrations—only one of numerous outputs of the Measurement and Standards Laboratories—can fluctuate due to several factors outside of NIST's control, including changes in the calibration intervals of large customers, changes in the average calibration interval rate in any given year, consolidation of calibration activities within large R&D organizations, and industry consolidation (as, for example, in defense-related industries).

In general, NIST seeks to mitigate the effects of external technological and market uncertainties by maintaining varied and close relationships with its customer base. Through conferences, workshops, technology roadmaps, and many other forms of interaction with its customers, NIST regularly evaluates and adjusts to the direction and level of demand for measurements, standards, reference data, test methods, and related infrastructural technologies and services.

Performance Goal 2: Stimulate Advanced Technologies

Rationale for Performance Goal

Market pressures often deter firms from investing in particular types of technology and R&D projects. For instance, private industry does not account for a large percentage of the Nation's basic R&D, because firms must be able to earn appropriate returns within a time frame and at a level satisfactory to investors. For the same reasons, industry tends to avoid investing or significantly under-invests in certain types of enabling technologies: infrastructural technologies, which require distinct competencies and are broadly applied; multi-use technologies, which benefit multiple segments of an industry or group of industries; and high-potential breakthrough technologies, which typically involve risk levels and time frames that far exceed the horizons of individual firms. In each of these areas, the financial and market interests of individual firms tend to produce a sub-optimal level of investment for the economy and society as a whole. To address this problem, the Advanced Technology Program (ATP) provides industry with the opportunity to invest in and develop innovative technologies that promise significant commercial payoffs and broad benefits for the Nation.

The ATP has developed a sophisticated combination of assessment tools through which it evaluates its impact on the economy. In addition to program guidance provided by the Visiting Committee on Advanced Technology and NIST management, the ATP also evaluates its performance through economic assessments of project developments and long-term impacts, estimates of interim outcomes, status reports on completed projects, and output tabulations.

Measure 2.a: Economic impact studies

The Advanced Technology Program uses a wide range of evaluation mechanisms to assess the long-term impacts associated with ATP-funded projects. Evaluation activities include planning, developing evaluation models and methods, collecting data and constructing databases, and conducting micro- and macro-economic case studies, statistical and econometric analyses, and other forms of assessment and inquiry. Fully successful ATP projects are expected to contribute significantly to the U.S. scientific and technical knowledge base, yield private benefits to the innovators, and, ultimately, yield benefits to others in the Nation—through market, knowledge, and/or network spillovers extending well beyond the direct award recipients. Significant impacts can result from even partial successes. To assess these outcomes, ATP conducts or contracts economic impact studies that seek to quantify private rates of return, social-rates-of-return, and public rates of return (the social-rate-of-return component attributable to the ATP). Evaluation studies address single projects and groups of projects, as well as issues of special concern to policy makers and program management.

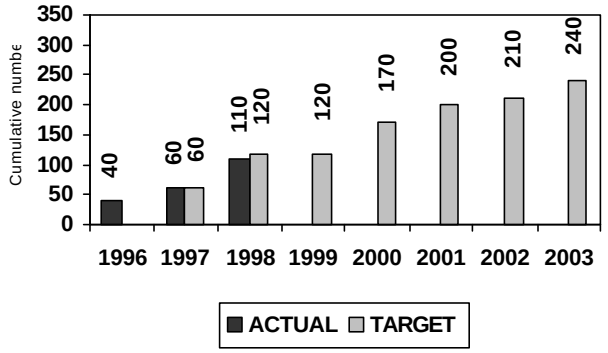
Data Validation and Verification:

Data collection Data collected for ATP's Economic Assessment Office databases (see output metrics section below) are supplemented with data collected by external economic and technical experts, who generate qualitative information and quantitative estimates using data from field research and other public and private databases.
Frequency Intermittent.
Data storage Research methodology and results are presented in final reports; some data are integrated with existing ATP databases.
Verification Data collected and analyzed by contractors, as well as the methodology and results of the data analysis, are rigorously reviewed by NIST economists and technical experts as well as by external experts in evaluation.
Data limitations The time period from ATP funding to economic impacts is long and entails substantial market and technological uncertainties at the point impact studies are undertaken. Few projects are sufficiently mature to assess their impacts; in some cases, projections are used to estimate potential impacts. As with project-level impact assessments in general: results are intermittent and not cumulative; elements of study population s often are too diffuse to measure; availability and quality of industry data often are uneven; impact estimation typically requires counterfactual data, which can be difficult to estimate; outcomes are specific to each project—e.g. results are not cumulative and not readily comparable.
Actions to be taken Studies use the best available estimation techniques and are subject to extensive external and internal review.

To complement its highly focused economic impact studies, ATP also measures and evaluates a wide range of broader output indicators. Below are data for three key output metrics—the number of technologies commercialized as a result of ATP project funding, as well as the number of patents and publications generated by ATP-funded projects.

Performance Goal 2:
Stimulate Advanced Technologies

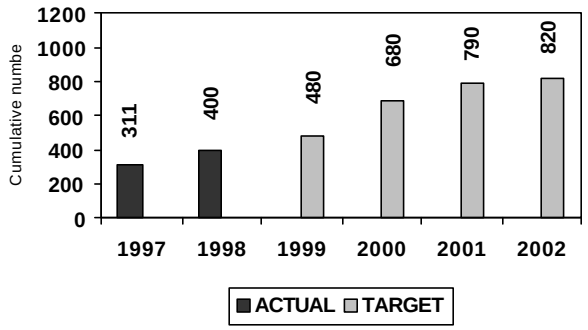
Measure 2.b:
Cumulative number of technologies under commercialization



Data Validation and Verification:

See below.

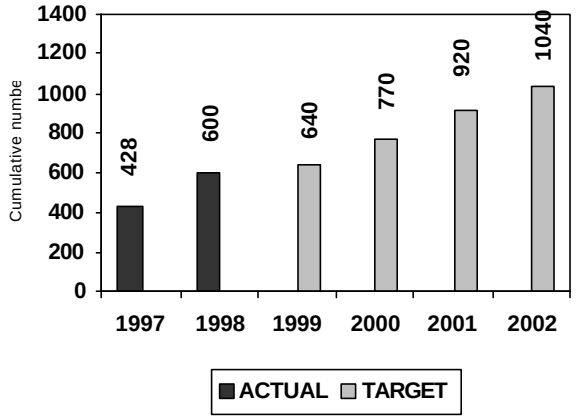
Measure 2.c:
Cumulative number of technical publications



Data Validation and Verification:

See below.

Measure 2.d:
Cumulative number of patents filed



Data Validation and Verification:

See below.

Performance Goal 2: Stimulate Advanced Technologies

Data Validation and Verification::
ATP Technologies Commercialized, Publications, and Patents Filed

Data collection Data are gathered from the portfolio of ATP project participants since 1993 through company filings of patent information to the NIST Grants office (a legal requirement) and an electronic survey instrument under ATP's Business Reporting System (BRS). Separate portfolio-based telephone surveys are conducted of project participants funded prior to 1993 and for post-project data collection.
Frequency Annual over the course of ATP funding for projects funded since 1993; intermittent for projects funded prior to 1993; every two years (up to six years) after ATP funding ends.
Data storage BRS data are maintained by ATP's Office of Economic Assessment in an integrated set of databases covering both descriptive information about the funded organizations and survey responses for all participants in ATP-funded research projects.
Verification ATP's Business Reporting System has been evaluated by external auditors. In addition, all ATP reports using BRS data and patent reports filed through the NIST grants office are monitored closely by ATP for research quality and are subject to extensive NIST-wide review and critique prior to being issued.
Data limitations The BRS electronic survey and other telephone survey instruments represent a standardized reporting system. Standard sources of uncertainty include: variation in interpretation of specific questions; variation in the estimation techniques used in response to specific questions; variation in the quality of industry data; missing values; etc.
Actions to be taken Standard survey techniques already are used to clean the data and assure completeness, accuracy and reliability. Survey response rates already are high—nearly 100 percent for recipients of single-company awards, and 80-90 percent for individual participants in ATP joint ventures.

Program Evaluation Efforts

The programmatic objectives and performance of the Advanced Technology Program are reviewed regularly by the Visiting Committee on Advanced Technology, a legislatively mandated panel of 15 external advisors that meets quarterly to review NIST's general policy, organization, budget, and programs. In addition, the ATP has been subject to a number of external reviews focused on program performance over the course of its 10 year existence. Currently the ATP is the subject of a broad programmatic review by the NRC Board on Science, Technology, and Economic Policy. The first volume of this review, entitled *The Advanced Technology Program: Challenges and Opportunities*, was published in 1999 and is available from the National Academy Press.

In addition to external evaluation, the ATP also conducts internal evaluations to complement the performance information provided for GPRA. For instance, the ATP has begun a series of Status Reports that detail the progress of completed project.[1] In addition, the ATP periodically conducts broad analyses of the data collected through its Business Reporting System, providing a basis for assessing the ATP's progress toward major programmatic objectives (the most recent report found, for instance, that eighty-six percent of ATP-funded organizations are already ahead in their R&D cycle as a result of ATP funding, and acceleration in time-to-market by two years or more is anticipated for 62 percent of planned commercial applications).[2]

To complement its economic analyses, the ATP has established a database to capture quantitative information about the technical progress of ATP-funded projects. This database will help ATP identify and address systemic issues to improve the success of ATP-funded projects, facilitate continuous improvement of ATP's operations, and allow ATP to easily examine and present aggregated information about the status of its portfolio of active and completed projects.

1. *See William F. Long,* Performance of Completed Projects: Status Report Number 1 *NIST Special Publication 950-1 (March 1999). Available at:*
2. *Jeanne W. Powell,* Development, Commercialization, and Diffusion of Enabling Technologies: Progress Report for ATP Projects Funded 1993-1995 *(NISTIR 6098; 1997). An update of this report will be available in FY 2000.*

Performance Goal 2: Stimulate Advanced Technologies

Objectives and Strategies

Objectives	Strategies
Encourage industry to increase investment in R&D for high-risk, broad-impact technologies.	· Identify and fund ATP-industry partnerships for the development of emerging, infrastructural, and/or multi-use technologies. · Emphasize cooperative R&D projects. · Expand partnership activities with both the public and private sectors, and strengthen linkages to external sources of innovation- such as small entrepreneurial firms, universities and other sources of basic research, and new research consortia.
Accelerate the commercialization and broad diffusion of ATP-funded technologies.	· Facilitate linkages between ATP award winners and other financial and organizational resources. · Encourage rapid dissemination of information about ATP-funded technologies.

Resource Requirements

Total Dollars: $175.5 million

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
$190.3 M	0	$142.6 M	0	$175.5 M	0

Total FTEs: 280
ATP professional staff consists of 49% Ph.D., 33% MA/MS, 16% BA/BS

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct	Reimbursable	Direct	Reimbursable	Direct	Reimbursable
271	0	280	0	280	0

Total IT Dollars:$3.3 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$2.8 M	$3.7 M	$3.3 M

Performance Goal 2: Stimulate Advanced Technologies

Cross-Cutting Issues

Other Government Agencies

The ATP leverages the expertise of scientists and engineers from a wide variety of government agencies and laboratories to participate on the ATP's Source Evaluation Boards. In addition, the ATP Program Managers work with Program Managers from other government agencies to ensure that projects are complementary and relevant—coordination committees in several disciplines have been brought together for this purpose. This also affords an opportunity to examine government R&D from a high level for specific technologies.

External Factors and Mitigation Strategies

ATP has little control over many aspects of the performance measures listed in this document. For instance, the rate at which ATP-funded technologies are commercialized will vary in part due to technological uncertainties intrinsic to the R&D enterprise. In addition, other metrics such as publications and patenting rates will be affected not only by the level of technologies commercialized but also by company-specific strategies and market conditions. For example, patenting is more common in some industries than others, and a variety of factors affect the patenting and/or publishing choices of individual firms. Variation in growth rates and development trajectories add additional uncertainty; some technologies are commercialized rapidly once the research is completed, while others require extensive product development and clinical trials before significant commercialization can occur. There are no practical mitigation strategies for these external sources of uncertainty, other than maintaining robust program management and data collection systems: the ATP insists that its companies abide by the terms and conditions of the cooperative agreement, which include intellectual property and commercialization provisions.

Performance Goal 3: Assist Small Manufacturers

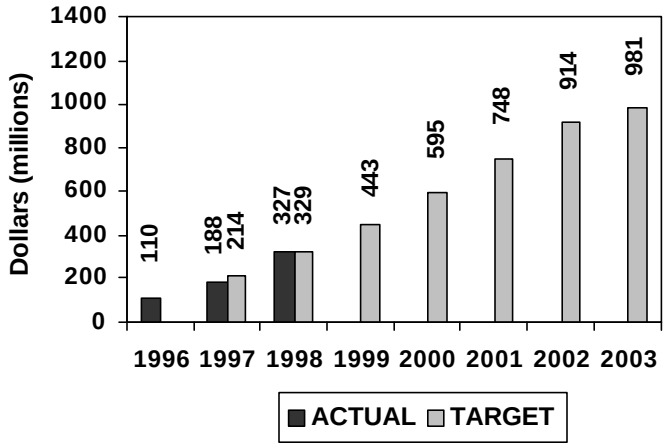
Rationale for Performance Goal

While the United States manufacturing sector as a whole is among the most productive in the world, small manufacturers consistently lag behind their larger counterparts. The Nation's nearly 400,000 small plants and factories employ about 12 million people—nearly two-thirds of all manufacturing jobs—and produce intermediate parts and equipment that contribute substantially to the value of finished products. Due to the pervasive role of small firms in the manufacturing supply chain, the future productivity of the Nation's overall supply base will rest largely on the ability of small firms to improve their quality, raise their efficiency, and lower their costs.

The comparatively low productivity growth of small U.S. firms can be attributed to numerous factors, including technical, cost, and information barriers. Through the Manufacturing Extension Partnership (MEP) Program, NIST helps to overcome these barriers by providing information, decision support, and implementation assistance in adopting new and more advanced manufacturing technologies, techniques, and business practices.

MEP evaluates its performance through a combination of methods including: 1) independent evaluation of MEP program plans and policies by the MEP National Advisory Board; 2) legislatively-mandated independent panel reviews of individual MEP center operations and outcomes conducted against criteria adapted from the Malcolm Baldrige National Quality Award; and 3) regular program oversight and periodic review of individual MEP center operations and outcomes by NIST staff. These reviews and assessments are based on a variety of objective performance metrics, most particularly those relating to impacts on client competitiveness, derived from regular surveys conducted by the Bureau of the Census; and analysis of more detailed information regarding the operations and performance of individual centers. The following four performance measures record the impact of MEP assistance on several key business indicators, which collectively illustrate MEP's impact on key aspects of its clients' competitiveness.

Measure 3.a: Increased sales attributed to MEP assistance

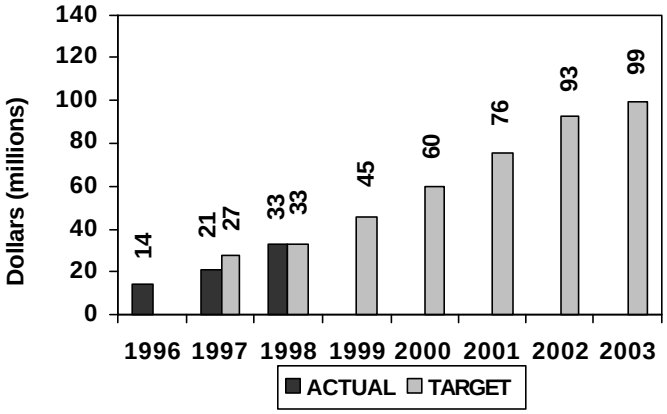


Data Validation and Verification:

(See below for validation and verification information on all four MEP metrics.)

Performance Goal 3: Assist Small Manufacturers

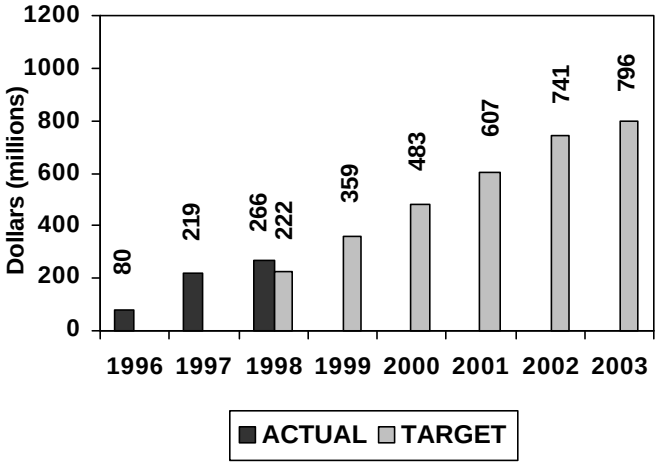
Measure 3.b: Labor and material savings attributed to MEP assistance



Data Validation and Verification:

(See below for validation and verification information on all four MEP metrics.)

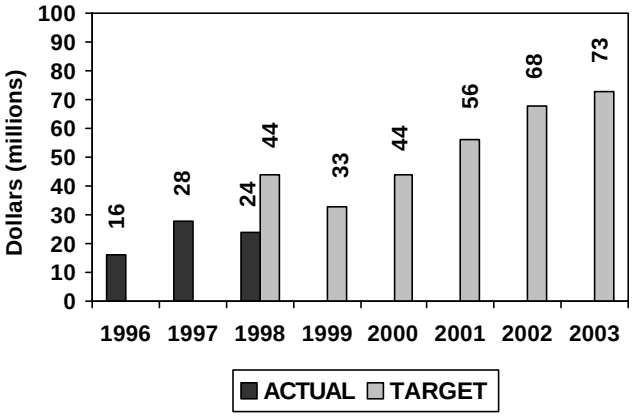
Measure 3.c: Capital investment attributed to MEP assistance



Data Validation and Verification:

(See below for validation and verification information on all four MEP metrics.)

Measure 3.d: Inventory savings attributed to MEP assistance



Data Validation and Verification:

(See below for validation and verification information on all four MEP metrics.)

Performance Goal 3: Assist Small Manufacturers

Data Validation and Verification: MEP Competitiveness Indicators

Data collection To measure the impact of services on clients, MEP centers submit activity data reports to the Bureau of the Census, which uses these reports to plan and conduct surveys of MEP clients. Census compiles the survey data, manages the data to ensure confidentiality, and forwards the data results to MEP.
Frequency Surveys are conducted monthly on a rolling basis, 10 months after project completion; MEP generates and analyzes totals biannually.
Data storage MEP cumulates and stores Census survey data in an Oracle database.
Verification Internal verification includes review by the NIST Director's Office. In addition, DOC IG office audit of MEP's performance measurement system will add external verification (audit begun on 7 November 1999).
Data limitations Measures represent partial impact indicators. Many of the benefits of MEP services are intangible, difficult to quantify, and/or are qualitative in nature. In addition, the time period over which impacts are realized often is different from the 10-month survey period (some impacts take time to become apparent to clients; others extend over longer periods).
Actions to be taken MEP has responded to these problems by limiting impact measurement to 10 month periods (thereby forgoing estimates of cumulative or recurring benefits) and limiting the number of indicators reported to well-defined and quantifiable business indicators (thereby forgoing more comprehensive impact reports).

Program Evaluation Efforts

MEP's National Advisory Board regularly provides external and independent evaluations of MEP's program plans and policies. In terms of organizational processes, evaluation is integral to MEP's operations. MEP evaluates the performance of its centers on an ongoing basis, providing detailed analyses of the operations and performance of individual centers. MEP's evaluation system is described in a recent report to Congress entitled "The NIST Manufacturing Extension Partnership: A Network for Success: A Review of Results and the Evaluation Process" (US Department of Commerce, Technology Administration, NIST, July 1999).

Objectives and Strategies

Objectives	Strategies
Transform a larger percentage of the Nation's small manufacturers into high performance enterprises.	· Provide MEP Centers and clients with access to a wider range of technologies and business practices by generating an integrated knowledge network focused on high performance processes, market dynamics, technological trends, and competitiveness indicators. · Improve each Center's effectiveness and efficiency by improving the level of technical capacity in the field and assisting Centers in developing effective management information systems.

Performance Goal 3: Assist Small Manufacturers

Resource Requirements

Total Dollars: $114.1 million

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
$127.9 M	$3.5 M	$104.2 M	$0.9 M	$114.1 M	$0.0 M

Total FTEs: 114
MEP professional staff consists of 11% Ph.D., 74% MA/MS, 11% BA/BS

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
89	20	113	0	114	0

Total IT Dollars: $2.9 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$2.6 M	$2.8 M	$2.9 M

Cross-Cutting Issues

Intra-DOC

MEP assisted DOC's International Trade Administration in making the Self-Help Tool for Y2K analysis, remediation and compliance available to foreign small businesses; in presenting Y2K workshops in Indonesia, Malaysia and Korea; and in distributing foreign language versions of the Tool and CD-ROM both internationally and in the U.S. through the MEP Y2K Help Center.

There have also been meetings between MEP and ITA's U.S. and Foreign Commercial Service concerning collaboration to open global markets to American small and medium-sized manufacturers interested in, but new to, exporting activities.

Other Government Agencies

MEP collaborates with a wide range of agencies, including the Department of Agriculture (with projects serving forestry and food processing industries, promoting sustainable development and providing outreach assistance to clients for implementing a Y2K compliance project); Department of Defense (regional recycling efforts with the Navy); Department of Energy (technology development from DoE labs; Energy, Environment and Manufacturing Assessment Protocol); Environmental Protection Agency (Pollution Prevention; Environmental Best Practices for Metal Finishing and Printing Industries; Environmental Service Provider Networks; Recycling Market Development; Energy, Environment and Manufacturing Assessment Protocol (with DOE); collaborative promotion of sustainable develop-

Performance Goal 3: Assist Small Manufacturers

ment); Department of Health and Human Services (collaboration with the National Institute for Occupational Safety and Health regarding Center health & safety services); Department of Housing and Urban Development (Center workforce development model being adapted to HUD empowerment zones and collaboration on Y2K outreach assistance); Department of Labor (One Stop Career Center; School to Work Project); National Science Foundation (adapting NSF curricula); National Aeronautics and Space Administration (NTTC Technology Mining Project; field agent training); and the Small Business Administration (collaboration in providing outreach assistance to clients for implementing a Y2K compliance project).

External Factors and Mitigation Strategies

The economic and technological environment for small manufacturers in the United States continues to change rapidly. To maximize its effectiveness MEP must not only respond rapidly to its clients' changing needs, but also anticipate changes in the business environment facing small manufacturers. In areas such as e-commerce, where technological developments are revolutionizing the competitive landscape for virtually all small businesses, MEP has been working aggressively to develop solutions to common needs among its client base. However, anticipating and developing solutions to broad business challenges requires a 2-3 year time horizon and commensurate long-term budget and planning commitments.

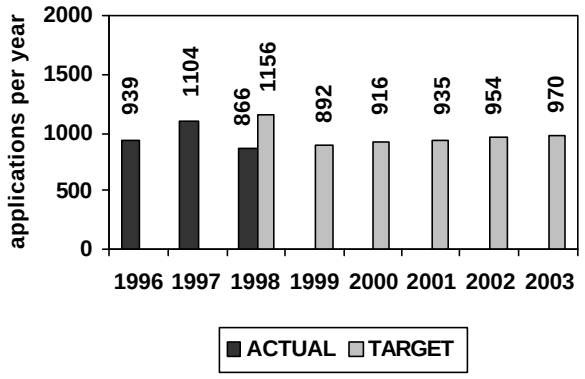
Performance Goal 4:
Promote Performance and Quality Management

Rationale for Performance Goal

As the 21st century unfolds, quality and performance improvement have become requirements—not options—for competitive businesses and high-performance organizations of all types. Through the Malcolm Baldrige National Quality Program (BNQP), NIST provides a systematic and well-tested set of business values, performance criteria, and assessment methods that all organizations can adopt to improve their productivity and effectiveness. Overall, the BNQP catalyzes the business community to define what organizations must do to improve their performance and attain (or retain) market leadership, and it provides a mechanism for broadly disseminating that information.

