U.S. Department of Commerce

Strategic Plan

FY 2007 - FY 2012

Who We Are

History and Enabling Legislation

The Department of Commerce is one of the oldest cabinet-level departments in the United States government. Originally established by Congressional Act on February 14, 1903, as the Department of Commerce and Labor (32 Stat. 826; 5 U.S.C. 591), President William H. Taft subsequently renamed it as the U. S. Department of Commerce on March 4, 1913, (15 U.S.C. Section 1512). The defined role of the new Department was "to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, and fishery industries of the United States."

Bureaus

Economic Development Administration
Economics and Statistics Administration
      Bureau of Economic Analysis
      Census Bureau
International Trade Administration
Bureau of Industry and Security
Minority Business Development Agency
National Oceanic and Atmospheric Administration
U.S. Patent and Trademark Office
Technology Administration
      National Institute of Standards and Technology
      National Technical Information Service
National Telecommunications and Information Administration
Office of the Inspector General

In addition to these bureaus, Departmental Management (DM) encompasses the responsibilities of the Secretary, Deputy Secretary, Chief Financial Officer and Assistant Secretary for Administration, Chief Information Officer and the Office of General Counsel. DM provides the policies, planning, and administrative guidance that ensure bureau operations are consistent with Secretarial priorities and with the Department's mission.

Location

The Department is headquartered in Washington, D.C., at the Herbert Clark Hoover Building. The Department's Internet address is *http://www.commerce.gov*

Employees

The Department has over 35,000 employees. Temporary staffing levels increase by over 500,000 employees during the Decennial Census.

U.S. DEPARTMENT OF COMMERCE
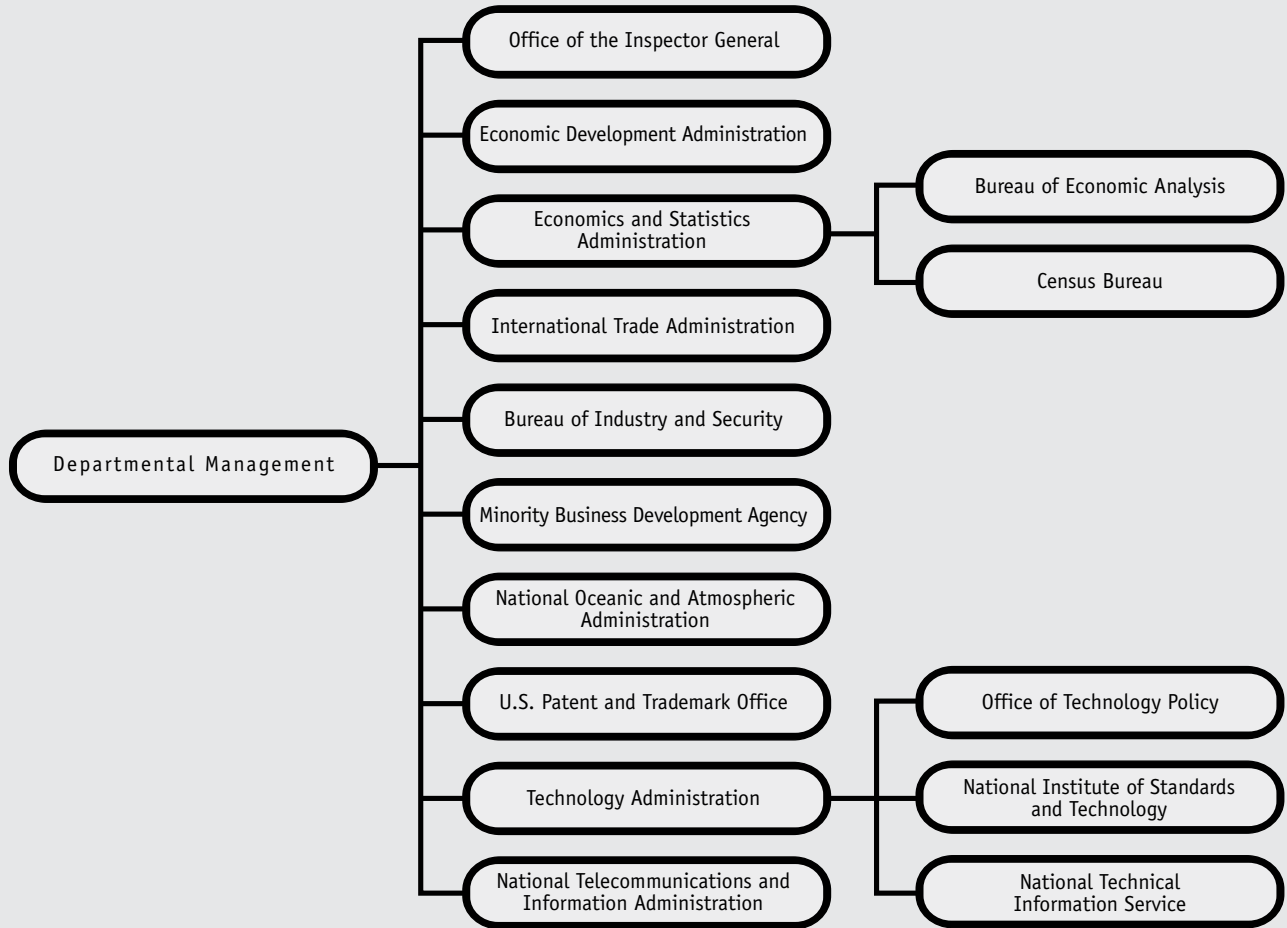
STRATEGIC PLAN

FY 2007 - FY 2012

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

We are not here to mark time, but to make progress, to achieve results, and to leave a record of excellence.

President George W. Bush

DEPARTMENTAL ORGANIZATION CHART

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Departmental Management
  ├─ Office of the Inspector General
  ├─ Economic Development Administration
  ├─ Economics and Statistics Administration
  │     ├─ Bureau of Economic Analysis
  │     └─ Census Bureau
  ├─ International Trade Administration
  ├─ Bureau of Industry and Security
  ├─ Minority Business Development Agency
  ├─ National Oceanic and Atmospheric Administration
  ├─ U.S. Patent and Trademark Office
  ├─ Technology Administration
  │     ├─ Office of Technology Policy
  │     ├─ National Institute of Standards and Technology
  │     └─ National Technical Information Service
  └─ National Telecommunications and Information Administration
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Note: *The Department has proposed eliminating the Technology Administration (TA) and Office of Technology Policy. The National Institute of Standards and Technology (NIST) would report to Departmental Management, and the National Technical Information Service (NTIS) would report to NIST under the proposal.*

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Our Mission, Vision, Strategic Goals, and Objectives

OUR MISSION, VISION, STRATEGIC GOALS, AND OBJECTIVES

MISSION

THE DEPARTMENT OF COMMERCE CREATES THE CONDITIONS FOR
ECONOMIC GROWTH AND OPPORTUNITY BY PROMOTING INNOVATION,
ENTREPRENEURSHIP, COMPETITIVENESS, AND STEWARDSHIP.

VISION

For almost 100 years, the Department of Commerce has partnered with U.S. businesses to maintain a prosperous, productive America that is committed to free trade, competitiveness, and environmental stewardship. The Department has a record of innovation in manufacturing, transportation, communication, and measurement that has helped to sustain U.S. leadership of the international marketplace. By assisting the private sector, the Department's vision is that the United States continues to play a lead role in the world economy.

STRATEGIC GOALS

To achieve this mission and fulfill its vision, the Department has three strategic goals and a management integration goal. Each strategic goal involves activities that touch American lives every day.

STRATEGIC GOAL 1: *Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers*

Objective 1.1: Foster domestic economic development as well as export opportunities

Objective 1.2: Advance responsible economic growth and trade while protecting American security

Objective 1.3: Advance key economic and demographic data that support effective decision-making by policymakers, businesses, and the American public

Objective 1.4: Position small manufacturers to compete in a global economy

STRATEGIC GOAL 2: *Promote U.S. innovation and industrial competitiveness*

Objective 2.1:   Advance measurement science and standards that drive technological change

Objective 2.2:   Protect intellectual property and improve the patent and trademark systems

Objective 2.3:   Advance global e-commerce as well as telecommunications and information services

STRATEGIC GOAL 3: *Promote environmental stewardship*

Objective 3.1:   Protect, restore, and manage the use of coastal and ocean resources

Objective 3.2:   Advance understanding of climate variability and change

Objective 3.3:   Provide accurate and timely weather and water information

Objective 3.4:   Support safe, efficient, and environmentally sound commercial navigation

MANAGEMENT INTEGRATION GOAL: *Achieve organizational and management excellence*

The Department established a management integration goal, applicable with equal importance to all bureaus. Just as the first three goals are in line with the forces that will drive the U.S. economy of the future, the management integration goal is in line with the driving trend toward more effective organizational management in both public and private settings.

Both short and long-term performance goals and measures provide the means to assess the Department's progress in achieving these goals. The Department has sought to fully integrate budget and performance in the form of a performance-based budget. Thus the Department has merged its Annual Performance Plan (APP) with the annual budget, appearing as Exhibit 3A of each bureau's budget submission. This major section of each budget describes in greater detail the performance goals and measures the Department employs to achieve its strategic goals and objectives, and includes its analysis of the capital, information, and other resources that it will require to meet these goals. The Performance and Accountability Report (PAR), published in the first quarter of each fiscal year, is the means by which the Department reports on the progress it has made with regard to the performance measures as stated in the APP.

The Department accomplishes its mission and supporting strategic goals through its bureaus with each bureau having a broad range of responsibilities and functions, described briefly in the following sections.

RELATIONSHIP OF DEPARTMENTAL STRATEGIC GOALS TO BUREAU PERFORMANCE GOALS

Individual bureau performance goals and measures are aligned with the Department's strategic goals discussed in this strategic plan. The development of bureau goals and measures in this manner enables the Department to evaluate its progress towards the Departmental strategic goals through the assessment of its bureaus' performance.

STRATEGIC GOAL 1

Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

STRATEGIC GOAL 1

MAXIMIZE U.S. COMPETITIVENESS AND ENABLE ECONOMIC GROWTH FOR AMERICAN INDUSTRIES, WORKERS, AND CONSUMERS

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

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.

The Department is committed to free trade by opening and expanding foreign markets for U.S. goods and services and improving U.S. export performance. The Department devotes significant effort to benefit the American public by increasing market access for U.S. businesses. Non-tariff trade barriers frequently impact U.S. firms' access to markets, examples of these barriers that impede market entry include technical standards, intellectual property issues, excessive regulation, as well as certification and testing requirements. The Department advocates on behalf of U.S. firms to open markets impacted by these types of barriers. The Department promotes U.S. export growth through the development and implementation of the National Export Strategy (NES) produced by the Trade Promotion Coordinating Committee (TPCC) chaired by the Secretary of Commerce. The Department's International Trade Administration (ITA) has embraced public/private partnerships as a mechanism to leverage federal resources. The Department partners with private sector service providers that can reach—and are trusted by—potential exporters. Current partners, FedEx, eBay, and PNC Bank, have massive client databases and a profit motive to encourage clients to export. ITA services represent value to those clients. These partners feature ITA trade promotion services on their Web sites and in their newsletters. This enables ITA to conduct hundreds of joint outreach events with them and trains their staff on ITA services. The Department also ensures a "level playing field" for U.S. firms by combating predatory trading practices through free market trade negotiations, analysis of international and domestic competitiveness factors, and through case-by-case advocacy.

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 the U.S. economy and its population. Sound business forecasting and understanding the strength and direction of the Nation's economy depend on economic and demographic statistics. The Department leads national efforts to continually improve these statistics. The Bureau of Economic Analysis (BEA) works to develop the methodologies and procedures to incorporate intangibles such as research and development (R&D) into the Nation's accounts over the next decade. The Census Bureau seeks to fundamentally change the way the federal government conducts the Decennial Census. As part of this effort, the Census Bureau now uses the American Community Survey (ACS) to produce detailed demographic data on an annual basis. This allows the Census Bureau to remove the long form questionnaire from the 2010 Census.

CHALLENGES AND PERSPECTIVES

The Department faces a number of key challenges with the following being among the most significant because of their cost, urgency, complexity, or importance to its mission.

- ### *Ensuring Fair Trade*

  Many of the world's countries utilize techniques to protect their home markets from foreign sales. In some cases, countries provide unwarranted subsidies or other benefits to their own firms. Unfair trade negatively affects the ability of U.S. firms to sell overseas and impacts the U.S. jobs that depend on the Nation's international trade. To counter these actions, the Department enforces U.S. trade laws, such as the Antidumping and Countervailing Duty (AD/CVD) statutes. Three specific tasks address these matters. First, the Department ensures that its staff has the appropriate knowledge and skills. Secondly, it coordinates with the Office of the U.S. Trade Representative (USTR) in advancing positions to gain market access, and remove tariff and non-tariff barriers through free trade agreements (FTA) as well as bilateral and multilateral negotiations. Finally, it finds and employs effective ways for U.S. companies to share with the Department the necessary data to analyze and protect U.S. interests and to remove domestic and international barriers that impede U.S. competitiveness.

- ### *Meeting the China Challenge*

  China is the fastest growing large market for U.S. exporters, but at the same time poses important national security challenges. The Department will be deploying its full resources to further open China's markets to U.S. exporters, while denying China the use of U.S.-origin technologies to fuel its military build-up.

- ### *Managing Export Controls to Maximize Security with Minimum Impact on U.S. Competitiveness*

  The global trading system must rest on a firm foundation of security, including the security provided by export controls. At the same time, controls must be at a level that does not disadvantage U.S. exporters needlessly or threaten to force them offshore. To meet this challenge, the Bureau of Industry and Security (BIS) is launching in-depth studies of strategic industries, with the intention of tailoring export controls to meet the twin challenges of security and competitiveness.

- ### *Being a Catalyst for Minority Business Growth*

  The Department helps strengthen U.S. minority businesses in obtaining access to capital and in competing for procurements and other market opportunities. Minority-owned businesses are concentrated in industries with low rates of capital investment; historical trends show that the rates of minority ownership drop sharply as firm size and need for capital increases. Department experts design and implement programs to reduce this barrier. The Department also assists minority firms to access procurement opportunities, whether individually or through strategic partnerships. Finally, as e-commerce has become a vehicle for contract bundling and online auctions, the Department will promote minority firms' exposure to technology and e-commerce tools.

- ### *Meeting Users' Needs for Quality Economic Measures*

  The ever-changing U.S. and world economies require the Department to accurately and reliably measure the U.S. economy and its interactions abroad. To meet this challenge, experts at BEA and the Census Bureau seek to improve coverage of the services economy to develop new and more efficient estimation methods, improve data sources, increase access to real-time data, and generate more timely measures. These improvements will support the Department's ability to provide the most timely, relevant, and accurate economic measures that are required by the Nation's business leaders and policymakers.

◉ *Census 2010 Re-engineering*

In response to the lessons of Census 2000, and in striving to better meet the United States' ever-expanding needs for social, demographic, and geographic information, the Census Bureau developed a multi-year effort to completely modernize and re-engineer the 2010 Decennial Census Program. This re-engineering effort will improve the relevance and timeliness of data previously collected on the long-form, reduce operational risk, improve the accuracy of census coverage, and contain costs.

The re-engineered 2010 Decennial Census Program consists of three highly integrated components designed to take advantage of opportunities for innovations made possible through the expanded use of technology, major changes in the business process for data collection, and the use of focused coverage improvement procedures. The ACS now is collecting and tabulating detailed characteristics data every year throughout the decade using a large household survey. The Census Bureau also is conducting a multi-year effort to collect and correct the locations of streets and other geographic information required to support ACS and 2010 Census operations. Finally, the Census Bureau is conducting a multi-year program of integrated planning, development, and testing to completely restructure the management and conduct of the 2010 Census effort to collect basic demographic data needed for congressional apportionment and redistricting.

◉ *Supporting Economic Growth for All U.S. Regions*

The Department is committed to promoting long-term, coordinated, and collaborative regional economic development efforts, particularly in distressed or rural communities. Key elements of this effort include support for innovation through developing or enhancing the competitiveness of emerging industry clusters, advancing technology transfer from research institutions to the marketplace, cultivating entrepreneurial growth, and building the enabling infrastructure these regions need to compete in the world-wide marketplace. The Department will also work to create a broader and more collaborative role for its development partners to achieve committed multi-jurisdictional participation from leaders across all sectors, both public and private, in developing and implementing comprehensive economic development strategies.

BUREAUS CONTRIBUTING TO THIS GOAL

The International Trade Administration (ITA) plays a key role in the implementation of the President's Trade Agenda and Free Trade Promotion Strategy. In support of this role, ITA promotes U.S. export growth through strong partnerships with private sector and state and local governments. In particular, ITA helps small businesses find and take advantage of global markets, protects U.S. business interests abroad, and maintains U.S. trade with strategic and emerging markets. ITA also strengthens U.S industries and improves their access to overseas markets by identifying and pressing for the removal of tariff and nontariff and domestic and international barriers that impede industries' competitiveness. ITA accomplishes this by resolving disputes proactively, and monitoring compliance with existing trade agreements.

The Bureau of Industry and Security (BIS) advances U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. The BIS mission is closely aligned with, and supports the Department objective to "Advance responsible economic growth and trade while protecting U.S. security."

The Economics and Statistics Administration (ESA) monitors and measures socioeconomic and macroeconomic trends. BEA produces the gross domestic product (GDP) and related economic measures that provide essential information to improve decision-making on such matters as monetary policy, federal and state budget projection, allocation of federal funds to states, and trade negotiations. The Census Bureau supports BEA by collecting statistical information about the economy. The Census Bureau also provides demographic information about U.S. society by conducting regular surveys and decennial censuses that are used by federal, state, and local officials and by private stakeholders to make important policy decisions. Full implementation of the new ACS provides annual data that are more detailed and timely than previously available. The Census Bureau also provides official measures of e-commerce activity and is evaluating how e-commerce affects existing measures of economic activity.

