

# STRATEGIC GOAL 1

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*Provide the information and tools to maximize  
U.S. competitiveness and enable economic growth  
for American industries, workers, and consumers*

DEPARTMENT OF COMMERCE



UNITED STATES OF AMERICA

# Strategic Goal 1

Provide information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

**T**he Department is committed to opening and expanding foreign markets for U.S. goods and services and improving America's export performance. We will promote U.S. export growth through the implementation of the Trade Promotion Coordinating Committee (TPCC), consistent with national security and U.S. foreign policy objectives, and will enhance cooperation with our partnership organizations in order that U.S. companies can benefit from global business opportunities and increase American jobs. Through free market trade negotiations and case-by-case advocacy, we will ensure a "level playing field" for U.S. firms and combat predatory trading practices.

The Department ensures that export controls do not place U.S. firms at a competitive disadvantage in world markets by eliminating outdated controls and streamlining the process for obtaining export licenses for products that remain under export controls. These continual improvements are being made while being mindful of the dual-use nature of some commercial technologies and the national security implications of those technologies.

The Department also provides decisionmakers with valuable statistical information related to our economy and our population. Improved economic and demographic statistics are essential to sound business forecasting and understanding the strength and direction of the nation's economy. The Department is at the forefront of national efforts to continually improve these statistics. With this in mind, the Census Bureau is endeavoring to fundamentally change the way the federal government conducts the Decennial Census. As part of this effort, the Census Bureau plans to remove the long-form questionnaire from the 2010 Census. The long-form is to be replaced by the ACS to produce accurate demographic data on an annual basis.

In support of disadvantaged individuals and communities, the Department promotes private enterprise and job creation in economically distressed communities. The Department also promotes private enterprise within minority communities.

## Bureaus Contributing to this Goal

The ITA works to open foreign markets, promote export activity, and ensure fair competition and compliance with international trade agreements.

The BIS administers U.S. dual-use export controls, enforces U.S. export control and antiboycott laws, ensures compliance with arms control treaties that impose requirements on U.S. industry, monitors the viability of the defense industrial base, and assists key nations that export or serve as key transit points for sensitive commodities and technologies in developing effective export control systems.

The BEA produces some of the most closely watched statistics that influence the decisions of government officials, business leaders, households, and individuals. BEA's economic statistics play a key role in critical decisions affecting monetary policy, tax and budget projections, and business investment plans.

The Census Bureau provides timely and relevant economic and demographic statistics to government officials and the public. These data affect important policy decisions that help improve the U.S. social and economic conditions.

The EDA works with state and local organizations to support two important public policy objectives: creating wealth and minimizing poverty. EDA provides strategic investments in public infrastructure and local capital markets to provide lasting benefits for economically disadvantaged areas. EDA also provides crucial economic assistance to communities experiencing economic dislocations and environmental disasters.

The MBDA fosters the establishment and growth of minority businesses in the United States by providing business development services to the minority business community. MBDA also establishes strategic public/private sector alliances to assist minority businesses in developing entrepreneurial practices.

## **General Goal/Objective 1.1**

### **Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organizations**

#### ***Performance Outcomes***

- Increase private enterprise and job creation in economically distressed communities (EDA)
- Improve community capacity to achieve and sustain economic growth (EDA)
- Increase trade opportunities for U.S. firms to advance the United States international commercial and strategic interests (ITA)
- Expand U.S. exporter base (ITA)
- Improve customer and stakeholder satisfaction (ITA)
- Improve the U.S. competitive advantage through global e-commerce (ITA)
- Increase opportunities and access of minority-owned businesses to the marketplace and financing (MBDA)

#### ***Increase private enterprise and job creation in economically distressed communities***

The EDA encourages the private sector to make capital investments to produce goods and services and increase productivity, thereby providing the higher-skill, higher-wage jobs that offer opportunity for all Americans. EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities. Potential investments must be market-based and proactive; maximize private capital investment; create higher-skill, higher-wage jobs; and offer a positive return on the taxpayer's investment.

Within the framework of this goal, EDA focuses on two of its programs, the Public Works and Development Facilities, and the Economic Adjustment program. EDA investments in public works serve as catalysts for other public and private investments for the establishment or expansion of commercial and industrial facilities in distressed communities. EDA also provides economic adjustment investments for infrastructure improvements and revolving loan funds to help communities and businesses respond to severe economic dislocations caused by major layoffs, plant shutdowns, trade impacts, natural disasters, and the closure of military bases and energy labs, and similar actions that adversely affect local economies.

### ***Improve community capacity to achieve and sustain economic growth***

EDA is proud of its active partnership with its economic development partners at the state, regional, and local levels. The partnership approach to economic development is key to effectively and efficiently addressing the challenges facing economically distressed U.S. communities.

EDA must continue to build upon its partnerships with local development officials; Economic Development Districts; University Centers; faith-based and community-based organizations; and local, state, and federal agencies. But more importantly, EDA will forge strategic working partnerships with private capital markets, and look for innovative ways to spur development.

EDA planning funds support the preparation of Comprehensive Economic Development Strategies that guide EDA public works and economic adjustment implementation investments, including revolving loan funds. Sound local planning also attracts other federal, state, and local funds plus private sector investments to implement long-term development strategies. Evaluations of EDA's public works and defense adjustment programs show that EDA capacity-building programs play a significant role in the successful outcomes of its infrastructure and revolving loan fund projects.

Some of the outcomes that EDA anticipates as a result of its programs, directly by programs under Goal 1 (Promote private enterprise), and indirectly by programs under Goal 2 (Build local capacity), include:

- An increase in the amount of private sector dollars invested in distressed communities.
- An increase in the number of jobs created or retained in distressed communities.

### ***Increase trade opportunities for U.S. firms to advance the United States international commercial and strategic interests***

ITA advances U.S. international commercial and strategic interests by creating an infrastructure that encourages economic growth, technological competitiveness, and sustainable development. This is achieved through mobilization of financing and development of commercial infrastructure in target countries, increased information flow to U.S. exporters about target countries, through bilateral and multilateral trade negotiations, and through government-to-government cooperative efforts to remove non-tariff trade barriers.

ITA will support the President in reinvigorating the international trading system by supporting and participating in the new round of global negotiations, a Free Trade Area of the Americas, and other important regional and bilateral negotiations. The passage of Trade Promotion Authority offers new challenges and opportunities for the United States to open foreign markets by providing an important tool to break down barriers with all countries. ITA will provide complex industry and economic analysis, conduct and support the negotiations, and measure the impact of the trade agreements. ITA will also work closely with foreign governments and regulatory officials in the developing world to devise strategies to address regulatory barriers, head off potentially harmful regulations, and help shape regulations and standards that facilitate business and improve the quality of life.

On November 14, 2001, in Doha, Qatar, the members of the World Trade Organization (WTO) agreed on a new work program that includes comprehensive multilateral trade negotiations that will take place over the next three years. Future WTO work will cover a variety of areas affecting international business and commerce, including industrial tariff and non-tariff barriers, agriculture, services, and trade rules. The members will take up additional areas of negotiation, such as investment rules and competition, after the second half of 2003. At the end of the negotiations, U.S. exporters of industrial and agricultural goods and services should find that they have improved access to overseas markets.