The Baldrige National Quality Program evaluates its performance through a combination of methods including: 1) independent expert review of all aspects of the BNQP's plans and operations by its Board of Overseers, combined with other annual reviews provided by the Panel of Judges and the Foundation for the Malcolm Baldrige National Quality Award (MBNQA); 2) output tabulations, such as the number BNQP *Criteria for Performance Excellence* distributed by mail; and 3) periodic surveys and other assessments of the program's relevance to corporate performance. In FY 2000, the BNQP expects to complete a formal economic impact assessment to evaluate the Program's longer-term economic impact on corporate performance management practices, profitability, and other business factors.

Measure 4.a:
Number of applications per year to the MBNQA and Baldridge-based state and local quality programs

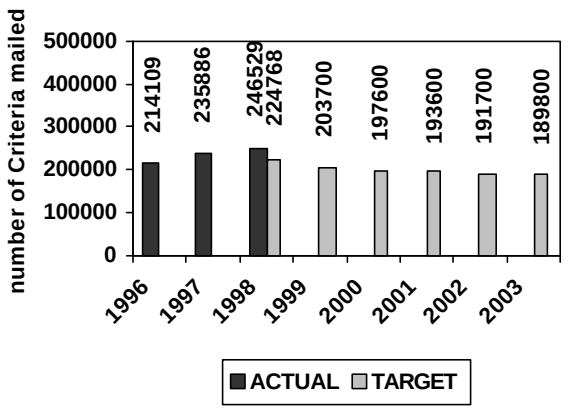


Data Validation and Verification:

Data collection Application data are collected and tracked by the Baldrige National Quality Program.
Frequency Based on the application cycle. Data from State and local programs is collected annually.
Data storage Baldrige National Quality Program.
Verification Data represent direct and verifiable counts of BNQP business activities and processes. Internal verification includes review by the Director's Office.
Data limitations The data are partial representation of BNQP's output. The application count does not capture the large number of organizations that use Baldrige criteria internally but do not formally apply for MBNQA or other Baldrige-based awards. Data from State and local programs is uneven and difficult to collect, resulting in significant time lags. Even with time lags, however, the available data provide a rough proxy for the leveraging effect of the MBNQA on State-level programs.
Actions to be taken BNQP uses other methods to assess the program's relevance and utility, such as occasional executive surveys and review of anecdotal evidence. Timeliness of data generated by State and local quality programs is difficult to influence.

Performance Goal 4:
Promote Performance and Quality Management

Measure 4.b:
Number of Baldridge Criteria mailed by the BNQP and Baldridge-based State and local quality programs



Data Validation and Verification:

Data collection Application data are collected and tracked by the Baldrige National Quality Program.
Frequency Based on the application cycle. Data from State and local programs is collected annually.
Data storage Baldrige National Quality Program.
Verification Data represent direct and verifiable counts of BNQP information dissemination. Internal verification includes review by the Director's Office.
Data limitations The data are partial representation of BNQP's output. The number of documents mailed does not capture additional dissemination channels, such as electronic acquisition and dissemination; reproduction of the Baldrige *Criteria* in textbooks, articles, and other documents; and secondary modes of copying and distribution. Moreover, direct counts of BNQP *Criteria* do not capture various formal and informal ways in which BNQP concepts can be disseminated, such as through academic programs, consulting channels, business and organizational management literature, etc. Data from State and local programs is uneven and difficult to collect, resulting in significant time lags. Even with time lags, however, the available data provide a rough proxy for the leveraging effect of the MBNQA on State and local programs.
Actions to be taken: BNQP uses other methods to assess the program's relevance and utility, such as occasional executive surveys and review of anecdotal evidence. Timeliness of data generated by State quality programs is difficult to influence.

Program Evaluation Efforts

Independent expert review of all aspects of the BNQP's plans and operations is provided by the Board of Overseers, a prestigious group of national quality experts from business and academia. The Board of Overseers serves as a Federal advisory panel to the Secretary of Commerce, and it is the Board's responsibility is to assess how well the BNQP is serving the national interest. The Board reviews all aspects of the BNQP, including the adequacy of the Evaluation Criteria and processes for making Baldrige Awards, and reports its recommendations to the Secretary.

Other annual external program evaluations are provided by the Panel of Judges and the Foundation for the Malcolm Baldrige National Quality Award. Moreover, the House Committee on Science, Space and Technology conducts occasional oversight hearings involving winners of the award, NIST, and outside experts to review the Program's effectiveness and management issues.

Performance Goal 4:
Promote Performance and Quality Management

Objectives and Strategies

Objectives	Strategies
Develop and continuously improve the Malcolm Baldridge National Quality Award, broadly disseminate criteria for evaluating performance, and promote quality awareness and performance excellence.	· Successfully implement the new award programs for the education and health care sectors, and explore the possibility of an award category for other non-profit organizations. · Prepare educational materials (such as case studies) and acquire the capacity to conduct research and generate documents that will: 1) identify best practices and articulate the underlying principles of leading management practices and performance evaluation techniques; and/or 2) help businesses and other organizations initiate and sustain performance improvement strategies.
Promote quality awareness and business excellence practices of small service businesses and manufacturers.	· Use flexible partnerships to reach and address the needs of smaller firms. · Lead an expanding national system of state and local quality programs. · Prepare educational materials designed to help businesses and other organizations initiate and sustain performance improvement strategies.

Resource Requirements

Total Dollars: $5.2 million - direct, $1.6 million - reimbursable

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
$3.9 M	$2.4 M	$4.9 M	$1.6 M	$5.2 M	$1.6 M

Total FTEs: 40
BNQP professional staff consists of 13% Ph.D., 50% MA/MS, 25% BA/BS

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct	Reimbursable	Direct	Reimbursable	Direct	Reimbursable
39	0	40	0	40	0

Total IT Budget: $0.6 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$0.5 M	$0.6 M	$0.6 M

Performance Goal 4:
Promote Performance and Quality Management

Cross-Cutting Issues

Other Government Agencies

The BNQP provides OPM with Baldrige Criteria, Processes, and Baldrige Examiner Board members for the Presidential Quality Award.

External Factors and Mitigation Strategies

BNQP's ability to further promote quality awareness and performance excellence will depend in part upon acquiring the formal authority to conduct research, develop data on best practices, and generate self-assessment primers and other educational materials.

Performance Goal 5: Protect the National Information Infrastructure

Rationale for Performance Goal

The ubiquitous and interconnected nature of IT increases the extent to which even limited attacks or failures can broadly disrupt the Nation's information infrastructure. The U.S. economy and society now depend broadly upon computers and networks, and the reliability, security, and quality of those systems must be strengthened. The potential negative consequences of inadequate assurance accumulate as IT systems expand and often are not apparent until major systems fail. Without adequate assurance, the viability of the entire information infrastructure—and therefore the entire U.S. economy—is put at risk.

The goal of this program is to increase the security, reliability, and survivability of the information technology systems and networks that comprise the Nation's information infrastructure. This goal will be pursued through the establishment and operation of the Institute for Information Infrastructure Protection (IIIP), headquartered at NIST, which will lead a partnership among industry, academia, and government to develop the R&D capacity, technologies, and knowledge needed to protect the Nation's critical information infrastructure. Vulnerabilities affecting the information and communications infrastructure can potentially affect the entire U.S. economy, not just a single sector or industry. Consequently, there is a substantial need for significant new research into advanced technologies, measurements, and methods that can raise the level of reliability and security of critical information technology-based systems and networks. The IIIP will build this R&D capacity by providing research grants to universities, industry and government to build appropriate R&D expertise. This work supports Presidential Decision Directive (PDD) #63, dated May 22, 1998, as well as the DoC Secretarial priority on Establishing Safeguards Against Unconventional National Security Threats.

Measure 5.a: Activity metrics related to program establishment

Evaluating the IIIP's performance ultimately will require the development of outcome measures that gauge the security, reliability, quality, and survivability of information technology systems and networks. Appropriate measures would indicate the degree to which technologies generated and disseminated through the IIIP have reduced IT system malfunctions and/or enhanced the reliability of service delivery, the security of information storage and transfer, and the quality of service content. Comprehensive outcome measures of this nature likely will be difficult to develop, and undoubtedly will apply only after the IIIP has been in operation long enough for its R&D outputs to generate measurable aggregate impacts. As the IIIP becomes established, it will build appropriate outcome measures into its long-term program and operational plans.

Data Validation and Verification:

Data collection TBD.
Frequency TBD.
Data storage TBD.
Verification TBD.
Data limitations. TBD.
Actions to be taken. The IIIP will build output and ultimately outcome evaluation into its program plans and operations. The IIIP's Advisory and Oversight committees will be used to provide guidance toward long-term programmatic goals.

In the formative stages of the IIIP, the program will be evaluated through the timely and successful completion of appropriate activities, such as developing an operations plan, hiring staff, establishing advisory and oversight committees, establishing grant selection boards, and providing grant services. In later phases, the program will be evaluated through the production of core R&D outputs that support the Nation's critical information infrastructure: advanced technologies and solutions, tools, standards, and tests. In addition, the Institute's central objective—increasing the Nation's R&D capacity for information infrastructure protection—will be gauged through the provision of R&D grants and the coordination of industry, university, and academic efforts. The IIIP's Oversight Committee will likely provide the best source of information on progress toward this particular objective.

Performance Goal 5:
Protect the National Information Infrastructure

Program Evaluation Efforts

N/A

Objectives and Strategies

Objectives	Strategies
Increase the Nation's R&D capacity for information infrastructure protection.	- Provide research grants to universities, industry, and government to build appropriate R&D expertise

Resource Requirements

Total Dollars: $50.0 million

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
N/A	N/A	N/A	N/A	$50.0 M	0

Total FTEs: 12

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
N/A	N/A	N/A	N/A	12	0

Total IT Budget: TBD

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	TBD

Performance Goal 5:
Protect the National Information Infrastructure

Cross-Cutting Issues

N/A

External Factors and Mitigation Strategies

Three major external factors are most likely to affect the IIIP's progress toward its programmatic goals: 1) the technical uncertainty that is intrinsic to the R&D enterprise; 2) the scope of the technologies involved and the pace of technological change; and 3) the dynamics of evolving domestic and international markets. There are no real mitigating strategies for the first factor, other than supporting R&D by the best available people and organizations. To mitigate the effects of the second and third factors, the IIIP will rely on the breadth and technical expertise of a Critical Infrastructure Protection Advisory Committee. The Advisory Committee will comprise up to 35 representatives from the information technology industry, government (e.g., CIP lead sector agencies, Critical Information Assurance Office, and special function coordinators), academia, and private sector owners/operators of critical infrastructure systems (e.g., through Information Sharing and Analysis Centers and other industry alliances).
In addition, an Oversight Committee, comprising DoD, GSA, FBI, DoJ, NIST, NSA, DARPA, OSTP, NSC, OMB and other appropriate Federal organizations, will be used to set the IIIP's long term strategic direction.

Performance Goal 6:
Analyze and Develop Technology Policies

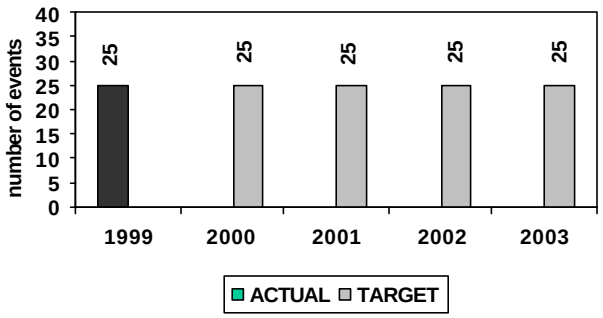
Rationale for Performance Goal

Technological innovation and industrial competitiveness depend upon a supportive policy environment to overcome market inefficiencies in innovation, investment, and competition. To this end, US/OTP coordinates and leads several Presidential Initiatives designed to recognize and promote technological achievement (the National Medal of Technology), generate new technologies with high potential for socio-economic advancements (Partnership for a New Generation of Vehicles-PNGV), and improve the conditions for international technology cooperation (U.S.-Israel Science and Technology Commission-USISTC). In addition, US/OTP works closely with the States to manage and improve complex policies that affect innovation, such as regulatory policies that influence innovation in telemedicine, environmental technologies, building and construction, and other areas.

More generally, US/OTP promotes science and technology policy development and advocacy through analyses of competition in technology-oriented industries; the impact of various regulatory, tax, legal, and other public policies on corporate behavior; and the foreign policy and competitive context in overseas markets. In all of its activities, US/OTP seeks to coordinate Federal and State policy efforts in ways that support a truly national approach to science and technology policy.

US/OTP evaluates its performance and plans its work through several evaluation mechanisms: extensive and ongoing consultation with public and private sector stakeholders, selected peer review, and output tracking. These sources of performance evaluation provide diverse and useful information for managing US/OTP's policy development, coordination, and analysis roles. However, no single output measure can capture US/OTP's diverse activities. Moreover, US/OTP's core functions—providing policy advice and influencing the policymaking process—are difficult to characterize quantitatively. Policy analyses and advocacy efforts seek to influence the attitudes and positions of key parties, while actual policy outcomes are determined by multiple institutional, organizational, economic and political factors. For this reason, US/OTP uses activity and output metrics to characterize the program's overall annual performance, such as the number of roundtables, seminars, negotiations and other meetings held with industry, government and academia to advance TA policy goals

Measure 6.a:
Number of roundtables, seminars, negotiations and other meetings held with industry, government and academia to advance TA policy goals



Data Validation and Verification:

Data collection US/OTP.
Frequency US/OTP performance data cumulate throughout the year and are reported annually.
Data storage US/OTP.
Verification Data represent verifiable tabulations of US/OTP activities.
Data limitations. Data represent a partial indicator of US/OTP work, as described above.
Actions to be taken Tabulations and descriptions of additional program activities can be provided.

Performance Goal 6:
Analyze and Develop Technology Policies

Program Evaluation Efforts

US/OTP has not conducted a formal program evaluation in FY 1999, in light of two facts: the intrinsic difficulty of measuring the efficacy of policy advisory functions; and the high cost of formal program evaluation relative to US/OTP's size.

Objectives and Strategies

Objectives	Strategies
Coordinate and lead key interagency technology programs.	-- Recognize and promote technological achievement (the National Medal of Technology). -- Generate new technologies with high potential for socio-economic advancements (PNGV). -- Improve the conditions for international technology cooperation (USISTC).
Coordinate and lead interagency efforts to strengthen technology partnerships between States and the Federal government.	-- Develop and coordinate the U.S. Innovation Partnership to improve how state and federal R&D agencies manage complex policies that affect innovation, such as regulatory policies that influence innovation in telemedicine, environmental technologies, building and construction, and other areas. -- Develop and administer the EPSCoT program to improve the infrastructure and general business conditions for technology-led economic growth in particular regions of the United States.
Improve the information base for science and technology policy.	-- Generate reports and analyses of foreign technology policies and domestic industrial and technological trends, including but not limited to: competition in technology-oriented industries; the impact of various regulatory, tax, legal, and other public policies on corporate behavior; and the foreign policy and competitive context in overseas markets.

Resource Requirements

Total Dollars: $8.7 million - direct, $0.6 million - reimbursable

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
$10.8 M	$0.1 M	$7.9 M	$0.6 M	$8.7 M	$0.6 M

Performance Goal 6:
Analyze and Develop Technology Policies

Resource Requirements, cont..

Total FTEs: 50 - direct, 1 - reimbursable

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct	Reimbursable	Direct	Reimbursable	Direct	Reimbursable
43	1	50	1	50	1

Total IT Dollars: $0.2 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$0.2 M	$0.2 M	$0.2 M

Cross-Cutting Issues

Other Government Agencies

Through the Committee on Technology of the President's National Science and Technology Council, the Under Secretary helps to establish clear national goals for Federal science and technology investments and to ensure that Federal civilian R&D priorities reflect the requirements of industry customers. The Committee currently is coordinating several major Administration R&D initiatives in materials, construction and building, manufacturing infrastructure, electronics and automotive technologies.

External Factors and Mitigation Strategies

Outputs associated with coordination and leadership functions depend in part upon the interest and commitment of numerous public and private sector participants operating at the State and Federal levels. US/OTP can influence but not control other participants.

Performance Goal 7:
Collect, organize, preserve, and disseminate government scientific, technical, and business-related information

Rationale for Performance Goal

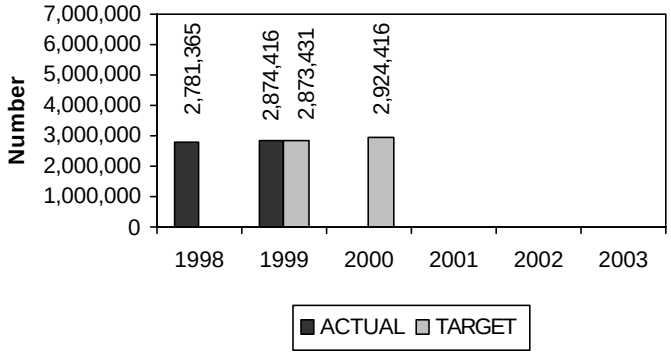
The National Technical Information Service (NTIS) operates a central clearinghouse of scientific and technical information which is useful to American business and industry. NTIS is directed to collect scientific and technical information; catalog, abstract and index the information, permanently archive the information and disseminate products in the forms and formats most useful to its customers; develop electronic and other new methods and media to disseminate information; provide information processing services to other Federal agencies; and charge fees for its products and services that permit NTIS to recover its costs.

NTIS contributes directly to the Department's effort to provide U.S. industry and the Nation with a world-class scientific and technical information base. NTIS' output directly enhances the Nation's scientific and technical information base, which in turn supports virtually all segments of the Nation's scientific and technological enterprise.

NTIS collects its information material primarily from U.S. Government agencies and their contractors and grantees, as well as from international, primarily governmental, sources. The NTIS collection includes almost 3 million titles – reports describing the results of Federally sponsored research; statistical and business information; audiovisual products; computer software and electronic databases developed by Federal agencies; and reports prepared by foreign research organizations. NTIS maintains a permanent repository of its information products and offers copies of this material to its many customers, largely researchers and business managers in private industry. The disseminated materials may include computer downloads or paper, microfiche, audiovisual or electronic media.

Overall, dissemination metrics adequately convey NTIS' performance relative to its statutory responsibilities. However, they do not comprehensively represent NTIS' output and performance (for instance, NTIS also assists agencies in the production and dissemination of their information). Moreover, these measures do not convey the impact of all of NTIS' services.

Measure 7.a:
Number of items in archive

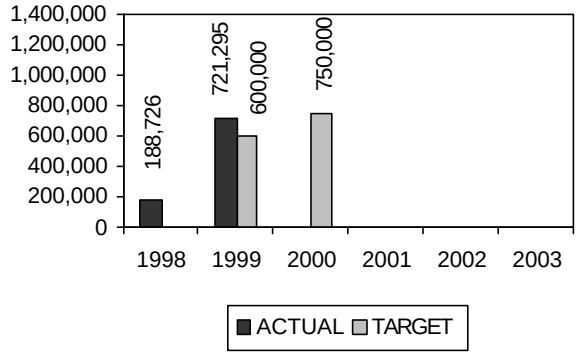


Data Validation and Verification:

Data collection NTIS operates and maintains internal systems for processing collected information into available products. NTIS records every transaction using a commercial order processing system modified to meet its specific needs.
Frequency Internal management activity reports are produced daily, with monthly summaries..
Data storage All performance-related information is stored within the NTIS order processing system.
Verification NTIS accounting and budget offices analyze and report performance output data and revenue and cost data to management. Data verification is provided through regular internal and independent auditor reporting.
Data limitations Data represent only a partial measure of NTIS outputs. Data do not capture quality or impact of NTIS services
Actions to be taken None warranted.

Performance Goal 7:
Collect, organize, preserve, and disseminate government scientific, technical, and business-related information

Measure 7.b:
Number of documents reproduced from electronic media



Data Validation and Verification:

See section above regarding the number of items in the archive.

Program Evaluation Efforts

Legislation has been proposed to Congress that would cease operations of the National Technical Information Service by the end of FY 2000 and would transfer the NTIS collection of scientific and technical information to the Library of Congress, effective October 1, 2000.

Objectives and Strategies

Objectives	Strategies
Play a leadership role in assisting Federal agencies with dissemination of their scientific, technical, and business information.	-Leverage NTIS experience with information dissemination . -Leverage NTIS joint venture authority to broaden distribution.
Provide services and infrastructure to control scientific, technical, and business-related information, and increase the effectiveness of systems for locating and delivering information in the form required by customers.	- Leverage NTIS investment in production technologies. - Leverage NTIS core capabilities for information management. - Leverage NTIS sales and distributor channels. - Develop information products and services for agencies.

Performance Goal 7:
Collect, organize, preserve, and disseminate government scientific, technical, and business-related information

Resource Requirements

Total Dollars: $0.0

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct obligations	Reimbursable	Direct appropriations	Reimbursable	Direct appropriations	Reimbursable
$1.1 M	$32.2 M	$0.0 M	$40.0 M	0	0

Total FTEs: 0

FY 99 Actual		FY 00 Enacted		FY 01 Request	
Direct	Reimbursable	Direct	Reimbursable	Direct	Reimbursable
0	322	0	260	0	0

Total IT Budget: $0.0 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	0

Cross-Cutting Issues

NTIS provides a variety of services that assist other agencies in developing, producing, and disseminating their information.

External Factors and Mitigation Strategies

Legislation has been proposed to Congress that would cease operations of the National Technical Information Service by the end of FY 2000 and would transfer the NTIS collection of scientific and technical information to the Library of Congress, effective October 1, 2000.

National Telecommunications and Information Administration

Mission Statement

To promote the efficient and effective use of telecommunications and information resources in a manner that creates job opportunities, enhances U.S. competitiveness, and raises the standard of living.

The telecommunications and information sector has become the driver for this country's economic growth. The White House Council of Economic Advisors recently determined that revenues of communications services and equipment companies rose over 60 percent in the last five years. Information technology sectors are growing at double the rate of the overall economy. Over a third of real domestic product growth in the past three years has come from information technology industries. In 1996, 7.4 million people worked in high-tech jobs, earning an average salary of $46,000, more than fifty percent more than the average wage of $28,000. Investments in new technologies — including computers, satellites, wireless devices, and information processing systems — account for over 45 percent of total real business equipment investment. These developments are affecting every American to some extent. And it is expected to continue. New technologies will shape our economy even more significantly in the 21st century, particularly with the growth of the Internet and electronic commerce. Today some 160 million users worldwide are going online to shop, invest, trade, and e-mail, according to Nua Internet Surveys. That figure is expected to increase to 320 million by the end of next year. As more people and businesses connect online, the "virtual marketplace" will become commonplace. Electronic commerce among businesses is expected to grow more than fifteen-fold in the next few years, from $64 billion in 1999 to $980 billion in 2003, according to International Data Corporation analysts.