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

The Minority Business Development Agency (MBDA) helps minority-owned businesses obtain access to public and private debt and equity financing, market opportunities, and management and business information to increase business growth in the minority business community.

Through the Hollings Manufacturing Extension Partnership (MEP), the National Institute of Standards and Technology (NIST) helps smaller firms adopt advanced manufacturing and management technologies as well as innovative business practices to position them to compete in the global economy. MEP helps companies transform themselves into high performance enterprises—productive, innovative, customer-driven, and competitive—by efficiently providing high value technical and advisory services, including access to industry best practices.

OBJECTIVE 1.1

Foster domestic economic development as well as export opportunities

PERFORMANCE OUTCOMES

- Strengthen U.S. competitiveness in the global marketplace (ITA)

- Increase exports to commercially significant markets including FTA countries, China, and India (ITA)

- Broaden and deepen the U.S. exporter base (ITA)

- Build community capacity to achieve and sustain economic growth (EDA)

- Promote private enterprise and job creation in economically distressed communities and regions (EDA)

- Increase access to the marketplace and financing for minority-owned businesses (MBDA)

STRATEGIES TO ACHIEVE OUTCOMES

Strengthen U.S. competitiveness in the global marketplace

ITA advances U.S. international commercial and strategic interests through trade policy and negotiation, by leading interagency commercial strategies, and by leveraging trade promotion programs to support foreign and economic policy goals. These efforts help to create an infrastructure that encourages economic growth, enhances market access, and supports sustainable development. ITA achieves these outcomes through commercial dialogues, FTAs and bilateral or multilateral trade negotiations, and government-to-government cooperative efforts to remove non-tariff trade barriers. As markets become more open, more goods and services become available at lower costs to a wider group of people both in the United States and abroad. More access leads to rising consumer demand and improved standards of living throughout the world.

The President and the Secretary of Commerce rely upon ITA to advance free trade to create opportunities for U.S. companies in critical strategic and emerging markets. ITA accomplishes this by working closely with the Department's stakeholders in the government and in the business community, to achieve common goals and leverage public and private partnerships. Government and industry have worked side-by-side to support passage of numerous FTAs,

TRADE

The President's top economic priority is the creation of more jobs for U.S. workers. Free and fair trade helps create higher paying jobs for U.S. workers by opening new markets for U.S. products and services, bringing lower prices and more choices to U.S. consumers, and attracting foreign companies to invest and hire in the United States.

In five years, the Administration has compiled a significant record of success in trade liberalization. When President Bush took office, the United States had free trade agreements (FTAs) in force with just three countries. Today the United States has FTAs in force with 13 countries, accounting for nearly 43 percent of all U.S. exports. Despite this success and a concurrent increase in the ease of doing business overseas, growth in the number of companies taking advantage of new export opportunities is relatively stagnant and protectionist sentiment appears to be increasing.

The Department is committed to maximizing the value of the FTAs and advancing the interests of U.S. businesses. The Department will continue to work with the U.S. Trade Representative (USTR) and Congress to pass and implement new FTAs, the Doha Development Round, and Trade Promotion Authority. Through its trade promotion efforts, ITA will work to boost U.S. exports to key developing markets and ensure that U.S. exports to FTA countries measurably exceed the global average.

to advance U.S. positions in the World Trade Organization (WTO), and to expand market access and promote U.S. exports in commercially strategic markets such as China, Russia, and India.

ITA works with other U.S. government agencies to encourage foreign policy initiatives and assistance programs to include a role for expanding U.S. business in economic development. ITA has had significant success in expanding U.S. exports while supporting U.S. government foreign policy initiatives. Free trade and open markets offer a proven strategy for building global prosperity and adding to the momentum of political freedom. By opening markets, generating business opportunities for U.S. firms, and expanding economic activity, ITA simultaneously supports the development of a stronger market-oriented global economic system in developing areas of the world while contributing to U.S. economic goals and global stability.

ITA is dedicated to strengthening the global competitiveness of U.S. industry and increasing exports with a special focus on U.S. manufacturers. ITA has undertaken steps to foster an environment where U.S. industries can compete in global markets by coordinating efforts at all levels of government in support of both manufacturing and service industries. The driving force behind these efforts is that good jobs depend on strong businesses. ITA consults with U.S. industry on challenges and opportunities, and combines industries' input with analysis to develop policy recommendations to promote expansion of U.S. industry's exports. It helps set strategic priorities for trade policy. Through analysis of trends in productivity, growth, trade flows, employment, and developments such as outsourcing and the importance of a global supply chain on U.S. industries' competitiveness, ITA ensures that U.S. industry's priorities are represented in market access negotiations. ITA advances policies and strategies that ameliorate the negative impacts of proposed domestic rules and regulations, stimulate innovation and investment, identify domestic impediments to competitiveness, promote economic growth, and retain jobs in U.S. industries.

ITA is committed to improving both customer and stakeholder satisfaction. ITA's customers are U.S. businesses. In a recent survey, U.S. firms expressed several needs for upgraded 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 and to expand awareness of U.S. business opportunities. Other government agencies join ITA in its efforts to promote trade and expand market access through the Trade Promotion Coordinating Committee (TPCC). 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.

CHINA

The U.S.-China commercial relationship is emerging as one of the most important of the century. Since China joined the World Trade Organization (WTO) in 2001, U.S. exports have grown from $16.2 billion to $41.8 billion, an increase of 158 percent. Through October 2006, U.S. exports to China grew 34 percent, and China is poised to soon replace Japan as the largest U.S. export market outside NAFTA.

The rapid emergence of China as an economic power has also generated concerns. A trade imbalance of more than $200 billion is fueling protectionist fears. Despite many advances, China remains a difficult place to do business, having a lack of transparency, rampant violations of intellectual property rights (IPR), and significant barriers to U.S. exporters and investors.

The Department of Commerce plays an important role in advancing the U.S.-China commercial relationship. Through the Joint Commission on Commerce and Trade (JCCT), the Department has made significant progress in improving the protection of intellectual property (IP), increasing transparency, and opening the Chinese market for U.S. companies. The Department is committed to ensuring that China adheres to its JCCT and WTO commitments. The Department will also continue working with Congress and the private sector to resolve market access and compliance cases, increase Chinese IPR enforcement activities, prevent the development of standards and technical barriers to trade in China, and increase the value of U.S. exports to China.

Increase exports to commercially significant markets including FTA countries, China, and India

U.S. exporting firms face unprecedented opportunities and challenges. There are three billion new customers and competitors for U.S. businesses to engage with. This is a result of ITA's ability to do business in countries that have not been active in international trade in a significant way with the United States in

recent times. The most important of these is China, but there is also India, the countries of Central Europe that were once part of the Soviet sphere, many countries in Southeast Asia, and others in Latin America. If you add them up, this is about three billion people, or almost half of the world's population.

Another recent phenomenon affecting trade is the "death of distance." In the United States there are about 200 million Internet hookups. In China there are about 111 million, with 50 million in India. There are more than 335 million cell phones in China, with 194 million in the United States. Cell phones, e-mail, the Internet, Web pages, jet airplanes, and a host of other connections are making a difference in terms of how people understand, develop relationships, and do business with one another.

ITA helps U.S. exporters find and take advantage of the commercial opportunities sparked by emerging markets and an increasingly interconnected world. Additionally, ITA helps firms export to nations where the President's bilateral and multilateral trade policy agenda has reduced tariffs, brought down trade barriers, and opened markets to U.S. products. Today, almost 43 percent of U.S. exports go to countries with which we have FTAs in place. Moreover, ITA's Commercial Service is increasing its presence in emerging market countries like China and India in order to ensure that U.S. firms, particularly small and medium-sized enterprises (SME), have the support they need to successfully compete in world markets.

Broaden and deepen the U.S. exporter base

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.

Moreover, the health of the U.S. economy depends on the Nation's SMEs. ITA's Commercial Service focuses on helping U.S. firms, both large and small, take advantage of commercial opportunities abroad so that they can grow their businesses at home. The Commercial Service, through its unique global network of trade professionals located in over 250 domestic offices and in U.S. Embassies and Consulates around the world, offers four ways to help U.S. firms grow their international sales: (1) providing world-class market research, (2) organizing trade events that promote products or services to qualified overseas buyers, (3) arranging introduction to qualified agents, buyers, and distributors, and (4) offering expert counseling through every step of the export process.

ITA's Commercial Service also operates a Trade Information Center that provides a single point of customer contact for all government export promotion and finance programs, runs the Advocacy Center that supports U.S. companies bidding on major foreign contracts, and coordinates U.S. government export promotion and finance programs through the interagency TPCC. Moreover, ITA's Commercial Service works closely with local, state and private sector partners to deliver export assistance and to increase foreign sales opportunity awareness among U.S. companies.

ITA and the Commercial Service promote U.S. export growth through the development and implementation of the National Export Strategy (NES). The centerpiece of the NES is a focus on partnerships. One of the Nation's greatest strengths are the capabilities, reach, and resources of U.S. enterprises engaged in activities that touch buyers and sellers around the world, such as express delivery companies, banks, and Web-based marketplaces. Those businesses can be great teachers and facilitators for other U.S. companies wanting to export more, or export better.

A number of great U.S. companies have already stepped forward to participate, and have offered to assist ITA in its efforts to increase U.S. exports. The first group of ITA strategic partners are Dow Jones, through their Asia Wall Street Journal unit, eBay, FedEx, and PNC Bank. As a result of their efforts, which include hundreds of marketing events and placement of trade information on their Web sites and in their newsletters, hundreds of thousands of companies have been exposed to ITA's services. ITA is also beginning to engage with these strategic partners in targeted marketing strategies. For example, FedEx is helping ITA identify and inform U.S. exporters to Mexico of opportunities

about new business opportunities in Central America, which have come about as a result of recent FTAs that the U.S. has signed with these countries. These private sector partners join ITA's traditional interagency partners, such as SBA, the Export-Import Bank, the Overseas Private Investment Corporation, and state and local governments in ITA's effort to educate, inform, and assist companies. These partnerships work because both the government's and the private partners' goals are achieved when U.S. companies make foreign sales.

Build 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 will 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 RLFs. 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 RLF projects.

IMMIGRATION

The hard work and strength of the Nation's immigrants have allowed it to prosper. As the U.S. workforce becomes better educated and fills jobs that require higher education levels, immigrants are increasingly needed to fill the jobs vacated. However, employers have a difficult time hiring foreign workers for these jobs because of the current, complex U.S. immigration system. Complicating the situation is the looming retirement of 77 million baby boomers.

The Department is committed to helping realize the President's vision for comprehensive immigration reform, that includes strengthened border security, a temporary worker program, and a practical and humane resolution for the 12 million undocumented individuals currently residing in the United States. The Department will continue to promote immigration reform and work with members of Congress in developing a proposal that addresses both U.S. national security and economic needs. After immigration reform legislation is passed, the Department will work with the private sector to ensure effective implementation, including increased awareness of employers' roles and responsibilities.

Some of the outcomes that EDA anticipates as a result of its programs 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

GULF COAST RECOVERY

The devastation caused by the 2005 Gulf Coast hurricanes was widespread: over 200,000 houses were destroyed, significant numbers of small and medium sized businesses were lost, and the fishing industry was virtually wiped out. The Department has a key role to play in rebuilding the Gulf Coast economy and placing the region on a path to become stronger than it was before the 2005 hurricane season. This involves helping increase the number of high wage jobs in Gulf communities through EDA grants, restoring and rebuilding fisheries infrastructure to a level that enables the industry to be profitable while ending over-fishing, and using business investment missions to increase the use of the Gulf Opportunity Zone tax benefits. Through MBDA's funded centers, the number of minority business enterprises awarded contracts and opening businesses in the Gulf region should increase.

Promote private enterprise and job creation in economically distressed communities and regions

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 serve as catalysts for other public and private investments to establish or expand commercial and industrial facilities in distressed communities. EDA also provides economic adjustment investments for infrastructure improvements and revolving loan funds (RLF) 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.

Increase access to the marketplace and financing for minority-owned businesses

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.

An important factor in the success of minority businesses is their capability to identify market opportunities. A strategy designed to provide minority businesses access to the global marketplace will lead 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 over the next 20 years, it will demand more capital. 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 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 identify regulatory reforms that need to be made in order to increase financing opportunities. MBDA will also hold meetings with pension funds and venture capital firms to discuss increasing the amount of venture capital available for minority business enterprises.

With respect to procurements, MBDA will link minority firms with contracting opportunities and with potential strategic or joint venture partners. MBDA has piloted the concept of its Business-to-Business Linkage events in the Gulf Coast region over the past year; the objective of these events was to build the capacity of minority firms through strategic partnerships and to expand opportunities for minority entrepreneurs in Gulf Coast reconstruction efforts. The Agency will continue to hold these events around the country. In addition, MBDA will continue to work closely with federal and local government agencies to identify procurement 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 (IT).

MBDA will continue to provide access to management and technical assistance resources through its funded programs. MBDA has increased its presence in the Gulf Coast region with the fall 2006 opening of centers in Louisiana and Mobile, AL, as well as the anticipated spring 2007 launch of the Biloxi, MS center.

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

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

PROGRAM EVALUATION

ITA's Strategic Plan for FY 2007 - FY 2012 sets forth ITA's strategic direction and outlines its intended agenda for the next six years. ITA views this plan as a critical step in holding the organization accountable for achieving its goals through performance-driven management, effective resource allocation, and improved customer satisfaction. This strategic plan serves as a roadmap to position ITA to develop and maintain the capabilities needed to address the future of global trade. It defines ITA's mission and the organization's primary role in supporting the U.S. trade and domestic competitiveness priorities in the coming years. ITA will use the outlined strategic goals, objectives, and performance measures as the reporting tools for the Performance and Accountability Report (PAR) and for its Annual Performance Plan (APP), in accordance with the Government Performance and Results Act (GPRA) requirements.

During the past two years, ITA undertook a major reorganization (the first in 20 years) to refocus its work on domestic industry issues and competitiveness, to evaluate and consolidate trade promotion functions, and to recast its approach to unfair trade. These efforts enable ITA to address the emerging challenges and opportunities of global trade. ITA's strategic plan seeks to capitalize on its new capabilities and areas of focus to provide a more complete solution to achieving ITA's mission. Through a full range of services and programs, ITA provides support to businesses throughout the entire trade lifecycle from product inception to product placement.

EDA uses program evaluations to develop valid performance measures and provide a more complete understanding of overall program performance. In FY 2006, EDA funded the following evaluations: *State of the Inner City Economies: Small Businesses in the Inner City*, and the Council on Competitiveness' research on *Measuring Regional Innovation – A Guidebook for Conducting Regional Innovation Assessments*. A report was also prepared by the National Technical Assistance, Training, Research and Evaluation Project for EDA on *Measuring Broadband's Economic Impact*.

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 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.

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.

EXTERNAL FACTORS

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. What makes global trade different today and quite likely into the future is the unprecedented speed and depth of change. As noted by author Thomas L. Friedman, the world is being "flattened" by faster and cheaper communications, global supply chains, and a new competitive dynamic where every part of the global economy is effectively in competition with every other part.

The Government Accountability 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, such as the major hurricanes the Nation experienced in 2005, 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 require funding the needs of the economically distressed communities such as those that resulted from the hurricanes' impact on the Gulf Coast.

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 re-engineer 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.

OBJECTIVE 1.1: FOSTER DOMESTIC ECONOMIC DEVELOPMENT AS WELL AS EXPORT OPPORTUNITIES		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
ITA	Strengthen U.S. competitiveness in the global marketplace	Percent of agreement milestones completed
		Percent of industry-specific trade barrier milestones completed
		Annual cost savings resulting from the adoption of manufacturing and services (MAS) recommendations contained in MAS studies and analysis
		Percent of industry-specific trade barriers addressed that were removed or prevented
		Total cost saving identified in MAS studies and analysis
	Increase exports to commercially significant markets including FTA countries, China, and India	Percent of imports by China and India that are exported from the United States
	Broaden and deepen the U.S. exporter base	Percentage of advocacy cases completed successfully
		Dollar value of advocacy cases completed successfully (U.S. export content)
		Number of new to export successes
		Number of new to market export successes
		Number of increase to market export successes
		Number of export transactions made as a result of ITA involvement
EDA	Build community capacity to achieve and sustain economic growth	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
		Percentage of sub-state jurisdiction members actively participating in the economic development district program
		Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center
		Percentage of those actions taken by University Center clients that achieved the expected results
		Percentage of trade adjustment assistance center clients taking action as a result of the assistance facilitated by the trade adjustment assistance center
		Percentage of those actions taken by trade adjustment assistance center clients that achieved the expected results
	Promote private enterprise and job creation in economically distressed communities and regions	Private sector dollars invested in distressed communities as a result of EDA investments
		Jobs created or retained in distressed communities as a result of EDA investments
MBDA	Increase access to the marketplace and financing for minority-owned businesses	Dollar value of contract awards to minority business enterprises
		Dollar value of financial awards obtained
		Number of new job opportunities
		Percent increase in client gross receipts
		Percent increase in Customer Satisfaction Index

Advance responsible economic growth and trade while protecting American security

PERFORMANCE OUTCOMES

- Identify and resolve unfair trade practices (ITA)

- Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system (BIS)

- Integrate non-U.S. actors to create a more effective global export control and treaty compliance system (BIS)

- Ensure continued U.S. technology leadership in industries that are essential to national security (BIS)

STRATEGIES TO ACHIEVE OUTCOMES

Identify and resolve unfair trade practices

U.S. industries are entitled to the benefits of trade agreements negotiated by the United States. They are also entitled to the aggressive investigation of unfair trade practices that undercut those agreements. Two program units in ITA, Import Administration (IA) and Market Access and Compliance (MAC), are committed to ensuring that U.S. firms receive those benefits and obtain prompt relief from unfair trade practices.