***Expand U.S. exporter base***

ITA seeks to increase export opportunity awareness among U.S. companies by proactively identifying potential exporters who need assistance leveraging electronic and traditional media, centralizing relationships with customers, and developing alliances and partnerships to deliver export messages. ITA's domestic offices are located to capitalize on high-export activity areas identified by trade patterns, and to facilitate aggressive outreach to traditionally under-served rural and minority communities.

ITA focuses on small and medium-sized enterprises (SMEs) with fewer than 500 employees by tailoring existing products and services to their needs; providing technical assistance and matchmaking capability using e-commerce and the Internet; expanding established exporters into additional markets; and coordinating government-wide, collaborative advocacy efforts through the TPCC. The chief aim is to consistently deliver the complete package of export assistance to businesses throughout the United States. In doing so, ITA hopes to increase the number of U.S. exporting companies as well as increase the value of U.S. exports to new markets. ITA is the only nationwide source of one-on-one export counseling assistance for SMEs.

Changing economic, technological, and social conditions in the last two decades have altered how international trade is conducted. This changing international trading environment presents U.S. exporters with numerous challenges and opportunities. There are new markets to target, new trade barriers to overcome, a need for differing types of export assistance, shifts in industry dynamics, a stronger role for international organizations and alliances, and various policy mandates to be considered, including foreign policy and U.S. security goals.

***Improve customer and stakeholder satisfaction***

In August 2001, President Bush announced his management agenda, which describes initiatives designed to create a government that is focused on results, is more accessible to its citizens, and is client-centered. In support of the Administration's vision for government that is client-oriented, ITA is committed to improving both customer and stakeholder satisfaction. ITA's customers are U.S. businesses. American firms expressed several needs for enhanced products, service offerings, and service delivery capabilities from ITA to export more successfully in a fair trade environment. As ITA is finding from program analysis, U.S. businesses want online customized information products and simplified access to ITA services. ITA often partners with other agencies, both public and private, to meet its customers' needs. Other government agencies frequently join ITA in its efforts to promote trade or expand market access. ITA also works with nongovernmental organizations, such as trade groups or other private sector organizations, to fulfill its mission and to address the needs of U.S. businesses.

***Improve the U.S. competitive advantage through global e-commerce***

ITA continues its focus on e-commerce, a major channel to further U.S. exports. The scope of e-commerce influence is broad, covering market access, customs, services, government procurement, and other areas of export promotion. ITA's e-commerce export promotion program has four main goals: helping small businesses use the Internet to find markets overseas, helping established U.S. information technology companies to expand overseas, helping emerging economies make the transition to the digital age, and ensuring that both the Internet and foreign markets are open and accessible. ITA provides exporters with desktop access to the international marketplace through the use of electronic products and services such as Export.gov and BuyUSA.gov. These two major Internet sites provide basic information on navigating through the steps in the export process, in addition to international market research and online matchmaking services with foreign buyers. BuyUSA.com and Export.gov work in partnership to help SMEs complete export transactions. Using a wide variety of e-commerce tools and services from both public and private sector sources, ITA employees help U.S. businesses evaluate new overseas markets and take advantage of foreign sales opportunities.

Some of the outcomes that ITA anticipates as a result of its programs include:

- An increase in the number of U.S. exporters entering new markets.
- An increase in the number of U.S. firms exporting for the first time.
- An increase in the dollar amount of exports in targeted products and markets.

***Increase opportunities and access of minority-owned businesses to the marketplace and financing***

The MBDA is an entrepreneurially focused organization that provides business development services to the minority business community via a combination of funded projects and e-commerce. Although an array of business development services are provided and measured, obtaining contracts and financing are the major components of business development. MBDA monitors, verifies, and captures results in its performance database.

Minority business is impacted by the identification of market opportunities. This key indicator of business success must be measured to determine wealth and opportunities necessary for economic security. A strategy designed to provide minority businesses access to the global marketplace leads to increases in innovation, productivity, wealth creation, and global competitiveness, which are necessary for sustained domestic economic growth and expansion.

As the minority business community continues to grow, the demand for capital will increase over the next 20 years. MBDA collects and assesses information about the financing needs of the minority business community. MBDA will disseminate the results to financial institutions, policymakers, and the minority business community. Additionally, MBDA is exploring innovative strategies and instruments to increase capital flow to minority communities. MBDA's funded network contributes to the development of minority businesses.

MBDA will make every effort to ensure that information on financing opportunities is made available to minority-owned businesses through its funded network of organizations and its minority business Internet portal. In addition, MBDA will hold a number of meetings to discuss regulatory reforms that need to be made in order to increase financing opportunities.

MBDA applies an e-commerce and e-government strategy to its market-focused programs and operations that will increase the propensity of minority businesses to utilize information technology.

MBDA will provide access to management and technical assistance resources that can assist minority businesses in their efforts to increase capacity through strategic alliances. In addition, MBDA will work with appropriate federal partners regarding contract opportunities with the federal government.

MBDA will hold several meetings with venture capital firms to discuss increasing the amount of venture capital available for minority business enterprises. In addition, the annual minority enterprise development week conference will have an investor's showcase where minority business enterprises will have the opportunity to present business ideas to venture capitalists.

Some of the outcomes that MBDA anticipates as a result of its programs include:

- An increase in the number of contracts received by assisted minority-owned businesses.
- An increase in the dollar value of financial packages to assisted minority-owned businesses.

### ***Program Evaluation***

EDA uses program evaluations to develop valid performance measures and provide a more complete understanding of overall program performance. In FY 2002, EDA completed the following evaluations: *EDA RLFs: Planning Local Structural Change and Overall Performance*, *EDA RLFs – Performance Evaluation*, *The Impact of EDA RLF Loans on Economic Restructuring*, and *The Impact of Planning on EDA RLF Performance*. EDA also conducted the following two evaluations involving capacity building programs: *Evaluation of University Center Program* and *Evaluation of Planning Program*. EDA expects to complete the following evaluations in FY 2003: *Local Technical Assistance Program Evaluation* and *Economic Adjustment Program Evaluation*.

ITA's strategic plan (covering fiscal years 2002 through 2006) helped to define ITA's strategic direction and outline a results-based performance agenda. It has served as ITA's roadmap to become more a customer focused, result-driven organization. The plan includes themes intended to improve ITA's critical functions and key programs (export promotion, market access and trade compliance, trade policy and negotiations advancement, assessment of unfair trade practices, and generation of trade statistics.) ITA will consider conducting certain program evaluations to ensure effective monitoring of our performance and results based on previously conducted evaluations and assessments. This process is already under way. In FY 2003, ITA completed a Program Assessment Rating Tool (PART) review of the U.S. and Foreign Commercial Service's (USFCS) programs. The PART review has indicated performance management areas where ITA needs to collect and analyze additional information to improve its planning and management process. Presently, ITA is reviewing its current business processes and ITA-wide performance measures to assess progress toward its long-term and annual goals. Additionally, ITA is determining how to appropriately implement results from the 2003 fee study. The outcome of this work, coupled with evaluations identified in the PART, will enable ITA to build a strong foundation for its next strategic plan.