In this environment, NTIA's continuing work through the series of *Falling Through the Net* reports has led to the identification of the Digital Divide as a major national and international issue. With the Secretary of Commerce, NTIA's policy efforts will continue to address this issue so that all can benefit. NTIA's spectrum management and cutting-edge research activities also promote the goal of universal service by identifying innovative uses and resources for affordable, alternative communications services. NTIA's grant programs serve to demonstrate the effectiveness of new communications and information technology applications in meeting the real needs of community development programs, schools, libraries, and other nonprofit organizations. NTIA's grants also help maintain the reach of public broadcasting infrastructure and support its transition to the digital age. Each of these program areas, though integrated domestic and international policy and technical work, keeps promotion of the benefits of competition and universal service as primary strategic planning goals. The combined technical and policy expertise of the agency help enable the U.S. to continue its lead in this integral part of global competitiveness.

Priorities

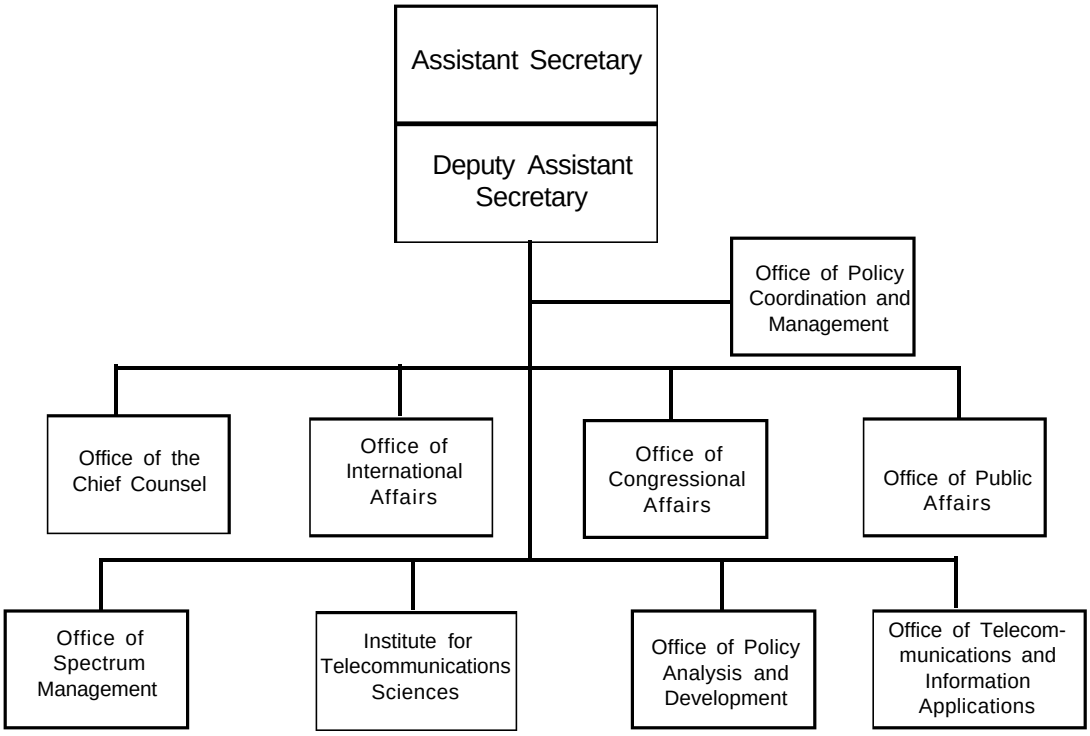
- *Promote Open Markets and Encourage Competition*. Through its domestic policy activities, NTIA is emphasizing the implementation of the Telecommunications Act of 1996 as Congress intended, opening the door to increased competition at both the long-distance and local level for the long-term benefit of both consumers and industry. Broadband services, e-commerce (electronic commerce), and Internet taxes are examples of the issues NTIA is addressing. Internationally NTIA is promoting pro-competitive U.S. policies, including regulatory reform and technical policies related to advanced technologies and the Internet. These activities will improve the international competitiveness of the U.S. telecommunications and information industry and the ability of U.S. businesses and consumers to have access to high-quality, reasonably-priced international services.

- *Ensure Spectrum Provides the Greatest Benefit to All People*. The priorities under this goal include identifying and supporting new wireless technologies with innovative proposals for the benefit of both Federal and private sector users; providing Federal agencies (53) with the spectrum needed to support their missions for national defense, law enforcement and security, air traffic control, national resource management and other public safety services; developing plans and policies to use the spectrum effectively and efficiently; satisfying the United States future spectrum needs globally through participation with 190 other countries in the International Telecommunication Union in establishing treaty binding agreements through the world radiocommunication conference process; and improving the understanding of radio-wave transmission to enhance spectrum utilization and the performance of radio communications systems through telecommunications research and engineering.

- *Advance the Public Interest in Telecommunications, Mass Media, and Information*. Digital Divide, universal service reform, minority ownership development, E-Rate (education rate — program authorized by the Telecommunications Act of 1996 to connect schools, libraries, hospitals, and other non-profit entities to the information infrastructure), Internet privacy, and consumer billings are priority issues where NTIA's expertise will make a difference. NTIA has also been designated by the Secretary to serve as the lead agency for the Information and Communications Sector under the Critical Infrastructure Program, as defined by Presidential Decision Directive 63 (signed in May 1998).

- *Promote the Availability and Sources of Advanced Telecommunications and Information Services*. Access to broadband technology is a critical next step in the evolution of advanced telecommunications and information services. NTIA will influence developments by participating in a joint Federal and State conference, creating a wireless broadband development task force, funding broadband demonstration projects at the community level, and assisting public broadcasters in using digital technologies to improve the public broadcasting infrastructure and expanding services to the public. NTIA helped create the U.S. positions on e-commerce and the Internet, and now advocates these positions abroad. In addition, largely through NTIA's efforts, the Department of Commerce has made substantial progress in transferring the responsibility for the management of the Internet Domain Name System to a new corporation and making the domain name registration system competitive. The transfer should be completed by October 1, 2000.

Organizational Structure



Targets and Performance Summary

Highlights of NTIA's FY 2001 Annual Performance Plan

Performance Goal 1: Promote Open Markets and Encourage Competition			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of filings, testimony and speeches	N/A	30 per year	30 per year

Performance Goal 2: Radio Spectrum Assignments			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of authorized spectrum assignments	440	445	450

Performance Goal 3: Advance the Public Interest in Telecommunications, Mass Media, and Information			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Maintain or increase current telephone subscription rates	96%	96%	96%
Increase Internet accessibility and use	26%	40%	50%

Performance Goal 4: Promote the Availability and Sources of Advanced Telecommunications and Information Services			
Measure	**FY 99 Actual**	**FY 00 Target**	**FY 01 Target**
Number of models / grants available for non-profit or public sector organizations	43	50	50

Resource Requirements Summary

Total Bureau Dollars: $20.5 million

Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Promote Open Markets	N/A	N/A	N/A
Radio Spectrum Assignments	$3.5 M	$3.5 M	$3.5 M
Public Interest Promotion	$1.9 M	$1.7 M	$2.0 M
Advanced Telecommunications	$18 M	$15.5 M	$15 M

Total FTEs: 182
Skill Summary: Scientists, Engineers, Lawyers, Economists, Policy Analysts, Support Staff

Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Promote Open Markets	N/A	N/A	128
Radio Spectrum Assignments	23	23	23
Public Interest Promotion	12	12	12
Advanced Telecommunications	20	19	19

Total Bureau IT Dollars: Not available
IT Requirements: NTIA does not break out IT requirements separately from program budgets

Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Promote Open Markets	N/A	N/A	N/A
Radio Spectrum Assignments	N/A	N/A	N/A
Public Interest Promotion	N/A	N/A	N/A
Advanced Telecommunications	N/A	N/A	N/A

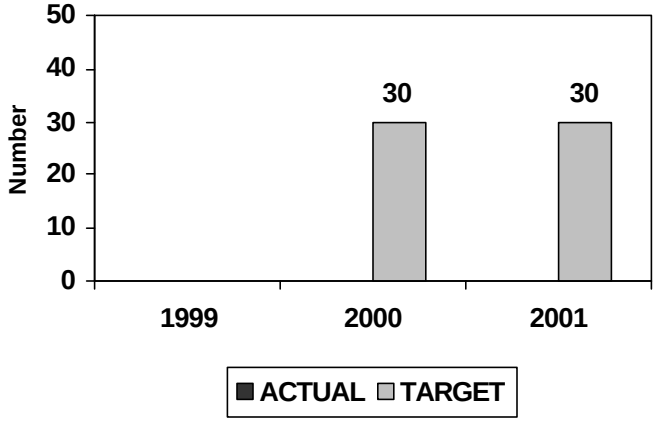
Performance Goal 1:
Promote Open Markets and Encourage Competition

Rationale for Performance Goal

NTIA's domestic policy activities focus on improving the way communications services and products are provided to the public. The relative importance of current domestic telecommunications and information policy issues are continually evaluated to determine the highest priority items for immediate Executive Branch attention. Legislative initiatives and Federal Communications Commission (FCC) dockets also influence NTIA domestic policy activities. In the international area, NTIA develops and advocates regulatory and technical policies that will improve the international competitiveness of the U.S. telecommunications and information industry and the ability of U.S. businesses and consumers to have access to high-quality, reasonably-priced international services. NTIA will continue to develop international policies that promote effective competition, including a diversity of facilities and services, and open markets for U.S. service providers and equipment suppliers.

The resources required for these activities are dependent on when issues arise in Congress and the FCC, among other forums, so that NTIA is unable to plan dollar and FTE amounts far in advance. NTIA is reactive to these outside events and responds accordingly. Policymaking in the technology industry is demanding and growing at a rapid pace which is difficult for even the best analysts to predict.

Measure 1.a:
Number of filings, testimony and speeches



Data Validation and Verification:

Data collection: Files collected by NTIA
Frequency: Compiled annually
Data storage: Files maintained by NTIA
Verification: Source authenticity verified by NTIA
Data limitations: None

- **Plan to achieve next target:** Prioritize FCC proceedings, present Administration views on legislation, participate actively in conferences, etc.
- **FY 2000, FY 2001 targets:** 30 per year
- **Data Issues:** All filings, testimony, speeches, etc. are posted on the NTIA website for public inspection.
- **Discontinued Measures:** Compliance with WTO telecommunications agreement.

Program Evaluation Efforts

NTIA conducts semi-annual strategic planning retreats with senior executives to review progress and develop new goals.

Performance Goal 1:
Promote Open Markets and Encourage Competition

Strategies and Activities

Strategies	Activities
Assess FCC and legislative proceedings for impact on issues and optimal use of agency resources in affecting policies.	-- Advocate procompetitive policies and market entry by new service providers. -- Assess applications by ILECs to provide long distance services. -- Coordinate with state regulatory agencies. -- Engage in bilateral and multilateral negotiations.

Resource Requirements

Resources for this program activity are not broken out separately in budget materials.

Total Dollars: Not available

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	N/A

Total FTEs: Not Available
Skill Summary: Scientists, Engineers, Lawyers, Economists, Policy Analysts, Support Staff

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	N/A

Total IT Dollars: Not available

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	N/A

Cross-Cutting Activities

Intra-DOC

NTIA supports the Secretary of Commerce in a broad range of policy issues. NTIA works with the International Trade Administration on international trade promotion activities.

Other Government Agencies

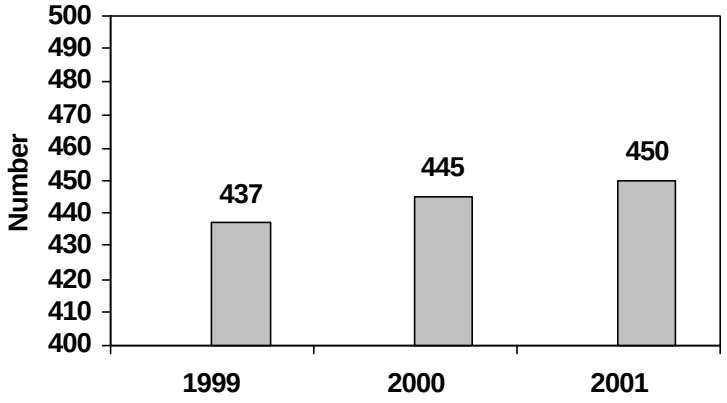
NTIA coordinates with the White House, including the Office of the Vice President, and participates in Working Groups with other Federal agencies on issues that cross jurisdictional boundaries.

Performance Goal 2:
Radio Spectrum Assignments

Rationale for Performance Goal

Radio spectrum is a scarce resource necessary to support government communication, public safety, and national defense. At the same time, private sector uses are burgeoning. Efficient management of these resources, research into new and better spectrum uses, and participation in international organizations all help to assign radio spectrum to fulfill needed services. NTIA's spectrum management activities are currently funded by other Federal agencies at the 80 percent level.

Measure 2.a:
Number of authorized spectrum assignments



Data Validation and Verification:

Data collection Government Master File (GMF) maintained by NTIA; data is collected from Federal agency requests for spectrum assignment actions
Frequency Standard reports issued monthly
Data storage NTIA mission critical system; data available on CD-ROM
Verification GMF has built-in checks; also staff review outside of these checks.
Data limitations None

Program Evaluation Efforts

A subcommittee of the Interdepartmental Radio Advisory Committee (IRAC) evaluates NTIA's spectrum management activities on behalf of Federal agencies. NTIA also measures the time to process frequency assignment requests and system reviews.

Strategies and Activities

Strategies	Activities
Develop and implement spectrum plans and policies for both government and private sector users.	-- Satisfy the spectrum needs of Federal government agencies. -- Advance development of spectrally efficient technologies. -- Improve the management of Federal and nonfederal spectrum.
NTIA continuess to totally automate the frequency assignment process to increase speed and efficiency.	-- Completion of automated system expected in 2002.

Performance Goal 2: Radio Spectrum Assignments

Resource Requirements

Total Bureau Dollars: $3.5 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
$3.5 M*	$3.5 M	$3.5 M

* Dollars shown are for the spectrum assignment process (80% other agency funded)

Total FTEs: 23
Skills Summary: Scientists, Engineers, Lawyers, Economists, Policy Analysts, Support Staff

FY 99 Actual	FY 00 Enacted	FY 01 Request
23	25	23

Total Bureau IT Dollars: Not available

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	N/A

Cross-Cutting Activities

Intra-DOC

IRAC assists the Assistant Secretary on all spectrum matters. The IRAC is made up of all spectrum-using Federal agencies.

Other Government Agencies

NTIA works with 23 Federal agencies who are represented on the IRAC.

External Factors and Mitigation Strategies

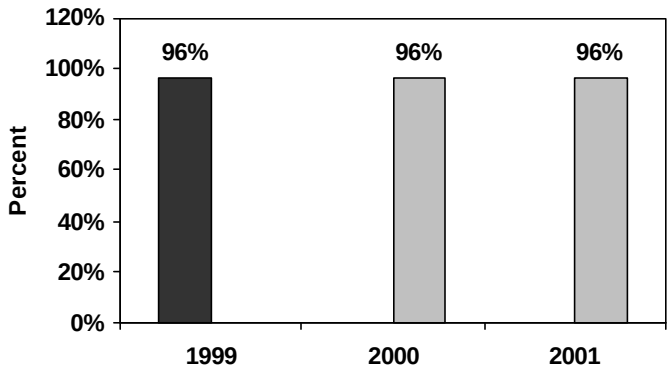
The total number of frequency assignments processed each year is dependent on total requests made by Federal agencies.

Performance Goal 3:
Advance the Public Interest in Telecommunications, Mass Media, and Information

Rationale for Performance Goal

Affordable access to telecommunication technology is becoming a basic necessity for a successful and productive life in all sectors of our society, including business, academia, industry, banking, and government.

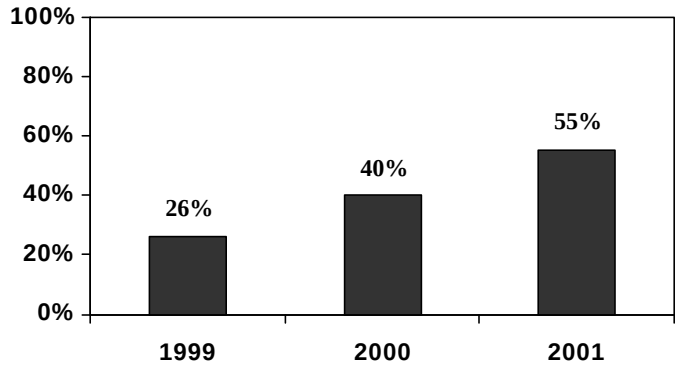
Measure 3.a:
Maintain or increase telephone subscription rates



Data Validation and Verification:

Data collection Data is available via Census Bureau
Frequency Annual
Data storage The Census Bureau maintains and tabulates the data.
Verification The Census Bureau uses established statistical techniques
Data limitations N/A
Actions to be taken N/A

Measure 3.b:
Increase Internet accessibility and use



Data Validation and Verification:

Data collection NTIA is making special arrangements with Census Bureau
Frequency Annual estimates
Data storage Bureau of the Census
Verification Standard survey statistical techniques
Data limitations N/A
Actions to be taken N/A

Program Evaluation Efforts

Our report, *Falling Through the Net, the Digital Divide*, received widespread attention and praise for its methodology and analysis. The report has spurred attention to the digital divide as an issue for policymakers to address. Proposals to address the issue will be evaluated throughout the funding process.

Performance Goal 3:
Advance the Public Interest in Telecommunications, Mass Media, and Information

Strategies and Activities

Strategies	Activities
Promote universal service and access to telecommunication.	-- Assist in maintenance and extension of the service of public broadcasting and telecommunication facilities, including digital broadcasting. -- Create substantive technical, economic, and legislative policy analysis.
Promote infrastructure development and encourage rollout of alternative services including wireless and broadband telecommunications services.	-- Coordinate with the White House and other Executive Branch agencies. -- Facilitate private sector discussions by obtaining expert and public views, including Federal Register notices for requests for comments, public conferences, seminars, and focus groups. -- Encourage private sector initiative to give citizens the ability to protect their children form indecent material. -- Establish principles for the protection of personal privacy.
Work to maintain the U.S. telecommunications and information infrastructure in time of crisis.	NTIA has been assigned the lead agency role for the telecommunication and information sector, subject to available resources.

Resource Requirements

Total Dollars: $2.0 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	$2.0 M	$2.0 M

Total FTEs: 12
Skills Summary: Scientists, Engineers, Lawyers, Economists, Policy Analysts, Support Staff

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	12	12

Total IT Dollars: Not available

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	N/A

Performance Goal 3:
Advance the Public Interest in Telecommunications, Mass Media, and Information

Cross-Cutting Activities

Intra-DOC

NTIA works with the Census Bureau to produce the series of *Falling Through the Net* reports.

Other Government Agencies

NTIA coordinates its telecommunication, broadcasting, and digital divide activities with the White House, including the Office of the Vice President, and participates in Working Groups with other Federal agencies.

External Factors and Mitigation Strategies

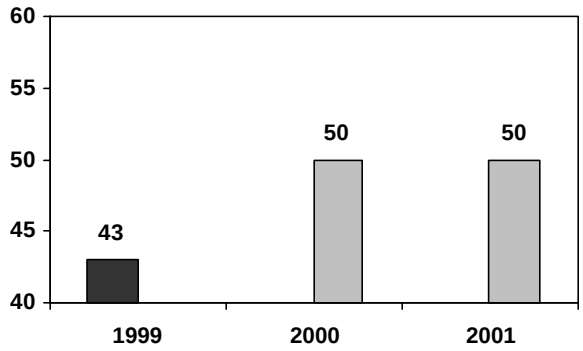
There are many exogenous variables affecting telephone penetration rates, including income and affordability. NTIA's efforts focus on regulatory regimes and their success in promoting competition in markets and among technologies and the extent to which barriers to competition can be removed. However, NTIA does not control the regulatory regimes; it can only attempt to persuade through its analysis and views.

Performance Goal 4:
Promote the Availability and Sources of Advanced Telecommunications and Information Services

Rationale for Performance Goal

In FY 2001, the Secretary has approved a major new effort for NTIA: a substantive grant program designed to demonstrate the benefits and applications of the Next Generation Internet. This is part of the Secretary's focus on the digital economy.

Measure 4.a:
Number of models/grants available for non-profit or public sector organizations



Data Validation and Verification:

Data collection Formal evaluation contracts
Frequency Annual report
Data storage Reports printed and circulated posted on Web site.
Verification NTIA staff and grantees review data
Data limitations N/A

Program Evaluation Efforts

12 case studies of TIIAP grantees were conducted in 1999. Results are posted on the website, http://www.ntia.doc.gov

Strategies and Activities

Strategies	Activities
Stimulate technological innovation.	-- Issue grants in a highly competitive, merit-based process. -- Demonstrate advanced, innovative application of telecommunication and information technology in the non-profit and public sector. -- Promote the growth of electronic commerce and Internet use domestically and internationally. -- Initiate cooperative research and development with U.S. industry and other Federal agencies.
Promote international acceptance of U.S. technological proposals.	-- Participate in International Telecommunication Union and domestic standards. -- Participate in conferences urging minimal regulation and early adoption of electronic commerce and the Internet.

Performance Goal 4:
Promote the Availability and Sources of Advanced Telecommunications and Information Services

Resource Requirements

Total Dollars: $15 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
18.0 M	15.5 M	$15 M

Total FTEs: 19

FY 99 Actual	FY 00 Enacted	FY 01 Request
20	19	19

Total IT Dollars: Not available

FY 99 Actual	FY 00 Enacted	FY 01 Request
N/A	N/A	N/A

External Factors and Mitigation Strategies

NTIA focuses on the quality of the applications and the types of activities for which funding is sought rather than on the total number of grants awarded.

The Commerce Management Strategy: Our Model for Challenge and Success

Overview

During his tenure, Secretary Daley has made "effective, efficient management" a critical goal for the Department. Under Secretary Daley's leadership, performance outcomes have become the key measures for assessing the Department's progress in addressing management and program challenges.

As a direct result of the Secretary's emphasis on accountability and providing the taxpayer due diligence in the use of resources, the Department has strengthened intramural communications, implemented strategic planning, and integrated policy-making into the budget process. The Commerce team is focused on full mission accomplishment, the elimination of overlap, and timely delivery of high-quality services.

The Secretary's management philosophy and its benefits are fully consonant with the spirit of the Government Performance and Results Act (GPRA) of 1993. GPRA is directed at providing both Congress and the public with a complete picture of how well agencies are meeting their intended purposes and a rigorous commitment to continually improving performance. As a result of the Secretary's leadership and the Department's aggressive implementation of GPRA, many long-standing management and programmatic challenges have been resolved or are very near resolution. This progress and the continual emphasis on requiring each program to justify its contribution each day have introduced a new dynamic — a widely-shared spirit to make the best use of our resources in serving the American people.

Highlights of our accomplishments from the past year include the following:

- The Department has made great strides in preparing for the 2000 Census. Work is near completion on outreach efforts, including a publicity campaign, printing Census questionnaires in multiple languages, and aggressively seeking to hire Welfare-to-Work individuals to help administer the Census at 520 local level offices throughout the country.

- The Department has continued to improve its financial management program, and anticipates obtaining an unqualified opinion on its consolidated balance sheet for fiscal year 1999. The number of material weaknesses and reportable conditions continue to decline. For example, the Department's efforts in identifying alternatives for obtaining hydrographic and marine data have led to the NOAA fleet modernization being dropped as a material weekness.