Dumping and the provision of certain subsidies have been condemned by the international community as reflected in the General Agreement on Tariffs and Trade (GATT) and subsequently in the WTO Agreement. ITA's IA program is responsible for the administration of the United States' AD/CVD laws. IA's subsidy enforcement activities provide U.S. companies with appropriate remedies to address unfairly traded imports consistent with U.S. law and U.S. international obligations. The Agency's work at the WTO helps ensure that access to these needed remedies is not weakened or undermined. In addition, IA's assistance to U.S. exporters subject to foreign AD/CVD proceedings helps ensure that these companies receive fair treatment in proceedings that adhere to that country's obligations under the WTO. Further, the Steel Import Monitoring and Analysis (SIMA) system was designed to provide U.S. steel producers and users with important real-time market information in an area that has traditionally been subject to market disruptions and unfair trade in a manner consistent with U.S. WTO obligations regarding import licensing.

IA 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. It defends U.S. industry against injurious trade practices by administering AD/CVD laws of the United States. IA 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. IA's Unfair Trade Practices Team confronts unfair foreign competition by monitoring economic data from U.S. global competitors and vigorously investigates evidence of unfair subsidization and production distortions. IA's China Compliance office devotes more resources to China cases and issues unique to non-market economies, such as intellectual property rights (IPR) violations affecting the U.S. textile industry.

Trade agreement compliance and foreign trade barriers have been a continuous problem for U.S. exporting firms, large and small. Many companies, especially small and medium sized firms, do not have the resources, knowledge or leverage to influence foreign governments, their laws and regulatory regimes. ITA's MAC program unit ensures market access for U.S. businesses, advances the rule of law internationally, and creates a fair, open, and predictable trading environment. MAC uses a range of techniques to advocate on behalf of U.S. business and

intervene with other governments to ensure foreign compliance with existing trade agreements and to eliminate trade barriers. In addition, the MAC program conducts critical trade policy analysis and negotiation support for the USTR and represents the Department in trade related dealings with other U.S. government agencies.

Government-to-government representation is often required to influence and shape trade policies developed by foreign governments so the policies don't become impediments to U.S. access of their market. The MAC program addresses the specific existing problem of helping U.S. firms become more aware of their rights and benefits under all trade agreements (bilateral, regional, or multilateral) signed by the United States, and to ensure that they encounter a level playing field when they enter a foreign market. MAC monitors or oversees the monitoring of over 250 trade agreements.

Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system

BIS serves U.S. security needs and U.S. exporters by administering licensing jurisdiction over the export and re-export of dual-use commodities and technical data as authorized by the Export Administration Act (EAA) and Export Administration Regulations (EAR). As part of this program, BIS develops and publishes export control regulations and procedures, administers the interagency process established to review individual export license applications, and issues formal commodity classifications and related determinations.

BIS also provides assistance to the business community in understanding and meeting the requirements of the dual-use export control system by responding to exporter questions through seminars, publications, and a help desk. In addition, BIS disseminates current export licensing and export control policy information on the BIS Web site *(www.bis.doc.gov)*.

BIS also oversees and facilitates compliance with the Chemical Weapons Convention (CWC) and the Additional Protocol to the International Atomic Energy Agency (IAEA) Safeguard Agreement by the U.S. business community. This responsibility includes hosting domestic visits of international inspection teams to determine U.S. companies' compliance with treaty obligations and receiving and analyzing industry reports required by the treaty.

BIS investigates criminal and administrative violations, and imposes civil sanctions for violations of the EAA, International Economic Emergency Powers Act, Ribicoff Amendment to the 1976 Tax Reform Act, the CWC Implementation Act, the Fastener Quality Act (FQA), and related statutes and regulations. Consistent with the President's national security priorities, BIS prioritizes its enforcement activities on cases relating to the proliferation of weapons of mass destruction (WMD), terrorism, and military diversion.

BIS also undertakes a vigorous campaign of preventive enforcement measures.   BIS agents conduct end-use checks, both pre-license checks and post-shipment verifications for licensed transactions, to help detect and prevent diversions of U.S. goods to countries and end-users of proliferation concern.   Other BIS preventive enforcement measures include seeking temporary denials of export privileges where a violation is imminent, reviewing Shipper's Export Declarations (SED), utilizing intelligence research and analysis to better target EE's nonproliferation and anti-terrorism enforcement efforts, reviewing visa applications of foreign nationals who are not permanent residents to prevent illegal technology transfers, and screening export license applications against the U.S. Department of Homeland Security's (DHS) Treasury Enforcement Communication Systems (TECS) and other databases.

BIS also enforces U.S. anti-boycott law and regulations by advising U.S. exporters on potential prohibited requests contained in foreign contracts, investigating violations such as the furnishing of boycott-related information, refusing to deal with blacklisted businesses, and engaging in religious discrimination, and pursuing criminal and administrative sanctions for violations.

Integrate non-U.S. actors to create a more effective global export control and treaty compliance system

BIS develops and implements policies to strengthen multilateral cooperation on export controls. These programs help strengthen U.S. security by extending controls over sensitive items beyond U.S. borders; they also help ensure a level playing field for U.S. exporters and otherwise permit them access to foreign markets. BIS also develops and implements policy initiatives to integrate other key countries, such as China and India, more tightly into the global dual-use export system, thereby increasing U.S. security and facilitating the export of sensitive U.S. items to these markets.

In addition, BIS provides substantive support to the U.S. government's Export Control and Related Border Security Assistance (EXBS) program, which provides technical assistance to strengthen the export and transit control systems of nations lacking effective systems that are identified as potential locations for export transshipment or transit of nuclear, chemical, biological, or radiological weapons, missile delivery systems, or the commodities, technologies, or equipment that could be used to design or build such weapons or their delivery systems.

Ensure continued U.S. technology leadership in industries that are essential to national security

BIS promotes U.S. security and competitiveness through programs to strengthen U.S. industry's ability to meet vital U.S. national security requirements. BIS assesses and evaluates the impact of export controls on and the viability of strategic U.S. industries, administers the "deemed export" regulations, evaluates the effects on national security of imports of certain items and foreign investments in U.S. companies, provides defense trade advocacy support for U.S. industry, and assesses the impact of defense memoranda of understanding and sales of excess defense articles on U.S. industry. Under the Defense Production Act, BIS undertakes a variety of responsibilities, including implementing the Defense Priorities and Allocations System (DPAS). DPAS assures the timely availability of industrial resources to meet national defense and emergency preparedness program requirements and provides an operating system to support rapid industrial response in a national emergency.

PROGRAM EVALUATION

ITA's Import Administration — Within the past five years, several independent cross-agency GAO studies on monitoring and enforcement have referenced IA, and the Department's Inspector General (IG) has completed one IA-specific survey on statutory deadlines and reviews. The IG's report included specific recommendations. In addition, IA participated in an ITA-wide customer survey to assess IA's effectiveness and to continuously improve its programs.

The IG recommended that IA focus on management control processes, procedures, training needs, and technology enhancements. IA is in the process of implementing the January 2005 IG findings by upgrading internal management tools used to manage reviews. In addition, IA intends to issue a public clarification of its longstanding practice that a statutory deadline for both AD and CVD administrative reviews that falls on a weekend or legal holiday will be issued on the following business day. Lastly, in 2004, IA and the Office of the Chief Information Officer (OCIO) procured a software system to address their collective document management and Web content management needs.

IA also conducts internal reviews to enhance the performance of its programs with respect to customer service, development of expertise, use of effective information management and timeliness. For example, IA is upgrading its information management and analytical methods by working with Customs Border Patrol on the International Trade Data System (ITDS), which will enable IA to expand its capacity to perform analysis and aid in the issuance of AD/CVD instructions to the Customs Border Patrol. Additionally, IA has published Federal Register notices requesting public comments on unfair trade practices, the steel import licensing system, and on the non-market economy methodologies applied by IA to ensure Agency responsiveness to public concerns and to provide for transparency of IA's activities.

ITA's Market Access and Compliance — Within the past five years, MAC participated in five cross-agency GAO studies on monitoring and enforcement and one MAC-specific IG report on the Trade Compliance Center (TCC). In addition, MAC participated in an ITA-wide customer survey to assess customer satisfaction with MAC's products and services. These studies highlighted MAC's strengths and identified areas for development, such as increased compliance coordination throughout ITA and across trade agencies and the development of an action plan to improve case tracking. MAC has addressed all recommendations.

BIS — In FY 2005 the Office of Management and Budget (OMB) evaluated BIS via the Program Assessment Rating Tool (PART). In summary:

- OMB confirmed that BIS's purpose, design, and management are strong. OMB also confirmed that BIS would benefit from an updated, reauthorized EAA, which would clarify some outdated control requirements, increase penalties for violations, and specify interagency licensing processes. BIS is consulting with Congress on reauthorization of the EAA.

- OMB stressed the need for BIS to review its overall performance goals, measures, and targets. Revised BIS performance measures have been included in Appendix A to meet this OMB recommendation.

GAO and the Office of the Inspector General (OIG) continued their review of BIS programs and activities in the following reports: *Joint Strike Fighter Acquisition: Cooperative Program Needs Greater Oversight to Ensure Goals Are Met*, GAO-03-775; *Export Controls: Post Shipment Verification Provides Limited Assurance That Dual-Use Items Are Being Properly Used*, GAO-04-357; *Nonproliferation: Improvements Needed to Better Control Technology Exports for Cruise Missiles and Unmanned Aerial Vehicles*, GAO-04-175; *Nonproliferation: Delays in Implementing the Chemical Weapons Convention Raise Concerns About Proliferation*, GAO-04-361; *Department of State: Nonproliferation, Anti-terrorism, Demining, and Related Programs Follow Legal Authority, But Some Activities Need Reassessment*, GAO-04-521; *Transfer of Budgetary Resources to the Department of Homeland Security*, GAO-04-329R; *Defense Trade: Exon-Florio May Have Limited Effectiveness in Protecting U.S. National Security*, GAO-05-686; *Deemed Export Controls May Not Stop the Transfer of Sensitive Technology to Foreign Nationals in the U.S.*, IPE-16176 (FOUO); *Interagency Review of Foreign National Access to Export-Controlled Technology in the United States*, Volume I & II (FOUO); *The Export Licensing Process for Chemical and Biological Commodities is Generally Working Well, But Some Issues Need Resolution*, IPE-16946; *U.S. Dual-Use Export Controls for China Need to be Strengthened*, IPE-17500.

EXTERNAL FACTORS

The fundamental forces underlying globalization–including the march of democracy, the opening of global markets, the technology revolution, and geopolitical developments–create complex new challenges for export controls.

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 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 increasing 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 emergent requirements.

OBJECTIVE 1.2: ADVANCE RESPONSIBLE ECONOMIC GROWTH AND TRADE WHILE PROTECTING AMERICAN SECURITY		
BUREAU	OUTCOME	PERFORMANCE MEASURE
ITA	Identify and resolve unfair trade practices	Percentage of AD/CVD proceedings completed within statutory deadlines
		Number of market access and compliance cases initiated
		Number of market access and compliance cases resolved
		Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses
		Percentage of market access and compliance cases resolved successfully
BIS	Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system	Percent of licenses requiring interagency referral referred in nine days
		Median processing time for new regime regulations (months)
		Percent of attendees rating seminars highly
		Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified, and submitted to the State Department in time for the United States to meet its treaty obligations
		Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge
	Integrate non-U.S. actors to create a more effective global export control and treaty compliance system	Number of end-use checks completed
	Ensure continued U.S. technology leadership in industries that are essential to national security	Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls

OBJECTIVE 1.3

Advance key economic and demographic data that support effective decision-making by policymakers, businesses, and the American public

PERFORMANCE OUTCOMES

- Provide benchmark measures of the U.S. population, economy, and governments (Census)

- Provide current measures of the U.S. population, economy, and governments (Census)

- Provide timely, relevant, and accurate economic statistics (BEA)

STRATEGIES TO ACHIEVE OUTCOMES

Provide benchmark measures of the U.S. population, economy, and governments

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.

The Decennial Census is being re-engineered in advance of the 2010 Census to:

- Improve the relevance and timeliness of census data previously collected on the long form;

- Reduce operational risk;

- Improve the accuracy of census coverage; and

- Contain costs.

The means and strategies to re-engineer the 2010 Decennial Census include:

- Removing the long-form questionnaire from the 2010 Census, as the American Community Survey (ACS) now collects and tabulates long-form data on an annual basis;

- Improving its Master Address File (MAF) and geographic database (TIGER) by bringing them into alignment with global positioning system (GPS) coordinates and by converting the Census Bureau's home-grown processing environment into one based on commercial off-the-shelf and geographic information system (GIS) software products; and

- Integrating planning, development, and testing to completely restructure the management and conduct of a short-form only census in 2010.

The Economic Census covers all nonagricultural sectors of the economy, publishes data on the activities of more than 26 million establishments and more than 1,000 industries, and provides information for detailed geographic areas.

The means and strategies that the Census Bureau uses to achieve results for the economic statistics programs include:

- 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; and

- Conducting, processing, publishing, and disseminating data from the Economic Census and Census of Governments on schedule.

The Census Bureau's demographic programs provide population estimates used to allocate approximately $200 billion in federal funds each year, conduct the analyses that underlie the statistical definitions and standards used by the entire federal statistical system, and establish the baseline sampling information that underlie virtually every survey conducted in the United States by both private and public sectors.

The means and strategies that the Census Bureau uses to achieve results for the demographic statistics programs include:

- Collecting, processing, evaluating, and integrating census, survey, and administrative records data from a variety of federal and state sources;

- Using the ACS, as well as newly developed sources of data, to revise and improve the assumptions and methods used to compile estimates of international migration;

- 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;

- Selecting representative samples of households for major national surveys that are chosen so that the same household is unlikely to be selected more than once during the decade; and

- 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 continually updated MAF and annual data from the ACS.

The Census Bureau's abilities to exploit technology, acquire and use administrative records, anticipate and respond to privacy concerns, and apply the latest systems and statistical and survey methodologies play a critical role in accomplishing all of its mission.

Provide current measures of the U.S. population, economy, and governments

The Census Bureau's programs for current measures give decisionmakers accurate, timely, relevant, cost-effective, and accessible statistics on a wide range of subjects including income, poverty, health insurance coverage, employment, housing starts, retail and wholesale trade sales, international trade, corporate profits, and manufacturers' shipments, and orders and inventories.

The means and strategies to achieve these results include:

- 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;

◉ Developing policy-relevant information and analytic reports, and making them easily accessible on the Census Bureau's Web site, to 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; and

◉ Improving operations of current surveys through testing and implementing alternative methods of data collection (such as Internet reporting in the economic surveys), implementing new automated tools (such as graphically based software) to create state-of-the-art collection instruments, and training field representatives in new methods.

Provide timely, relevant, and accurate economic statistics

BEA produces objective economic statistics that 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 U.S. 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 the U.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 GDP 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 U.S. 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. In addition, BEA must provide estimates that are readily accessible in easy-to-use formats.

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

◉ *Customers:* Make BEA's economic accounts and services more responsive to the needs of its customers and partners.

◉ *Employees:* Attract, develop, and retain a highly qualified, diverse workforce prepared to innovate and improve BEA's statistics.

◉ *Management:* Upgrade resource management to support BEA's strategic goals.

◉ *Statistics:* 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, upgrade and apply support systems, and develop and implement improved statistical and survey methodologies is critical to meeting its mission of day-to-day and year-to-year measurement of the U.S. economy and population. Evaluations of the Census Bureau's mission-critical support programs are numerous and ongoing. The following are some examples:

Decennial Census: The Census Bureau has a long history of commitment to, and implementation of, evaluations of all its surveys, censuses, systems, and other mission critical activities. For example, the extensive Census 2000 Testing, Experimentation, and Evaluation Program assisted the Census Bureau in evaluating Census 2000 and in exploring new survey procedures in a census environment. It builds the foundation for making early and informed decisions about the role and scope of the 2010 Census in the federal statistical system. The Census Bureau already has conducted three major tests of methods, systems, and operations for the 2010 Census, and a fourth is nearly complete. A Dress Rehearsal Census will be conducted in 2008 as well, and efforts are already underway to plan tests, experiments, and evaluations to be conducted as part of the 2010 Census itself.

Since 1996, the methods used in the ACS have been tested, evaluated, and improved. Prior to full implementation, the Census Bureau conducted a series of evaluations on the feasibility of full implementation of the ACS, the quality of ACS products, the comparability of ACS and decennial census data, and the impact of the use of voluntary methods on ACS costs and quality. The Census Bureau established an annual ACS methods panel to (1) evaluate alternative methods that will facilitate maintaining or reducing overall costs without incurring any loss in data quality and (2) test proposed content and format changes. Currently the Census Bureau completed testing to make decisions on the final content of the 2008 ACS questionnaires and instruments. Future methods panel experiments will include mail response and data collection efficiency initiatives that will lead to data quality improvements. Evaluations of methods, research on weighting and estimation, and evaluations of the properties of multi-year estimates are underway. In addition to these internal evaluations, the Census Bureau has contracted with external demographers and statisticians to evaluate ACS data and has worked closely with OIG and GAO staff on issues relating to the ACS.