MBDA's Reorganization Plan established an Office of Performance and Program Evaluation that will assess the success of all of its program initiatives and internal operations. This office will review and evaluate performance measurements, and develop and conduct a comprehensive, ongoing evaluation process to assess and improve the effectiveness of agency programs.

Currently, MBDA conducts performance assessments periodically on each of its funded projects. A detailed, comprehensive source verification process is used to confirm the validity of data. The strategic planning process ensures that performance measurements continue to assess program effectiveness.

MBDA's service providers sign three-year cooperative agreements that are renewed annually. The three-year agreements outline the number and dollar value of contracts, and the number and dollar value of financial transactions required on a quarterly basis during the contract period. Daily, staff monitors input of these measures into the Performance Reporting System. Feedback is provided concerning progress on a quarterly and/or as-needed basis. Annually, renewal of the cooperative agreement is based on performance as it relates to achieving the goals. A comprehensive evaluation of the results of the performance of service providers is conducted semi-annually.

MBDA's performance measures will assess the success of all of its program initiatives and internal operations. MBDA will use these benchmarks to evaluate performance, and develop and conduct a comprehensive, ongoing evaluation process to assess and improve the effectiveness of agency programs.

### ***External Factors***

The General Accounting Office (GAO) has recognized that measuring the performance of economic development programs is difficult because of the many external factors that can influence local economies. To ensure strong program performance, EDA targets assistance to projects that can provide direct and lasting benefits to economically distressed communities. EDA programs



are not intended to work alone, but to increase the availability of outside capital (both public and private) for sustainable development strategies to create and retain private enterprise and jobs in economically distressed areas. In doing so, EDA recognizes that many factors can influence the level of distress, rate of investment and job creation or retention, and the availability of other public funding and private entities. For example:

- National or regional economic trends, such as slowdowns in the national economy, can cause firms to delay or postpone investments in new products, markets, plants, equipment, and workforce development. Such trends can affect the rate at which jobs are created or retained.
- Changes in business climate and financial markets can impact the level of private capital and degree of risk associated with investment decisions, particularly for firms considering establishing or expanding operations in highly distressed areas.
- Downturns in the national or regional economy can increase the demand for EDA assistance and reduce the availability of state and local funding. EDA regulations provide for waivers or reductions of the non-federal share, allowing EDA to cover a higher share of total project costs depending on the level of distress demonstrated by the local community.
- Natural disasters and other major events can dramatically impact local economies and create an unanticipated demand for EDA assistance. This can affect performance in several ways, increasing the number of areas that are eligible for assistance and the number of areas in highest distress. Such emergencies can alter funding priorities under regular EDA programs and at times result in emergency supplemental funding. The impact on regular program assistance is more apparent when supplemental funding is delayed or unavailable.

Several external factors affect ITA's accomplishment of its goals. One factor is the strength of the world economy. Another factor is that foreign political instability can affect commercial infrastructure and the means of exchange. New and changing foreign governments can create barriers to access for U.S. companies. Economic shocks can adversely affect the demand for U.S. products. Technological advances and large-scale, unexpected capital movement can play a role in whether ITA achieves its targets.

In 2000 it was estimated that there were 275 million Internet users and nearly four million unique Web sites. The new Internet-based companies, and even traditional firms, that are producing goods and services are changing their business habits and processes. The expansion of the Internet plays a role in MBDA achieving its targets. They are establishing e-commerce operations and procedures in an attempt to lower costs, improve customer service, and increase productivity. Furthermore, driven by the current e-business imperatives and increasing choices by customers, the digital economy is rapidly becoming the new global economy.

Corporate purchasing practices are undergoing a radical change that requires minority suppliers to alter their strategies. Supply-chain management; ISO 9000, an international standard for organizations recognized in the public and private sectors; 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.

Federal government contracting programs are designed to be more cost-effective by bundling small contracts into larger opportunities. Often these larger opportunities are beyond the reach of smaller minority firms.

## STRATEGIC GOAL 1

### General Goal/Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organizations

Bureau	Outcome	Performance Measure
<b>EDA</b>		
	Increase private enterprise and job creation in economically distressed communities	<ul style="list-style-type: none"> <li>Private sector dollars invested in distressed communities as a result of EDA investments</li> <li>Jobs created or retained in distressed communities as a result of EDA investments</li> <li>State and local dollars committed per EDA dollar</li> <li>Percentage of investments to areas of highest distress</li> <li>Percentage of EDA dollars invested in technology-related projects in distressed areas</li> </ul>
	Improve community capacity to achieve and sustain economic growth	<ul style="list-style-type: none"> <li>Percentage of economic development districts and Indian tribes implementing economic development projects from the comprehensive economic development strategy process that lead to private investments and jobs</li> <li>Percentage of sub-state jurisdiction members actively participating in the economic development district program</li> <li>Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center</li> <li>Percentage of those actions taken by University Center clients that achieved the expected results</li> <li>Percentage of Trade Adjustment Assistance Center (TACC) clients taking action as a result of the assistance facilitated by TACC</li> <li>Percentage of those actions taken by TACC clients that achieved the expected results</li> <li>Percentage of local technical assistance and economic adjustment strategy investments awarded in areas of highest distress</li> </ul>
<b>ITA</b>		
	Increase trade opportunities for U.S. firms to advance the United States' international commercial and strategic interests	<ul style="list-style-type: none"> <li>Number of new or enhanced ITA partnerships with public and private sector entities to promote U.S. exports</li> <li>Placeholder for new measure dealing with international trade negotiations</li> <li>Number of new-to-market firms</li> <li>Dollar exports in targeted products and markets</li> </ul>
	Expand U.S. exporter base	<ul style="list-style-type: none"> <li>Percentage of undertaken advocacy actions completed successfully</li> <li>Dollar value of completed advocacies (U.S. export content)</li> <li>Number of U.S. exporters entering new market</li> <li>Number of U.S. firms exporting for the first time</li> <li>Number of export transactions made as a result of ITA involvement</li> </ul>
	Improve customer and stakeholder satisfaction	<ul style="list-style-type: none"> <li>Customer satisfaction with the quality of ITA's products and services</li> <li>Customer perception of ease of access to export and trade information and data</li> <li>Customer value: level of awareness of ITA products and services</li> <li>Employee job satisfaction</li> <li>Number of customers acquired through proactive ITA efforts</li> <li>Number of U.S. exporter activities undertaken per customer surveyed</li> </ul>
	Improve the U.S. competitive advantage through global e-commerce	<ul style="list-style-type: none"> <li>Number of new subscribers using BuyUSA.com e-services</li> <li>Customer perception of portal ease of use</li> <li>Percentage of ITA's significant products and services provided electronically to external customers</li> </ul>
<b>MBDA</b>		
	Increase opportunities and access of minority-owned businesses to the marketplace and financing	<ul style="list-style-type: none"> <li>Total number of all clients receiving services</li> <li>Number of contract awards obtained</li> <li>Dollar value of contract awards obtained</li> <li>Number of financial awards obtained</li> <li>Dollar value of financial awards obtained</li> <li>Number of employee training hours</li> <li>Number of new job opportunities created</li> <li>Percent increase in client gross receipts</li> <li>Percent increase in American Customer Satisfaction Index (ACSI)</li> <li>Number of national and regional strategic partnerships</li> </ul>