- The Department fully and successfully met the Y2K challenge — on all of its 473 mission-critical and 693 non-mission-critical systems.

- DOC has led the Federal government in providing an avenue for increasing the number and value of contracts for small, minority, and women-owned businesses through its new, government-wide Commerce Information Technology Solutions (COMMITS) program.

- The Department is delivering on its ambitious commitment to foster diversity – both inside Commerce and among our customers – as a means of nourishing our Nation's strength.

- Significant progress has been made in meeting the objectives of the Government Performance and Results Act by greatly improving the utility of our Annual Performance Plan – a gain that was recognized by both the Office of Management and Budget and Congress — and Congressional staff awarded Commerce one of the highest scores in government in 1999.

- We achieved a major milestone in our weather forecast capabilities by installing advanced workstations in the National Weather Service.

- We have improved oversight of our financial assistance programs and our facilities acquisition and management to ensure that the funds placed in our charge are well spent.

- The Department consolidated and strengthened security operations to ensure complete protection of our employees, property, and data.

2000 Decennial Census

Our top management priority at the Department of Commerce continues to be to ensure that the 2000 Census is managed effectively and efficiently. Over the past 2½ years, the Office of Inspector General (OIG) has raised concerns about the Census Bureau's readiness to undertake this enormous task. At Secretary Daley's direction, the Department has exerted a great deal of effort to ensure that the Decennial is well-managed and to address the Inspector General's concerns.

As part of its effort to boost initial response to the Census form, the Bureau designed a major publicity campaign that includes advertising in 17 different languages. The campaign will proceed in three phases, with the first phase (awareness) beginning last November. Questionnaires are printed in six languages and language guides are provided in over 40 languages. Questionnaire Assistance Centers will be established in local communities with over 15,000 paid assistants, many of whom are bilingual. Indigenous enumerators from local neighborhoods are being hired at competitive wages.

Our outreach efforts include our sponsoring the Census 2000 Partnership program, which is drawing on local and State governments, non-governmental organizations, and businesses to promote full participation in the census, help dispel myths, and explain that the answers given to the Census Bureau will be held confidential. The Bureau has also designed special census methods and procedures to improve cooperation and enumeration in hard-to-enumerate areas. Our procedures are giving the regional census centers the flexibility to target specific blocks and neighborhoods for coverage improvement.

The Bureau developed action plans for the 520 local Census offices to provide managers with effective strategies for conducting a complete and fair enumeration of all communities under their jurisdiction. These plans will be based on a detailed study of each community, identifying those that are hard-to-enumerate and recommending the specific tools that should be used to improve coverage. Once these operations are complete, the Census Bureau will use modern statistical sampling methods to conduct an Accuracy and Coverage Evaluation Survey, which will be used to produce more accurate numbers for all purposes other than apportionment.

Most elements of our plans for the 2000 decennial census were tested and evaluated in the Census 2000 Dress Rehearsal. This past August, the Department released a final report providing the results and recommendations from more than 40 evaluation studies conducted during the Dress Rehearsal. These evaluations indicate that, overall, the Dress Rehearsal was successful. Population numbers were produced on time, and the numbers, including data adjusted using modern statistical methods, compared favorably with independent benchmarks. In those operations where problems were identified, the Census Bureau modified plans for Census 2000 accordingly.

During the past three months, the Census Bureau completed the address label tape for use in addressing and labeling questionnaires for nearly 120 million housing units throughout the country. This major milestone was achieved with help from nearly half of the 39,000 governmental units in the United States that are participating in the Local Update of Census Addresses program. Moreover, the participating units encompass 85 percent of all households in the United States. We are continuing to update the Census 2000 address list periodically as we find new housing units, identify corrections, and add new construction.

All other key operations for Census 2000 are also on schedule. All major contracts have been awarded and the contractors are in place. The four data capture centers and all 520 temporary local Census offices are open. Contracts for printing the various questionnaires were awarded last March and the operation to print, address, assemble, and ship the census forms to the U.S. Postal Service or other Census Bureau locations began as scheduled in July 1999.

Department-wide Financial Management

We are extremely confident that Commerce will receive an unqualified (or "clean") audit opinion on its Consolidated Financial Statement for FY 1999, though the results will not be known with certainty until one month after release of this Annual Performance Plan. With the achievement of an unqualified audit opinion, we will have attained one of our major management milestones — achieving a sound financial management environment that complies with Federal laws and regulations and provides Commerce executives with timely, accurate financial information.

Preliminary data also indicate that all major bureaus will receive unqualified audit opinions on each of their five principal statements — Consolidated Balance Sheet, Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and Combined Statement of Financing. We anticipate that our auditors will find a significant reduction in the number of reportable conditions and material weaknesses in FY 1999 at the Department-level and bureau level. Under Secretary Daley's leadership, the Department has continued to reduce the number of findings identified by the auditors each year at the bureau level — from 37 material weaknesses and 39 reportable conditions in FY 1996 to 12 material weaknesses and 26 reportable conditions in FY 1998.

Under provisions of the Government Management and Reform Act (GMRA) of 1994, the Department will complete its first Accountability Report by March 1, 2000. The Accountability Report streamlines reporting requirements of the Department by consolidating various reports (Consolidated Financial Statements, FMFIA, etc) required by Congress into a single report. The Accountability Report will provide a comprehensive picture of the Department by including financial as well as performance information. Integrating this information will enable the Department to accomplish performance-based management.

The Department continues to make significant progress in implementing the Commerce Administrative Management System (CAMS) – a single, integrated financial management system. The system includes a Core Financial System interfaced with administrative systems for small purchases, bankcards and time reporting/labor cost distribution collectively called Core CAMS. Core CAMS was successfully deployed at Census during FY 1998. An independent verification and validation study of the system implemented at Census concluded that it met departmental requirements and was as good as or better than other financial management systems available on the market. Implementation of core CAMS has now been completed at EDA for its financial assistance programs, and implementation is well underway at NOAA. NIST will complete its implementation planning for core CAMS in FY 2000, and will begin system deployment in FY 2001.

During FY 1999, we filled all remaining chief financial officer vacancies in the bureaus, specifically, the Economic Development Administration (EDA), the International Trade Administration (ITA), and the Patent and Trademark Office (PTO). We continued to strengthen our financial policies and procedures and our automated systems to ensure that they support the generation of reliable and accurate financial data. During this period, we published the Department's Financial Management Handbooks on our homepage and held several conferences with our bureau financial officials to ensure complete understanding and agreement with our financial management objectives and approaches.

Under the Secretary's direction, the Department continues to place an extremely high priority on its financial statements and accountability for all assets. The Department's Chief Financial Officer, who controls 50 percent of bureau CFO performance evaluations, meets regularly with all bureau CFOs to review progress on financial statements, audit issues, and other financial matters. The Department's "CFO Council" meets monthly and is one of the primary forums in the Department for discussion of management issues, including human resources, budget, procurement, and information technology systems, as well as financial accountability issues.

Information Technology Investments

The Department successfully met the Y2K challenge. All of the Department's systems functioned properly and, as a result, we shut down our Emergency Operations Center earlier than had been planned. A few extremely minor aberrations occurred; these involved only non-mission critical systems and were resolved within a few hours.

In September, the Department completed Y2K compliance for 100 percent of its 473 mission-critical systems. By December 22nd, all of the Department completed Y2K compliance for all of its 693 non-mission critical systems. As a result of our efforts, we completed our Department-level business continuity and contingency plans, and ensured that our telecommunications, building infrastructure, and data exchange systems would be ready. To ensure a smooth transition to the year 2000, we had approximately 50 staff on hand on New Year's Eve monitoring systems transition.

The Office of the CIO worked closely with bureau management over the last year to monitor their progress on Y2K remediation, ensure that their programs adequately addressed all necessary systems and contingencies, that business continuity plans existed for all business areas, and that work was completed on schedule.

As part of its Y2K outreach program, Commerce provided domestic Y2K technical assistance to hundreds of thousands of U.S. small and medium-sized businesses through a Y2K Help Center for Small Business and training through 1,600 workshops offered by the Department's Manufacturing Extension Program. MEP developed a customer-friendly Y2K Self Help Tool on CD-ROM, available in 11 languages, to help small and medium-sized businesses with a variety of business needs potentially affected by Y2K – systems inventory, business criticality assessment, remediation planning and management and contingency planning. Well over 600,000 copies of this tool were distributed in the U.S. and abroad. In addition, more than 6,000 attendees participated in 40 international Y2K conferences and events that the Department and its bureaus organized in 22 trading partner countries.

In 1999, the Department worked diligently to complete its effort at meeting the spirit of the Clinger-Cohen Act. Among other provisions, this Act called for agencies to oversee effective information technology planning and expenditures. Commerce's Chief Information Office has continued to implement several enhancements. These include: (a) consolidation – to achieve gains in cost and service quality, (b) standards – to promote commonality that can reduce support costs and avoid reinventing solutions to problems already solved, (c) new technologies – to achieve cost reductions by coordinating their exploration and implementation, and (d) common services – to realize savings by using common software and support methods for such activities as financial management, grants management, forms, and Web sites.

During the past year, we strengthened our information technology capital planning. Under the Department's CIO's leadership, each bureau conducted a self-assessment and examined best practices in light of its own information technology needs. We used the findings to improve our selection, control, and evaluation of prospective information technology investments. Using a Department-wide group of information technology officials, we established a rigorous and transparent process by which every proposal is evaluated on the basis of its expected contributions, risks, and costs. Projects that received a low rating were not supported in our budget process. The results improved the Department's overall planning and show every indication of translating into significant gains in the accuracy of our cost and schedule projections.

The Department supplemented its capital planning and review process with two formal mechanisms for managing our information technology acquisitions. First, we require a Delegation of Procurement Authority for every information technology contract over $10 million. Under the authority of this delegation, our Chief Information Officer must certify that the business need exists. Secondly, the bureaus must submit business case documentation for major information technology acquisitions. The documentation must show that project management metrics and controls are in place, viable alternatives have been evaluated, and that the acquisition supports the bureau's information technology architecture.

The Department has developed a Critical Infrastructure Protection (CIP) program with help from the Critical Infrastructure Assurance Office. Through this program, the Department identified 31 infrastructure systems that met the requirements — such as national security, national economic security, and public health and safety — of Presidential Decision Directive 63 (PDD-63). We supplemented this process with an independent validation and verification that identified and ranked in priority order the top 25 percent of the Department's assets. Based on these reviews, we submitted a critical infrastructure protection plan and budget to the Office of Management and Budget.

Secretary Daley is committed to creating a truly digital department at Commerce. When he arrived in January 1997, the Department was behind the private sector in using information technology services. There was no robust infrastructure to support users, an overall inability to share and exchange data among the bureaus and the Office of the Secretary, an absence of administrative support systems, and an inability to communicate securely among employees located throughout the world.

Information technology functions throughout the Department were reorganized under the recently established position of Chief Information Officer, who reports to the Secretary. Information technology representatives from every bureau are brought together regularly to participate in rigorous reviews aimed at effectively coordinating information technology planning, seeking synergy, identifying resource needs, and monitoring progress of each of the Department's major systems.

DOC launched a "Digital Department" initiative with the hiring of a Digital Department Program Director in the summer of 1999. Within the constraints of available resources, this initiative will move Commerce from paper-based administrative systems and transactions to on-line interactions with customers and employees, similar to the advances increasingly found in the private sector. Both customers and employees will benefit from secure, accelerated, and more productive interactions in which the information flow from beginning to end of a process will be seamless and in the medium most convenient to the needs of individual users.

By the close of calendar year 1999, the Department established a secure Intranet for pilot testing in the Office of the Secretary which, among other services, provides access to several downloadable forms. We also introduced an automated Time and Attendance Reporting System which, also, is currently in pilot mode. Automation of additional applications, such as security requests and requisitions, will be introduced as budget becomes available.

By the close of calendar year 2000, our Digital Department will provide secure Intranet services to all employees throughout the Washington, D.C. metropolitan area and add additional administrative processes (specifically, an automated hiring system and the Department's information technology review system, and, if the budget permits, travel and inventory systems). The Department's public customers will have access to an Internet site organized from the customer's perspective that will facilitate access to, and analysis of, all information on a specific subject in a one-stop electronic visit.

By the close of calendar year 2001, our Digital Department will provide secure Intranet access to all Commerce employees throughout the world and significantly expand the complement of administrative processes available electronically. The network in the Office of the Secretary will have been upgraded to deliver reliable service and meet capacity requirements and employees will have standard, well-supported, state-of-the-art desktop systems.

By 2002, the implementation goals of the Digital Department will be realized – most internal processes at Commerce will be web-based and make maximum use of the Intranet. Key external processes of the Department will be electronic and make maximum use of the Internet for customer interfaces such as data collection and dissemination and business programs will continue to be re-engineered and redesigned to take advantage of new technological capabilities to more efficiently and effectively provide our products and services.

The following illustrations exemplify some of the benefits of our Digital Department initiative:

- Commerce Opportunities On-Line (COOL) is an automated, web-based vacancy announcement, application, and referral system. Through COOL, any potentially interested applicant may review open vacancy

announcements, sorted to meet his or her personal preferences, and submit an on-line application. With use of an ID and password, applicants can create, update, save, and submit applications with complete security. The system is user-friendly and is available 24 hours a day, 7 days a week. The COOL approach reduces the time it takes an applicant to apply for a position because the system eliminates the need to prepare lengthy written answers to identified knowledge, skills and abilities (KSAs) required for the position. Instead, the same information is obtained by providing yes or no answers to a series of specially prepared questions. COOL benefits the Department's managers as well, by: (a) greatly reducing the time needed to rank applicants against the KSAs for a specific position, (b) permitting on-line issuance of referral lists of eligible candidates to the selecting official, (c) facilitating e-mail communication between the selecting official and applicants, (d) making selection/non-selection designations on-line, and (e) allowing the selecting official to automatically notify the Human Resource Office when he or she has completed the selection process.

This innovative system broadens the Department's distribution of vacancy announcements to anyone who has access to the web and also reduces time lag – both in disseminating announcements to applicants as well as by providing applicants an on-line avenue for submission of their applications. These features greatly enhance the Department's potential for increasing the number of external candidates and for securing an applicant pool that more fully reflects the Nation's population. COOL was tested as a pilot program at the Department's Eastern Administrative Support Center, NOAA, and in select organizations of the Office of the Secretary. COOL will be implemented at the Census Bureau in March and subsequently at the Department's other bureaus throughout FY 2000.

- The Department's Minority Business Development Agency conceived and developed an Internet-based business resource locator system to enable minority businesses and business development practitioners to search for and locate business assistance institutions interactively on a map. The system addresses the critical need of providing minority businesses throughout the Nation with a fast and easy to use mechanism for finding public, private, educational, and nonprofit business development resources in their local area.

- NOAA re-engineered its shoreline mapping techniques to enhance the accuracy of analyses of shoreline data extracted from different types of synthetic aperture radar. The advances included development of three-dimensional approaches to shoreline extraction using synthetic aperture radar, lidar, and digital photogrammetry, and improved application of image understanding methodologies such as automatic feature extraction and sub-pixel analysis of hyperspectral data. These advances will enable NOAA to deliver more accurate and current nautical charts to professional mariners and to the port authorities responsible for managing port facilities.

- The Office of the Secretary developed HANS (Honor Awards Nomination System) – a web-based and re-engineered system that streamlined the process of nominating, reviewing, and awarding the Department's gold and silver medals. HANS allows a manager – using an Internet browser and operating from a main menu – to enter, edit, review, and approve nominations on-line. HANS also tallies voting results automatically and creates statistical reports. Prior to HANS, the system was paper-based, time-consuming, and involved the physical manipulation of a huge volume of hard copy forms that filled several large boxes.

Procurement Innovations

The Department created the first government-wide acquisition contract (GWAC) reserved specifically for small and disadvantaged businesses – the Commerce Information Technology Solutions (COMMITS). This innovative program will award some $1.5 billion in information technology contracts to small businesses over the next five years.

COMMITS provides an opportunity for small, minority, and women-owned firms to tap the $45 billion the government spends annually on information technology. According to a recent Federal Sources Report, large companies now receive a 71 percent market share of Federal information technology dollars. This is up from 57 percent in 1995. During the same period, market share for small disadvantaged business went from 30 percent to 15 percent.

Commerce created COMMITS to reverse this trend. As a result of widespread publicity, over 1,000 firms participated in a national competition in which, ultimately, 29 firms were selected. On October 6, 1999, Deputy Secretary Robert L. Mallett briefed the President's Management Council on COMMITS, and a formal kickoff of the program was held in November.

All tasks placed through COMMITS are fully competed and, through the end of calendar year 1999, an average of 10 contractors responded to each offering. Average acquisition cycle time was 17 calendar days.

With authorization from the Office of Management and Budget, DOC is offering COMMITS as an avenue for other Federal agencies to access capable firms that have been vetted and approved by Commerce. During the first two months of the program, two agencies – the Environmental Protection Agency and the Equal Employment Opportunity Commission – used the program. Several other agencies – including the Departments of Agriculture, Housing and Urban Development, Interior, Labor, and State – are actively exploring use of COMMITS to help meet their information technology needs.

In other areas, the Department took several actions to improve acquisition management performance. We initiated the Commerce Acquisition Career Management Program. This program provides central funding and has trained 100 procurement personnel in operational procedures throughout the Department's bureaus. We prepared and disseminated the *Customer's Handbook to Procurement,* a primer to support efficient procurement practices by identifying roles and responsibilities, summarizing the procurement process, and setting lead times for various types of procurement actions. We are implementing procurement automation software for use throughout the Department. The software – Commerce Standards Acquisition and Report System (CSTARS) – will provide timely and relevant information that will support informed management decisions and facilitate the accomplishment of program missions through improved acquisition support. To broaden our focus on best practices, we are participating in the government-wide Procurement Executives Council Acquisition Workforce Committee and its steering committee. We helped launch the Government-wide Acquisition Management Intern Program and will be a sponsor of the first class of interns in FY 2000. This cross-government program will offer two-year internships with rotational assignments and 320 hours of training to develop skills and competencies. This training will help provide the leadership to replace the expected future government-wide retirement bulge of procurement executives and effectively administer the requirements of recent procurement reform.

Strength through Diversity

"*Diversity transcends race, gender, religion, age, culture, disability, or sexual orientation*" — reads a sign in the Commerce Department's library. That sign is a reflection of significant changes occurring in the American workplace and the Nation's population.

One management maxim holds that employers who do well in addressing diversity issues – race, gender, religion, age, culture, disability, and sexual orientation – are the ones that will excel in the years to come. Again, with a broadening of the picture, it is clear that a society which does likewise will also succeed in the years to come. One need only recall a simple statistic cited by Vice President Gore – that small business contributes over 60 percent of the new jobs in our economy – to realize that the future of our Nation's economy and our Nation's welfare will be highly dependent upon our embracing of diversity.

In recognition of these benefits, the Commerce Department has taken several steps to champion diversity – both within the Department and in serving its customers. As described above, Commerce has taken a leadership role in enhancing information technology contracting opportunities for small, minority, and women-owned firms through the innovative COMMITS program.

In a parallel effort, the Department hosted a meeting with executives from Commerce's top contractors to discuss the importance of increasing opportunities with small, minority, and women-owned firms. As a result, prime contractors included small business subcontracting goals in the performance plans of their project managers and identified additional small businesses for subcontracting opportunities.

As another example, prior to January 1997, the Census Bureau had awarded only 3 percent of decennial contracts to minority firms. Through aggressive management, the Bureau is now awarding 28 percent to minority firms.

As one result of these efforts, the Bureau negotiated ambitious subcontracting plans with its decennial large business contractors. These negotiated plans will secure significant percentages of the subcontracting awards for small businesses (57 percent of all subcontract awards), disadvantaged businesses (42 percent of all subcontract awards), and women-owned businesses (43 percent of all subcontract awards). These plans include overlap in the awards among the three categories.

And the impacts? According to the Small Business Administration's preliminary fiscal year 1999 annual procurement preference goaling achievements report, the Commerce Department awarded over 40 percent of its total procurement dollars to small business. This performance – 40 percent of total procurement – was nearly double the government-wide goal of 23 percent. The Department's performance vis-a-vis small disadvantaged firms – 14 percent of total procurement – was nearly triple the government-wide goal of 5 percent. The Department's performance also exceeded the government-wide goal for women-owned firms. These achievements were widely recognized. The 1999 issue of the *Hispanic Business Federal Resource Guide*, for example, cited Commerce for its minority procurement efforts and the 1998-1999 edition of the *Hispanic Business Magazine* rated the Department's efforts as an "A".

Other efforts in this area include:

- **The Commerce Diversity Council**

  In 1999, the Department evaluated the Diversity Council to identify opportunities for increasing its effectiveness. As a result of this study, a decision was made to restructure the Council and establish an Executive Board. The Executive Board will be chaired by the Deputy Secretary and include senior career officials from the bureaus. It will set overall policy and monitor implementation of Departmental and bureau diversity policies and programs. The restructured Diversity Council will include 19 newly appointed members representative of all affinity groups at Commerce. The Department also plans to recruit a Diversity Manager specifically to support the Diversity Council.

- **Partnering with Minority Serving Institutions**

  The Department provides over a billion dollars in financial assistance annually. Approximately $268 million is awarded to Institutions of Higher Education and, of that, about $23 million goes to Minority Serving Institutions (MSIs)— Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions, and Tribal Colleges and Universities.

  MSIs offer an extremely effective avenue for increasing minority representation in the workforce. A measure of their importance may be seen in the following statistics. While 40 percent of African-American students receive undergraduate degrees at HBCUs, 85 percent of African-American physicians and 75 percent of African-Americans who hold doctoral degrees all received their undergraduate degrees from HBCUs.

  The Department has taken several steps to expand partnership opportunities available to MSIs.

  - In September 1999, the Department held a comprehensive New Opportunities Conference for MSIs. The conference highlighted programs in which colleges and universities are currently participating, such as financial assistance, technical assistance, and various cooperative arrangements that are reflected in multiple Memoranda of Agreement. Attended by more than 250 MSI representatives, the conference also sought input on ways of increasing the Department's assistance to MSIs, provided the representatives networking opportunities with senior bureau and Department officials, and offered workshops – ranging from financial assistance to partnership development and from preparing competitive applications to scientific research support opportunities and on how to access these and other Federal programs.

- To help increase opportunities, the Department is encouraging all Departmental units to determine what goals can be set for increasing financial assistance awards to, and other opportunities for, MSIs. The Department will complete this goal setting early in calendar year 2000.

- To ensure continuity of effort, the Department is taking several actions. Among these: (a) each bureau Chief Financial Officer will include the MSI goals as a part of his or her performance plan; (b) the Department will create an office or division for University Programs and Partnerships to coordinate our efforts, and (c) Commerce officials will increase their speaking engagements at MSIs.

- **Promoting Welfare-to-Work**

Under the President's Welfare-to-Work program, Secretary Daley committed the Department of Commerce to hiring 4,180 individuals – nearly 40 percent of the total Federal goal of 10,680. By December 1999, Commerce had hired 5,870 individuals – slightly more than 140 percent of our commitment.