For its geographic programs, the Census Bureau implemented, for the first time in Census 2000, a Local Update of Census Addresses (LUCA) program in which tribal and local governments reviewed and corrected the census address list and maps. Since Census 2000, the Planning, Research and Evaluation Division (PRED), the National Academy of Sciences (NAS), the Department OIG, OMB, and the Anteon Corporation have conducted evaluations of and surveys about the LUCA program. These evaluations and surveys resulted in a number of recommendations aimed at improving the LUCA program, and these improvements are being implemented and will be demonstrated in the 2010 Census Dress Rehearsal.

In addition, many aspects of Census 2000, and of the Census Bureau's re-engineering efforts for the 2010 Decennial Census Program, have been the subject of numerous and extensive audits conducted by the Department's OIG and by GAO.

Economic Statistics: Economic statistics staff program evaluations have 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.

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

Bureau of Economic Analysis: BEA tirelessly works to ensure that all its programs serve the needs of its end users. To accomplish this task, BEA aggressively reaches out through a variety of methods including attending professional conferences of economic data users, conducting training programs, meeting with groups of users, co-sponsoring public feedback sessions, and organizing biennial Advisory Committee meetings. In addition, BEA prepares and makes public its 5-year Strategic Plan that informs users of BEA plans and seeks their feedback. A Customer Satisfaction Survey provides BEA with additional feedback on the usefulness of BEA programs and services. Finally, BEA regularly evaluates its workplace to ensure it nurtures and supports a healthy and effective workforce.

BEA's 5-year Strategic Plan serves as the most important basis for BEA's evaluation of its programs and performance. The strategic plan is a detailed operating plan that guides BEA's planning with over 160 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 BEA Strategic Plan is reviewed annually, 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 2006, BEA met all of its major milestones and over 96 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.

BEA Advisory Committee: Twice a year, the 13-member BEA Advisory Committee holds public meetings 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.

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 four surveys have found that users rated BEA with a 4.2 or above 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 IT systems used by most users to access BEA data.

In addition to the customer satisfaction survey, BEA monitors its contacts with users. In FY 2006, BEA obtained a monthly average of 3.9 million page views and over five million downloads from BEA's Web site, *www.bea.gov.*

Human Capital Management: Organizational Assessment Survey — In FY 2006, BEA contracted with the Office of Personnel Management (OPM) to conduct the third Organizational Assessment Survey (OAS) to help BEA evaluate its organizational strengths and challenges. The OAS is designed to help an organization identify opportunities for improvements to the work environment in order to enhance its effectiveness in performing its mission. BEA has completed two OAS previously and made significant changes to its organization to improve its performance. In the 2006 OAS, BEA set the benchmark highs on 7 of the 17 elements including strategic planning, leadership, performance measures, and communication. BEA leadership recognizes the importance of maintaining a quality workplace for its employees to retain the highest skilled workers and to meet its ambitious goals.

In addition:

- BEA completed an annual self-assessment of management processes and procedures followed for IT capital planning, IT security, and IT architecture. BEA 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. As technology provides a greater ability to collect, process, and disseminate data, it also presents greater challenges to protect data from improper access and use. 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. The Census Bureau is continuing to explore options to both provide appropriate access to information and to protecting confidentiality.

One major mitigation strategy for this problem is to continually inform the public of the Census Bureau's privacy and confidentiality policies for all 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 its customers is at the heart of the Census Bureau's 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.

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.

BUREAU	OUTCOME	PERFORMANCE MEASURE
OBJECTIVE 1.3: ADVANCE KEY ECONOMIC AND DEMOGRAPHIC DATA THAT SUPPORT EFFECTIVE DECISION-MAKING BY POLICYMAKERS, BUSINESSES, AND THE AMERICAN PUBLIC		
Census	Provide benchmark measures of the U.S. population, economy, and governments	Correct street features in TIGER database to more effectively support Census Bureau censuses and surveys; facilitate the geographic partnerships between federal, state, local, and tribal governments; and support the E-Gov initiative in the President's Management Agenda
		Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public, and meet constitutional and legislative mandates
		Meet or exceed overall federal score of customer satisfaction on the American Customer Satisfaction Index
	Provide current measures of the U.S. population, economy, and governments	Achieve pre-determined collection rates for Census Bureau surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public
		Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public
		Meet or exceed overall federal score of customer satisfaction on the American Customer Satisfaction Indexs
BEA	Provide timely, relevant, and accurate economic statistics	Reliability of delivery of economic data (number of scheduled releases issued on time)
		Customer satisfaction with quality of products and services (mean rating on a 5-point scale)
		Percent of GDP estimates correct
		Improvement of GDP and the economic accounts
		Acceleration of economic estimates
		Meeting of U.S. international obligations
		Measurement of the knowledge economy

OBJECTIVE 1.4

Position small manufacturers to compete in a global economy

PERFORMANCE OUTCOME

- Raise the productivity and competitiveness of small manufacturers (NIST)

STRATEGIES TO ACHIEVE OUTCOME

Raise the productivity and competitiveness of small manufacturers

In addition to its core measurement, testing, and standards functions, NIST also conducts extramural programs, including the Hollings Manufacturing Extension Partnership (MEP), a network of manufacturing centers linked to state, university, community college, and private sources of technology. Through MEP, NIST promotes innovation and competitiveness by helping smaller firms adopt advanced manufacturing and management technologies as well as innovative business practices to position them to compete in the global economy. MEP's manufacturing extension centers work at the grassroots level, with each MEP center providing its local manufacturers with expertise and services tailored to their most critical needs. The program uses measures such as number of clients served by MEP Centers and increased sales, capital investment, and cost savings reported by clients to demonstrate the level of activity as well as the outcomes resulting from the services MEP Centers provide. As competition in the global market expands, the needs of manufacturers include cost reduction solutions and strategies for how to grow their businesses and develop the flexibility to remain competitive.

With success in the marketplace dependent upon product differentiation, service innovation, and speed to market, MEP is prepared to position manufacturers to compete in this global economy through services that are grounded in business strategy development, advanced marketing techniques, new product development, the integration of supply chains, and increasing the technical and problem solving skills of the workforce.

Success depends on integrating three key ingredients, including:

- Methodologies that guide manufacturers' continual innovation of products, processes, services, and business models;

- A nationwide technology deployment system that systematically assesses manufacturers' needs, identifies potential technologies, evaluates alternatives for technical and commercial potential, and transitions technologies into practical solutions; and

- An entrepreneurial workforce equipped to utilize decision support tools and market intelligence to drive change.

These activities characterize MEP's evolving efforts to re-position U.S.-based manufacturers as successful competitors in the global marketplace.

PROGRAM EVALUATION

The MEP National Advisory Board (MEPNAB) conducts external reviews of the programmatic objectives of the MEP program. Additionally, guided by MEP's strategic plan and its efforts to further advance the goal of increasing the competitiveness of small manufacturers, the Baldrige National Quality Program (BNQP) evaluation criteria have been adopted as a framework for generating continuous improvement in center performance and impact.

EXTERNAL FACTORS

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 must anticipate changes in the business environment facing smaller manufacturers.

OBJECTIVE 1.4: POSITION SMALL MANUFACTURERS TO COMPETE IN A GLOBAL ECONOMY		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
NIST	Raise the productivity and competitiveness of small manufacturers	Number of clients served by MEP Centers receiving federal funding
		Increased sales attributed to MEP Centers receiving federal funding
		Capital investment attributed to MEP Centers receiving federal funding
		Cost savings attributed to MEP Centers receiving federal funding

STRATEGIC
GOAL 2

Promote U.S. innovation and industrial competitiveness

STRATEGIC GOAL 2

PROMOTE U.S. INNOVATION AND INDUSTRIAL COMPETITIVENESS

The Department's second strategic goal focuses on providing the infrastructure that will enable U.S. businesses to maintain their technological advantage in world markets. Globalization and recent technology-driven productivity gains provide new challenges. Continued partnership, collaboration, and cooperation between the Department and industry will further promote the Nation's technological edge.

Intellectual property (IP) is a potent force in, and a fundamental component of, the global economy. A recent study shows that 75 percent of the value of publicly traded U.S. companies—some $5 trillion—comes from "intangible" assets such as brands, copyrights, and patents.

In recognition of the importance of innovation to the United States' economic future, a priority area for the Department is to play a key role in the American Competitiveness Initiative (ACI) aimed at keeping the United States strong and secure by ensuring that it continues to lead the world in science and technology (S&T). The Department is committed to working with Congress to successfully pass and implement all of the components of ACI, including making permanent the research and development (R&D) tax credit and improving math and science education.

The ACI identified the National Institute of Standards and Technology (NIST) as one of three key federal agencies that support basic research programs in the physical sciences and engineering. NIST research laboratories focus on providing the measurements, standards, verified data, and test methods necessary to support the development of new technologies and to promote the competitive standing of the United States in the global economy. The world-class scientific and technical staff works closely with private industry, academic researchers, and other government agencies.

CHALLENGES AND PERSPECTIVES

The Department faces a number of key challenges with the following being among the most significant because of their cost, urgency, complexity, or importance to its mission.

- ### *Protecting Intellectual Property*

  The Bush Administration launched the Strategy Targeting Organized Piracy (STOP!) initiative in October 2004. STOP! has charged executive branch agencies and officials with elevating their attention to IP protection and with being innovative in their approaches in doing so.

COMPETITIVENESS

In his January 31, 2006 State of the Union Address, the President launched the American Competitiveness Initiative (ACI), committing to increase investments in research and development (R&D), strengthen education, and encourage entrepreneurship and innovation. ACI funding will support the research performed by NIST, which benefits the quality and usefulness of a wide range of products, such as the storage technology found in MP3 players, protective body armor, and diagnostic screening for cancer patients.

Policymakers need to understand the determinants of growth in a competitive global economy. In order to move forward on its competitiveness agenda the Department must work with Congress to pass its elements of ACI. The Department must also highlight other important components of ACI, such as making permanent the R&D tax credit and enhancing math and science education. The data the Department makes available on the services component of the economy must be enhanced and its ability to measure innovation in the economy must be improved. The Department also has an important role to play in illustrating the impact of unnecessary regulatory costs to U.S. competitiveness. Finally, the Department should strengthen collaboration between industry and universities in order to accelerate the application of research discoveries to industry.

STOP! is led by the White House and brings together the U.S. Trade Representative (USTR), the Department, the Department of Justice (DOJ), the Department of Homeland Security (DHS), the Food and Drug Administration (FDA), and the State Department. STOP! is the most comprehensive initiative ever advanced to fight global piracy where it starts, block bogus goods at U.S. borders, and help U.S. businesses secure and enforce their rights around the world.

STOP! focuses on five key objectives:

1 Empowering U.S. innovators to better protect their rights at home and abroad.

2 Increasing efforts to seize counterfeit goods at U.S. borders.

3 Pursuing criminal enterprises involved in piracy and counterfeiting.

4 Working closely and creatively with U.S. industry.

5 Aggressively engaging U.S. trading partners to join Department efforts.

For more detailed information, visit: *http://www.stopfakes.gov*

In 1999, Congress established the National Intellectual Property Law Enforcement Coordination Council (NIPLECC) "to leverage the capabilities and resources of the Federal Government to provide a secure and predictable global environment for American intellectual property." NIPLECC coordinates the U.S. domestic and international IP enforcement activities, including coordinating official training, industry outreach, increasing public awareness, and serving as a law enforcement liaison.

NIPLECC includes the following members:

- Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office (Co-chair)

- Assistant Attorney General, Criminal Division (Co-chair)

- Under Secretary of State for Economic and Agricultural Affairs

- Deputy United States Trade Representative

- Commissioner of Customs

- Under Secretary of Commerce for International Trade

Congress amended the NIPLECC to create the Presidentially-appointed Coordinator for International Intellectual Property Enforcement to head the NIPLECC, with duties to include:

- The establishment of policies, objectives, and priorities concerning international IP protection and enforcement;

- The development of a strategy for protecting IP overseas; and

- The coordination and oversight of Agency activities relating to the implementation of such policies and strategy to protect and enforce intellectual property rights (IPR).

NIPLECC has assumed a more central role to better facilitate effective coordination. It bears emphasizing, however, that NIPLECC does not seek to derogate from the independent authority, mission, and operation of its member agencies. Each NIPLECC agency is separately charged with carrying out its statutory responsibilities and brings to the performance of those tasks specialized knowledge, invaluable expertise, and in some cases, literally centuries of experience.

◉ *Processing of Patent and Trademark Applications*

Demand for U.S. Patent and Trademark Office (USPTO) products and services, particularly the filing of patent and trademark applications remains strong. Over the past ten years, the average annual growth rates for patent and trademark filings have been about six percent and seven percent, respectively. Although patent filings growth slowed in FY 2002 and FY 2003 and trademark filings slowed between FY 2001 through 2003, above average growth resumed in 2004, 2005, and 2006.

USPTO received over 443,000 utility, plant, reissue, and design (UPRD) patent filings in FY 2006, a record high and an increase of 8.3 percent from 2005. Likewise, trademark filings continued to rise, with 9.7 percent increase in 2006 from 2005. Trademark filings are now at their second highest level (354,775) ever recorded. The recent growth is consistent with a strong economy. Based on indications that the economy is expected to continue to expand, patent and trademark application filings are expected to grow at a single-digit rate during the planning horizon. Not only is workload rising, but also there is a shift of patent application filings from traditional arts (e.g., mechanical technologies) to more complex technologies (e.g., software and communications). The patent application growth rate is raising the backlog of unexamined UPRD applications to over 700,000. As a result, it now takes an average of 31 months from the filing date to get a final decision on whether an invention is patentable.

BUREAUS CONTRIBUTING TO THIS GOAL

The Technology Administration (TA) serves as a focal point to foster the development, diffusion, and adoption of new technologies; to disseminate information on U.S. and foreign technology strategies and best practices, and to create a business environment conducive to innovation. TA addresses these issues through the Office of the Under Secretary, NIST, and the National Technical Information Service (NTIS). The Department has proposed reorganizing TA's policy functions into the Department's Office of Policy and Strategic Planning and a Department-wide Technology Council.

With a world-class, world-renowned facility and three Nobel Prize winners, NIST promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that strengthen economic security and improve U.S. quality of life. The Department recognizes the importance of innovation to the U.S. economic future. Therefore the Department seeks to play a key role in the ACI aimed at keeping the United States strong and secure by ensuring that it continues to lead the world in S&T.

NTIS meets the challenge of permanently preserving and making ready access to the taxpayers' investment in R&D through the acquisition, organization, and preservation of the documents or publications added annually to the permanent collection. NTIS also promotes the development and application of S&T by providing technologically advanced global e-commerce channels for dissemination of specialized information to business, industry, government, and the public, and makes the bibliographic database available to all users.

USPTO provides patent and trademark protection to inventors and entrepreneurs, and small and large businesses for their inventions and corporate and product identification. Through the timely issuance of high-quality patents and trademark registrations, USPTO responds to market forces by promoting advances in technology, expanding business opportunities, and creating jobs. In addition, USPTO is working with its partners to create a stronger, better-coordinated, and more streamlined framework for protecting IP around the world.

The National Telecommunications and Information Administration (NTIA) advocates for policies and conducts technical research that supports delivery of the latest telecommunications technology and services to all Americans. NTIA manages federal use of the radio spectrum, promotes the use of spectrum that most efficiently serves all Americans, and maintains readiness for response to crises. NTIA supports innovative telecommunications and information technologies through basic research performed at its laboratory, the Institute for Telecommunication Sciences (ITS). ITS performs extensive basic research on the quality of digital speech, audio, and video compression and transmission characteristics. This research has the potential to improve both the performance of telecommunications networks and the availability of digital content on the Internet.

OBJECTIVE 2.1

Advance measurement science and standards that drive technological change

PERFORMANCE OUTCOMES

- Provide leadership in promoting national technology policies that facilitate U.S. preeminence in key areas of science and technology (TA)

- Promote innovation, facilitate trade, and ensure public safety and security by strengthening the Nation's measurement and standards infrastructure (NIST)

- Increase public access to worldwide scientific and technical information through improved acquisition and dissemination activities (NTIS)

STRATEGIES TO ACHIEVE OUTCOMES

Provide leadership in promoting national technology policies that facilitate U.S. preeminence in key areas of science and technology

TA provides S&T policy support to the Secretary of Commerce as well as policy guidance and oversight for its component agencies (NIST and NTIS). Technological innovation has evolved to a point where it plays a critical role in competitiveness across our entire economy rather than taking place in an isolated sector unto itself. In keeping with this evolution, the Department has proposed to modernize its approach to technology policy by elevating technology policy activities to the Secretarial level. In place of a stand-alone Technology Administration, the Department has proposed establishing a senior advisor position within the Department's Office of Policy and Strategic Planning, as well as a Department-wide Technology Council that will coordinate technology policy activities that are distributed across the Department. Under the proposed structure, NIST will report directly to the Secretary, and NTIS will report to NIST.

Promote innovation, facilitate trade, and ensure public safety and security by strengthening the Nation's measurement and standards infrastructure

Through its broad and vigorous measurement research, NIST works to anticipate the infrastructure needs of next-generation technologies and industries in the United States. This forward-looking research not only yields improvements in NIST's measurement services, but also generates new knowledge, capabilities, and techniques that are transferred to industry, universities, and government.

Next-generation measurement science and standards needs require NIST to focus its long-term research efforts on specific interdisciplinary technology areas (e.g., nanotechnology and quantum science) where inadequate technical infrastructure is a barrier to innovation, commercialization, and public benefit. NIST currently has a broad range of competencies to draw on in each area, but emerging measurement and standards needs require a higher level of strategic focus, internal and external collaboration, and organizational commitment. NIST has determined that these areas offer the greatest potential for increasing NIST's long-term impact on industrial competitiveness, innovation, trade, and quality of life. To identify other priority research areas, NIST conducts prospective economic studies to estimate the cost of inadequate technical infrastructure across industry segments.