## General Goal/Objective 1.2

### Advance responsible economic growth and trade while protecting American security

#### *Performance Outcomes*

- Ensure fair competition in international trade (ITA)
- Protect the U.S. national security and economic interests by enhancing the efficiency of the export control system (BIS)
- Ensure U.S. industry compliance with the Chemical Weapons Convention (CWC) Agreement (BIS)
- Prevent illegal exports and identify violators of export prohibitions and restrictions for prosecution (BIS)
- Enhance the export and transit control systems of nations that lack effective control arrangements (BIS)

#### *Ensure fair competition in international trade*

The ITA is committed to building a rules-based trading system in which international trade is both free and fair for U.S. firms and workers by combating subsidy of imports; combating dumping, where foreign goods are “dumped” at less than market value; and ensuring compliance with trade agreements. ITA identifies and monitors import surges created by imports that are sold in the United States at less than fair market value, foreign governments subsidy practices, and other harmful import trends. ITA defends U.S. industry against injurious trade practices by administering the antidumping (AD) and countervailing duty (CVD) laws of the United States. ITA deploys attachés to foreign locations to educate foreign governments and businesses about U.S. AD/CVD laws and supports U.S. AD/CVD proceedings in foreign locations. ITA expedites investigations when warranted by import surges and foreign subsidy practices, defends unfair trade practices before the WTO, and coordinates the Department’s role in the Administration’s steel strategy. As the volume of world trade and investment expands and more countries enter into multilateral and bilateral trade agreements with the United States, ITA ensures compliance with trade agreements through consultation with foreign governments, quick identification of noncompliance by communicating and establishing a relationship with U.S. exporters, improvement of coordination with other agencies, rapid response to illegal acts by mobilizing strike forces, and close collaboration with the Office of the U.S. Trade Representative (USTR) on enforcement actions. ITA’s Trade Compliance Center (TCC) monitors trade agreements for implementation by foreign governments and for identification of compliance problems.

#### *Protect the U.S. national security and economic interests by enhancing the efficiency of the export control system*

BIS serves U.S. companies engaged in international trade by analyzing export license applications for controlled commodities in accordance with Export Administration Regulations (EAR). BIS also serves U.S. companies in conjunction with the Departments of Defense (DOD), Energy (DOE), and State (DOS) making prompt decisions regarding license applications and related transactions, and by providing guidance to exporters on how to conform to applicable laws and regulations. BIS is particularly vigilant in evaluating transactions involving advanced technologies and dual-use products that potentially can be diverted for use in development programs for weapons, or missiles used as delivery systems for such weapons. BIS also implements the Defense Production Act by analyzing the defense industrial and technology base to ensure that the United States remains competitive in sectors that are critical to the national security.

Responding to increased concern about the proliferation of weapons of mass destruction, BIS continues to refine U.S. export controls in light of geopolitical and business realities. BIS also seeks to enhance the effectiveness of the EAR by educating exporters and other stakeholders in the export licensing process thereby improving industry compliance with export control regulations. These efforts will increase the efficiency of the license processing system and thus enable exporters to be more competitive in the global economy while deterring transactions that threaten U.S. security interests.

***Ensure U.S. industry compliance with the Chemical Weapons Convention (CWC) Agreement***

BIS is responsible for ensuring compliance by U.S. industry with the treaty requirements of the CWC. BIS collects, validates, and aggregates data from U.S. companies that manufacture or use chemicals covered by the convention; educates those companies on their treaty rights and obligations; and serves as the lead U.S. government agency for hosting international inspections of U.S. business facilities subject to convention requirements. BIS's primary host team role is to ensure that confidential business information is protected during inspections of U.S. firms. In addition, in the event that the U.S. Senate ratifies the International Atomic Energy Agency (IAEA) Protocol, BIS similarly will serve as lead U.S. government agency in ensuring compliance by U.S. industry with the IAEA Protocol, and will be required to discharge responsibilities similar to those imposed under the CWC.

***Prevent illegal exports and identify violators of export prohibitions and restrictions for prosecution***

To be effective, export controls must be enforced and violators punished. BIS enforces dual-use export controls for reasons of national security, foreign policy, nonproliferation, anti-terrorism, and short supply. The Bureau also enforces the antiboycott provisions of the EAR, the CWC Implementation Act, and the Fastener Quality Act. BIS special agents investigate potential violations of these laws, and build and present cases for criminal or administrative prosecution.

BIS enforcement personnel also conduct outreach and education programs to train U.S. exporters to identify and avoid illegal transactions. A key element of BIS's preventive enforcement program is the onsite visits made to both current and potential foreign end-users of sensitive technology. In addition, BIS works with its foreign counterpart agencies to encourage other governments to implement enforcement measures to complement the Bureau's export enforcement efforts.

Strong enforcement of U.S. export regulations is critical to protect U.S. security interests. However, U.S. national interests can also be jeopardized if sensitive materials and technologies from other nations reach countries of concern or terrorists. For this reason, BIS's strategy includes promoting the establishment of effective export control systems by other nations. BIS has been assisting the countries of the former Soviet Union and the former Warsaw Pact nations of central Europe to strengthen their export control and enforcement regimes. As part of its Transshipment Country Export Control Initiative (TECI), BIS is also now extending technical assistance to other countries considered proliferation risks due to their involvement in reexport, transshipment or transit transactions involving sensitive dual-use goods.

***Enhance the export and transit control systems of nations that lack effective control arrangements***

Through a series of bilateral and regional cooperative activities co-sponsored with the DOS, BIS helps the nations with which it works to: (1) develop the procedures and requirements necessary to regulate the transfer of sensitive goods and technologies, (2) enforce compliance with these procedures and requirements, and (3) promote the industry-government partnerships necessary for an effective export control system to meet international standards.

As a result of such programs, BIS anticipates:

- An increase in the number of cases opened that result in the prevention of a criminal violation or the prosecution of a criminal or administrative case.
- An increase in the number of targeted deficiencies remedied in the export control systems of program nations.

### ***Program Evaluation***

In FY 2003, ITA completed a PART review of the USFCS programs. The PART review, reinforced by an independent study conducted by the Kenan Flagler Business School entitled “Report Card on Trade II,” has identified several challenges and priorities that require additional review:

- ITA must assess its role in helping exporters deal with overseas governments’ complex regulations. This has become increasingly important as U.S. exporters explore more challenging markets and as smaller firms increase their export operations.
- The USFCS PART review identified that ITA needs to obtain insight and additional understanding of how our trading partners assess their performance.
- ITA needs to evaluate where specific trade issues and opportunities exist in existing posts and where increased U.S. exports can be achieved to improve response times.