Last September, in a move that will support an additional 6,000 to 9,000 welfare-to-work hires by the Department's Bureau of the Census during 2000, the Department of Commerce and the Department of Labor publicized the award of a $20 million grant for the Welfare-to-Work Census 2000 Employment Project. Announcing the initiative were White House Chief of Staff John Podesta, Secretary Daley, Secretary of Labor Alexis Herman, Census Director Kenneth Prewitt, and grantee Goodwill Industries International President/ CEO Fred Grandy. Through this project, Goodwill has been identifying as many as 12,000 Temporary Assistance to Needy Families (TANF) clients nationally. The grantee is also evaluating and helping as many of these clients as possible to be "test-ready" and included in the pool of potential hires available to the 520 local Census offices as enumerators, crew leaders, and clerks for the April-through-June Non-Response Follow-up period. Those former recipients who successfully complete their Census jobs will then be directed by Goodwill to permanent jobs in the private or public sector.

The large majority of our Welfare-to-Work hires are temporary employees who are engaged in supporting Census 2000. At the close of 1999, 285 — or nearly 5 percent — of our Welfare-to-Work hires were permanent employees among seven of our bureaus. The Department is establishing a goal to increase its number of permanent Welfare-to-Work employees.

- **Hispanic Employment Program**

The January 2000 Census Bureau projections indicate that Hispanics will be the Nation's largest minority group by the year 2005 and, by 2010, will number more than 41 million. The significant increase in the Hispanic population will continue to expand the absolute numbers and relative percentage of minorities in our Nation's workforce. Current data available through the Office of Personnel Management shows that Hispanics are the most severely under-represented minority group in the Federal workforce. While persons of Hispanic origin comprised 11.5 percent of the U.S. population as of June 1, 1999, Hispanics comprised only 6 percent of Federal workers and 2.4 percent of the government's senior executive employees.

On several levels, the Hispanic employment picture at the Department of Commerce falls short of representing the Hispanic population. Currently, Hispanics comprise 3.1 percent of the Department's career employees. They comprise 2.5 percent of the Department's GS-13 through GS-15 career employees and 2.9 percent of SES employees.

Secretary Daley issued an Hispanic Employment Plan in September 1999 to address this situation and build a pool of qualified Hispanic candidates in the different disciplines represented at the Department. This Plan sets forth a detailed strategy to address all aspects of human resource management, including increased outreach to the Hispanic community, greater use of Hispanic resources to assist in recruitment, and expansion of career development opportunities for those already working at the Department of Commerce.

Under the Plan, the Department has entered into a dialogue with several national Hispanic organizations,

including: the Society of Hispanic Professional Engineers, the National Council of La Raza, the League of United Latin American Citizens, the Society for the Advancement of Chicanos and Native Americans in Science, the National Association of Hispanic Federal Executives, and the National Organization for Mexican-American rights.

As part of the Hispanic Employment Plan the Department will:

- Strengthen its relationships with Hispanic Serving Institutions that have programs of study related to the Commerce mission;
- Revise its recruitment practices for Senior Executive Service (SES) positions to require that recruitment plans identify appropriate Hispanic professional organizations to be informed of vacancy announcements;
- Restructure its Upward Mobility Program to provide for 20 percent of the vacancies advertized in targeted positions being filled through this program;
- Enter into partnerships with at least five Hispanic Serving Institutions and five national Hispanic organizations to assist in reaching out to qualified candidates for inclusion in the applicant pools for positions at all levels; and
- Host a teleconference to disseminate information on our mission, programs, and career opportunities.

- **Candidate Development Program**

In January 2000, the Department's career SES comprised 304 employees. Of this group, 89.1 percent were white. African-Americans represented the majority of the balance (6.9 percent), with Hispanics and Asian Americans each comprising less than 2 percent, and American Indians/ Alaskan Natives comprising less than ½ of 1 percent.

To improve the representation of minority groups in the SES, the Department is launching a revised Candidate Development Program, which will focus on three areas. In the first area, recruitment and outreach, the Department will extend notification to include over 150 minority and women organizations, simplify application requirements, and introduce an on-line application system. In the second area, selection, the bureaus will conduct initial screenings, while a panel of SES members will conduct second round interviews, and the Department's Executive Resource Board will approve final selections. In the third area, development, Commerce SES employees will participate in a structured core training curriculum, which will include topics such as diversity, and participate in two rotational assignments – one outside the employee's area of expertise and one outside of the employee's home bureau.

In late 1999, Secretary Daley issued a new critical element relating to diversity for inclusion in the FY 2000 performance plans for managers and supervisors. This element will help foster increased support for the Department's overall diversity initiative and ensure that it is implemented throughout Commerce.

- **Other Activities**

In other efforts to foster diversity, the Department:

- Revised the criteria used for its Honor Awards Program to help ensure that employees in all occupations and at all organizational levels may be recognized for their contributions to the Department. The criteria were changed from broad descriptions of accomplishments to seven specific categories, i.e., customer service, employee development, personal and professional excellence, leadership, public service or heroism, scientific and engineering achievements, and administrative and technical support.

The Honor Awards Program has become more inclusive and representative of the Department's workforce as a result.

- Updated internal policies and procedures on racial and sexual harassment to address all forms of harassment prohibited by Federal civil rights laws. The new procedures allow for management inquiries distinct from the EEO process to determine if misconduct may have occurred that does not meet the legal definition of harassment.

- Is broadening its Alternative Dispute Resolution (ADR) process so that it will become more widely used in resolving Equal Employment Opportunity (EEO) complaints. The ADR process emphasizes self-directed resolutions as early in the dispute as possible, thereby helping to minimize conflict and promote productivity.

Managing Our Public Trust

The American citizenry has, through Congress, entrusted the Department with fulfilling its mission in a timely, efficient, and effective manner. In 1993, with passage of the Government Performance and Results Act (GPRA), Congress codified this trust by requiring each Federal agency to publish a continuing series of reports that articulate the agency's mission and major goals, a five-year strategy directed toward achieving that mission, an annual performance plan, and an annual assessment of progress in accomplishing the agency's mission and goals. The various requirements form a rigorous structure aimed at providing both Congress and the public with a complete picture of how well agencies are meeting their intended purposes.

GPRA was designed with a phased approach and fiscal year 2000 will witness the first year in which all three reports will be produced in a single year. For the Commerce Department, these include: (a) our second Strategic Plan, covering the years 2000 through 2005; (b) our third Annual Performance Plan (APP), covering FY 2001; and (c) our first Annual Program Performance Report (APPR), covering FY 1999.

To fully implement the spirit of GPRA, the Department faced the need for making significant changes such as fostering the integration of its policy, planning and budgeting processes. In January 1997, there was little interaction between the Office of the Secretary and the bureaus before the bureaus submitted their budget requests to the Department. Neither the Secretary nor the Deputy Secretary had early involvement in the process, which was paper intensive and made little use of strategic planning and performance measures.

Secretary Daley accelerated automation of the budget process and opened it up to allow for systematic interaction among key officials. Under his and the Deputy Secretary's leadership, bureau heads became active participants in making decisions that were focused on the merits of each budget proposal and its relevance in support for the Secretary's priorities. Information technology, procurement, facilities, security, and management staff were given an early opportunity to review proposals and offer recommendations. The Department strengthened its overall APP and integrated the development of the APP into the Department's budget process.

The results were impressive. Senior bureau leadership complimented the FY 2000 budget process. The Department's FY 2000 budget was submitted to OMB both on time and on CD-ROM – the first one ever submitted electronically. The integration of planning, budget, and prioritization was reflected in the Department's budget initiatives, each of which cut across multiple bureaus. OMB rated the FY 2000 APP as an example of "excellent improvement" that should be a model for other agencies. Congressional staff awarded Commerce a score of 85 – the highest score in government – for its FY 2000 APP. This success followed a year of intensive Department-wide effort to identify realistic performance goals and ways to measure and verify progress against them.

Refined and reshaped, our FY 2000 APP decreased the number of performance measures by 63 percent, thereby focusing on the most important activities. Outcome-oriented measures increased from 22 percent to 56 percent, while more than 170 process measures were dropped, thus allowing a more accurate gauge of impact and results. All of these accomplishments allowed the Department to put forward its collective best thinking and formulate sound recommendations for the use of public funds. These efforts have continued with the formulation of the Department's

FY 2001 budget request, its FY 2000 GPRA documents, and the increasingly sound operation of this cabinet agency. To exact further benefit from these efforts, the Department is now taking steps to ensure that the data to be used in measuring performance is accurate, complete, and reliable.

As a further measure of our commitment to GPRA, the Department continues to serve as the host agency for the National Academy of Public Administration's GPRA Performance Consortium. This consortium, comprising 30 Federal Departments and agencies, shares information on "best practices." As host agency, the Department plays a major coordinating role to ensure that all interested parties, in both the Executive and Legislative branches, benefit from the Consortium's efforts.

During the past year, the Department has made significant progress in managing its programs and resources to ensure the timely, efficient, and effective delivery of services. Some of our more notable achievements include:

- **NOAA Fleet Modernization**

  The National Oceanic and Atmospheric Administration's (NOAA) fleet modernization was first identified as a material weakness in FY 1990. The material weakness highlighted concerns that: (a) NOAA's fleet was aging, with many ships in need of extensive maintenance and replacement, and (b) the existing policy of solely relying on in-house vessels was not necessarily the most efficient approach to meeting NOAA's data needs. We are pleased to report that the NOAA fleet modernization has been dropped from the list of material weaknesses. This success is due to the Department's continued focus on management, NOAA's improvements to its oceanographic and hydrographic ship-related data collection capability, and the impending approval for the first of four new fisheries ships.

  The Department worked closely with NOAA to identify and pursue alternatives. Our program for meeting NOAA's oceanographic and hydrographic research now emphasizes a mix of charters, cooperative use of university ships, contracts for data collection, and continued operation of a limited number of NOAA vessels. Based on this broader supply of days-at-sea, we have also been able to downsize NOAA's shore support infrastructure to further reduce costs.

  We are continuing to work aggressively with NOAA in seeking the least expensive and most efficient means for meeting the agency's need for fisheries research vessels. NOAA prepared a detailed data acquisition plan, which was subjected to thorough review. Funding for the first of our new fisheries research ships was included in the FY 2000 budget. We have worked diligently to coordinate our design requirements with shipyards, design agents, and partnering organizations, such as the University National Oceanographic Laboratory System.

- **National Weather Service Modernization**

  The Department made significant strides in modernizing the National Weather Service (NWS). A critical factor in the modernization effort was the successful implementation of the Advanced Weather Interactive Processing System (AWIPS) software. This software provides the capability to display satellite imagery, radar data, surface observations, and forecast data at a single workstation.

  Secretary Daley met a long-standing Congressional mandate that AWIPS be deployed to all 152 NWS sites and completed within a $550 million cap. The operational test and evaluation of AWIPS that was completed in June 1999 uncovered several software deficiencies that had to be corrected before commissioning (i.e., before AWIPS can be used as the official system). NWS believes that the corrected software will enable the commissioning of AWIPS and the decommissioning of the older systems. This achievement meets a central concern raised by the IG in his original "top ten" list, issued in March 1997.

  The Department is continuing to enhance the AWIPS software and expects to continue to improve our forecasts by issuing more comprehensive data and by providing increasingly extended lead times on warnings of severe weather.

- **Providing High Quality Grant Assistance**

The Department strengthened its oversight of the Department's financial assistance programs to ensure that all applicable guidelines are followed in the award and use of funds. A 1997 review of our programs by the Inspector General found that the Office of the Secretary and six bureaus administered 72 financial assistance programs that provided approximately $1 billion annually to State and local governments, educational institutions, other organizations, and individuals. Thirty-three, or nearly half of our financial assistance programs, are classified as "full discretion," thus providing the Department maximum flexibility in their administration. These 33 programs provided more than 1,700 awards and $802 million – or approximately 80 percent – of Commerce's financial assistance outlays in FY 1997. The Inspector General is continuing his review of each of these 33 programs, with 22 reviews completed to date. As a result of these reviews, the Department has

(a) expanded proposal solicitation efforts,
(b) included outside participants as proposal reviewers to increase objectivity in the selection process, and
(c) strengthened documentation justifications for deviations from review panel recommendations.

As a further effort to promote efficient and effective use of resources, the Department has been working with NOAA to increase the number of awards granted competitively through NOAA's discretionary funding programs and to implement a rigorous solicitation process.

- **Monitoring the Department's Special Agreements**

The Department has strengthened its oversight of Interagency and Other Special Agreements. These agreements encompass a wide variety of reimbursable activities, obligations to acquire goods or services from other parties, or commit the Department or its bureaus to joint project agreements. A review by the Inspector General found that the Department had more than 4,700 of these agreements, involving more than $1.1 billion in FY 1997. We are preparing formal policies and procedures that will specify the acceptable types of government-wide and Department-wide agreements that may be executed, the minimum requirements for consummating agreements, standard language for inclusion, and orderly review and approval policies.

- **Field Office Streamlining**

The Department reduced the number of domestic field offices by 20 percent since the fourth quarter of FY 1998.

For several decades, Commerce has maintained a field office presence in all 50 states to serve the needs of its customers. Although there have been mission changes, various reorganizations, and significant advances in technology, the Department's field structure had been little changed in more than two decades.

To improve efficiency and reduce costs, the Department worked with those of its bureaus which have a major field presence to review opportunities for streamlining and improving service to our customers. The Department considered options such as consolidation, collocation, cross-functional teaming, and cross-servicing as a means to achieving greater efficiency and effectiveness. Two other pertinent initiatives were also pursued: modernization of the National Weather Service and revising the Department's procedures for renewing field office leases. Under the new procedures, field office leases were not to be renewed absent a mission critical justification.

From the base of 747, the number of domestic field offices was reduced to a total of 591. In addition, nearly 100 domestic field offices had leases that are due to expire by the end of 2000. Through the close of calendar year 1999, the Department reviewed, and conditionally approved, 44 field office leases. To support

potential future cost savings, most of the lease renewals include options such as month-to-month renewals or 30-day non-penalty early termination provisions which may be exercised upon securing alternative quarters that are more consonant with the new streamlining policy. Each of the field offices with these provisions has been charged with identifying and exercising prospective cost-saving and streamlining opportunities. As a result, the Department anticipates further reductions in costs over the coming year.

- **Facilities Management**

The Department strengthened its oversight of bureau facilities acquisition and management. As part of our new process, the Office of the Secretary obtains firsthand knowledge or conducts on-site visits of major space requirements and their relationship to program mission. To improve our overall management oversight, we coordinated our reviews with the Inspector General.

Our recent oversight activities have included providing technical real property guidance concerning the newly reorganized NOAA Headquarters Facilities Office, NOAA line offices, and the Administrative Support Centers, which NOAA operates in support of the Department's field structure. We provided oversight and coordination of the real property needs to Census on its timely acquisition of 520 local Census offices, and other field office requirements. We have continued to provide assistance to PTO on its efforts to prepare for lease award on its solicitation for expansion/consolidation of space. Forward movement on the PTO award, however, has been on-hold pending a judicial ruling on a suit which took issue with the environmental impact assessment of the prospective relocation. This ruling is expected shortly.

- **Security**

Secretary Daley made security, and specifically the reduction of the risk of security threats, one of his top priorities. In July 1997, he commissioned a review of the Department's security operations by the interagency Security Policy Board (SPB). To date, the Department has implemented 62 of 66 (94 percent) of the SPB's recommendations. Accomplishments on key recommendations include: (a) reducing the number of security clearances by 40 percent to support efforts in limiting access to classified information; (b) making progress in implementing an automated program, the Security Information Management System (SIMS), which is currently tracking over 45,000 classified documents at the Secret level and above; (c) implementing a counter-intelligence program to improve protection of our sensitive but unclassified information from external threats; (d) establishing an emergency preparedness program to ensure the continuity of our operations in the event of a catastrophe; and (e) consolidating most of the Department's security personnel and assets. The Department will continue to enhance security operations by improving the guard force at the Herbert C. Hoover building, standardizing security procedures, enhancing information technology security, and implementing direct delivery of security equipment and services to our overseas offices.

- **Converting PTO to a Performance-Based Organization**

The Department and PTO are working diligently to achieve the conversion of PTO to a Performance-Based Organization (PBO) by the end of March 2000. As a PBO, the PTO is subject to policy direction by the Secretary but will be expected to increase its efficiency as a result of being given independent control over budget allocations and expenditures, personnel decisions and processes, procurements, printing, and other administrative and management functions. The conversion to PBO status, long-sought by PTO as an innovative way to improve its efficiency, was approved by Congress in November with passage of the Patent and Trademark Office Efficiency Act.

- **National Technical Information Service**

  The Department's National Technical Information Service supports itself through fees charged for its products and services. Between FYs 1995 and 1998, the agency incurred a cumulative loss of $4.8 million, which nearly exhausted its retained earnings.

  Through the past year, the Department continued to address NTIS' deteriorating financial situation by supporting and supervising an aggressive cost-cutting program at the agency. These cost reduction measures included assisting in the transfer of 46 NTIS staff members to positions elsewhere in Commerce during the last quarter of FY 1999, consolidating office space, eliminating performance awards, and restricting travel. Although these and other urgent measures permitted NTIS to close FY 1999 with a balance of some $650,000, instead of a projected deficit, NTIS' financial position remains precarious and its mission and structure outdated.

  In late 1999, to address this long-term issue, the Department submitted draft legislation that would close NTIS and transfer selected functions to the Library of Congress. We testified on our proposal before the House and Senate in September and October, respectively. We are continuing a dialogue with the Library of Congress and other interested agencies and stakeholders on the details of the Department's proposal.

Conclusion

The Department is proud of its accomplishments and we look forward to building on our record of implementing solid improvements. Accountability, open reporting to the taxpayer, and emphasizing continuous improvement provide significant motivation for optimal resource use. We have relied on, and will continue to use, the management tools provided by legislation – including the Government Performance and Results Act, the Chief Financial Officers Act, the Clinger-Cohen Act, and other measures passed over the past decade. We continue to work to resolve all of the Inspector General's original "top ten" management concerns and to further enhance our record of management improvements that facilitate full accountability and maximum performance.

The Commerce Management Strategy: Our Model for Challenge and Success

Overview

During his tenure, Secretary Daley has made "effective, efficient management" a critical goal for the Department. Under Secretary Daley's leadership, performance outcomes have become the key measures for assessing the Department's progress in addressing management and program challenges.

As a direct result of the Secretary's emphasis on accountability and providing the taxpayer due diligence in the use of resources, the Department has strengthened intramural communications, implemented strategic planning, and integrated policy-making into the budget process. The Commerce team is focused on full mission accomplishment, the elimination of overlap, and timely delivery of high-quality services.

The Secretary's management philosophy and its benefits are fully consonant with the spirit of the Government Performance and Results Act (GPRA) of 1993. GPRA is directed at providing both Congress and the public with a complete picture of how well agencies are meeting their intended purposes and a rigorous commitment to continually improving performance. As a result of the Secretary's leadership and the Department's aggressive implementation of GPRA, many long-standing management and programmatic challenges have been resolved or are very near resolution. This progress and the continual emphasis on requiring each program to justify its contribution each day have introduced a new dynamic — a widely-shared spirit to make the best use of our resources in serving the American people.

Highlights of our accomplishments from the past year include the following:

- The Department has made great strides in preparing for the 2000 Census. Work is near completion on outreach efforts, including a publicity campaign, printing Census questionnaires in multiple languages, and aggressively seeking to hire Welfare-to-Work individuals to help administer the Census at 520 local level offices throughout the country.

- The Department has continued to improve its financial management program, and anticipates obtaining an unqualified opinion on its consolidated balance sheet for fiscal year 1999. The number of material weaknesses and reportable conditions continue to decline. For example, the Department's efforts in identifying alternatives for obtaining hydrographic and marine data have led to the NOAA fleet modernization being dropped as a material weekness.

- The Department fully and successfully met the Y2K challenge — on all of its 473 mission-critical and 693 non-mission-critical systems.

- DOC has led the Federal government in providing an avenue for increasing the number and value of contracts for small, minority, and women-owned businesses through its new, government-wide Commerce Information Technology Solutions (COMMITS) program.

- The Department is delivering on its ambitious commitment to foster diversity – both inside Commerce and among our customers – as a means of nourishing our Nation's strength.

- Significant progress has been made in meeting the objectives of the Government Performance and Results Act by greatly improving the utility of our Annual Performance Plan – a gain that was recognized by both the Office of Management and Budget and Congress — and Congressional staff awarded Commerce one of the highest scores in government in 1999.

- We achieved a major milestone in our weather forecast capabilities by installing advanced workstations in the National Weather Service.

- We have improved oversight of our financial assistance programs and our facilities acquisition and management to ensure that the funds placed in our charge are well spent.

- The Department consolidated and strengthened security operations to ensure complete protection of our employees, property, and data.

2000 Decennial Census

Our top management priority at the Department of Commerce continues to be to ensure that the 2000 Census is managed effectively and efficiently. Over the past 2½ years, the Office of Inspector General (OIG) has raised concerns about the Census Bureau's readiness to undertake this enormous task. At Secretary Daley's direction, the Department has exerted a great deal of effort to ensure that the Decennial is well-managed and to address the Inspector General's concerns.

As part of its effort to boost initial response to the Census form, the Bureau designed a major publicity campaign that includes advertising in 17 different languages. The campaign will proceed in three phases, with the first phase (awareness) beginning last November. Questionnaires are printed in six languages and language guides are provided in over 40 languages. Questionnaire Assistance Centers will be established in local communities with over 15,000 paid assistants, many of whom are bilingual. Indigenous enumerators from local neighborhoods are being hired at competitive wages.

Our outreach efforts include our sponsoring the Census 2000 Partnership program, which is drawing on local and State governments, non-governmental organizations, and businesses to promote full participation in the census, help dispel myths, and explain that the answers given to the Census Bureau will be held confidential. The Bureau has also designed special census methods and procedures to improve cooperation and enumeration in hard-to-enumerate areas. Our procedures are giving the regional census centers the flexibility to target specific blocks and neighborhoods for coverage improvement.

The Bureau developed action plans for the 520 local Census offices to provide managers with effective strategies for conducting a complete and fair enumeration of all communities under their jurisdiction. These plans will be based on a detailed study of each community, identifying those that are hard-to-enumerate and recommending the specific tools that should be used to improve coverage. Once these operations are complete, the Census Bureau will use modern statistical sampling methods to conduct an Accuracy and Coverage Evaluation Survey, which will be used to produce more accurate numbers for all purposes other than apportionment.

Most elements of our plans for the 2000 decennial census were tested and evaluated in the Census 2000 Dress Rehearsal. This past August, the Department released a final report providing the results and recommendations from more than 40 evaluation studies conducted during the Dress Rehearsal. These evaluations indicate that, overall, the Dress Rehearsal was successful. Population numbers were produced on time, and the numbers, including data adjusted using modern statistical methods, compared favorably with independent benchmarks. In those operations where problems were identified, the Census Bureau modified plans for Census 2000 accordingly.

During the past three months, the Census Bureau completed the address label tape for use in addressing and labeling questionnaires for nearly 120 million housing units throughout the country. This major milestone was achieved with help from nearly half of the 39,000 governmental units in the United States that are participating in the Local Update of Census Addresses program. Moreover, the participating units encompass 85 percent of all households in the United States. We are continuing to update the Census 2000 address list periodically as we find new housing units, identify corrections, and add new construction.

All other key operations for Census 2000 are also on schedule. All major contracts have been awarded and the contractors are in place. The four data capture centers and all 520 temporary local Census offices are open. Contracts for printing the various questionnaires were awarded last March and the operation to print, address, assemble, and ship the census forms to the U.S. Postal Service or other Census Bureau locations began as scheduled in July 1999.