In general, it takes years for the economic impact of the discoveries made within the Nation's science enterprise to be felt. Since this goal centers on conducting research for potential future applications, NIST relies most heavily on external peer review to evaluate technical quality, merit, and performance. Specialized expert review panels conduct these reviews under the management of the National Research Council (NRC), and comprehensively cover the NIST laboratories. NIST also provides two indicators of the diffusion of its research results: the volume of technical publications and the citation frequency for NIST-authored publications. In addition, NIST conducts benchmarking analyses of its measurement capabilities relative to other National Metrology Institutes (NMI).

A major component of the Department's mission is to promote U.S. competitiveness by strengthening and safeguarding U.S. economic infrastructure. The economy and measurement infrastructure depend on accurate measurements and direct traceability to international standards. Measurement equivalency among international, national, and local laboratories is critical for the acceptance of test results for commerce, international trade, and health and safety. NIST maintains the national measurement and standards system and provides high-accuracy primary measurement services to anchor the Nation's industrial enterprise to international primary standards. U.S. industry requires a high quality measurement infrastructure for product development, testing, instrumentation, process monitoring, and product performance improvement.

NIST ensures that advanced measurement capabilities are available in major economic areas and at critical stages of the innovation process through dissemination of calibrations, artifacts, and reference data. These measurement services provide a common infrastructure for measurement functions in existing industries, allowing customers to verify and gain domestic and international acceptance of their measurement results by tracing them back to the primary national and international standards. Through these services, NIST provides its customers in industry, government, and the scientific community with measurement uniformity, traceability, and equity in domestic and international commerce.

In addition to peer review to assess technical quality and merit, NIST also tracks three output measures: Standard Reference Materials (SRM) sold, NIST-maintained datasets downloaded, and the number of calibration tests performed. While NIST has diverse measurement and standards outputs, these three product and service categories represent major channels through which NIST transfers its measurement and standards capabilities to established industries; the metrics themselves indicate the level of use of each of these products or services. To measure and evaluate ultimate impacts, NIST conducts retrospective microeconomic impact studies to quantify the net present value, real benefit to cost ratio, and social rate of return that accrue from the use of specific NIST measurement and standards products or services.

Increase public access to worldwide scientific and technical information through improved acquisition and dissemination activities

NTIS continues to meet the challenge of permanent preservation of and ready access to the taxpayers' investment in R&D through the acquisition, organization, and preservation of the titles added annually to the permanent collection. NTIS promotes the development and application of S&T by providing technologically advanced global e-commerce channels for dissemination of specialized information to business, industry, government, and the public. NTIS has implemented a new initiative to provide the public with increased access to government information. Searching the NTIS bibliographic database (from 1997 to the present) is available via the Internet free of charge. Users can download electronic format items from the NTIS collection.

PROGRAM EVALUATION

Program evaluation for the NIST laboratories involves a combination of specific output tracking, crosscutting peer review, and economic impact analyses.

The NIST laboratories are reviewed by the National Research Council (NRC) Board on Assessment. The NRC provides an independent, technically sophisticated, and extensive review of:

- The technical quality and merit of the laboratory programs relative to the current state-of-the-art worldwide

- The effectiveness with which the laboratory programs are carried out and the results disseminated to their customers

- The degree to which the laboratory programs are meeting the needs of their intended customers

- The adequacy of the Laboratories' facilities, equipment, and human resources insofar as they affect the quality of the technical programs and the effectiveness with which the Laboratories meet their customers' needs.

The most recent NRC report is available online at: *http://www.nist.gov/director/AssessmentReport.pdf*

The Visiting Committee on Advanced Technology (VCAT), a legislatively-mandated panel of advisors that meets quarterly to review NIST's general policy, organization, budget, and programs, also conducts external reviews.

NIST supplements the external review process with retrospective studies that seek to estimate the long-term benefits that derive from specific NIST products or services. Collectively, these studies indicate the types and levels of public benefits that will likely derive from investments in NIST laboratory research.

EXTERNAL FACTORS

Technology is a fundamental component of economic growth and rising living standards. Technological progress drives national productivity growth, provides U.S. industries with a competitive edge in world markets, and serves as a linchpin for effective national security. As such, it is critical that federal policies remain abreast of national and international trends and promote a positive environment for technological and business innovation. The associated policy issues are diverse and numerous, including:

- Technology transfer and productive partnerships among the many public and private organizations that conduct research and drive commercialization of innovative products and processes;

- The health of the U.S. investment in R&D (public, private industry, venture capital);

- The strength of the human and physical infrastructure supporting the U.S. innovation system; and

- Sustaining business conditions (such as taxes, trade, IP protection, government regulations) that facilitate technological innovation and market risk-taking.

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.

Because of the nature of R&D, the immediate impact of many of NIST's programs cannot be determined. Therefore, NIST depends on outside peer reviews to provide it with recommendations on how to improve its programs.

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 NIST laboratories–can fluctuate due to several factors outside NIST's control. Such changes may include the frequency of recalibrations required by NIST customers. Large R&D organizations and the Department of Defense (DOD), for example, might submit primary standards for NIST calibration on a less frequent basis and use their own in-house calibration services to provide their internal labs with more routine calibrations. In addition, technology advances can increase the useful range of modern measurement equipment, which in turn, reduces the number of instruments that need separate calibrations. 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.

NTIS's work in operating a central clearinghouse of scientific and technical information depends on revenue that comes from the sale of technical reports to business and industry, schools and universities, state and local government offices, and the public at large, as well as from services to federal agencies that help them communicate more effectively with their employees and constituents.

Collection of scientific and technical information from various contributors, and dissemination of that information to an even larger audience is highly dependent on external factors and, therefore, not entirely controllable. For example, the amount of new material available is highly dependent on budgetary and program decisions made by other agencies.   NTIS's efforts to ensure the public easy access to available scientific and technical information, enhanced acquisition and dissemination activities are implemented and monitored through performance measures.

OBJECTIVE 2.1: ADVANCE MEASUREMENT SCIENCE AND STANDARDS THAT DRIVE TECHNOLOGICAL CHANGE		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
NIST	Promote innovation, facilitate trade, and ensure public safety and security by strengthening the Nation's measurement and standards infrastructure	Qualitative assessment and review of technical quality and merit using peer review Citation Impact of NIST-authored publications Standard Reference Materials sold NIST-maintained datasets downloaded Number of calibration tests performed Peer-reviewed technical publications
NTIS	Increase public access to worldwide scientific and technical information through improved acquisition and dissemination activities	Number of new items available (annual) Number of updated information products disseminated (annual) Customer satisfaction

OBJECTIVE 2.2

Protect intellectual property and improve the patent and trademark systems

PERFORMANCE OUTCOMES

- Improve intellectual property (IP) protection and enforcement domestically and abroad (USPTO)

- Optimize patent quality and timeliness (USPTO)

- Optimize trademark quality and timeliness (USPTO)

STRATEGIES TO ACHIEVE OUTCOMES

Innovation throughout the world is at an all-time high as demonstrated by the number of patent and trademark applications being filed in the United States and abroad, including in many developing countries. USPTO recognizes the need to continue improving IP protection and enforcement at home and abroad, and optimizing patent and trademark quality and timeliness.

Improve intellectual property (IP) protection and enforcement domestically and abroad

Combating piracy and counterfeiting is a top priority for the Administration. Few issues are as important to the current and future economic strength of the United States as its ability to protect and enforce IP. U.S. IP industries account for over half of all U.S. exports, represent 40 percent of U.S. economic growth, and employ 18 million Americans. Counterfeiting and piracy is raised consistently and aggressively with foreign leaders, placed on the G8 agenda, and made a key part of U.S./European Union (EU) relations. The Department is leading this effort to leverage the capabilities and resources of the United States to promote effective, global enforcement of IP rights.

Over the past year the Administration has taken several steps to significantly strengthen the coordination of IP enforcement at the federal level. Through NIPLECC, the Department works with

INTELLECTUAL PROPERTY RIGHTS (IPR)

It is estimated that intellectual property (IP) theft costs U.S. businesses approximately $250 billion annually, along with an estimated 750,000 jobs.

The Administration created the first Coordinator of International Intellectual Property Enforcement to serve as the head of the National Intellectual Property Law Enforcement Coordination Council (NIPLECC) and develop policies to protect U.S. IP overseas.

Through the Joint Commission on Commerce and Trade (JCCT), China has committed to improving the IP protection and enforcement climate for U.S. companies. As a result, China has grown from the 25th largest software market to the 13th largest. Continued attention will be given to China to ensure its adherence to JCCT commitments. The Department will implement the IP commitments from the 2006 G8 Summit, including building cooperation among G8 members customs' infrastructure and launching the Lyon-Roma IP working group, to set up an operational level law enforcement group.

the USTR, DOJ, DHS, the Department of State, and FDA to implement the Administration's STOP! initiative. To combat the notion of IPR infringement as a "victimless crime," the Department has helped coordinate training and technical assistance to more than 2,000 prosecutors, investigators, judges, and experts from 94 countries in the protection and enforcement of IPR. To counteract the fact that only 15 percent of U.S. small businesses know that a U.S. patent or trademark provides protection only within the United States, the Department has held education campaigns to teach small and medium-sized enterprises how to secure and protect their rights overseas. Finally, to reinforce the efforts of its foreign trading partners, the Department has helped support the placement of IP attachés stationed in target countries to work with local government officials to improve IP laws and enforcement procedures, and helped increase border and customs control through

sharing of best practices and other data. USPTO anticipates expanding the number of IP experts working abroad, increasing the number of officials being trained domestically and overseas in IP policy and enforcement, and continuing to negotiate and implement strong IPR in other nations through free trade agreements (FTA).

In an increasingly globalized business environment, the current model of national and regional IP systems does not meet the needs of today's innovators, creators, and businesses. USPTO's challenge is to work with other IP offices on harmonization efforts in order to streamline its laws and practices and create better functioning IP systems for all. USPTO plans to continue work to globally harmonize patent laws, work towards harmonizing international treatment of geographical indications, reduce redundancies among IP offices, and increase electronic processing efficiencies in IP offices worldwide.

Optimize patent quality and timeliness

Consistent with the tenets of the ACI, USPTO is an important component in the Administration's strategy to encourage U.S. innovation and strengthen the Nation's ability to compete in the global economy. The prompt granting of patents promotes the investment, research, development, and commercialization of inventions that supports the vitality of U.S. businesses.

Initiatives to address patent quality and timeliness include hiring sufficient numbers of new examiners, training new examiners in a redesigned academy environment, allowing examiners to work at home or at alternative work sites, and designing and implementing a comprehensive quality system for patent examination. In addition, USPTO will pursue work sharing with other patent offices, competitive sourcing of Patent Cooperation Treaty (PCT) application searches, full electronic application processing and management, and options for exploring the development of a suite of alternative patent products in collaboration with stakeholders.

Patents must also seek a common understanding with its stakeholders as to what defines "quality." Defining an acceptable time frame from filing to final decision is also important. These definitions should support program design and management.

Optimize trademark quality and timeliness

An effective and efficient application review process is as important to business owners seeking trademark protection as it is to innovators seeking patents. Specific initiatives would improve the quality review program throughout the trademark examination process, maintain a sufficiently-sized staff of examining attorneys and manage application assignments to handle fluctuating workloads, and complete the transition to an electronic file management and workflow process in order to provide trademark owners a world-class registration system.

PROGRAM EVALUATION

- USPTO is committed to subjecting new initiatives to thorough evaluations. Pilot projects will be initiated and tested wherever necessary. Evaluation plans will incorporate, where appropriate, measurable objectives, critical measures of success, baseline data, and conditions for full implementation. This will ensure that USPTO proposes appropriate changes to patent and trademark laws, makes changes to internal processes that provide benefits and increased efficiency, and makes sound investment decisions.

- *Quality Assurances* — USPTO also is committed to enhancing the quality of the patent and trademark examination processes to provide more consistent results and certainty for applicants, registrants and patent owners. USPTO will strive to maintain quality as its highest priority and demonstrate, through statistically valid metrics, that the quality of its work is the highest possible commensurate with the given level of resources.

- *Accountability* — Responsibility for providing performance data lies in the Patent and Trademark organizations. USPTO holds program managers accountable for ensuring procedures are in place regarding the accuracy of their data and that the performance measurement source is complete and reliable.

EXTERNAL FACTORS

Several external factors affect the degree to which USPTO meets its performance targets including the following:

- Business factors that foster dramatic increases or decreases in patent and trademark application filings;

- Whether the fee structure and changes to practice that were temporarily put in place for FY 2005 - 2007 will be made permanent; and

- The degree to which USPTO customers, inventors, entrepreneurs, and patent and trademark attorneys continue to take advantage of USPTO's state-of-the-art electronic tools for conducting business with the office.

OBJECTIVE 2.2: PROTECT INTELLECTUAL PROPERTY AND IMPROVE THE PATENT AND TRADEMARK SYSTEMS		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
USPTO	Improve intellectual property (IP) protection and enforcement domestically and abroad	Technical assistance activities completed (activities/countries)
	Optimize patent quality and timeliness	Patent applications filed electronically Patent applications managed electronically Patent allowance error rate Patent in-process examination compliance rate Patent average first action pendency (months) Patent average total pendency (monthly) Patent efficiency
	Optimize trademark quality and timeliness	Trademark applications filed electronically Trademark applications managed electronically Trademark final action deficiency rate Trademark first action deficiency rate Trademark first action pendency (months) Trademark total pendency (months) Trademark efficiency

OBJECTIVE 2.3

Advance global e-commerce as well as telecommunications and information services

PERFORMANCE OUTCOMES

- Ensure that the allocation of radio spectrum provides the greatest benefit to all people (NTIA)

- Promote the availability and support new sources of advanced telecommunications (NTIA)

STRATEGIES TO ACHIEVE OUTCOMES

One of NTIA's primary missions is to serve as the President's principal policy advisor on telecommunications and information issues, and to be the Administration's primary voice on them. NTIA fulfills this policy-setting role in a number of ways: preparing and issuing special reports on topics that emerge over time; testifying before Congress and other organizations that are concerned with telecommunications policy; providing the Administration's views on actions proposed by the Federal Communications Commission (FCC); issuing requests for public comment on specific issues; and encouraging dialogue with the private sector through sponsorship and participation in conferences, workshops, and other forums.

Ensure that the allocation of radio spectrum provides the greatest benefit to all people

The availability of the radio frequency spectrum is key to the development and implementation of innovative telecommunications technologies. NTIA's spectrum management activities are therefore intertwined with its policy activities in that existing uses of spectrum by both the private and federal sectors must be examined to determine where spectrum will be made available for new and innovative spectrum-using services that provide benefits to all consumers. In a "Memorandum for the Heads of Executive Departments and Agencies" dated November 30, 2004, the President directed that an Implementation Plan be developed in FY 2005 for the recommendations contained in a two-part series of reports released by the Secretary of Commerce in June 2004, under the title *Spectrum Policy for the 21st Century - The President's Spectrum Policy Initiative Reports.* The purpose of the Initiative is to promote the development and implementation of a U.S. spectrum policy that will foster economic growth; ensure U.S. national and homeland security; maintain U.S. global leadership in communications technology development and services; and satisfy other vital U.S. needs in areas such as public safety, scientific research, federal transportation infrastructure, and law enforcement. The bulk of NTIA's resources will be directed toward achieving the President's goal of spectrum management reform. NTIA's other spectrum management activities include:

- Identifying and supporting new wireless technologies that promise innovative applications for customers of the federal and private sectors;

- Providing the 63 federal agencies 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;

- Satisfying future U.S. spectrum needs globally through participation with the 190 other countries of the International Telecommunication Union (ITU) in establishing binding treaty agreements through world radio-communication conferences; and

- Improving, through telecommunications research and engineering, the understanding of radio-wave transmission and thereby improving spectrum utilization and the performance of radio-communications systems.

Promote the availability, and support new sources, of advanced telecommunications

NTIA's policy-related activities are among the Agency's most visible and have a large impact on consumers and industries both domestically and internationally. A large part of NTIA's domestic and international policy efforts will be devoted to achieving the President's goal of spectrum management reform. NTIA management also plans for multi-year efforts in a number of policy areas and receives requests to conduct policy analysis and other activities from the Secretary, the White House, and Congress. NTIA accomplishes these activities primarily through testimony on behalf of the Administration in congressional proceedings, through development and coordination of Administration views in proceedings conducted by the FCC, and through advocacy in international and bilateral fora. In addition to its policy-related activities, NTIA supports innovative telecommunications and IT through basic research performed at its laboratory, the Institute for Telecommunication Sciences (ITS). ITS performs extensive basic research on quality of digital speech, audio and video compression, and transmission characteristics. This research has the potential to improve both the performance of telecommunications networks and the availability of digital content on the Internet. Basic research at ITS also supports U.S. positions in international standard-setting bodies and NTIA's development of Administration policies related to the introduction of new technologies, such as ultra wideband (UWB), third generation (3G) wireless, and broadband services.

The Digital Television Transition and Public Safety Fund, created by the Deficit Reduction Act of 2005, receives offsetting receipts from the auction of electromagnetic spectrum recovered from discontinued analog television signals, and provides funding for several programs from these receipts.

Programs authorized to begin in FY 2007 include:

- Digital to Analog Converter Box Assistance

- Public Safety Interoperable Communications

- NYC 9/11 Digital Transition

- Low Power Television and Translator Digital-to-Analog Conversion

Programs authorized to begin after auction proceeds are available after June 30, 2008, include:

- Low Power Television and Translator Upgrade

- National Alert and Tsunami Warning Program

- Enhance 911

PROGRAM EVALUATION

NTIA management regularly reviews and assesses policy and program. NTIA also meets regularly with Department management in the development of appropriate policy priorities. ITS research will focus on supporting those spectrum management reform activities and assessments undertaken in NTIA's policy development.