In support of the other performance goals under Objective 1.2, the GAO and Office of Inspector General (OIG) continued their reviews of BIS’s programs and activities. For example, both recommended that BIS increase its monitoring of export license conditions.

In addition to the above outside reviews, BIS’s Office of Planning, Evaluation and Management (OPEM) conducted annual reviews of the performance data to ensure that it is complete and accurate. OPEM also produces monthly performance reports for the performance measures tracked by the Export Control Automated Support System (ECASS) and semi-annual reports for other selected measures. During this process, significant deviations from projected targets, if any, are discussed with the appropriate office so that program changes can be made to help meet the BIS performance goals. A recent indicator of BIS’s overall program success was its ability to meet targets for nine out of ten performance measures in FY 2002.

### ***External Factors***

All trade is subject to sharp changes and is influenced by the domestic economy and world markets. New/changing governments can create new barriers to access for U.S. companies. Fluidity of exchange rates, such as large scale, unexpected capital movements, and technological advances are just several critical external factors impacting the U.S.-foreign trade balance.

Unforeseeable shifts in U.S. policy (for example, suspension of activity with a particular country) or in the policies of client nations occasionally may preclude execution of funded, scheduled events, or participation of certain national invitees.

The rising volume and complexity of international commerce directly increases the difficulty of applying and enforcing export controls, and consequently, the difficulty of preventing proliferation. Compliance with export control laws may be compromised if exporters are not aware of pertaining change requirements.

With regard to CWC inspections, the Organization for the Prohibition of Chemical Weapons (OPCW) establishes the number of CWC inspections based on (1) a mandated minimum number, and (2) risk assessments that the OPCW performs. The second factor is outside BIS's control. If the number of inspections increases, the ability of BIS to assist companies in preparing for these inspections could be limited due to budget constraints.

Priorities and resources of the Department of Justice (DOJ) and Office of Chief Counsel/Industry and Security also directly influence the achievement of this goal. BIS may also have to rely on other agencies to conduct certain investigative activities.

BIS must continue to rely on other agencies to fund the technical exchange and other activities relating to international export control cooperation. The process of obtaining this funding while satisfying detailed donor agency requirements is extremely cumbersome and fraught with uncertainty and delay, making some inefficiencies unavoidable. Two factors that drive the scheduling of technical exchange activities are: (1) the interagency coordination process that enables agency experts to participate in the exchanges, and (2) the priorities of the countries involved.

**General Goal/Objective 1.2: Advance responsible economic growth and trade while protecting American security**

Bureau	Outcome	Performance Measure
<b>ITA</b>		
	Ensure fair competition in international trade	Percentage of AD/CVD cases completed on time Number of market access and compliance cases initiated Number of market access and compliance cases concluded
<b>BIS</b>		
	Protect the U.S. national security and economic interests by enhancing the efficiency of the export control system	Median processing time for referral of export licenses to other agencies (days) Median processing time for export licenses not referred to other agencies (days) Median processing time for issuing draft regulations (months) Level of exporter understanding of BIS export control requirements (Note: This measure will include international outreach data after baseline is established in FY 2005) Number of industry and export control assessments Number of internal control programs that contribute to compliance with license conditions Develop an internal control program (ICP) for the Transshipment Country Export Control Initiative (TECI) (Note: After pilot is completed in FY 2005, BIS will visit other transshipment hubs and develop tailored ICPs)
	Ensure U.S. industry compliance with the Chemical Weapons Convention (CWC) Agreement	Number of site assistance visits conducted to assist companies prepare for international inspections
	Prevent illegal exports, and identify violators of export prohibitions and restrictions for prosecution	Number of cases opened that result in the prevention of a criminal violation or the prosecution of a criminal or administrative case Number of post-shipment verifications completed
	Enhance the export and transit control systems of nations that lack effective control arrangements	Number of targeted deficiencies remedied in the export control systems of program nations

## General Goal/Objective 1.3

### Enhance the supply of key economic and demographic data to support effective decision-making of policymakers, businesses, and the American public

#### *Performance Outcomes*

- Meet the needs of policymakers, businesses, non-profit organizations, and the public for current measures of the U.S. population, economy, and governments (Census)
- Support the economic and political foundations of the United States by producing benchmark measures of the economy and population for the administration and equitable funding of federal, state, and local programs (Census)
- Meet constitutional and legislative mandates by implementing a re-engineered 2010 Census that is cost-effective, provides more timely data, improves coverage accuracy, and reduces operational risk (Census)
- Support innovation, promote data use, minimize respondent burden, respect individual privacy, and ensure confidentiality (Census)
- Promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner (BEA)

#### *Meet the needs of policymakers, businesses, non-profit organizations, and the public for current measures of the U.S. population, economy, and governments*

Informed decisions require reliable, up-to-date information. The Census Bureau's programs give decisionmakers current, timely updates on a wide range of subjects. Examples include unemployment, income, poverty, crime victimization, health insurance coverage, housing starts, retail and wholesale trade sales, international trade, corporate profits, and manufacturers' shipments, orders and inventories.

The Census Bureau provides accurate, timely, relevant, cost-effective, and accessible statistics that are critical to understanding current conditions in the country. It does so directly by the following means and strategies:

- Delivering products at or above quality standards established by the Office of Management and Budget (OMB) and the Census Bureau to ensure that the results of all surveys maintain the public's trust and confidence.
- Providing top-quality statistics on a broad set of current social and economic topics on or ahead of established schedules.
- Ensuring relevance by releasing information as quickly as possible, by updating measures to reflect the changing characteristics of the population and the economy, and by dropping measures that are no longer useful. Doing so includes, for example, making improvements to income, poverty, and other measures of well being and providing new definitions of metropolitan and micropolitan statistical areas and urban areas, and new occupation, industry, and product classification systems.
- Developing policy-relevant information and analytic reports that enhance understanding of trends in the nation and the world, and describe the newest features of the U.S. economy and newest practices of U.S. businesses.



- Census improves operations of current surveys through testing and implementing alternative methods of data collection (such as Internet reporting), implementing new automated tools (such as graphically based software) to create state-of-the-art collection instruments, and training field representatives in new methods. Census also produces new information using existing data sources by developing cutting-edge techniques and promoting knowledge sharing. Census also develops and maintains new microdata sets that advance society's understanding of current conditions and alternatives for the future.

The success of data collection depends on the cooperation and participation of those who provide the data—individuals, families, businesses, and governments. Minimizing the reporting burden on respondents increases cooperation and holds down costs. One means of doing this is facilitating and simplifying reporting by expanding electronic reporting capabilities and options, such as responding to recurring surveys via electronic means.

One of the greatest opportunities for improving current statistical measures arises from integrating various sources of information. Such integration will be carried out in a way that maximizes the utility of the data while maintaining confidentiality.

Because of the Census Bureau's vast experience in designing, collecting, and disseminating current statistics, it is sought out by national and international public and private sector organizations for advice and operational assistance. Census meets the information needs of other agencies by collecting data for them and providing technological assistance services. This reimbursable work supplies vital information for external clients and provides continuity for the technological and field infrastructures essential to the successful conduct every ten years of the constitutionally required census. Census carries out reimbursable tasks in ways that provide accurate, timely, relevant, cost-effective, and accessible products for all customers.