Department-wide Financial Management

We are extremely confident that Commerce will receive an unqualified (or "clean") audit opinion on its Consolidated Financial Statement for FY 1999, though the results will not be known with certainty until one month after release of this Annual Performance Plan. With the achievement of an unqualified audit opinion, we will have attained one of our major management milestones — achieving a sound financial management environment that complies with Federal laws and regulations and provides Commerce executives with timely, accurate financial information.

Preliminary data also indicate that all major bureaus will receive unqualified audit opinions on each of their five principal statements — Consolidated Balance Sheet, Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and Combined Statement of Financing. We anticipate that our auditors will find a significant reduction in the number of reportable conditions and material weaknesses in FY 1999 at the Department-level and bureau level. Under Secretary Daley's leadership, the Department has continued to reduce the number of findings identified by the auditors each year at the bureau level — from 37 material weaknesses and 39 reportable conditions in FY 1996 to 12 material weaknesses and 26 reportable conditions in FY 1998.

Under provisions of the Government Management and Reform Act (GMRA) of 1994, the Department will complete its first Accountability Report by March 1, 2000. The Accountability Report streamlines reporting requirements of the Department by consolidating various reports (Consolidated Financial Statements, FMFIA, etc) required by Congress into a single report. The Accountability Report will provide a comprehensive picture of the Department by including financial as well as performance information. Integrating this information will enable the Department to accomplish performance-based management.

The Department continues to make significant progress in implementing the Commerce Administrative Management System (CAMS) – a single, integrated financial management system. The system includes a Core Financial System interfaced with administrative systems for small purchases, bankcards and time reporting/labor cost distribution collectively called Core CAMS. Core CAMS was successfully deployed at Census during FY 1998. An independent verification and validation study of the system implemented at Census concluded that it met departmental requirements and was as good as or better than other financial management systems available on the market. Implementation of core CAMS has now been completed at EDA for its financial assistance programs, and implementation is well underway at NOAA. NIST will complete its implementation planning for core CAMS in FY 2000, and will begin system deployment in FY 2001.

During FY 1999, we filled all remaining chief financial officer vacancies in the bureaus, specifically, the Economic Development Administration (EDA), the International Trade Administration (ITA), and the Patent and Trademark Office (PTO). We continued to strengthen our financial policies and procedures and our automated systems to ensure that they support the generation of reliable and accurate financial data. During this period, we published the Department's Financial Management Handbooks on our homepage and held several conferences with our bureau financial officials to ensure complete understanding and agreement with our financial management objectives and approaches.

Under the Secretary's direction, the Department continues to place an extremely high priority on its financial statements and accountability for all assets. The Department's Chief Financial Officer, who controls 50 percent of bureau CFO performance evaluations, meets regularly with all bureau CFOs to review progress on financial statements, audit issues, and other financial matters. The Department's "CFO Council" meets monthly and is one of the primary forums in the Department for discussion of management issues, including human resources, budget, procurement, and information technology systems, as well as financial accountability issues.

Information Technology Investments

The Department successfully met the Y2K challenge. All of the Department's systems functioned properly and, as a result, we shut down our Emergency Operations Center earlier than had been planned. A few extremely minor aberrations occurred; these involved only non-mission critical systems and were resolved within a few hours.

In September, the Department completed Y2K compliance for 100 percent of its 473 mission-critical systems. By December 22nd, all of the Department completed Y2K compliance for all of its 693 non-mission critical systems. As a result of our efforts, we completed our Department-level business continuity and contingency plans, and ensured that our telecommunications, building infrastructure, and data exchange systems would be ready. To ensure a smooth transition to the year 2000, we had approximately 50 staff on hand on New Year's Eve monitoring systems transition.

The Office of the CIO worked closely with bureau management over the last year to monitor their progress on Y2K remediation, ensure that their programs adequately addressed all necessary systems and contingencies, that business continuity plans existed for all business areas, and that work was completed on schedule.

As part of its Y2K outreach program, Commerce provided domestic Y2K technical assistance to hundreds of thousands of U.S. small and medium-sized businesses through a Y2K Help Center for Small Business and training through 1,600 workshops offered by the Department's Manufacturing Extension Program. MEP developed a customer-friendly Y2K Self Help Tool on CD-ROM, available in 11 languages, to help small and medium-sized businesses with a variety of business needs potentially affected by Y2K – systems inventory, business criticality assessment, remediation planning and management and contingency planning. Well over 600,000 copies of this tool were distributed in the U.S. and abroad. In addition, more than 6,000 attendees participated in 40 international Y2K conferences and events that the Department and its bureaus organized in 22 trading partner countries.

In 1999, the Department worked diligently to complete its effort at meeting the spirit of the Clinger-Cohen Act. Among other provisions, this Act called for agencies to oversee effective information technology planning and expenditures. Commerce's Chief Information Office has continued to implement several enhancements. These include: (a) consolidation – to achieve gains in cost and service quality, (b) standards – to promote commonality that can reduce support costs and avoid reinventing solutions to problems already solved, (c) new technologies – to achieve cost reductions by coordinating their exploration and implementation, and (d) common services – to realize savings by using common software and support methods for such activities as financial management, grants management, forms, and Web sites.

During the past year, we strengthened our information technology capital planning. Under the Department's CIO's leadership, each bureau conducted a self-assessment and examined best practices in light of its own information technology needs. We used the findings to improve our selection, control, and evaluation of prospective information technology investments. Using a Department-wide group of information technology officials, we established a rigorous and transparent process by which every proposal is evaluated on the basis of its expected contributions, risks, and costs. Projects that received a low rating were not supported in our budget process. The results improved the Department's overall planning and show every indication of translating into significant gains in the accuracy of our cost and schedule projections.

The Department supplemented its capital planning and review process with two formal mechanisms for managing our information technology acquisitions. First, we require a Delegation of Procurement Authority for every information technology contract over $10 million. Under the authority of this delegation, our Chief Information Officer must certify that the business need exists. Secondly, the bureaus must submit business case documentation for major information technology acquisitions. The documentation must show that project management metrics and controls are in place, viable alternatives have been evaluated, and that the acquisition supports the bureau's information technology architecture.

The Department has developed a Critical Infrastructure Protection (CIP) program with help from the Critical Infrastructure Assurance Office. Through this program, the Department identified 31 infrastructure systems that met the requirements — such as national security, national economic security, and public health and safety — of Presidential Decision Directive 63 (PDD-63). We supplemented this process with an independent validation and verification that identified and ranked in priority order the top 25 percent of the Department's assets. Based on these reviews, we submitted a critical infrastructure protection plan and budget to the Office of Management and Budget.

Secretary Daley is committed to creating a truly digital department at Commerce. When he arrived in January 1997, the Department was behind the private sector in using information technology services. There was no robust infrastructure to support users, an overall inability to share and exchange data among the bureaus and the Office of the Secretary, an absence of administrative support systems, and an inability to communicate securely among employees located throughout the world.

Information technology functions throughout the Department were reorganized under the recently established position of Chief Information Officer, who reports to the Secretary. Information technology representatives from every bureau are brought together regularly to participate in rigorous reviews aimed at effectively coordinating information technology planning, seeking synergy, identifying resource needs, and monitoring progress of each of the Department's major systems.

DOC launched a "Digital Department" initiative with the hiring of a Digital Department Program Director in the summer of 1999. Within the constraints of available resources, this initiative will move Commerce from paper-based administrative systems and transactions to on-line interactions with customers and employees, similar to the advances increasingly found in the private sector. Both customers and employees will benefit from secure, accelerated, and more productive interactions in which the information flow from beginning to end of a process will be seamless and in the medium most convenient to the needs of individual users.

By the close of calendar year 1999, the Department established a secure Intranet for pilot testing in the Office of the Secretary which, among other services, provides access to several downloadable forms. We also introduced an automated Time and Attendance Reporting System which, also, is currently in pilot mode. Automation of additional applications, such as security requests and requisitions, will be introduced as budget becomes available.

By the close of calendar year 2000, our Digital Department will provide secure Intranet services to all employees throughout the Washington, D.C. metropolitan area and add additional administrative processes (specifically, an automated hiring system and the Department's information technology review system, and, if the budget permits, travel and inventory systems). The Department's public customers will have access to an Internet site organized from the customer's perspective that will facilitate access to, and analysis of, all information on a specific subject in a one-stop electronic visit.

By the close of calendar year 2001, our Digital Department will provide secure Intranet access to all Commerce employees throughout the world and significantly expand the complement of administrative processes available electronically. The network in the Office of the Secretary will have been upgraded to deliver reliable service and meet capacity requirements and employees will have standard, well-supported, state-of-the-art desktop systems.

By 2002, the implementation goals of the Digital Department will be realized – most internal processes at Commerce will be web-based and make maximum use of the Intranet. Key external processes of the Department will be electronic and make maximum use of the Internet for customer interfaces such as data collection and dissemination and business programs will continue to be re-engineered and redesigned to take advantage of new technological capabilities to more efficiently and effectively provide our products and services.

The following illustrations exemplify some of the benefits of our Digital Department initiative:

- Commerce Opportunities On-Line (COOL) is an automated, web-based vacancy announcement, application, and referral system. Through COOL, any potentially interested applicant may review open vacancy

announcements, sorted to meet his or her personal preferences, and submit an on-line application. With use of an ID and password, applicants can create, update, save, and submit applications with complete security. The system is user-friendly and is available 24 hours a day, 7 days a week. The COOL approach reduces the time it takes an applicant to apply for a position because the system eliminates the need to prepare lengthy written answers to identified knowledge, skills and abilities (KSAs) required for the position. Instead, the same information is obtained by providing yes or no answers to a series of specially prepared questions. COOL benefits the Department's managers as well, by: (a) greatly reducing the time needed to rank applicants against the KSAs for a specific position, (b) permitting on-line issuance of referral lists of eligible candidates to the selecting official, (c) facilitating e-mail communication between the selecting official and applicants, (d) making selection/non-selection designations on-line, and (e) allowing the selecting official to automatically notify the Human Resource Office when he or she has completed the selection process.

This innovative system broadens the Department's distribution of vacancy announcements to anyone who has access to the web and also reduces time lag – both in disseminating announcements to applicants as well as by providing applicants an on-line avenue for submission of their applications. These features greatly enhance the Department's potential for increasing the number of external candidates and for securing an applicant pool that more fully reflects the Nation's population. COOL was tested as a pilot program at the Department's Eastern Administrative Support Center, NOAA, and in select organizations of the Office of the Secretary. COOL will be implemented at the Census Bureau in March and subsequently at the Department's other bureaus throughout FY 2000.

- The Department's Minority Business Development Agency conceived and developed an Internet-based business resource locator system to enable minority businesses and business development practitioners to search for and locate business assistance institutions interactively on a map. The system addresses the critical need of providing minority businesses throughout the Nation with a fast and easy to use mechanism for finding public, private, educational, and nonprofit business development resources in their local area.

- NOAA re-engineered its shoreline mapping techniques to enhance the accuracy of analyses of shoreline data extracted from different types of synthetic aperture radar. The advances included development of three-dimensional approaches to shoreline extraction using synthetic aperture radar, lidar, and digital photogrammetry, and improved application of image understanding methodologies such as automatic feature extraction and sub-pixel analysis of hyperspectral data. These advances will enable NOAA to deliver more accurate and current nautical charts to professional mariners and to the port authorities responsible for managing port facilities.

- The Office of the Secretary developed HANS (Honor Awards Nomination System) – a web-based and re-engineered system that streamlined the process of nominating, reviewing, and awarding the Department's gold and silver medals. HANS allows a manager – using an Internet browser and operating from a main menu – to enter, edit, review, and approve nominations on-line. HANS also tallies voting results automatically and creates statistical reports. Prior to HANS, the system was paper-based, time-consuming, and involved the physical manipulation of a huge volume of hard copy forms that filled several large boxes.

Procurement Innovations

The Department created the first government-wide acquisition contract (GWAC) reserved specifically for small and disadvantaged businesses – the Commerce Information Technology Solutions (COMMITS). This innovative program will award some $1.5 billion in information technology contracts to small businesses over the next five years.

COMMITS provides an opportunity for small, minority, and women-owned firms to tap the $45 billion the government spends annually on information technology. According to a recent Federal Sources Report, large companies now receive a 71 percent market share of Federal information technology dollars. This is up from 57 percent in 1995. During the same period, market share for small disadvantaged business went from 30 percent to 15 percent.

Commerce created COMMITS to reverse this trend. As a result of widespread publicity, over 1,000 firms participated in a national competition in which, ultimately, 29 firms were selected. On October 6, 1999, Deputy Secretary Robert L. Mallett briefed the President's Management Council on COMMITS, and a formal kickoff of the program was held in November.

All tasks placed through COMMITS are fully competed and, through the end of calendar year 1999, an average of 10 contractors responded to each offering. Average acquisition cycle time was 17 calendar days.

With authorization from the Office of Management and Budget, DOC is offering COMMITS as an avenue for other Federal agencies to access capable firms that have been vetted and approved by Commerce. During the first two months of the program, two agencies – the Environmental Protection Agency and the Equal Employment Opportunity Commission – used the program. Several other agencies – including the Departments of Agriculture, Housing and Urban Development, Interior, Labor, and State – are actively exploring use of COMMITS to help meet their information technology needs.

In other areas, the Department took several actions to improve acquisition management performance. We initiated the Commerce Acquisition Career Management Program. This program provides central funding and has trained 100 procurement personnel in operational procedures throughout the Department's bureaus. We prepared and disseminated the *Customer's Handbook to Procurement,* a primer to support efficient procurement practices by identifying roles and responsibilities, summarizing the procurement process, and setting lead times for various types of procurement actions. We are implementing procurement automation software for use throughout the Department. The software – Commerce Standards Acquisition and Report System (CSTARS) – will provide timely and relevant information that will support informed management decisions and facilitate the accomplishment of program missions through improved acquisition support. To broaden our focus on best practices, we are participating in the government-wide Procurement Executives Council Acquisition Workforce Committee and its steering committee. We helped launch the Government-wide Acquisition Management Intern Program and will be a sponsor of the first class of interns in FY 2000. This cross-government program will offer two-year internships with rotational assignments and 320 hours of training to develop skills and competencies. This training will help provide the leadership to replace the expected future government-wide retirement bulge of procurement executives and effectively administer the requirements of recent procurement reform.

Strength through Diversity

"*Diversity transcends race, gender, religion, age, culture, disability, or sexual orientation*" — reads a sign in the Commerce Department's library. That sign is a reflection of significant changes occurring in the American workplace and the Nation's population.

One management maxim holds that employers who do well in addressing diversity issues – race, gender, religion, age, culture, disability, and sexual orientation – are the ones that will excel in the years to come. Again, with a broadening of the picture, it is clear that a society which does likewise will also succeed in the years to come. One need only recall a simple statistic cited by Vice President Gore – that small business contributes over 60 percent of the new jobs in our economy – to realize that the future of our Nation's economy and our Nation's welfare will be highly dependent upon our embracing of diversity.

In recognition of these benefits, the Commerce Department has taken several steps to champion diversity – both within the Department and in serving its customers. As described above, Commerce has taken a leadership role in enhancing information technology contracting opportunities for small, minority, and women-owned firms through the innovative COMMITS program.

In a parallel effort, the Department hosted a meeting with executives from Commerce's top contractors to discuss the importance of increasing opportunities with small, minority, and women-owned firms. As a result, prime contractors included small business subcontracting goals in the performance plans of their project managers and identified additional small businesses for subcontracting opportunities.

As another example, prior to January 1997, the Census Bureau had awarded only 3 percent of decennial contracts to minority firms. Through aggressive management, the Bureau is now awarding 28 percent to minority firms.

As one result of these efforts, the Bureau negotiated ambitious subcontracting plans with its decennial large business contractors. These negotiated plans will secure significant percentages of the subcontracting awards for small businesses (57 percent of all subcontract awards), disadvantaged businesses (42 percent of all subcontract awards), and women-owned businesses (43 percent of all subcontract awards). These plans include overlap in the awards among the three categories.

And the impacts? According to the Small Business Administration's preliminary fiscal year 1999 annual procurement preference goaling achievements report, the Commerce Department awarded over 40 percent of its total procurement dollars to small business. This performance – 40 percent of total procurement – was nearly double the government-wide goal of 23 percent. The Department's performance vis-a-vis small disadvantaged firms – 14 percent of total procurement – was nearly triple the government-wide goal of 5 percent. The Department's performance also exceeded the government-wide goal for women-owned firms. These achievements were widely recognized. The 1999 issue of the *Hispanic Business Federal Resource Guide*, for example, cited Commerce for its minority procurement efforts and the 1998-1999 edition of the *Hispanic Business Magazine* rated the Department's efforts as an "A".

Other efforts in this area include:

- **The Commerce Diversity Council**

  In 1999, the Department evaluated the Diversity Council to identify opportunities for increasing its effectiveness. As a result of this study, a decision was made to restructure the Council and establish an Executive Board. The Executive Board will be chaired by the Deputy Secretary and include senior career officials from the bureaus. It will set overall policy and monitor implementation of Departmental and bureau diversity policies and programs. The restructured Diversity Council will include 19 newly appointed members representative of all affinity groups at Commerce. The Department also plans to recruit a Diversity Manager specifically to support the Diversity Council.

- **Partnering with Minority Serving Institutions**

  The Department provides over a billion dollars in financial assistance annually. Approximately $268 million is awarded to Institutions of Higher Education and, of that, about $23 million goes to Minority Serving Institutions (MSIs)— Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions, and Tribal Colleges and Universities.

  MSIs offer an extremely effective avenue for increasing minority representation in the workforce. A measure of their importance may be seen in the following statistics. While 40 percent of African-American students receive undergraduate degrees at HBCUs, 85 percent of African-American physicians and 75 percent of African-Americans who hold doctoral degrees all received their undergraduate degrees from HBCUs.

  The Department has taken several steps to expand partnership opportunities available to MSIs.

  - In September 1999, the Department held a comprehensive New Opportunities Conference for MSIs. The conference highlighted programs in which colleges and universities are currently participating, such as financial assistance, technical assistance, and various cooperative arrangements that are reflected in multiple Memoranda of Agreement. Attended by more than 250 MSI representatives, the conference also sought input on ways of increasing the Department's assistance to MSIs, provided the representatives networking opportunities with senior bureau and Department officials, and offered workshops – ranging from financial assistance to partnership development and from preparing competitive applications to scientific research support opportunities and on how to access these and other Federal programs.

- To help increase opportunities, the Department is encouraging all Departmental units to determine what goals can be set for increasing financial assistance awards to, and other opportunities for, MSIs. The Department will complete this goal setting early in calendar year 2000.

- To ensure continuity of effort, the Department is taking several actions. Among these: (a) each bureau Chief Financial Officer will include the MSI goals as a part of his or her performance plan; (b) the Department will create an office or division for University Programs and Partnerships to coordinate our efforts, and (c) Commerce officials will increase their speaking engagements at MSIs.

- **Promoting Welfare-to-Work**

Under the President's Welfare-to-Work program, Secretary Daley committed the Department of Commerce to hiring 4,180 individuals – nearly 40 percent of the total Federal goal of 10,680. By December 1999, Commerce had hired 5,870 individuals – slightly more than 140 percent of our commitment.

Last September, in a move that will support an additional 6,000 to 9,000 welfare-to-work hires by the Department's Bureau of the Census during 2000, the Department of Commerce and the Department of Labor publicized the award of a $20 million grant for the Welfare-to-Work Census 2000 Employment Project. Announcing the initiative were White House Chief of Staff John Podesta, Secretary Daley, Secretary of Labor Alexis Herman, Census Director Kenneth Prewitt, and grantee Goodwill Industries International President/ CEO Fred Grandy. Through this project, Goodwill has been identifying as many as 12,000 Temporary Assistance to Needy Families (TANF) clients nationally. The grantee is also evaluating and helping as many of these clients as possible to be "test-ready" and included in the pool of potential hires available to the 520 local Census offices as enumerators, crew leaders, and clerks for the April-through-June Non-Response Follow-up period. Those former recipients who successfully complete their Census jobs will then be directed by Goodwill to permanent jobs in the private or public sector.

The large majority of our Welfare-to-Work hires are temporary employees who are engaged in supporting Census 2000. At the close of 1999, 285 — or nearly 5 percent — of our Welfare-to-Work hires were permanent employees among seven of our bureaus. The Department is establishing a goal to increase its number of permanent Welfare-to-Work employees.

- **Hispanic Employment Program**

The January 2000 Census Bureau projections indicate that Hispanics will be the Nation's largest minority group by the year 2005 and, by 2010, will number more than 41 million. The significant increase in the Hispanic population will continue to expand the absolute numbers and relative percentage of minorities in our Nation's workforce. Current data available through the Office of Personnel Management shows that Hispanics are the most severely under-represented minority group in the Federal workforce. While persons of Hispanic origin comprised 11.5 percent of the U.S. population as of June 1, 1999, Hispanics comprised only 6 percent of Federal workers and 2.4 percent of the government's senior executive employees.

On several levels, the Hispanic employment picture at the Department of Commerce falls short of representing the Hispanic population. Currently, Hispanics comprise 3.1 percent of the Department's career employees. They comprise 2.5 percent of the Department's GS-13 through GS-15 career employees and 2.9 percent of SES employees.

Secretary Daley issued an Hispanic Employment Plan in September 1999 to address this situation and build a pool of qualified Hispanic candidates in the different disciplines represented at the Department. This Plan sets forth a detailed strategy to address all aspects of human resource management, including increased outreach to the Hispanic community, greater use of Hispanic resources to assist in recruitment, and expansion of career development opportunities for those already working at the Department of Commerce.

Under the Plan, the Department has entered into a dialogue with several national Hispanic organizations,

including: the Society of Hispanic Professional Engineers, the National Council of La Raza, the League of United Latin American Citizens, the Society for the Advancement of Chicanos and Native Americans in Science, the National Association of Hispanic Federal Executives, and the National Organization for Mexican-American rights.

As part of the Hispanic Employment Plan the Department will:

- Strengthen its relationships with Hispanic Serving Institutions that have programs of study related to the Commerce mission;
- Revise its recruitment practices for Senior Executive Service (SES) positions to require that recruitment plans identify appropriate Hispanic professional organizations to be informed of vacancy announcements;
- Restructure its Upward Mobility Program to provide for 20 percent of the vacancies advertized in targeted positions being filled through this program;
- Enter into partnerships with at least five Hispanic Serving Institutions and five national Hispanic organizations to assist in reaching out to qualified candidates for inclusion in the applicant pools for positions at all levels; and
- Host a teleconference to disseminate information on our mission, programs, and career opportunities.

- **Candidate Development Program**

In January 2000, the Department's career SES comprised 304 employees. Of this group, 89.1 percent were white. African-Americans represented the majority of the balance (6.9 percent), with Hispanics and Asian Americans each comprising less than 2 percent, and American Indians/ Alaskan Natives comprising less than ½ of 1 percent.

To improve the representation of minority groups in the SES, the Department is launching a revised Candidate Development Program, which will focus on three areas. In the first area, recruitment and outreach, the Department will extend notification to include over 150 minority and women organizations, simplify application requirements, and introduce an on-line application system. In the second area, selection, the bureaus will conduct initial screenings, while a panel of SES members will conduct second round interviews, and the Department's Executive Resource Board will approve final selections. In the third area, development, Commerce SES employees will participate in a structured core training curriculum, which will include topics such as diversity, and participate in two rotational assignments – one outside the employee's area of expertise and one outside of the employee's home bureau.