EXTERNAL FACTORS

Consideration of telecommunications and information policy issues is affected by the activities of independent regulatory agencies such as the FCC and the Federal Trade Commission (FTC), and by priorities established for NTIA by the Department, the White House, and Congress. Regular interagency meetings on policy issues assist in the development of timely Administration positions.

Congress, from time to time, has required some changes in federal use of radio frequency spectrum, which can affect availability of frequencies to suit federal needs. The speed of development and implementation of wireless technologies will affect the level and type of demand by federal agencies for certain frequencies. The FCC initiates numerous spectrum-related proceedings in which NTIA participates on behalf of the Administration.

OBJECTIVE 2.3: ADVANCE GLOBAL E-COMMERCE AS WELL AS TELECOMMUNICATIONS AND INFORMATION SERVICES		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
NTIA	Ensure that the allocation of radio spectrum provides the greatest benefit to all people	Frequency assignment processing time Certification request processing time Space system coordination request processing time Spectrum plans and policies processing time Spectrum management improvements
	Promote the availability and support new sources of advanced telecommunications	Support the new telecom and info technology by advocating Administration views in FCC docket filings and congressional proceedings

STRATEGIC GOAL 3

Promote environmental stewardship

STRATEGIC GOAL 3

PROMOTE ENVIRONMENTAL STEWARDSHIP

T he Department's third strategic goal plays a significant role in the protection of life and property from environmental hazards and the stewardship of U.S. natural resources to ensure that the economic benefits of those resources are available, on a sustainable basis, to the Nation as a whole.

CHALLENGES AND PERSPECTIVES

The 21st century poses complex challenges in implementing this goal. Every aspect of this goal–ranging from managing coastal and marine resources to predicting changes in the Earth's environment–faces a new urgency, given intensifying national needs related to the economy, the environment, and public safety. As the new century unfolds, new priorities for action are emerging in the areas of climate change, freshwater supply, ecosystem management, and homeland security.

The elevation of ecosystem management and climate science to high-priority goals is noteworthy to meet the challenges of the 21st century. In recent years, extreme drought and flooding conditions in large regions of the Nation have combined to make improved water resources prediction an urgent requirement. Human health linkages with weather, climate, and ecosystem goals are also priorities.

The Department faces a number of key specific challenges:

- *Strengthening Department Stewardship of Marine Resources*

    Many of the Nation's fisheries and other living marine resources are at risk due to over-fishing or from other human-induced or environmental changes. The deterioration of U.S. natural resources impacts the food supply, creates losses to the economy, and challenges the Department's ability to meet domestic and international agreements for the protection of these resources. The Department will vigorously meet these challenges by improving the quality and scope of its science to better assess the state of fisheries and other marine resources, including what factors influence their recovery and sustainability. The Department will apply this knowledge to formulate the most appropriate policies for ensuring the future health of the Nation's marine resources, such as its plan for restoring salmon runs in the Pacific Northwest. Through such policies the Department will obtain the greatest economic and social benefits to the Nation from these precious resources.

- *Strengthening the Resiliency of Coastal Communities*

    The devastating Indian Ocean tsunami and the 2005 Gulf Coast hurricanes illustrate how challenging and how critical it is to ensure the safety and resilience of coastal communities in the face of environmental hazards. With only a quarter of the Nation's total land area, coastal watershed counties account for half of the Nation's population and economic output. Coastal states also are among the most prone to flooding, with its associated economic and societal costs. Further, recent economic analysis suggests that given

ENVIRONMENTAL STEWARDSHIP

T he Department has a key role to play in advancing market-driven, scientifically sound environmental stewardship and sustaining and improving the Nation's vital weather infrastructure. This involves implementing Magnuson-Stevens reauthorization with strong provisions to end over-fishing, helping enact aquaculture legislation and publishing implementing regulations, ensuring delivery of the remaining Climate Change Science Program products, reaching milestones within the U.S. Ocean Action Plan, and implementing the 2004 Executive Order on Cooperative Conservation.

the unrelenting pace in both population and property values, it is quite possible that coastal areas will experience recurring losses of hundreds of billions of dollars per season. NOAA's responsibility is to prevent or mitigate the escalating economic, societal, and environmental costs associated with environmental hazards. NOAA will position its monitoring, forecasting, and response services to contribute to short and long-term hazard mitigation strategies.

● *Strengthening Meteorological Capabilities such as Understanding and Prediction of Climate, Hurricane Intensity, Tornadoes, and Floods*

Floods, droughts, hurricanes, tornadoes, tsunamis, wildfires, and other severe weather events cause $11 billion in damages each year in the United States. Weather is directly linked to public health and safety, and nearly one-third of the U.S. economy (about $3 trillion) is sensitive to weather and climate. With so much at stake, NOAA's role in understanding, observing, forecasting, and warning of environmental events is expanding. With its partners, NOAA seeks to provide decisionmakers with key observations, analyses, predictions, and warnings for a range of weather, water, and other environmental conditions, including those related to water supply, air quality, space weather, and wildfires. Businesses, governments, and non-governmental organizations are getting more sophisticated about how to use this weather and water information to improve operational efficiencies, to manage environmental resources, and to create a better quality of life.

● *Supporting the Nation's Commerce with Information for Safe, Efficient, and Environmentally Sound Transportation*

Safe and efficient transportation systems are crucial to the U.S. economy. The U.S. Marine Transportation System (MTS) ships over 95 percent of the tonnage and more than 20 percent by value of the foreign trade through U.S. ports, including 48 percent of the oil needed to meet U.S. energy demands. Trade is expected to double by 2020, increasing congestion as the number and size of ships grow. In the air, at least $4 billion is lost annually due to economic inefficiencies resulting from weather-related air-traffic delays. Improved surface weather forecasts and specific user warnings would reduce the 7,000 weather-related fatalities and 800,000 injuries that occur annually from crashes on roads and highways.

NOAA provides critical information which facilitates the safe and efficient movement of goods and people throughout U.S. transportation systems. Using an extensive observation and monitoring network on the ground, in the sea, and in the sky, NOAA reduces accidents which cause injury to people, property and the environment.

● *Acquisition and Operation of Satellites*

The National Oceanic and Atmospheric Administration (NOAA) operates the Nation's environmental satellites, which are used for ocean and weather observation and forecasting, climate monitoring, and other environmental applications. NOAA also plans for and acquires satellites, instruments, and associated observations.

NOAA's satellite programs ensure continuous observation of critical environmental elements and provide timely and effective acquisition and delivery of satellite-derived information that supports NOAA's mission goals. NOAA's satellite programs also provide applied research to ensure the quality, reliability, and accuracy of current and future satellite products and services.

Through NOAA's polar-orbiting and geostationary satellite systems, NOAA collects, processes, and delivers near real-time regional, national, and global satellite observations. NOAA also acquires satellite observations from other federal agencies, the private sector, and other countries. NOAA continues to develop critical space and ground-based observational systems that will serve the Nation's needs now and into the future.

In recent years, NOAA's satellite programs have experienced significant cost increases and schedule delays. These factors have required it to make challenging decisions on program direction and capabilities. NOAA's priority is to maintain continuity of observations in order to meet the Nation's needs.

◉ *Data Archive, Access, and Assessment*

NOAA is responsible for the stewardship of over two petabytes of environmental data and information; this volume is expected to grow exponentially in the future. NOAA spends more than $1 billion each year collecting environmental data in support of its mission. It must develop and maintain a data archiving and access system that will improve the quality and stewardship of NOAA's environmental data and information, to support key operational and research challenges.

Earth observations are intrinsic to NOAA's mission. The collection and integration of disparate data contributes to the Global earth Observation System of Systems (GEOSS) and provides societal benefits. NOAA's National Data Centers archive and provide access to the world's largest collection of climatic, oceanographic, space weather, and geophysical data.

Environmental data and information under the stewardship of the NOAA National Data Centers for Climate, Geophysics, Oceans, and Coasts, and other centers of data serve virtually every sector of the Nation's economy. NOAA provides and ensures timely access to global environmental data from satellites and other sources, provides information services, and develops science products to facilitate NOAA's environmental stewardship and ecosystem management for the benefit of global society.

◉ *Recapitalization of Ships and Aircraft*

NOAA's ships and aircraft are indispensable observing platforms that support all aspects of the NOAA mission. These highly specialized platforms operate in varied and demanding conditions, including in and around hurricanes and arctic pack ice to gather the data that supports NOAA's policy decisions. This overarching data collection capability will play a continuing and expanding role in future efforts to understand and predict changes in the Earth's environment. In the aftermath of natural disasters and homeland security incidents, NOAA's ships and aircraft can respond quickly to help communities recover and restore normal economic, social, and environmental conditions. Because of their arduous schedules, these data collection platforms require proper maintenance and recapitalization regularly to ensure continued capability to meet growing national needs.

BUREAU CONTRIBUTING TO THIS GOAL

NOAA has responsibilities for maintaining and improving the viability of marine and coastal ecosystems, for delivering valuable weather, climate, and water information and services, for understanding the processes and consequences of climate change, and for supporting the global commerce and transportation upon which everyone depends. An informed society needs a comprehensive understanding of the role of the oceans, coasts, and atmosphere in the global ecosystem to make the best social and economic decisions. NOAA has a major role in advancing this understanding.

National success in a global economy is linked not only to the Department's ability to respond or react to events but to anticipate or forecast them. NOAA is the only federal agency charged with making operational predictions about the behavior of complex systems such as the weather. In the 21st century, NOAA's ability to deliver effective predictions about the future states of climate and ecosystems may well be as important to the economy and society as its ability to forecast the weather became in the 20th century. Improved predictive capabilities will enable greater productivity and efficiency in sectors such as agriculture, water, energy, and health management, as well as in NOAA's capabilities to ensure sustainable and efficient use of marine and coastal resources.

O B J E C T I V E   3 . 1

Protect, restore, and manage the use of coastal and ocean resources

PERFORMANCE OUTCOMES

- Healthy and productive coastal and marine ecosystems that benefit society (NOAA)

- A well-informed public that acts as a steward of coastal and marine ecosystems (NOAA)

STRATEGIES TO ACHIEVE OUTCOMES

Healthy and productive coastal and marine ecosystems that benefit society

Coastal areas are among the most developed in the Nation. More than half the population lives on less than one-fifth of the land in the contiguous United States. Furthermore, employment in near shore areas is growing three times faster than population. Coastal and marine waters support over 28 million jobs and provide a tourism destination for nearly 90 million Americans a year. The value of the ocean economy to the United States is over $115 billion. The value added annually to the national economy by the commercial and recreational fishing industry alone is over $48 billion. U.S. aquaculture sales total almost $1 billion annually. With its Exclusive Economic Zone of 3.4 million square miles, the United States manages the largest marine territory of any nation in the world.

NOAA has a specific mandate from Congress to be a lead federal agency in protecting, managing, and restoring coastal and marine resources. Unprecedented interest in the world's oceans, their health, and their economic value recently led to a comprehensive report by the U.S. Commission on Ocean Policy and the U.S. Ocean Action Plan that the Administration has issued in response. To successfully implement the U.S. Ocean Action Plan, NOAA must work closely with its partners in addressing important regional, national, international, and global issues. NOAA scientists, specialists, and external partners contribute world-class expertise in oceanography, marine ecology, marine archeology, fisheries management, conservation biology, natural resource management, aquaculture, and risk assessment. To achieve balance among ecological, environmental, and social influences, NOAA has adopted an incremental but collaborative ecosystem approach to management which will allow it to integrate the concerns, priorities, and expertise of all citizens and economic sectors in the management of coastal and marine resources.

NOAA will engage and collaborate with its partners to achieve regional objectives by delineating regional ecosystems, promoting partnerships at the ecosystem level, and implementing cooperative strategies to improve regional ecosystem health. NOAA will manage uses of ecosystems by applying scientifically sound observations, assessments, and research findings to ensure the sustainable use of resources and to balance competing uses of coastal and marine ecosystems, and will improve resource management by advancing its understanding of ecosystems through better simulation and predictive models. NOAA will also build and advance the capabilities of an ecological component of the NOAA global environmental observing system to monitor, assess, and predict national and regional ecosystem health, as well as to gather information consistent with established social and economic indicators.

A well-informed public that acts as a steward of coastal and marine ecosystems

NOAA's goal to conserve, protect, manage, and restore living marine resources and coastal and ocean resources is critical to public health and the vitality of the U.S. economy. Critical to achieving this goal are increased public knowledge of ecosystems and the principles of sustainable development, and the active involvement of the public as stewards for coastal and marine ecosystem issues in their communities. NOAA seeks to provide an example for the rest of the world by comprehensively managing resources of the Nation's oceans and coasts.

NOAA will develop coordinated regional and national outreach and education efforts to improve public understanding and involvement in stewardship of coastal and marine ecosystems. NOAA will also engage in technological and scientific exchange with its domestic and international partners to protect, restore, and manage marine resources within and beyond the Nation's borders.

PROGRAM EVALUATION

Virtually every aspect of NOAA's fisheries science and coastal programs is peer-reviewed, either internally or outside the Agency. For example, the National Academy of Sciences (NAS) and the National Science Foundation (NSF) conduct reviews. NOAA also relies on extensive informal networks of university partnerships and laboratories throughout the United States for conducting work and reviews. Moreover, reviews often occur by opposing parties' scientists in the court system when fisheries management decisions are litigated.

Five of NOAA's programs–the majority of the programs under this goal–were evaluated under the Office of Management and Budget (OMB) Program Assessment Rating Tool (PART) program. NOAA is addressing actions recommended by OMB under these reviews. NOAA is developing a more robust and integrated performance evaluation culture to improve the programs overall.

EXTERNAL FACTORS

Various external factors may affect NOAA's ability to reach its targets. These factors include the impact of climate, biological, and other natural conditions, such as El Niño and hurricanes, on its efforts to recover protected species and maintain the status of healthy species. In addition, the effect of national and/or local economic conditions may have an impact.

Changes in climate, biological, and other natural conditions may affect NOAA's ability to carry out 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. The failure of one or more of these partners to fulfill their cooperative contributions could have very serious consequences on the overall effort to sustain healthy coasts.

OBJECTIVE 3.1: PROTECT. RESTORE, AND MANAGE THE USE OF COASTAL AND OCEAN RESOURCES		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
NOAA	Healthy and productive coastal and marine ecosystems that benefit society	Fish Stock Sustainability Index (FSSI)
		Percentage of Living Marine Resources (LMR) with adequate population assessments and forecasts
		Number of habitat acres restored (annual/cumulative)
		Number of coastal, marine, and Great Lakes habitat acres acquired or designated for long-term protection (annual)
		Number of acres acquired or designated for long-term conservation
		Number of protected species designated as threatened, endangered or depleted with stable or increasing population levels
		Cumulative number of coastal, marine, and Great Lakes ecosystem sites adequately characterized for management
		Cumulative number of coastal, marine, and Great Lakes issue-based forecasting capabilities developed and used for management
	A well-informed public that acts as a steward of coastal and marine ecosystems	Percentage of tools, technologies, and information services that are used by NOAA partners/customers to improve ecosystem-based management

OBJECTIVE 3.2

Advance understanding of climate variability and change

PERFORMANCE OUTCOMES

- A predictive understanding of the global climate system on time scales of weeks to decades with quantified uncertainties sufficient for making informed and reasoned decisions (NOAA)

- Climate-sensitive sectors and the climate-literate public effectively incorporating NOAA's climate products into its plans and decisions (NOAA)

STRATEGIES TO ACHIEVE OUTCOMES

A predictive understanding of the global climate system on time scales of weeks to decades with quantified uncertainties sufficient for making informed and reasoned decisions

Climate shapes the world's environment, economies, and social systems. While humanity has learned to contend with some aspects of climate's natural variability, major climatic events can impose serious consequences on society. The 1997-1998 El Niño, for example, had a $25 billion impact on the U.S. economy: property losses were $2.6 billion and crop losses approached $2 billion. Long-term drought leads to increased and competing demands for fresh water with related effects on terrestrial and marine ecosystems, agricultural productivity, and even the spread of infectious diseases. Decisions about mitigating climate change also can alter economic and social structures on a global scale. NOAA can deliver reliable climate information in useful ways to help minimize risks and maximize opportunities for decisions in agriculture, public policy, natural resources, water and energy use, and public health.

NOAA will improve the quality and quantity of climate observations, analyses, interpretation, and archiving by maintaining a consistent climate record and by improving its ability to determine why changes are taking place. NOAA will also improve the quantification and understanding of the forces bringing about climate change by examining relevant human and naturally-induced increases in atmospheric constituents. NOAA will advance sub-seasonal to inter-annual climate predictions and climate change projections by improving analysis of the climate system, using ensembles of multiple, high-end climate and Earth system models. NOAA will develop the ability to predict the consequences of climate change on ecosystems by monitoring changes in coastal and marine ecosystems, conducting research on climate-ecosystem linkages, and incorporating climate information into physical-biological models. NOAA will also develop and contribute to routine state-of-the-science assessments of the climate system for informed decision-making.

Climate-sensitive sectors and the climate-literate public effectively incorporating NOAA's climate products into its plans and decisions

In 2003, the U.S. government formed the Climate Change Science Program (CCSP) to facilitate the creation and application of knowledge of Earth's global environment through research, observations, decision support, and communication. At NOAA, climate performance objectives are virtually identical to CCSP goals and are managed by NOAA's Climate Program Office, which assures consistency among the Department, NOAA, and CCSP strategic goals.