- Census also takes full advantage of federal, state, and private sector information to eliminate redundant data requests.

***Support the economic and political foundations of the United States by producing benchmark measures of the economy and population for the administration and equitable funding of federal, state, and local programs***

The Census Bureau's benchmark programs produce accurate, timely, and relevant baseline information used to govern the United States. They include the Decennial Census of Population and Housing, the Quinquennial Economic Census and the Census of Governments, and the Intercensal Demographic Estimates Program. Strategies and means that Census uses to achieve this include the following:

- Determining the content and design of the Economic Census and Census of Governments to increase the relevance and usefulness of the data.
- Developing and deploying a streamlined, standardized, and integrated system to process the Economic Census and Census of Governments to achieve increased efficiencies and facilitate the reporting of data by respondents.
- Developing complete mail lists for the Economic Census and Census of Governments.
- Conducting, processing, publishing, and disseminating data from the Economic Census and Census of Governments.

The Census of Governments represents the primary source of facts about the structure and function of the public sector of the U.S. economy. It provides essential information to Congress and federal agencies for planning and evaluating programs that involve intergovernmental relationships. The census contributes an important element for constructing composite national economic measures, such as gross domestic product, the Bureau of Economic Analysis's input-output tables that measure market

sectors, and the Federal Reserve Board's (FRB) flow of funds accounts that provide time-series data of financial flows in the economy. The Census of Governments' findings supply vital analytical tools for a wide variety of data users. Among the most prominent are state and local government officials, educational organizations, criminal justice organizations, public interest groups, private industry, economic research agencies, and the media.

Census economic statistics programs count and profile U.S. businesses and government organizations in a rapidly evolving economic environment. This includes conducting an Economic Census and a Census of Governments every five years. The Economic Census covers all nonagricultural sectors of the economy, publishes data on the activities of more than 22 million businesses and more than 1,100 industries, and provides detailed geographic information. As a complement to the sectoral Economic Census program components, the Census Bureau also conducts a series of related programs to collect information on topics of special interest, for example, minority and women-owned businesses; the characteristics of the nation's trucking fleet; business expenses; the flow of commodities; and the economies of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands.

- Determining the content and design of the Economic Census and Census of Governments to increase the relevance and usefulness of the data.
- Developing and deploying a streamlined, standardized, and integrated system to process the Economic Census and Census of Governments to achieve increased efficiencies and facilitate the reporting of data by respondents.
- Developing complete mail lists for the Economic Census and Census of Governments.
- Conducting, processing, publishing, and disseminating data from the Economic Census and Census of Governments.
- Census demographic programs provide the data used to allocate nearly \$200 billion in federal funds each year, conduct the analyses that underlie the statistical definitions and standards used by the entire federal government in policy decisions, and establish the baseline sample units that underlie virtually every survey conducted in the United States by both private and public sectors. Among the means and strategies that Census uses to accomplish this task include:
  - Producing accurate, timely, and relevant population estimates.
  - Developing, producing, and disseminating estimates of the population for the nation, states, counties, and functioning governmental units by collecting, processing, evaluating, and integrating census, survey, and administrative records data from a variety of federal and state sources.
  - Using the results of Census 2000, as well as newly developed sources of data on domestic and international migration, to revise and improve the assumptions and methods used to compile estimates of international migration.
  - Incorporating the results of the ACS into population estimates to provide expanded demographic characteristics for small geographic areas.
  - Developing a technologically integrated system for producing estimates that improves timeliness and reliability.
  - Increasing the involvement of state partners and other stakeholders in the production and quality review of estimates and projections.

- Census also produces accurate and timely statistics by developing new samples that reflect the current characteristics and geographic location of the population. Means and strategies that Census uses to accomplish this task include:
  - Selecting representative samples of households that are chosen so that the same household is unlikely to be selected more than once during the decade.
  - Building an infrastructure for selecting samples of areas and housing units to respond quickly to changing data needs of the federal government. This new infrastructure will rely on a continuously updated Master Address File (MAF) and annual data from the ACS.
- With Census 2000 being complete, it is important to continue to make the data and information generated available and accessible. Census does so by making Census 2000 data available in multiple media formats and informing and educating stakeholders and customers on how to access and use the data.

***Meet constitutional and legislative mandates by implementing a re-engineered 2010 Census that is cost-effective, provides more timely data, improves coverage accuracy, and reduces operational risk***

Census 2000 was conducted at high cost and at great operational risk. In response and in striving to better meet our nation's ever expanding needs for social, demographic, and geographic information, we have developed a multi-year effort to completely modernize and re-engineer the Decennial Census program.

This re-engineering effort for the 2010 Decennial Census has four major goals:

- 1 Improve the relevance and timeliness of census long-form data
- 2 Reduce operational risk
- 3 Improve the accuracy of census coverage
- 4 Contain costs

The re-engineered 2010 Decennial Census program consists of three highly integrated activities designed to take advantage of opportunities for innovations made possible through the expanded use of technology, major changes in the Bureau's business process for data collection, and the use of focused coverage improvement procedures:

- 1 The Census Bureau plans to remove the long-form questionnaire from the 2010 Census and replace it with a large household survey, the ACS. The ACS will collect and tabulate long-form data on an annual basis. Besides improving the timeliness of these detailed socio-economic data for federal programs and other data users, this will allow the 2010 Census to focus solely on short-form data collection and coverage.
- 2 The Census Bureau will conduct a multi-year effort to enhance and improve its MAF and geographic database (TIGER) by bringing them into alignment with global positioning systems (GPS) coordinates and by converting the Bureau's home-grown processing environment into one based on commercial off-the-shelf and geographic information system (GIS) software products. This will allow the 2010 Census to utilize GPS-equipped mobile computing devices, which in turn will allow the Bureau to make major improvements in its business process for data collection.

- 3 The Census Bureau will conduct a multi-year program of integrated planning, development, and testing to completely restructure the management and conduct of a short-form only census in 2010. This effort encompasses time-critical major field tests under census-like conditions in 2004 and 2006, and a full dress rehearsal in 2008.

Some of the outputs and outcomes that the Census Bureau anticipates as a result of its programs include:

- More accurate statistical data as a result of the increase in response rate to Census surveys.
- A stronger 2010 Decennial Census as a result of reaching planning milestones.