In late 1999, Secretary Daley issued a new critical element relating to diversity for inclusion in the FY 2000 performance plans for managers and supervisors. This element will help foster increased support for the Department's overall diversity initiative and ensure that it is implemented throughout Commerce.

- **Other Activities**

In other efforts to foster diversity, the Department:

- Revised the criteria used for its Honor Awards Program to help ensure that employees in all occupations and at all organizational levels may be recognized for their contributions to the Department. The criteria were changed from broad descriptions of accomplishments to seven specific categories, i.e., customer service, employee development, personal and professional excellence, leadership, public service or heroism, scientific and engineering achievements, and administrative and technical support.

The Honor Awards Program has become more inclusive and representative of the Department's workforce as a result.

- Updated internal policies and procedures on racial and sexual harassment to address all forms of harassment prohibited by Federal civil rights laws. The new procedures allow for management inquiries distinct from the EEO process to determine if misconduct may have occurred that does not meet the legal definition of harassment.

- Is broadening its Alternative Dispute Resolution (ADR) process so that it will become more widely used in resolving Equal Employment Opportunity (EEO) complaints. The ADR process emphasizes self-directed resolutions as early in the dispute as possible, thereby helping to minimize conflict and promote productivity.

Managing Our Public Trust

The American citizenry has, through Congress, entrusted the Department with fulfilling its mission in a timely, efficient, and effective manner. In 1993, with passage of the Government Performance and Results Act (GPRA), Congress codified this trust by requiring each Federal agency to publish a continuing series of reports that articulate the agency's mission and major goals, a five-year strategy directed toward achieving that mission, an annual performance plan, and an annual assessment of progress in accomplishing the agency's mission and goals. The various requirements form a rigorous structure aimed at providing both Congress and the public with a complete picture of how well agencies are meeting their intended purposes.

GPRA was designed with a phased approach and fiscal year 2000 will witness the first year in which all three reports will be produced in a single year. For the Commerce Department, these include: (a) our second Strategic Plan, covering the years 2000 through 2005; (b) our third Annual Performance Plan (APP), covering FY 2001; and (c) our first Annual Program Performance Report (APPR), covering FY 1999.

To fully implement the spirit of GPRA, the Department faced the need for making significant changes such as fostering the integration of its policy, planning and budgeting processes. In January 1997, there was little interaction between the Office of the Secretary and the bureaus before the bureaus submitted their budget requests to the Department. Neither the Secretary nor the Deputy Secretary had early involvement in the process, which was paper intensive and made little use of strategic planning and performance measures.

Secretary Daley accelerated automation of the budget process and opened it up to allow for systematic interaction among key officials. Under his and the Deputy Secretary's leadership, bureau heads became active participants in making decisions that were focused on the merits of each budget proposal and its relevance in support for the Secretary's priorities. Information technology, procurement, facilities, security, and management staff were given an early opportunity to review proposals and offer recommendations. The Department strengthened its overall APP and integrated the development of the APP into the Department's budget process.

The results were impressive. Senior bureau leadership complimented the FY 2000 budget process. The Department's FY 2000 budget was submitted to OMB both on time and on CD-ROM – the first one ever submitted electronically. The integration of planning, budget, and prioritization was reflected in the Department's budget initiatives, each of which cut across multiple bureaus. OMB rated the FY 2000 APP as an example of "excellent improvement" that should be a model for other agencies. Congressional staff awarded Commerce a score of 85 – the highest score in government – for its FY 2000 APP. This success followed a year of intensive Department-wide effort to identify realistic performance goals and ways to measure and verify progress against them.

Refined and reshaped, our FY 2000 APP decreased the number of performance measures by 63 percent, thereby focusing on the most important activities. Outcome-oriented measures increased from 22 percent to 56 percent, while more than 170 process measures were dropped, thus allowing a more accurate gauge of impact and results. All of these accomplishments allowed the Department to put forward its collective best thinking and formulate sound recommendations for the use of public funds. These efforts have continued with the formulation of the Department's

FY 2001 budget request, its FY 2000 GPRA documents, and the increasingly sound operation of this cabinet agency. To exact further benefit from these efforts, the Department is now taking steps to ensure that the data to be used in measuring performance is accurate, complete, and reliable.

As a further measure of our commitment to GPRA, the Department continues to serve as the host agency for the National Academy of Public Administration's GPRA Performance Consortium. This consortium, comprising 30 Federal Departments and agencies, shares information on "best practices." As host agency, the Department plays a major coordinating role to ensure that all interested parties, in both the Executive and Legislative branches, benefit from the Consortium's efforts.

During the past year, the Department has made significant progress in managing its programs and resources to ensure the timely, efficient, and effective delivery of services. Some of our more notable achievements include:

- **NOAA Fleet Modernization**

  The National Oceanic and Atmospheric Administration's (NOAA) fleet modernization was first identified as a material weakness in FY 1990. The material weakness highlighted concerns that: (a) NOAA's fleet was aging, with many ships in need of extensive maintenance and replacement, and (b) the existing policy of solely relying on in-house vessels was not necessarily the most efficient approach to meeting NOAA's data needs. We are pleased to report that the NOAA fleet modernization has been dropped from the list of material weaknesses. This success is due to the Department's continued focus on management, NOAA's improvements to its oceanographic and hydrographic ship-related data collection capability, and the impending approval for the first of four new fisheries ships.

  The Department worked closely with NOAA to identify and pursue alternatives. Our program for meeting NOAA's oceanographic and hydrographic research now emphasizes a mix of charters, cooperative use of university ships, contracts for data collection, and continued operation of a limited number of NOAA vessels. Based on this broader supply of days-at-sea, we have also been able to downsize NOAA's shore support infrastructure to further reduce costs.

  We are continuing to work aggressively with NOAA in seeking the least expensive and most efficient means for meeting the agency's need for fisheries research vessels. NOAA prepared a detailed data acquisition plan, which was subjected to thorough review. Funding for the first of our new fisheries research ships was included in the FY 2000 budget. We have worked diligently to coordinate our design requirements with shipyards, design agents, and partnering organizations, such as the University National Oceanographic Laboratory System.

- **National Weather Service Modernization**

  The Department made significant strides in modernizing the National Weather Service (NWS). A critical factor in the modernization effort was the successful implementation of the Advanced Weather Interactive Processing System (AWIPS) software. This software provides the capability to display satellite imagery, radar data, surface observations, and forecast data at a single workstation.

  Secretary Daley met a long-standing Congressional mandate that AWIPS be deployed to all 152 NWS sites and completed within a $550 million cap. The operational test and evaluation of AWIPS that was completed in June 1999 uncovered several software deficiencies that had to be corrected before commissioning (i.e., before AWIPS can be used as the official system). NWS believes that the corrected software will enable the commissioning of AWIPS and the decommissioning of the older systems. This achievement meets a central concern raised by the IG in his original "top ten" list, issued in March 1997.

  The Department is continuing to enhance the AWIPS software and expects to continue to improve our forecasts by issuing more comprehensive data and by providing increasingly extended lead times on warnings of severe weather.

- **Providing High Quality Grant Assistance**

The Department strengthened its oversight of the Department's financial assistance programs to ensure that all applicable guidelines are followed in the award and use of funds. A 1997 review of our programs by the Inspector General found that the Office of the Secretary and six bureaus administered 72 financial assistance programs that provided approximately $1 billion annually to State and local governments, educational institutions, other organizations, and individuals. Thirty-three, or nearly half of our financial assistance programs, are classified as "full discretion," thus providing the Department maximum flexibility in their administration. These 33 programs provided more than 1,700 awards and $802 million – or approximately 80 percent – of Commerce's financial assistance outlays in FY 1997. The Inspector General is continuing his review of each of these 33 programs, with 22 reviews completed to date. As a result of these reviews, the Department has

(a) expanded proposal solicitation efforts,
(b) included outside participants as proposal reviewers to increase objectivity in the selection process, and
(c) strengthened documentation justifications for deviations from review panel recommendations.

As a further effort to promote efficient and effective use of resources, the Department has been working with NOAA to increase the number of awards granted competitively through NOAA's discretionary funding programs and to implement a rigorous solicitation process.

- **Monitoring the Department's Special Agreements**

The Department has strengthened its oversight of Interagency and Other Special Agreements. These agreements encompass a wide variety of reimbursable activities, obligations to acquire goods or services from other parties, or commit the Department or its bureaus to joint project agreements. A review by the Inspector General found that the Department had more than 4,700 of these agreements, involving more than $1.1 billion in FY 1997. We are preparing formal policies and procedures that will specify the acceptable types of government-wide and Department-wide agreements that may be executed, the minimum requirements for consummating agreements, standard language for inclusion, and orderly review and approval policies.

- **Field Office Streamlining**

The Department reduced the number of domestic field offices by 20 percent since the fourth quarter of FY 1998.

For several decades, Commerce has maintained a field office presence in all 50 states to serve the needs of its customers. Although there have been mission changes, various reorganizations, and significant advances in technology, the Department's field structure had been little changed in more than two decades.

To improve efficiency and reduce costs, the Department worked with those of its bureaus which have a major field presence to review opportunities for streamlining and improving service to our customers. The Department considered options such as consolidation, collocation, cross-functional teaming, and cross-servicing as a means to achieving greater efficiency and effectiveness. Two other pertinent initiatives were also pursued: modernization of the National Weather Service and revising the Department's procedures for renewing field office leases. Under the new procedures, field office leases were not to be renewed absent a mission critical justification.

From the base of 747, the number of domestic field offices was reduced to a total of 591. In addition, nearly 100 domestic field offices had leases that are due to expire by the end of 2000. Through the close of calendar year 1999, the Department reviewed, and conditionally approved, 44 field office leases. To support

potential future cost savings, most of the lease renewals include options such as month-to-month renewals or 30-day non-penalty early termination provisions which may be exercised upon securing alternative quarters that are more consonant with the new streamlining policy. Each of the field offices with these provisions has been charged with identifying and exercising prospective cost-saving and streamlining opportunities. As a result, the Department anticipates further reductions in costs over the coming year.

- **Facilities Management**

The Department strengthened its oversight of bureau facilities acquisition and management. As part of our new process, the Office of the Secretary obtains firsthand knowledge or conducts on-site visits of major space requirements and their relationship to program mission. To improve our overall management oversight, we coordinated our reviews with the Inspector General.

Our recent oversight activities have included providing technical real property guidance concerning the newly reorganized NOAA Headquarters Facilities Office, NOAA line offices, and the Administrative Support Centers, which NOAA operates in support of the Department's field structure. We provided oversight and coordination of the real property needs to Census on its timely acquisition of 520 local Census offices, and other field office requirements. We have continued to provide assistance to PTO on its efforts to prepare for lease award on its solicitation for expansion/consolidation of space. Forward movement on the PTO award, however, has been on-hold pending a judicial ruling on a suit which took issue with the environmental impact assessment of the prospective relocation. This ruling is expected shortly.

- **Security**

Secretary Daley made security, and specifically the reduction of the risk of security threats, one of his top priorities. In July 1997, he commissioned a review of the Department's security operations by the interagency Security Policy Board (SPB). To date, the Department has implemented 62 of 66 (94 percent) of the SPB's recommendations. Accomplishments on key recommendations include: (a) reducing the number of security clearances by 40 percent to support efforts in limiting access to classified information; (b) making progress in implementing an automated program, the Security Information Management System (SIMS), which is currently tracking over 45,000 classified documents at the Secret level and above; (c) implementing a counter-intelligence program to improve protection of our sensitive but unclassified information from external threats; (d) establishing an emergency preparedness program to ensure the continuity of our operations in the event of a catastrophe; and (e) consolidating most of the Department's security personnel and assets. The Department will continue to enhance security operations by improving the guard force at the Herbert C. Hoover building, standardizing security procedures, enhancing information technology security, and implementing direct delivery of security equipment and services to our overseas offices.

- **Converting PTO to a Performance-Based Organization**

The Department and PTO are working diligently to achieve the conversion of PTO to a Performance-Based Organization (PBO) by the end of March 2000. As a PBO, the PTO is subject to policy direction by the Secretary but will be expected to increase its efficiency as a result of being given independent control over budget allocations and expenditures, personnel decisions and processes, procurements, printing, and other administrative and management functions. The conversion to PBO status, long-sought by PTO as an innovative way to improve its efficiency, was approved by Congress in November with passage of the Patent and Trademark Office Efficiency Act.

- **National Technical Information Service**

  The Department's National Technical Information Service supports itself through fees charged for its products and services. Between FYs 1995 and 1998, the agency incurred a cumulative loss of $4.8 million, which nearly exhausted its retained earnings.

  Through the past year, the Department continued to address NTIS' deteriorating financial situation by supporting and supervising an aggressive cost-cutting program at the agency. These cost reduction measures included assisting in the transfer of 46 NTIS staff members to positions elsewhere in Commerce during the last quarter of FY 1999, consolidating office space, eliminating performance awards, and restricting travel. Although these and other urgent measures permitted NTIS to close FY 1999 with a balance of some $650,000, instead of a projected deficit, NTIS' financial position remains precarious and its mission and structure outdated.

  In late 1999, to address this long-term issue, the Department submitted draft legislation that would close NTIS and transfer selected functions to the Library of Congress. We testified on our proposal before the House and Senate in September and October, respectively. We are continuing a dialogue with the Library of Congress and other interested agencies and stakeholders on the details of the Department's proposal.

Conclusion

The Department is proud of its accomplishments and we look forward to building on our record of implementing solid improvements. Accountability, open reporting to the taxpayer, and emphasizing continuous improvement provide significant motivation for optimal resource use. We have relied on, and will continue to use, the management tools provided by legislation – including the Government Performance and Results Act, the Chief Financial Officers Act, the Clinger-Cohen Act, and other measures passed over the past decade. We continue to work to resolve all of the Inspector General's original "top ten" management concerns and to further enhance our record of management improvements that facilitate full accountability and maximum performance.

Appendix 1- Adjustments to the Strategic Plan

As required by the Government Performance and Results Act (GPRA), the Department of Commerce is revising its Strategic Plan during FY 2000. The first Commerce Strategic Plan under the terms of GPRA was submitted to Congress in 1997. The revised Commerce Strategic Plan will be submitted by September 30, 2000.

The Department of Commerce expects substantial revisions of the Strategic Plan, primarily because of the significant changes in the U.S. economy that will affect the fulfillment of the Department's mission in the early 21st century. Because of this substantial revision, the FY 2001 Annual Performance Plan will be a "bridge" from the 1997 Strategic Plan to the Strategic Plan submitted in late 2000. The full expression of the revised Commerce strategic goals and objectives in the new Strategic Plan will occur in the FY 2002 Annual Performance Plan.

The only significant changes in the performance goals in the FY 2001 Annual Performance Plan involve the Economics and Statistics Administration (ESA) and the Technology Administration (TA). Three new performance goals were added for ESA. One reflects the major activity involving the Decennial Census. Two others result from the increasing importance of electronic distribution of economic data by the ESA STAT-USA Program.

In the case of TA, the National Institute of Standards and Technology (NIST) has added a new performance goal: Protection of the National Information Infrastructure.

Appendix 2- Preparation of the Annual Performance Plan

The Department implemented major changes in the FY 2000 Annual Performance Plan compared to the performance goal and measure structure used in the first Commerce Annual Performance Plan (FY 1999). As described in Appendix 2 of the FY 2000 Commerce Annual Performance Plan, significant consolidation of performance goals and measures was accomplished with a greater focus on outcome measures.

This year, the Deputy Secretary has made the Annual Performance Plan one of his top management priorities. Together with the Department's GPRA Task Force (involving members from each bureau, the Office of Inspector General and the Office of the Secretary) and Andersen Consulting, a small team of senior level policy officials and the Office of Budget has worked to strengthen the Department's goals and performance measures. These goals and measures are more precise and more relevant for managing our programs. In addition, we have better integrated the Annual Performance Plan process into the budget process. The Department also sought the active involvement of the bureau heads in the development of the plan.

In preparing the FY 2001 Annual Performance Plan, the Department of Commerce decided to maintain the basic performance goal and measure structure used in the FY 2000 Annual Performance Plan. There were two reasons for this decision, First, the FY 2000 Annual Performance Plan received highly favorable reviews from Congress and the General Accounting Office. Second, the revision of the Commerce Strategic Plan would be completed nine months after the submission of FY 2001 Annual Performance Plan, and, therefore, it could not fully reflect the changes in the new Strategic Plan.

The FY 2001 Commerce Annual Performance Plan incorporates numerous incremental changes and improvements compared to the FY 2000 edition. In particular, performance measures have been modified in many cases to respond to lessons learned after two years of experience with the implementation of GPRA-mandated Annual Performance Plans. Certain measures have been replaced with more suitable measures. These changes are described in the bureau presentations in Section III of this document.

Stakeholder and Congressional Consultation

After the submission of the FY 2000 Annual Performance Plan to Congress, the Department participated in several meetings with GAO, OMB and Congressional staff to discuss the document and receive input on how to improve the Plan. The major areas identified for improvement included:

- Increased specificity of performance goals, measures and targets where necessary;
- Improved presentation of budget data regarding budgetary resources associated with performance goals;
- Expanded discussion of coordination of crosscutting efforts;
- Elaboration of the linkages between strategies and resources with the achievement of annual goals and performance targets;
- Presentation of mitigation strategies for the effects of identified external factors; and
- Description of efforts to verify and validate performance data and to assess the implications of known performance data limitations.

With these areas defined, the Department began working on refinements to the Plan that could meet the needs of the bureaus as well as provide the information that OMB, GAO and Congressional staff sought.

Requests for Administrative Waivers

None.

Appendix 3- Alphabetical List of Acronyms

ACDA	Arms Control and Disarmament Agency
ACS	American Community Survey
AD	anti-dumping
ANCS II	Automated Nautical Chart System II
ARC	Appalachian Regional Commission
ASOS	Automated Surface Observing System
ATP	Advanced Technology Program
AWIPS	Advanced Weather Interactive Processing System
BEA	Bureau of Economic Analysis
BEMs	big emerging markets
BLS	Bureau of Labor Statistics
BXA	Bureau of Export Administration
CAMS	Commerce Administrative Management System
CAPs	Corrective Action Plans
CBAD	Current Business Analysis Division
CEMSCS	Central Environmental Satellite Computer System
CENR	Committee on Environment & Natural Resources
CFO/ASA	Chief Financial Officer/Assistant Secretary of Administration
CIAO	Critical Infrastructure Assurance Office
CIP	Critical Infrastructure Program
CM	continuous measurement
CMS	Client Management System
CPI	consumer price index
CVD	counter-veiling duties
CWC	Chemical Weapons Convention
DAS	Days at Sea
DOD	Department of Defense
DOE	Department of Energy
DOL	Department of Labor
EAA	Export Administration Act
EACs	Export Assistance Centers
EAR	Export Administration Regulations
EAS	Electronic Application System
ECASS	Export Control Automated Support System
EDA	Economic Development Administration
EE	export enforcement
EMT	Executive Management Team
EPA	Environmental Protection Agency
EPSCoT	Experimental Program to Stimulate Competitive Technology
ERL	Environmental Research Laboratories
ESA	Economics and Statistics Administration
EZ/EC	Empowerment Zone-Enterprise Community
FEMA	Federal Emergency Management Agency
FFS	Federal Financial Systems
FSL	Forecast Systems Laboratory
FTZ	foreign trade zone
GAO	General Accounting Office
GDI	gross domestic income
GDIN	Global Disaster Information Network
GDP	gross domestic product
GFDL	Geophysical Fluid Dynamics Laboratory
GMF	Government Master File
GMRA	Government Management & Reform Act

GOES	Geostationary Operational Environmental Satellite
GPRA	Government Performance & Results Act
GPS	Global Positioning System
HCHB	Herbert C. Hoover Building
HHS	Department of Health & Human Services
HIA	high impact agency
HPC	Hydrometeorological Prediction Center
I & C	information & communications
IA	Import Administration
ICM	Integrated Coverage Measurement
IMF	International Monetary Fund
IRAC	Interdepartmental Radio Advisory Committee
IT	information technology
ITA	International Trade Administration
ITU	International Telecommunication Union
ITU	International Trade Union
LATs	Latin American Telecommunications Seminar
MAC	Market Access & Compliance
MBDA	Minority Business Development Agency
MBEs	Minority-Owned Business Enterprises
MBNQP	Malcolm Baldrige National Quality Program
MEP	Manufacturing Extension Partnership
MOU	memorandum of understanding
MSL	Measurement & Standards Laboratories
NAICS	North American Industrial Classification System
NAPA	National Academy of Public Administration
NBS	National Bureau of Standards
NCEP	National Centers for Environmental Protection
NDAA	National Defense Authorization Act
NDR	Natural Disaster Reduction
NEC	Nonproliferation Export Control
NESDIS	National Environmental Satellite, Data, and Information Service
NEXRAD	Next Generation Weather Radar
NGI	Next Generation Internet
NHC	National Hurricane Center
NIOSH	National Institute of Occupational Safety and Health
NIST	National Institute of Standards and Technology
NMFS	National Marine Fisheries Service
NMIs	National Metrology Institutes
NOAA	National Oceanic and Atmospheric Administration
NOS	National Ocean Service
NRC	Nuclear Regulatory Commission
NSTC	National Science & Technology Council
NTEs	new-to-export firms
NTMs	new-to-market firms
NTIA	National Telecommunications and Information Administration
NTTC	National Technology Transfer Center
NURP	National Undersea Research Program
NWS	National Weather Service
OAR	Office of Oceanic & Atmospheric Research (NOAA)
OCRM	Office of Ocean & Coastal Resource Management (NOAA)
OEA	Office of Economic Adjustment
OECD	Organization for Economic Cooperation & Development
OEE	Office of Export Enforcement

OGP	Office of Global Programs
OIG	Office of Inspector General
OLIA	Office of Legislative and International Affairs
OPM	Office of Personnel Management
ORF	Operations, Research and Facilities
OSTP	Office of Science & Technology Policy
OTEM	Office of Trade Event Management
OTP	Office of Technology Policy
PAC	Procurement, Acquisition, and Construction
PALM	Patent Application Locator & Monitoring
PBO	performance-based organization
PCT	Patent Cooperation Treaty
PNGV	Partnership for a New Generation of Vehicle
POES	Polar-orbiting Operational Environmental Satellite
PORTS	Physical Oceanographic Real Time Telemetry Systems
PSN	Promote Safe Navigation
PTDL	Patent and Trademark Depository Library
PTO	Patent and Trademark Office
QPF	Quantitative Precipitation Forecast
RLF	Revolving Loan Fund
RWA	returned without action
SBA	Small Business Administration
SHC	Sustain Healthy Coasts
SMEs	small and medium sized enterprises
SMOBE	Survey of Minority-Owned Business Enterprises
SRD	Standards Reference Database
SRMs	Standard Reference Materials
TA	Technology Administration
TAACS	Trade Adjustment Assistance Centers
TCC	Trade Compliance Center
TD	Trade Development
TDA	Trade & Development Agency
TIC	Trade Information Center
TICRS	Trademark Image Capture & Retrieval System
TIIAP	Telecommunications Information Infrastructure Assistance Program
TIS	Trademark Information System
TPCC	Trade Promotion Coordinating Committee
TRAM	Trademark Application Monitoring
TRIPs	Trade-Related Aspects of Intellectual Properties
UNEP	United Nations Environment Programme
URAA	Uruguay Round Agreements Act
US FCS	U.S. Foreign & Commercial Service
USACE	U.S. Army Corps of Engineers
USAF	U.S. Air Force
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USEAC	U.S. Export Assistance Centers
USG	U.S. Government
USIP	U.S. Innovation Partnership
USTR	U.S. Trade Representative
WFO	Weather Forecast Office
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Trade Organization