NOAA's climate information, products, and services enable society to understand and respond to changing climate conditions. Together with its partners, NOAA will accelerate the development of information to support climate policy decisions and plans that consider both climate variability and long-term climate change.

NOAA will work with customers in order to deliver climate services and information products involved in health, safety, environmental, economic, and community planning that increase the effective application of this information. NOAA will also support educational efforts to create a more climate-literate public by developing climate educational materials, involving teachers in the research process, and generating tools to allow climate information to be used in decision-making.

PROGRAM EVALUATION

NOAA's climate programs are routinely evaluated by a variety of outside reviewers. The NOAA Science Advisory Board (SAB), made up of private sector, university, and federal agency scientists, provides input on climate and air quality research. The Climate Working Group, which reports to the SAB, meets three times a year with the Climate Program Managers to evaluate progress and provide recommendations on future directions. NOAA's Climate Program Office (CPO), funded in the Office of Oceanic and Atmospheric Research's (OAR) Competitive Research line item, receives review from international science agencies, universities, and private sector scientists, as well as NRC and NSF. The NOAA Research Laboratories are reviewed on a regular basis. The review is conducted by the NOAA SAB, and is normally performed every three to five years. NOAA holds annual constituent workshops at which NOAA's seasonal climate forecast efforts are discussed with the community of climate information users, and input is solicited to shape future efforts. NOAA also conducts annual data users' workshops and provides a biennial Data Management Report to Congress.

The NOAA Climate program was evaluated under the OMB PART program in 2004 and received a "Moderately Effective" rating. NOAA is addressing actions recommended by OMB under this review. NOAA is developing a more robust and integrated performance evaluation culture to improve the program overall.

EXTERNAL FACTORS

A major failure of Earth observing and computing infrastructure would impair NOAA's ability to produce seasonal to interannual forecasts. Global coverage of atmospheric and terrestrial observations requires dependence on other federal agencies and other nations building, deploying, and maintaining complementary and supplementary in-situ and satellite observing systems; the global ocean observing system contribution by other partners (national and international) will only be half of what NOAA requires. NOAA leadership has been critical to the advancements made to date on the global observing system.

The science of climate change crosses generations and has progressed as a result of evolving technology. NOAA's ability to measure performance is contingent upon many external factors, including the advancement of climate change itself. While the time frame of these processes spans decades and even centuries, the reporting periods extend over years.

OBJECTIVE 3.2: ADVANCE UNDERSTANDING OF CLIMATE VARIABILITY AND CHANGE		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
NOAA	A predictive understanding of the global climate system on time scales of weeks to decades with quantified uncertainties sufficient for making informed and reasoned decisions	National explained variance (%) for annual average temperature for the contiguous United States using the U.S. Climate Reference Network (USCRN) stations
		Error in global measurement of sea surface temperature
		Uncertainty in model simulations of the influence of aerosols on climate
		Uncertainty in the magnitude of the North American carbon uptake
		U.S. temperature forecasts *(cumulative skill score over the regions where predictions are made)*
	Climate-sensitive sectors and the climate-literate public effectively incorporating NOAA's climate products into its plans and decisions	Ability of society to plan and respond to climate variability and climate change using NOAA climate products and information

OBJECTIVE 3.3

Provide accurate and timely weather and water information

PERFORMANCE OUTCOMES

- ◉ Reduced loss of life, injury, and damage to the economy (NOAA)

- ◉ Better, quicker, and more valuable weather and water information to support improved decisions (NOAA)

- ◉ Increase customer satisfaction with weather and water information and services (NOAA)

STRATEGIES TO ACHIEVE OUTCOMES

Reduced loss of life, injury, and damage to the economy

Floods, droughts, hurricanes, tornadoes, tsunamis, wildfires, and other severe weather events cause $11 billion in damages each year in the United States. Weather is directly linked to public health and safety, and nearly one-third of the U.S. economy (about $3 trillion) is sensitive to weather and climate. With so much at stake, NOAA's role in understanding, observing, forecasting, and warning of environmental events is expanding. Along with its partners, NOAA seeks to provide decisionmakers with key observations, analyses, predictions, and warnings for a range of weather and water conditions, including those related to water supply, air quality, space weather, and wildfires. Businesses, governments, and nongovernmental organizations are getting more sophisticated about how to use this weather and water information to improve operational efficiencies, to manage environmental resources, and to create a better quality of life.

NOAA will improve the reliability, lead-time, and effectiveness of weather and water information and services that predict changes in environmental conditions. NOAA will also integrate an information enterprise that incorporates all stages from research to delivery, seeks better coordination of employee skills and training, and engages customers.

Better, quicker, and more valuable weather and water information to support improved decisions

NOAA is strategically positioned to conduct sound, scientific research and provide integrated observations, predictions, and advice for decisionmakers who manage environmental resources, ranging from fresh water supplies to coastal ecosystems to air quality. With information and services bridging both weather and climate time scales and local to global spatial scales, NOAA will continue to collect and analyze environmental data and issue forecasts and warnings that help protect health, life and property and enhance the U.S. economy. Recognizing that future needs can be met even better by exploring new concepts and applications, NOAA will invest in robust weather and water research.

NOAA will develop and infuse research results and new technologies more efficiently to improve products and services, streamline dissemination, and communicate vital information more effectively. NOAA will also work with private industry, universities, and national and international agencies to create and leverage partnerships that foster more effective information services.

Increase customer satisfaction with weather and water information and services

NOAA is committed to excellent customer service and depends on the U.S. weather enterprise, (including partners in the private sector, academia, and government) to add value to a variety of information and services and disseminate critical environmental information. NOAA will work more closely with existing partners and will develop new partnerships so that the public understands and is satisfied with the

information and services it provides. Working with its partners, NOAA will expand services to support evolving national needs, including those associated with aviation weather, freshwater and coastal ecosystems, and air quality prediction.

NOAA will build a broad-based and coordinated education and outreach program by engaging individuals in continuous learning toward a greater understanding of the impacts of weather and water on their lives. NOAA will also employ scientific and emerging technological capabilities to advance decision-support services and educate stakeholders.

PROGRAM EVALUATION

NOAA's vision for FY 2007 - FY 2012 is to provide significantly improved weather and water forecast products and services that increase public safety and the economic productivity of the United States. While it is difficult to see the improvements on an annual basis because of the scientific nature and seasonal variations of weather events, historical trends have shown that NOAA continues to improve the accuracy and advance lead-time of severe weather warnings.

Program evaluations at NOAA's National Weather Service (NWS) field offices are conducted annually. Quality control procedures are followed to ensure the highest reliability of gathered data and weather products. The National Academy of Sciences (NAS) is also involved in program analysis and evaluation processes.

OAR conducts periodic reviews of the activities of its Environmental Research Laboratories (ERL). NOAA's National Environmental Satellite, Data and Information Service (NESDIS) holds management performance reviews several times a year. NWS conducts reviews of the National Centers for Environmental Prediction (NCEP). Programs are also evaluated by NSF and NRC.

NOAA's Weather and Water programs were evaluated under the OMB PART program in 2002 and again in 2005. NOAA is addressing actions recommended by OMB under these reviews. NOAA is developing a more robust and integrated performance evaluation culture to improve the programs overall.

EXTERNAL FACTORS

Although the performance for these goals may improve, the impact on society may not be obvious because of factors beyond NOAA's control. For example, 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.

NOAA relies on its partners in the media, private sector, and the state and local emergency management community to help disseminate weather warnings to ensure that people receive vital information regarding impending severe weather. The sooner people get the message, the more time they have to prepare.

A number of external 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. Another factor concerns the damage to critical equipment (for example, supercomputer, fire, and satellite outages) that can affect daily operations for extended periods, even though numerous safety measures and backup procedures are in place.

OBJECTIVE 3.3: PROVIDE ACCURATE AND TIMELY WEATHER AND WATER INFORMATION		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
NOAA	Reduced loss of life, injury, and damage to the economy	Lead-time for tornado warnings increased
		Accuracy for tornado warnings
		False alarm rate for tornado warnings
		Lead-time for flash floods
		Accuracy for flash flood warnings
		Lead-time for winter storm warnings
		Accuracy for winter storm warnings
		48-hour hurricane track forecasts
		48-hour hurricane intensity forecasts
		Cumulative percentage of U.S. shoreline and inland areas that have improved ability to reduce coastal hazard impacts
	Better, quicker, and more trusted weather and water information to support improved decisions	Accuracy of day 1 threat precipitation forecast

OBJECTIVE 3.4

Support safe, efficient, and environmentally sound commercial navigation

PERFORMANCE OUTCOMES

- Safe, secure, efficient, and seamless movement of goods and people in the U.S. transportation system (NOAA)

- Environmentally sound development and use of the U.S. transportation system (NOAA)

STRATEGIES TO ACHIEVE OUTCOMES

Safe, secure, efficient, and seamless movement of goods and people in the U.S. transportation system

Safe and efficient transportation systems are crucial to the U.S. economy. The U.S. MTS ships over 95 percent of the tonnage and more than 20 percent by value of foreign trade through U.S. ports, including 48 percent of the oil needed to meet U.S. energy demands. At least $4 billion is lost annually due to economic inefficiencies resulting from weather-related air-traffic delays. Improved surface weather forecasts and specific user warnings would reduce the 7,000 weather-related fatalities and 800,000 injuries that occur annually from crashes on roads and highways. The injuries, loss of life, and property damage from weather-related crashes cost an average of $42 billion annually.

NOAA will expand and upgrade advanced technology monitoring and observing systems, such as weather and oceanographic observations, ice forecasts and snowcasts, hydrographic surveys, and precise positioning coordinates, to provide accurate, up-to-date information. NOAA will also develop and apply new technologies, methods, and models to increase the capabilities, efficiencies, and accuracy of transportation-related products and services.

Environmentally sound development and use of the U.S. transportation system

NOAA provides information, services, and products for transportation safety and for increased commerce on roads, rails, and waterways. NOAA will improve the accuracy of its information for marine, aviation, and surface weather forecasts, the availability of accurate and advanced electronic navigational charts, and the delivery of real-time oceanographic information. NOAA seeks to provide consistent, accurate, and timely positioning information that is critical for air, sea, and surface transportation. NOAA will respond to hazardous material spills and provide search and rescue routinely to save lives and money and to protect the coastal environment. NOAA will work with port and coastal communities and with federal and state partners to ensure that port operations and development proceed efficiently and in an environmentally sound manner. NOAA will work with the Federal Aviation Administration (FAA) and the private sector to reduce the negative impacts of weather on aviation without compromising safety. Because of increased interest by the public and private sectors, NOAA also will expand weather information for marine and surface transportation to increase safety and efficiency.

NOAA will develop and implement sophisticated assessment and prediction techniques, products, and services to support decisions on aviation, marine, and surface navigation efficiencies; coastal resource management; and transportation system management, operations, and planning. NOAA will also build public understanding of the S&T involved and the role of the environment in commerce and transportation through outreach, education, and industry collaboration.

PROGRAM EVALUATION

NOAA's navigation services program has incorporated numerous recommendations made by independent analyses to improve operations and products. NRC Marine Board studies from 1992 to 1996 and congressional reviews concurrent with the Hydrographic Services Improvement Acts of 1998 and 2002 provided opportunities to evaluate NOAA's capabilities for acquisition and dissemination of hydrographic data, standards, and formats development for hydrographic services, contracts for the acquisition of hydrographic data, and digital production techniques. NOAA implemented study recommendations on such areas as reducing the survey backlog, implementing new digital production techniques, and delivering new electronic chart products to mariners. NOAA now also contracts out over 50 percent of its annual critical area hydrographic survey requirements while maintaining federal competence and expertise with existing and developing survey technologies.

In 1998, Congress authorized the Height Modernization study to evaluate the technical, financial, legal, and economic aspects of modernizing the national height system with the global positioning system (GPS). The study demonstrated the significant benefits to the United States in terms of dollars and lives saved associated with GPS technology, and it led to the current development of the vertical component of the National Spatial Reference System (NSRS). In 1999, NOAA completed an assessment of its tidal currents program to develop guidelines for future current surveys to update U.S. reference stations for the Tidal Current Tables. Finally, the September 1999 Report to Congress that assessed the U.S. MTS further articulated the need for coordinated federal leadership to achieve the MTS vision of becoming the world's most technologically advanced, safe, efficient, globally competitive, and environmentally responsible system for moving goods and people. NOAA's navigation safety support functions underwent substantial review to identify opportunities for greater integration among federal agencies. NOAA continues its lead role on the Interagency Committee for the MTS to support this integration effort.

NOAA's Navigation Services program was evaluated under the OMB PART program in 2003 and 2006. NOAA is addressing actions recommended by OMB under this review. NOAA is developing a more robust and integrated performance evaluation culture to improve its programs overall.

EXTERNAL FACTORS

Weather has a significant impact on the promotion of safe navigation activities. Both in-house and contract hydrographic survey schedules can be affected by adverse weather conditions (storms, winds, and 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 U.S. Coast Guard and others to survey noncritical 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 assessments after major oil spills such as the Exxon Valdez, the Gulf War, and the New Carissa, and after severe hurricanes.

OBJECTIVE 3.4: SUPPORT SAFE, EFFICIENT, AND ENVIRONMENTALLY SOUND COMMERCIAL NAVIGATION		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
NOAA	Safe, secure, efficient, and seamless movement of goods and people in the U.S. transportation system	Percentage of U.S. counties rated as enabled or substantially enabled with accurate positioning capacity
		Hydrographic survey backlog within navigationally significant areas (square nautical miles surveyed per year)
	Environmentally sound development and use of the U.S. transportation system	Accuracy (%) of forecasts of ceiling and visibility (aviation forecasts)
		False alarm rate (FAR) (%) of forecasts of ceiling and visibility (aviation forecasts)
		Accuracy (%) of forecast for winds (marine forecasts)
		Accuracy (%) of forecast for waves heights (marine forecasts)

MANAGEMENT INTEGRATION GOAL

Achieve organizational and management excellence

MANAGEMENT INTEGRATION GOAL:

ACHIEVE ORGANIZATIONAL AND MANAGEMENT EXCELLENCE

T he Department's management integration goal—to achieve organizational and management excellence—is equally important to all bureaus.

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

- Acquiring and managing the fiscal and related resources necessary to support program goals;

- Acquiring, managing, and developing a diverse, skilled, and flexible staff, using information technology (IT) as an essential tool; and

- Acquiring and managing the technology and related resources to support program goals.

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

CHALLENGES AND PERSPECTIVES

The Department faces a number of key challenges with the following challenges being among the most significant because of their cost, urgency, complexity, or importance to our mission.

- ### *Strengthening Information Security throughout the Department*

  The Department will broaden the protection afforded its information systems and data. Every system throughout the Department and its bureaus is subject to well-managed risk assessments, which include documenting successful testing or a specific plan for taking remedial action. The Department will focus attention and resources on its IT and cyber security program, ensuring compliance with federal standards, strengthening controls, evaluation, and accreditation, while incorporating best practices, lessons learned, and industry trends.

- ### *Emergency Preparedness within the Department*

  The Nation faces significant vulnerabilities in its ability to respond to emergencies. The Department developed a comprehensive Continuity of Operations Plan (COOP) and instituted a rigorous testing program. Similarly, COOPs for certain bureaus and specific field locations are undergoing testing and further refinement. The Department will complete all appropriate testing and implementation of these plans, which address all requirements for maintaining essential activities and re-establishing normal operations in the event of an emergency (e.g., human resources, facilities and infrastructure, and IT systems).

  The Department has reviewed and revised where necessary, occupant emergency plans and emergency response structures; they are in place for most sites. To ensure Department preparedness for many different types of emergencies across the country, it is developing enhanced response capabilities, recognizing that it is a massive task. The Department will emphasize the importance of effective preparation, work cooperatively with other federal agencies, seek the advice of experts, and allocate resources in the most productive manner possible.

◉ *Future Workforce Requirements*

Like other agencies, the Department faces significant challenges in ensuring an appropriately sized and competent workforce. During the next five years, approximately one-half of the Department workforce will become eligible for retirement, leading to the potential for significant loss of experience and institutional memory. During the coming decade, the Department will also face requirements that its workforce become increasingly specialized in several fields in which prospective hires will be in high demand. At the same time, the Department must ensure that its employees are representative of the Nation's population. To meet these needs, the Department will examine and modify its hiring practices, explore options for more effectively competing with private sector employers, and seek any appropriate changes in laws and regulations needed to allow the Department to enhance its appeal to the U.S. workforce.

◉ *Planning for Facilities Construction and Renovation*

During this decade, the Department will spend several billion dollars on construction and renovation projects that are currently in planning or early development stages. To ensure optimal use of funds, the Department is monitoring the progress, schedule, costs, and plans of each project so that it can identify and correct potential problems as early as possible. Construction projects include new buildings for the Census Bureau and the renovation of the National Institute of Standards and Technology (NIST) laboratories in Boulder, Colorado, and Gaithersburg, Maryland, as well as increasing the capacity and capability of the NIST Center for Neutron Research.

OFFICES CONTRIBUTING TO THIS GOAL

Departmental Management (DM) provides policy direction, oversight and administrative services to bureaus within the Department. Bureau managers work collaboratively with DM to ensure that administrative functions, such as budgeting and financial management, IT, procurement and financial assistance, and human resources management operate efficiently and uniformly across organization lines. Success in these efforts enables Department bureaus to maximize the effectiveness and efficiency with which programmatic activities are carried out and service is provided to the U.S. public.

OIG continues to work closely with the Department and bureaus in many of the critical areas identified in the strategic plan.