***Support innovation, promote data use, minimize respondent burden, respect individual privacy, and ensure confidentiality***

The successful execution of the Census Bureau's goals and objectives depends on our capabilities as a global resource for statistical, survey, and technological research; geographic systems; and information services. Crosscutting programs provide essential support for survey and census collection, processing, and dissemination. Our abilities to exploit technology, acquire and use administrative records, measure and respond to privacy concerns, and apply the latest systems and statistical and survey methodologies, play a critical role in meeting the Census Bureau's mission. This goal covers:

- An administrative records research program that improves and enhances Census Bureau processes and products.
- An integrated Census Bureau privacy and confidentiality research program that leverages ongoing work and complements that work with new research to monitor, understand, respond to, and inform the public's views about privacy and confidentiality.
- Geographic systems, the cornerstone to the Bureau's collection, processing, and dissemination systems that provide the basic maps, address lists, address and geographic reference files, and associated processing systems needed to meet the geographic requirements of all Census Bureau programs. The geographic support system (GSS) manages large volumes of information from both internal and external sources to establish and maintain a current and complete inventory of housing unit addresses, streets, roads, governmental unit boundaries, and related attribute information.
- Centralized information technology (IT) services that provide stable, dependable information technology support and the ability to continually increase our capacity for IT innovation are intimately linked to the accuracy, timeliness, and effectiveness of all Census Bureau programs. These IT services must include an IT security program.
- Research, testing, and the prototyping of tools, systems, and new methods to improve data collection, capture, processing, and dissemination across programs that are essential for the Census Bureau to meet its increasing customer demands for more complex data in a timely and efficient manner. Maintaining adequate response rates, minimizing respondent burden, meeting complex data needs, improving data quality, and developing innovative training techniques can all be facilitated through research and the application of core expertise in statistical and survey methodologies.
- Meeting customer needs for new means of dissemination. Feedback from users and potential users allows the Census Bureau to better understand which alternatives to pursue. The Census Bureau enjoys a strong reputation for producing accurate information while protecting the confidentiality of the information collected. This reputation supports data collection activities by reassuring respondents not only that their individual information is protected, but that their participation is critical to the production of information that is vital to their community and country. The annual compilation and issuance of the *Statistical Abstract of the United States* provides vital program data for policy

background and research for congressional staff members and federal, state, and local government officials. The *Statistical Abstract of the United States* is also the principal source for annual statistics describing the social and economic structure of the United States. Information is compiled from more than 250 government, private, and international organizations. There are also crosscutting periodic supplements such as the *County and City Data Book*, *State and Metropolitan Area Data Book*, and the Census Bureau's *Product Catalog*.

***Promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner***

The economic statistics produced by the BEA enable government and business decisionmakers, researchers, and the public to follow and understand the performance of the U.S. economy; thus, they are critical to sound economic decision-making at all levels, from individuals to the highest-level policymakers. BEA prepares national, regional, industry, and international economic accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the position in the world economy. The national economic accounts include the national income and product accounts, which provide a quantitative view of the production, distribution, and use of the U.S. output and feature GDP, one of the most closely followed of all economic measures. The national accounts also include estimates of our nation's stock of fixed assets and consumer durable goods. The regional economic accounts provide estimates and analyses of personal income and earnings by industry for regions, states, metropolitan areas, and counties. They also include estimates of gross state product by industry. The industry economic accounts include the input-output tables, which show how industries interact to provide input to and take output from each other, and the gross domestic product by industry data, which measure the contributions of private industry and government to GDP. The international economic accounts include the international transactions accounts (balance of payments) and the estimates of U.S. direct investment abroad and foreign direct investment in the United States. BEA's current estimates usually appear first in news releases, and they also are available on the Internet and in BEA's monthly journal of record, the *Survey of Current Business*.

BEA's statistics must be as timely, relevant, and accurate as possible in order to provide a clear and comprehensive picture of economic activity. By meeting these goals, BEA estimates are most useful to data consumers. In addition, BEA estimates must be provided when expected and be readily accessible in easy-to-use formats.

BEA strives to meet the following goals relating to its programs and services:

- Make BEA's economic accounts and services more responsive to the needs of its customers and partners.
- Attract, develop, and retain a highly qualified, diverse workforce prepared to innovate and improve BEA's statistics.
- Upgrade resource management to support BEA's strategic goals.
- Upgrade BEA's economic statistics by improving statistical methodologies and source data and by using new technologies.

### ***Program Evaluation***

The Census Bureau's ability to exploit technologies, enhance and apply support systems, and develop and implement improved statistical and survey methodologies is critical to meeting its mission needs of day-to-day and year-to-year measurement of the U.S. economy and population. Evaluations of the Bureau's mission-critical support programs are numerous and ongoing. Examples include Boundary and Annexation Survey respondent reporting rates recorded in production control systems, the annual conduct of the IT Security Self-Assessment survey in accordance with the standards established by NIST, and measures of customer satisfaction with key Census Bureau products in various media.

The Census Bureau's statistical program evaluations are numerous and ongoing. The following are some examples:

***Demographic Statistics:*** The Census Bureau regularly generates quality profiles and management reports for both reimbursable and Bureau-sponsored demographic surveys. These profiles and reports provide statistical measures of reliability and note compliance with or accomplishment of project tasks.

***Economic Statistics:*** Evaluation of programs by the economic statistics staff has led to better measures of capital expenditures by U.S. companies, improved the Census Bureau's ability to capture data on e-commerce activities; clarified what information companies can provide on their pollution abatement activities; and periodically documented, as required by OMB, the statistical rigor of the methodologies used to produce the principal economic indicators.

Since the ACS is a continuing program, staff at the Census Bureau will continue to evaluate and report on the quality of ACS data. The overall objective of this evaluation project is to demonstrate the feasibility, desirability, and importance of implementing the ACS as a replacement for the Decennial Census long form. This objective will be achieved through a series of technical and external reports documenting key findings on the performance of nationwide implementation.

One of the major objectives of the MAF/TIGER Enhancements Program is implementation of a comprehensive plan for periodic MAF/TIGER evaluation, quality reporting, and corrective activities. The results of this plan will guide planning for cost-effective coverage and geocoding improvement operations. A quality assurance team is preparing MAF and TIGER error models that include descriptions of frequently found errors, performing a qualitative study to characterize each error's significance, and establishing a priority to guide implementation of quality metrics for each of the other four objectives. For example, the Bureau will develop a statistically sound sampling method for evaluating incoming state, local, and tribal GIS files and location-corrected contractor files using a random sample of 100 GPS quality assurance points for each file provided. Other proposed metrics include overall housing unit coverage (perhaps with separate measures for predominantly rural areas), currency of street and address information, and level of participation by potential geographic partners.

The evaluation of the re-engineered 2010 Census will start with evaluations of the 2004 Census Test. Specific evaluations will be conducted to answer each of the research questions we have identified for our test objectives. The Census Bureau will evaluate the proposed methodology tests to ensure that they are well designed and answer critical questions about how the plan for the 2010 Census can be modified to meet the goals of a re-engineered census. One of the important evaluations that the Bureau will begin in FY 2004 will assess the effectiveness of using mobile computing devices for non-response follow-up.

Evaluation of BEA programs includes the following:

***BEA Advisory Committee:*** Twice a year, the 13 member BEA Advisory Committee meets to review and evaluate BEA programs and services. The Committee advises the Director of BEA on matters related to the development and improvement of BEA's national, regional, industry, and international economic accounts, especially in areas of new and rapidly growing economic activities arising from innovative and advancing technologies; and provides recommendations from the perspectives of the economics profession, business, and government. The meetings are open to the public.