Appendix 4- **Crosscutting Activities (By Bureau) Between the Department of Commerce and Other Federal Agencies**

Bureau	***Federal Cooperator***
EDA	**Department of Agriculture**

- Office of Rural Development/Supplemental public works grants
- Agriculture Conservation and Stabilization Service/Flood-related technical assistance
- Rural Development Program

Department of Defense

- Military Base Closures/Defense /Defense contract reductions/Downsizing
- Levee Restoration Program
- Research and National Technical Assistance

Department of Energy

- Convert Energy labs to support civilian technology enterprise

Environmental Protection Agency

- Brownfields Initiative
- Levee Restoration Program
- Sustainable Development
- Diversify resource-based economies

Federal Emergency Management Agencies

- Post-Disaster Economic Recovery Program and mitigation planning

Department of Housing and Urban Development

- Post Disaster Economic Recovery Program
- Community Development Block Grants program

Department of Labor

- Economic development based on local planning

Department of Transportation

- Economic Development District-Review of overall Economic Development Program
- Supplemental Grants from FHA

ESA **Department of Labor**

- Price and Output Working Group Economic Classification and Policy Committee
- Working Group on Compensation Measurement
- NAICS Implementation
- Interagency Confidentiality and Data Access Group

ESA **Office of Management and Budget**

- Economic Classification and Policy Committee
- Federal Committee on Statistical Methodology
- Interagency Council on Statistical Policy

Department of Transportation

- Transportation Satellite Accounts Team
- Highway Statistics Steering Committee

Department of Treasury

- Improving surveys of international investment
- Improving source data on property incomes
- NAICS implementation

ITA **Agency for International Development**

- TPCC

Department of Agriculture

- TPCC

Department of Defense

- TPCC

Department of Energy

- TPCC

Environmental Protection Agency

- TPCC

Department of the Interior

- TPCC

Department of Labor

- TPCC

Department of State

- TPCC

Department of Transportation

- TPCC

Department of Treasury

- TPCC
- Customs: Enforce U.S. trade laws

United States Trade Representative

- TPCC

BXA **Agency for International Development**

- Funding to countries of concern for purchase of controlled U.S. items

Department of Agriculture

- Short Supply Controls/EAA
- National Defense Stockpile Market Impact Committee

Department of Defense

- Export license application review, consultation, and dispute resolution EAA
- Multilateral Regime Participation EAA

BXA

Department of Defense

- Export control policy development EAA
- Export control cooperation with foreign governments
- Intelligence Liaison
- Critical Infrastructure Protection Initiative
- Encryption export license application review, consultation and dispute resolution
- Encryption policy development
- Defense industrial base Assessments
- Excess defense articles review
- Implementation of CWC
- Negotiations of BWC Protocol
- Defense diversification
- Offsets in Defense Trade/TPCC
- Review of Defense Memoranda for Understanding
- National Defense Stockpile Market Impact Committee

Department of Energy

- Export control cooperation with foreign governments
- Enforcement cooperation and support
- Export license application review, consultation, and dispute resolution/EAA
- Multilateral regime participation/EAA
- Export control policy development/EAA
- Implementation of CWC
- Negotiations of BWC Protocol
- Defense diversification
- International Cooperative License/EAA

Federal Emergency Management Agency

- National Security Emergency Preparedness Defense Priorities and Allocation Systems
- NATO Civil Emergency Planning Coordinating Committee
- National Defense Stockpile Market Impact Committee
- Critical Infrastructure Protection Initiative

Department of Health and Human Services

- National Defense Stockpile Market Impact Committee

Department of the Interior

- Short Supply Controls/EAA
- National Stockpile Market Impact Committee

Department of Justice

- Encryption Export License application review, consultations, and dispute resolution
- Encryption policy development
- Defense priorities and allocations
- Law enforcement cooperation (FBI, INS)
- Intelligence liaison
- Critical Infrastructure Protection Initiative

BXA **National Aeronautics and Space Administraiton**

- Export control policy development EAA
- International Cooperative Licenses

Office of Management and Budget

- National Defense Stockpile Market Impact Committee
- Critical Infrastructure Protection Initiative

Small Business Administration

- Export Control Seminars
- Defense diversification

Department of State

- Export license application review, consultation and dispute resolution EAA
- Commodity jurisdiction review and transfers
- Multilateral regime participation EAA
- Implementation of CWC
- Negotiations of BWC Protocol
- National Defense Stockpile Strategic/Strategic and Critical Materials Stockpiling Act of 1979
- National Defense Stockpile/Market Impact Committee
- NATO Industrial Planning Committee
- Defense diversification
- Discussions of boycott requests and other boycott issues at monthly interagency meetings
- Export control policy development/ EAA
- Sanction policy/EAA
- Export control cooperation with foreign governments
- Intelligence Liaison

Department of Transportation

- Coordination on license shipments

Department of Treasury

- Committee on Foreign Investment in the United States
- National Defense Stockpile Market Impact Committee
- Sanction policy/EAA
- Export compliance seminars
- Discussion of boycott requests and other boycott issues at monthly interagency meetings
- Customs domestic and foreign cooperative investigations
- Foreign asset controls
- Information exchanges

MBDA **Department of Agriculture**

- Minority Business Opportunity Committee

NOAA

Agency for International Development

- Famine warnings: Satellite data, rainfall analysis
- Seasonal to interannual climate forecasts
- International Coral Reef Initiative

Department of Agriculture

- Columbia River Basin study (flood forecasting)
- CENR (global change, hazards, water)
- Global Climate Data and Information System
- Seasonal to interannual climate forecasts
- Sea Grant (fisheries and aquaculture research)
- Marine aquaculture research and promotion
- National Ocean Partnership Program
- CENR (environmental monitoring)
- Coastal Zone Management (land-use planning, non-point source pollution)
- Gulf of Mexico Hypoxia Task Force
- Habitat restoration and protection
- South Florida Ecosystem Restoration
- Interagency Taxonomic Information System

Department of Defense

- Columbia River Basin study (flood forecasting)
- California project (flood forecasting)
- CENR (global change)
- Global Climate Data and Information System
- HPCC
- National Undersea Research Program
- Protected species management
- Coastal habitat restoration and conservation program
- National Ocean Partnership Program
- South Florida Ecosystem Restoration
- Living marine resources habitat protection
- Radio frequency management (with NTIA)
- Polar satellite convergence
- Defense Department Satellite data
- NEXRAD (weather radar)
- ASOS (weather observations)
- U.S. Weather Research Program
- Marine Observing Network
- Civilian applications of Global Positioning Systems
- Hydrological monitoring
- Advanced Hydrologic Prediction System (flood forecasting)

Department of Energy

- CENR (Hazards)
- Greenhouse gas emissions studies and assessments
- CENR (global change, hazards)
- Data storage
- Global Climate Data and Information System
- HPCC

NOAA

Department of Energy

- Seasonal to interannual climate forecasts
- Living marine resources, habitat conservation program
- anadromous fisheries programs
- CENR (environmental monitoring)
- Radio frequency management (with NTIA)

Environmental Protection Agency

- Global ecosystem datasets
- Living marine resources, habitat conservation program
- Protected species management
- National Ocean Partnership Program
- CENR (environmental monitoring)
- Non-point source pollution control
- Response to and remediation of hazardous material spills
- Coastal monitoring (water quality, contaminants, harmful algal blooms)
- CENR (global change)
- National Acid Prediction Assessment Program
- Atmospheric Integrated Research Monitoring Network
- Assessment of CFC substitutes for ozone depletion potential
- Global Climate Data and Information System
- GLOBE
- HPCC
- North American Research Strategy for Tropospheric ozone

Federal Communications Commission

- Radio frequency management (with NTIA)

Federal Emergency Management Agency

- Seasonal to Interannual climate forecasting extreme events
- CENR (hazards shoreline mapping, hazard mitigation planning)
- Emergency management training and outreach
- External weather warning coordination
- Coastal Zone Management (land-use planning and risk evaluation)

Department of Health and Human Services

- CENR (harmful algal blooms, endocrine disruptors)
- CENR (global change, hazards)
- HPCC

Department of Housing and Urban Development

- CENR (hazards)

Department of the Interior

- FGDC (data standards)
- Spatial reference system and geodetic control
- Satellite data

NOAA

Department of the Interior

- CENR (hazards)
- Hydrological (flood) monitoring and forecasting
- Seasonal to interannual climate forecasts
- Volcanic ash monitoring
- Advanced Hydrological Prediction System
- Fire weather
- Stream gauging
- Tsunami Network (coastal hazard warning system)
- Columbia River basin study (floor forecasting)
- Watershed and River System Management Program, Yakima Basin
- FGDC (data standards)
- CENR (global change, hazards, water)
- Satellite data (archive)
- Global Climate Data and Information System
- Protected species management (marine mammal programs & endangered species conservation and management)
- Living marine resources habitat conservation program
- Aquaculture development
- South Florida Ecosystem Restoration
- CENR (environmental monitoring)
- U.S. Coral Reef Initiative
- Radio frequency management (with NTIA)
- Protected species management (marine mammal programs & endangered species conservation and management)
- Living marine resources habitat conservation program
- Aquaculture development
- South Florida Ecosystem Restoration
- CENR (environmental monitoring)
- U.S. Coral Reef Initiative
- Radio frequency management (with NTIA)
- Interagency Taxonomic Information System

Department of Justice

- Marine fisheries enforcement program

National Aeronautics and Space Administration

- Polar satellite convergence
- FGDC (data standards)
- CENR (hazards)
- GPSmet satellite
- Space launch forecasts
- U.S. Weather Research Program
- National Ocean Partnership Program
- Radio frequency management (with NTIA)
- EOSDIS (interoperability, archive)
- Pathfinder (data reprocessing)
- Satellite data
- CENR (global change, hazards)
- EOS Missions and instruments (SeaWiFS, TRMM, NSCAT)
- Global Change Data and Information System

NOAA **National Aeronautics and Space Administration**

- Seasonal to Interannual climate forecasts
- GLOBE
- HPCC

National Science Foundation

- CENR (hazards)
- GPSmet satellite
- U.S. Weather Research Program
- CENR (global change, hazards)
- University Corporation for Atmospheric Research
- GLOBE
- Global Climate Data and Information System
- HPCC
- National Undersea Research Program
- Sea Grant
- Fisheries stock assessment programs, fisheries science program
- National Ocean Partnership Program
- Harmful algal blooms
- CENR (environmental monitoring)
- Radio frequency management with NTIA

Department of State

- CENR (global change, hazards)
- International science and technology agreements
- GLOBE
- Global Climate Data and Information System, marine pollution
- Radio frequency management (with NTIA)
- Protected species management (marine mammal programs & endangered species conservation and management)
- International fishery management programs
- U.S. Coral Reef Initiative
- Land-based sources of marine pollution
- Satellite and data policy

Department of Transportation

- Living marine resources habitat conservation program
- Response to hazardous materials spills
- National Marine Sanctuaries (vessel traffic, enforcement)
- Nautical and aeronautical charting
- CENR (hazards)
- FGDC (data standards)
- ASOS (environmental monitoring for meteorology and airplane flight safety)
- FSL (forecast workstation development)
- Volcanic ash monitoring
- NEXRAD (weather radar)
- GPSmet satellite
- National Invasive Species Act
- Radio frequency management (with NTIA)

PTO

Agency for International Development

- Improve systems for effectively granting and protecting intellectual property rights
- International training and technical assistance for developing countries

Department of Agriculture

- Intellectual property policy proposals
- Formulate proposals for intellectual property protection both at home and abroad (plant varieties)

Department of Energy

- Handling patent applications having national security implications

Food and Drug Administration

- Patent term extension for drug related patents that have received regulatory review

Department of Health and Human Services

- Handling both AIDs-related inventions/information and recombinant DNA information

Department of Justice

- Formulate intellectual property policy proposals

Library of Congress

- Formulate proposals for intellectual property/protection in the U.S. and Abroad

National Science Foundation

- Domain Name Dispute Resolution – for developing acceptable legal and procedural regimes for settlement of trademark domain name disputes
- Report to the President on Science and Engineering Indicators. Reports on patenting trends in the U.S. by Standard Industrial code, foreign country and technological activities, and university patenting activity

Department of State

- Formulate intellectual property policy proposals
- Protection of intellectual property both at home and abroad
- Improve international standards for the protection of intellectual property

Department of Treasury

- U.S. Customs Service regarding counterfeit goods or services

United States Trade Representative

- Formulate intellectual property policy proposals
- PTO advice to USTR on foreign unfair trade practices for intellectual property (Section 301)
- Protection of intellectual property both at home and abroad
- Participate in efforts to improve international standards for the protection of intellectual property

TA **Agency for International Development**

- Standards-related training workshops

Department of Agriculture

- Measurement activities
- MEP collaboration on forestry and food processing industries, and related agricultural extension issues

Department of Defense

- Measurement and standards activities for all branches of the military
- ATP Source Evaluation Board
- PNGV (non-budget)

Department of Energy

- Measurement and standards activities
- ATP Source Evaluation Board

Environmental Protection Agency

- Measurement and standards activities

Federal Emergency Management Agency

- Agreements for measurement and standards research and services

General Services Administration

- Agreements for measurement and standards research and services

Department of Health and Human Services

- Agreements for measurement and standards research and services
- ATP Source Evaluation Board (w/NIH)

Department of Housing and Urban Development

- Agreements for measurement research identifying building lead content and abatement techniques

Department of the Interior

- Agreements for measurement and standards research
- Agreements for measurement and standards research and services in security and electronic data transfers

United States Trade Representative

- Coordination in the area of measurements and standards for international trade

Department of Veterans Affairs

- Agreements for research in hearing aid metrology and performance improvements

NTIA

Department of Agriculture

- Spectrum Management (IRAC)

Department of Defense

- Telecommunications Research

Department of Education

- Spectrum Management (IRAC)
- Universal Service, Internet use in schools, libraries

Department of Energy

- Spectrum Management (IRAC)

Environmental Protection Agency

- Spectrum Management (IRAC)

Federal Communications Commission

- Spectrum Management (IRAC), COMSAT Oversight
- Telecommunications policy, universal service, public safety communications, international conferences

General Services Administration

- Spectrum Management (IRAC), COMSAT oversight

Department of Health and Human Services

- Spectrum Management (IRAC)
- Telemedicine Policy Development

Department of Housing and Urban Development

- Spectrum Management (IRAC)

Department of the Interior

- Spectrum Management (IRAC)

Department of Justice

- Spectrum Management (IRAC)
- Telecommunications policy issues

Department of Labor

- Spectrum Management (IRAC)

NTIA

National Aeronautics and Space Administration

- Spectrum Management (IRAC)
- PEACESAT

National Science Foundation

- Internet issues

Department of State

- Spectrum Management (IRAC)
- International forums on telecommunications policy (ITU, WTO, OECD, ASEAN, etc)

Department of Transportation

- Telecommunications research (smart vehicles, NEXRAD for FAA, etc)
- Spectrum Management (IRAC)

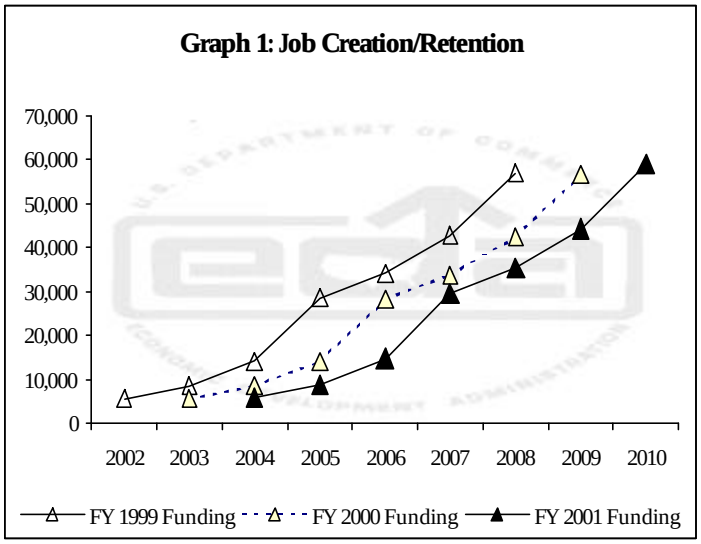
Department of Treasury

- Spectrum Management (IRAC)

Appendix 5- Economic Development Administration

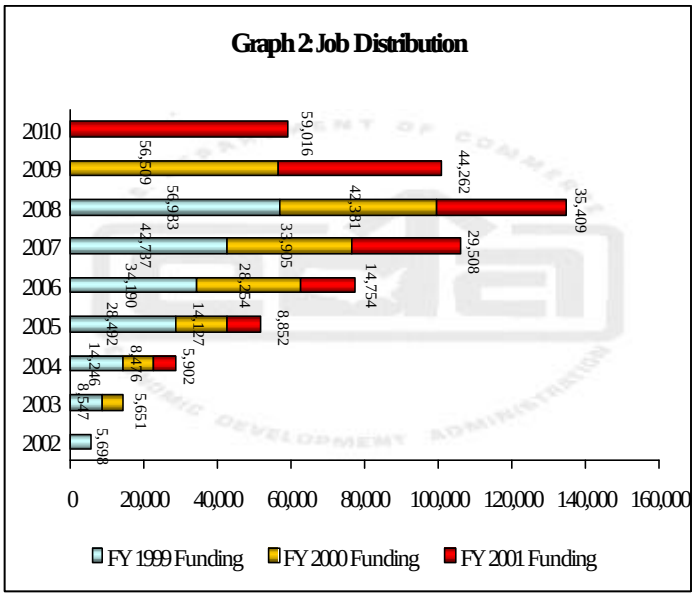
Note 1: EDA Performance Measures

EDA performance measures focus on long-term outcomes that document the long-term results of EDA investments in distressed areas. EDA projections for the long-term outcomes are based on systematic program evaluations conducted by Rutgers University. For example, FY 2001 grants for construction and revolving loan fund projects are expected to create or retain 59,016 jobs, and leverage $1.99 billion dollars in private sector investment by FY 2010.



EDA has developed a reporting system to track long-term outcomes (e.g., job creation and private sector investment) reported by grantees over a period of years following grant award and project completion. FY 2001 grantees will report on program outcomes in FY 2004, FY 2007, and FY 2010.

Graph 1 illustrates the number of jobs expected to be created from fiscal year 2002 to 2010 as a result of public works and revolving loan fund grants awarded in fiscal years 1999, to 2001.



Graph 2 illustrates a snapshot of the number of jobs that will be reported from FY 2002 to FY 2010.

In the interim, EDA is conducting pilot reviews of earlier construction and revolving loan projects (i.e., FY 1993 grant awards) to validate projected targets for FY 2001, and to train EDA staff and grantees on valid methods for reporting and verifying outcome data.

To supplement the long-term measures, EDA had developed a set of interim and process measures that can be used by managers on a regular basis to set targets and track performance in critical areas that affect program outcomes (e.g., targeting investments in areas of highest distress, and improving the quality and efficiency of EDA assistance).

Note 2: Pilot Reviews of FY 1993 Construction and Revolving Loan Fund Grants

During fiscal year 1999, EDA worked with Rutgers to conduct a pilot review of 58 construction projects and 44 revolving loan fund projects approved in FY 1993 (six years ago). EDA used the pilot to provide extensive outreach and training for EDA grantees on valid reporting methods and trained EDA staff on methods for verifying data reported by grantees. The pilot established a national performance team involving EDA grantees and national organization to oversee the pilot, and to provide consultation and feedback on EDA performance measures and reporting requirements. The following is a summary of findings comparing the two Rutgers studies:

Rutgers Summary Findings for Construction Projects

	GPRA Pilot Projects Results (1999)	Rutgers Project Results (1997)
Creation of permanent number of jobs	100%	96.1%
Leveraged Private Sector Investment	98%	84%
Job Cost Ratios	$3,445	$3,058
Private Sector Investment	5.62 to 1	10.08 to 1

Rutgers Summary Findings for Revolving Loan Fund Projects

	GPRA Pilot Projects Results (1999)	Rutgers Project Results (1997)
Creation of permanent number of jobs	95%	96.1%
Leveraged Private Sector Investment	95%	**
Job Cost Ratios	$4,107	$3,747
Private Sector Investment	6.25 to 1	2.67 to 1

Rutgers GPRA Pilot (1999) Conclusions:

- Virtually all of the construction and revolving loan fund projects achieved EDA's objective of providing communities with the necessary infrastructure to expand their economic base and existing job base
- EDA public-sector economic stimuli created private-sector jobs at high levels of success and low levels of costs
- The results found in the GPRA Pilot Project (1999) results are very comparable to Rutgers Project Results found in the earlier Rutgers study (1997)

Note 3: Indian Economic Development Program Initiative

Native American tribes, for the most part, exhibit extraordinarily high levels of distress. For the four Native American projects evaluated in the 1997 Public Works and Performance Evaluation by Rutgers University, the following is a comparison of Native American community labor force and social economic distress characteristics to the National Median:

- Median per capita income for the Native American communities were 55% below the National Median
- Unemployment rates for Native American communities were 200% above the National Median
- Percent of Native American population in poverty were 155% above the National Median

For FY 2001, EDA expects to use a significant portion of the funds dedicated to the Native American Economic Development Program to fund basic infrastructure projects, distance learning and skill training facilities. These types of facilities provide fewer permanent jobs, but are critical components in building a strong economic base for future economic development enterprises. Additionally, these types of infrastructure facilities are needed before any community can move forward to the next level of development and economic prosperity. It has been EDA's experience that most Native American assisted projects provide few direct jobs, therefore a higher cost per permanent job created or retained per EDA investment. In the 1997 Public Works Program Performance Evaluation by Rutgers University, Native American projects exhibited a much higher median cost per job to the other projects surveyed in the study. The performance targets for job creation for the Native American Initiative derived from the results of the Native American projects in the Rutgers Study have been appropriately modified to reflect these issues.

Private investment for Native American projects is almost non-existent on reservations due to the fact that private lenders are unable to secure the customary mortgage on a financed facility to serve as collateral for their loans. Given the small market size of most Native American tribes, private enterprises generally do not envision the potential for an equitable rate of return on its investment. Of the four Native American projects that were included as part of the 1997 Public Works Program Performance Evaluation by Rutgers University, there was no private investment for any of the Native American assisted projects. For FY 2001, EDA anticipates using some of the $14 million set-aside for revolving loan fund projects in Native American communities to encourage and support private sector investment. The proposed performance target for private investment provides a goal that is realistic of the investment climate in Native American tribes.

Note 4: FY 2001 Mississippi Delta Initiative

This initiative is part of the President's Mississippi Delta Initiative for FY 2001, which includes the creation of a new Delta Regional Authority designed to target funding and resources to economically distressed communities throughout the Delta. EDA will work closely with the new Authority in the delivery of its support to the Delta area. The requested funds will be used to provide technical assistance, construction, and business financing, including revolving loan fund (RLF) grants. These tools, when applied individually or in combination, can be tailored to meet the special development needs of Delta communities. To implement the recommendations of *The Mississippi Delta: Beyond 2000*, EDA will provide assistance to support long-term job creation, capital access, disaster mitigation, and construction of vital infrastructure. This effort also supports the Administration's New Markets initiative. New Markets areas, such as the Delta, are among the few regions in the United States that have underutilized resources and can accommodate growth without inflationary pressure.