**Customer Satisfaction Survey:** BEA conducts an annual survey of its users to understand their satisfaction with BEA products and services. This survey is critical to BEA's success as users are the final arbitrators of the timeliness, relevance, and accuracy of BEA data. Recent improvements in the accounts have been noticed in the survey with increased satisfaction by users. The customer satisfaction survey serves as one of the seven measures used to hold BEA accountable for its performance. The past two surveys have found that users rated BEA with a 4.3 out of 5 on the level of satisfaction with BEA products and services. BEA strives to continue to increase this level of satisfaction with continual improvements to the accounts and investments in the information technology systems used by most users to access BEA data.

In addition to the customer satisfaction survey, BEA monitors its contacts with users.

**Strategic Program Evaluation:** BEA's 5-year strategic plan is the most important evaluation of its programs and performance. It is a detailed operating plan that guides BEA's planning with over 200 detailed milestones per year over a five-year time frame. As mentioned in the introduction to this section, the plan is developed from the Department's goals and objectives and the mission and objectives set by BEA. Managers are responsible to insure that the milestones are met as they feed directly into the performance measures and budget requests of the agency.

The publicly available plan is annually reviewed and a report of successes is made available to the BEA Advisory Committee, the Department, OMB, Congress and the public. It clearly indicates which milestones were met and which were not met with an explanation as to why specific milestones did not get accomplished. In FY 2002, BEA met all of its major milestones and over 86 percent of the total number of milestones. BEA seeks to continue to meet its major milestones and work to improve its record in achieving the rest of the milestones.

**Human Capital Management:** In FY 2002, BEA contracted with the Office of Personnel Management (OPM) to conduct an employee assessment survey to better understand the strengths and weaknesses of the organization. The assessment results were very positive as BEA employees ranked BEA above other federal agencies in 16 of 17 broad categories. The categories in which employees rated BEA significantly above average were in use of resources, performance measures, diversity, and rewards and recognition. The survey also revealed a number of important challenges. The two challenge areas identified are (1) training and career development and (2) job security and commitment to workforce. The survey also pointed out a need to address employee health and safety issues. The FY 2003 employee assessment survey will be conducted in September 2003 and in the fall each year after.

**Information Technology:** In the information technology area, several evaluations were completed in support of the modernization of critical BEA software systems and their underlying infrastructure components. In preparation for a major reengineering effort, Booz Allen Hamilton completed an end-to-end study of the National Accounts core processing systems. This study resulted in the development of streamlined system requirements for a new unified central processing system. An analysis of BEA's financial management data was completed. This analysis formed the basis for the development of a management information system (MIS), which provides timely budget and cost data to bureau managers. An evaluation of BEA's Central Publishing System was performed to serve as a foundation for moving forward with proposed improvements to BEA's publication processes. Eagle Design Corporation performed a "usability" assessment of BEA's Web site. The results of this study will be incorporated into a redesign of BEA's Web site, which will improve customer access to BEA data. Additional independent evaluations performed included: a requirements analysis of expanding the detail of information provided on BEA's Web site, an examination of the alternatives for expansion of BEA's electronic reporting capabilities, and a review of the current capabilities and future requirements of BEA's telecommunication system.

In addition:

- BEA completed an annual self-assessment of management processes and procedures followed for IT capital planning, IT security, and IT architecture. Our programs received above average rankings based on levels provided by the Department.
- Two tests and evaluations were made of BEA's disaster recovery capabilities. Each test focused on specific program areas. Testing successfully verified that BEA was capable of producing its critical data estimates at an off-site location in support of key mission activities.

### ***External Factors***

#### ***Privacy and Confidentiality Concerns***

Public perception of both government and nongovernment intrusion into personal and business information privacy is increasingly negative. This affects the response to surveys and censuses and will be a significant factor affecting the future performance of the Census Bureau. Any concerns about privacy of information in the Internet age, about confidentiality of information provided to the government, and about intrusiveness of government programs are potential challenges to the Census Bureau in collecting information in its surveys and censuses.

One major mitigation strategy for this problem is to continually inform the public of the Bureau's privacy and confidentiality policies for all Census Bureau activities. This involves publishing policy statements via the Census Bureau Web site and carrying out other information activities.

#### ***Changing Customer Needs***

Meeting the needs of our customers is at the heart of our vision to be the leading collector and provider of information. The Census Bureau has a varied and diverse customer base that ranges from the most sophisticated analyst to the inexperienced one-time user. Recent technological advances allow the Census Bureau to make more information available more quickly to more users. However, there are challenges associated with creating a single data dissemination tool that meets everyone's needs. A system that frustrates some customers will be seen as a failure even if it effectively serves the needs of most.

With technological advances, the tension between providing access to information and protecting confidentiality is growing. The Census Bureau must continue to explore options that achieve both.

#### ***Quality of Source Data***

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 timely, relevant, and accurate 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.



**General Goal/Objective 1.3: Enhance the supply of key economic and demographic data to support effective decision-making of policymakers, businesses, and the American public**

Bureau	Outcome	Performance Measure
Census	Meet the needs of policymakers, businesses and non-profit organizations, and the public for current measures of the U.S. population, economy, and governments	Household response rate for the Current Population Survey, the National Crime Victimization Survey, and the American Housing Survey; response rate for the National Health Interview Survey; and household response rate for the Survey of Income and Program Participation (SIPP) Release data products from the SIPP and release data products from the Survey of Program Dynamics Release principal economic indicators Response rates for Annual Economic Surveys used to update benchmark data during intercensal years [Includes Annual Survey of Manufacturers (ASM), the Annual Trade Survey (ATS), the Annual Retail Trade Survey (ARTS), and the Service Annual Survey (SAS)]
	Support the economic and political foundations of the United States by producing benchmark measures of the economy and population for the administration and equitable funding of federal, state, and local programs	Conduct the Economic Census and Census of Governments Release Decennial Census data products, release Census of Governments data products, and release Economic Census data products Release population estimates and survey controls for all subgroups and geographies Introduce new Census 2000-based samples for the consumer expenditures survey-quarterly (CE-Q) Introduce new Census 2000-based samples for the consumer expenditures survey-diary (CE-D) Introduce new Census 2000-based samples for the National Crime Victimization Survey (NCVS) Introduce new Census 2000-based samples for the American Housing Survey-National (AHS-N)
	Meet constitutional and legislative mandates by implementing a re-engineered 2010 Census that is cost-effective, provides more timely data, improves coverage accuracy, and reduces operational risk	Implement the American Community Survey (ACS) Implement MAF/TIGER Modernization Conduct early 2010 Census planning, development, and testing
	Support innovation, promote data use, minimize respondent burden, respect individual privacy, and ensure confidentiality	Response to the Annual Boundary and Annexation Survey (ABAS) Meet milestone dates for evaluating and expanding Web-based technology solutions to include more functionality/business processes Segment score for overall customer satisfaction on the American Customer Satisfaction Index (ACSI)
BEA	Promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner	Reliability of delivery—economic data (number of scheduled release issued on time) Customer satisfaction with quality of products and services (mean rating on a 5-point scale) Percentage of GDP estimates correct Improving GDP and the economic accounts Accelerating economic estimates Meeting U.S. international obligations Upgrading information technology systems