PERFORMANCE OUTCOMES

◉ Ensure effective resource stewardship in support of the Department's programs (DM)

◉ Ensure retention of highly qualified staff in mission-critical positions (DM)

◉ Acquire and manage the technology resources to support program goals (DM)

◉ Promote improvements to Department programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness; and (2) prevents and detects fraud, waste, and abuse (OIG)

STRATEGIES TO ACHIEVE OUTCOMES

Ensure effective resource stewardship in support of the Department's programs

The Department must have the capacity to do business with the public and its partner agencies, both as an over $6 billion, worldwide enterprise and, as an integrated set of individual programs. This requires that it identify, adopt, and maintain business practices needed for successful operations; use its resources wisely; and effectively implement the laws that affect it. Because this performance goal inherently encompasses a wide range of administrative and operational tasks, the measures used to assess DM's progress are by necessity highly diverse. DM is continuing efforts to ensure that these measures are meaningful and reflect particularly significant activities.

Ensure retention of highly qualified staff in mission critical positions

There is no issue more critical to the Department's continued effective functioning than that of current and projected turnover in mission-critical positions, and the domino effect it precipitates. Separation projections are high among economists, fish biologists, mathematicians, statisticians, meteorologists, and engineers. By 2007, 71 percent of the Department's existing Senior Executive Service corps and 39 percent of the senior staff in grades 13 through 15 will become eligible for retirement. Departures from the Department due to retirement represent approximately 21 percent of overall turnover. Transfers to other federal agencies represent approximately 23 percent of separations and resignations comprised another 49 percent. These conditions could produce an unprecedented drain on the Department's institutional memory and its capacity to provide mature leadership to the next generation of employees.

Acquire and manage the technology resources to support program goals

As American society becomes increasingly oriented toward using electronic means of communication and information dissemination, federal agencies must ensure that they continue to be as responsive as possible to the needs of the public, private sector, other levels of government, and other federal agencies. DM must promote leading-edge technologies, collaboration, and technology transformation across the Department, ensuring alignment with mission requirements, goals and objectives in order to deploy systems able to perform at the highest levels.

Promote improvements to Department programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness, and (2) prevents and detects fraud, waste, and abuse

The Department's diverse mission and critical programs and operations are administered in a dynamic environment—one that is greatly influenced by ever-changing conditions. As the Department works to accomplish its mission, the Office of the Inspector General (OIG) provides a unique, independent voice to the Secretary and other senior Department managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness and prevent and detect waste, fraud, and abuse in Department programs and operations. This work is primarily accomplished through audits, inspections, evaluations, and investigations and a variety of activities geared toward averting problems. Moreover, OIG strives to ensure that it:

- Performs high quality, timely work;

- Concentrates its efforts on the Department's most critical programs, operations, challenges, and vulnerabilities; and

- Achieves results that allow government funds to be put to better use and address criminal, civil, and other wrongdoing.

PROGRAM EVALUATION

The Department uses reviews and reports generated by OIG, Office of Management and Budget (OMB), GAO, other congressional organizations, government-wide task forces, and other objective sources to evaluate all activities of the Department. For example, DM works closely with OMB on implementing the five government-wide management initiatives established in the PMA and is rated quarterly on its success in implementing them. In addition, many of the laws pertaining to these activities have separate reporting requirements, which highlight both strengths and weaknesses of the Department's administrative functions. The Department uses the results of these efforts as needed to assess achievement of performance targets.

In addition, many of the laws pertaining to IT management have separate reporting requirements, which highlight both strengths and weaknesses of the Department's IT programs. The Department uses the results of these efforts as needed to assess achievement of performance targets. Although the operating units assess and report their progress on each of the measures, the Department's Office of the Chief Information Officer (OCIO) is requiring that operating units develop corrective action plans (CAP) to achieve performance targets, to provide regular reports on their progress, and to undergo independent reviews to verify accuracy of reporting. With Chief Information Officers (CIO) established and in place at all the operating units, the structure will be in place to strengthen the management of IT at all levels.

EXTERNAL FACTORS

Many external factors affect the Department's ability to achieve these goals including:

- The Department's customers are diverse and often have a broad array of needs and expectations that cannot be adequately addressed by a universal approach.

- The Department's programs face continually increasing demands for greater productivity and increased services against a backdrop of limited federal funds. Program operations are adjusted as needed to meet these evolving needs.

- The Department's programs must be managed from within aging physical facilities (including its headquarters building and other facilities across the Nation), which require modernization in order to meet technical and scientific needs and to ensure the safety of staff, information, and customers.

- The growing technological orientation of its work means DM is increasing its engagement in a highly competitive marketplace for individuals with skills in science, technology, and related fields.

- The increasing diversity in the U.S. workforce requires DM to recruit, train, and retain workers in new ways.

- The public sector's perception of the federal government is that it is unattractive and lacks the flexibility sought by new professionals.

- The rapidly changing IT environment, including changes in hardware, software, applications, Internet use, and the user community, all impact the DM's IT function. The activities that are described above will assist the Department in responding to these challenges by planning how it will invest IT funds, ensuring that it has a cohesive and well-constructed IT architecture, and safeguarding the integrity and availability of the Department's IT systems.

PRESIDENT'S MANAGEMENT AGENDA

Departmental Management (DM) exercises oversight for Department-wide policies and procedures and works with the bureaus to implement government-wide and DM reforms. These reforms, intended to achieve President Bush's vision of a citizen-centered, results-oriented, and market-based government, include the five crosscutting initiatives established in the President's Management Agenda (PMA): (1) strategic management of human capital, (2) competitive sourcing, (3) improved financial performance, (4) expanded electronic government, and (5) budget and performance integration.

❶ *Strategic Management of Human Capital*

Workforce projections show that more than half of the federal workforce will be eligible for retirement within the next five years. To respond to this extraordinary surge in prospective retirements, the Department is taking steps to ensure that it retains vital knowledge, skills, and management capabilities through workforce analyses, recruitment and retention plans and a Senior Executive Service candidate program.

The Department strives to create an environment in which all employees are valued for the diverse mix of talents, skills, and experiences they bring to the workplace, receive the training opportunities needed to effectively carry out ever-evolving program responsibilities, and are able to effectively balance professional responsibilities with family commitments.

❷ *Competitive Sourcing*

The competitive sourcing initiative offers opportunities for the federal government to improve program efficiency and realize significant cost savings through increased competition. Historical data suggest that cost savings in the range of 20 to 50 percent can be achieved when federal and private sector service providers compete. The Department is opening competition for performing activities that can be carried out by private firms, such as administrative support and payroll services.

New opportunities for competition continually arise as a result of gradual changes in program responsibilities and private sector capabilities. Using the tools provided by the Federal Activities Inventory Reform Act, the Department is conducting competitions and converting positions. In so doing, it is assessing the appropriateness and cost-effectiveness of using the private sector to perform operations currently performed by the federal government.

❸ *Improved Financial Performance*

Accurate and timely financial information is integral to optimum performance and accountability. The Department works towards producing clean audits to support effective management. The Department uses technology to add new bureaus to the Commerce Business System to improve its overall financial performance. This system, when used by all bureaus, will provide accurate and timely information that supports the Department's performance and is inherent in providing accountability to the U.S. public. The Department will reduce the number of deficiencies that could affect the Department's ability to reliably record, process, or report financial data.

❹ *Expanded Electronic Government*

Expanded electronic government is a key to fostering citizen-centered government with a greater volume of service at lower cost. In FY 2006, the Department spent $1.6 billion towards IT. IT expenditures are expected to grow to nearly $1.9 billion in FY 2008. The Department will ensure that this investment is wisely used to:

- Safeguard the security and integrity of the Department's IT systems.

- Implement applications to address common requirements, such as e-grants, e-regulation, and e-signatures.

- Provide citizen-centered service by creating easy-to-find single points of access to the Department's programs, including a government-wide e-procurement portal.

- Increase the ease of electronic access for persons with disabilities.

- Expand the use of electronic reporting.

❺ *Budget and Performance Integration*

Program results offer the taxpayers a transparent view of how their tax dollars are being spent at the federal level. Challenges in assessing program performance in relation to budget resources includes improving the way that the Department's programs are assessed, integrating financial and budget information, and determining how the Department can best report program performance. The Department ensures accountability at the highest levels of the organization and integrates analysis, presentation, and execution of budget and performance efforts throughout the Department.

In addition to these five government-wide Presidential initiatives, the Department launched a Departmental initiative to ensure that its employees are able to carry out their program activities in a safe and secure environment.

- The Department established a Department Emergency Operations Center and developed a Departmental COOP plan. The Department is now testing the COOP plan as well as examining Department-specific programs to identify those activities that involve special security requirements.

- The Department is reinvigorating the Employee Safety and Health Program through the re-establishment of the Department's Safety Council, developing a communications campaign to disseminate educational materials to Department employees, and implementing a Safety Program Action Plan to address a wide range of concerns such as safety training and awareness, workplace inspections, and health services.

MANAGEMENT INTEGRATION GOAL: ACHIEVE ORGANIZATIONAL AND MANAGEMENT EXCELLENCE		
BUREAU	**OUTCOME**	**PERFORMANCE MEASURE**
DM	Ensure effective resource stewardship in support of the Department's programs	Provide accurate and timely financial information to conform to federal standards, laws, and regulations governing accounting and financial management
		Effectively use competitive sourcing
		Obligate funds through performance-based contracting
		Obligate contracts to small businesses
	Ensure retention of highly qualified staff in mission-critical positions	Acquire and maintain diverse and highly qualified staff in mission critical occupations
	Acquire and manage the technology resources to support program goals	Improve the management of information technology
OIG	Promote improvements to Department programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness; and (2) prevents and detects fraud, waste, and abuse	Percentage of OIG recommendations accepted by departmental and bureau management.
		Dollar value of financial benefits identified by OIG.
		Percentage of criminal and civil matters that are accepted for prosecution

Overarching Key Factors Affecting Achievement of the Department's Goals

Overarching Key Factors Affecting Achievement of the Department's Goals

T he Department's wide range of activities means that a number of factors can impact its ability to achieve its goals. It sees the following factors having significant impact over the next five years:

- *National and International Economic Conditions* including regional economic conditions changes in the business climate, upswings and downturns in the national and international economy, strength of the U.S. dollar, and the level of expansion of U.S. and foreign markets.

- *U.S. and International Foreign Policy* including both U.S. and other nations' foreign trade policy, diplomatic relations between nations, and even wars such as that against terrorism or rogue nations.

- *Natural Environment* including short and long-term weather conditions and patterns, and monitoring a variety of atmospheric phenomena.

- *U.S. Demographic Trends* including changes in urbanization, concentrations of the population along coastlines, the number and location of economically distressed communities, the changing racial and ethnic makeup of the U.S. population, the number of languages, and the increasing privacy concerns of the public.

- *Infrastructure* including Department buildings and other infrastructure (ships, satellites, etc.) as well as the infrastructure of the Nation such as highways and bridges, all of which can have a significant impact on the economy.

- *Technological Advances* including number of patents filed, the increase or decrease in R&D investments, particularly high-risk investments, advanced computer modeling, and further enhancement of telecommunications technologies.

- *Human Capital* including the make-up of all Department staff, with a particular emphasis in the expected and required shift in skills as a large number of the staff approach retirement and demands continue for greater productivity.

- *Other Agencies*, including federal, state, local, and private organizations, which provide information to the Department and share its information with constituents. They also include agencies that provide the Department with funds and assistance in conducting programs that help to achieve its goals.

CROSSCUTTING PROGRAMS

CROSSCUTTING PROGRAMS

T he Department has numerous crosscutting programs involving multiple bureaus; other federal, state, and local agencies; foreign governments; and private enterprise. Federal programs dealing with economic and technology development, the natural environment, international trade, and demographic and economic statistics play a major role in advancing the welfare of all Americans. The Department continues to work with other government agencies in furthering efforts in these areas for the American public. Examples of crosscutting programs in strategic goal order include the following:

- Commerce leads and the Secretary chairs the federal government's Trade Promotion Coordinating Committee (TPCC), consisting of 19 agencies that work together to develop and implement a government-wide strategy for export promotion activities.

- Economic Development Administration

    - EDA works with NOAA on disaster mitigation, protection of natural resources, development of eco-industrial parks; with NIST on technology deployment and assistance; with NTIA on upgrading telecommunications infrastructure; and with MBDA on minority business development and entrepreneurship.

    - EDA builds partnerships with federal, state, and local entities, including the Federal Emergency Management Agency (FEMA), the Environmental Protection Agency (EPA), the Department of Energy (DOE), the Department of Labor (DOL), the Department of Agriculture (USDA), the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), the Appalachian Regional Commission (ARC), and the Denali Commission.

    - EDA requires the use of the Census Bureau's new American Community Survey (ACS) data for grant applications that previously used census long form data.

- Minority Business Development Agency

    - MBDA works with NIST and NOAA to include minority-owned businesses in programs involving new and emerging technology. MBDA works with the Census Bureau to expand the survey on minority-owned businesses. MBDA has collaborated with EDA to establish Business Development Centers where EDA has funded infrastructure projects.

    - MBDA has initiated intergovernmental partnerships with the SBA, Export-Import Bank, and USAID. MBDA has collaborated with the National Economic Council (NEC), Treasury, the Comptroller, the Federal Reserve Bank, and HUD on the New Markets Program and The Department Capital Access Task Force.

- International Trade Administration

    - ITA works closely with the Office of General Counsel (OGC) on guidance for interpreting existing international trade agreements and defining the rights of U.S. firms and workers. ITA works with NIST on international standards and with NOAA on trade initiatives involving environmental programs. ITA works with MBDA in identifying potential exporters who may need assistance.

    - ITA works with the USTR to develop strategies for solving market access disputes and to participate in major trade negotiations. ITA also works with Customs, State, and DOJ involving AD/CVD issues and litigation.

- Bureau of Industry and Security

    - BIS works with the Departments of State, Defense, and Energy, as well as the intelligence community, to evaluate dual-use export license applications.

    - BIS works with the U.S. and Foreign Commercial Service (US&FCS) to send export control officers overseas to conduct end-use checks and works with host governments on export control cooperation. BIS also works with DOJ, the State Department,

Customs Service, Federal Bureau of Investigation (FBI), U.S. Postal Service, and the intelligence community on data sharing and other law enforcement matters.

■ BIS works with State, DOD, DOE, Treasury, DOJ, and the intelligence community to develop and implement U.S. export control policy and programs, works with U.S. industry to implement the treaty requirements of the CWC, and participates in multilateral regimes.

● The Bureau of the Census

■ The Census Bureau relies on the Internal Revenue Service (IRS) and the Social Security Administration (SSA) as data sources for sample frame development.

■ The Census Bureau works with EDA, DOL's Economic and Training Administration (ETA), DOD's Office of Economic Adjustment (OEA), and state and local governments in creating useful analytical tools to assist communities in preparing for and recovering from numerous types of economic dislocations such as Base Realignment and Closure (BRAC), plant closings, and disasters.

■ The Census Bureau performs work under reimbursable agreements for USDA, HUD, DOE, BLS, the Bureau of Justice Statistics (BJS), the National Center for Education Statistics (NCES), the Bureau of Transportation Statistics (BTS), the Federal Reserve Board (FRB), EPA, and the Agency for Health Care Research and Quality (AHCRQ).

■ The Census Bureau works with ITA to produce customized statistics on export services. The Census Bureau works with NOAA on issues related to GPS and geodetic control. The Census Bureau also receives information from BEA, ITA, USPTO, NOAA, other federal agencies, and private organizations for many uses, including compiling the *Statistical Abstract of the United States* and the *County and City Data Book*.

■ The Census Bureau works with state governments to make data available locally to the public through a variety of channels. It also works with foreign governments through the International Programs Center to assist them in collecting, producing, and using statistics.

● Bureau of Economic Analysis

■ BEA and the Census Bureau cooperatively examine and assess joint and individual statistical problems.

■ BEA relies on the Bureau of Labor Statistics (BLS) and the IRS as data sources. The Census Bureau collects and provides BLS with monthly unemployment data. BEA also works closely with other agencies producing statistics including USDA, DOD, the Department of Education (Education), DOE, the Department of Health and Human Services (HHS), DOT, and the Department of the Treasury (Treasury).

■ BEA works with ITA to develop the Travel and Tourism Satellite Accounts, which provides a detailed picture of travel and tourism industries and their role in the U.S. economy.

● Technology Administration

■ Under Secretary

◆ TA's Office of the Under Secretary works with NIST, NOAA, and NTIA on technology transfer issues; USPTO on IP matters; NTIA on telecommunications issues; BIS on technology export issues; and ITA on international technology issues.

◆ TA works with Education and DOL on workforce and education issues; State and USTR on international issues; USPTO, and a variety of agencies on technology transfer activities and on IPR issues; HHS, the National Institutes of Health (NIH), and FDA on medical technology issues; all the major federal S&T agencies on technology transfer issues; and with the Office of Science and Technology Policy (OSTP) on international S&T issues.

◆ TA works closely with private industry and the science and technology community to develop and coordinate national technology policy. TA also serves as an advocate for policies that best leverage the benefits of new technology and contribute to the Nation's economy.

- National Institute of Standards and Technology

  ◆ NIST and NOAA are among a group of federal agencies focused on the global climate change initiative to accelerate new global observation technologies to improve the understanding of global climate change.

  ◆ NIST and NTIA cooperate to support development of UWB signal technology, a new wireless technology that will improve communications for emergency services and other applications.

  ◆ NIST, as the lead agency for the National Earthquakes Hazards Reduction Program, works in close coordination with FEMA, NSF, and the United States Geological Survey to reduce the risks to life and property from earthquakes.

  ◆ NIST chairs the Interagency Working Group on Manufacturing Research and Development, and works with a wide range of federal agencies, including USDA, DOD, DOE, HHS, DOL, and DOT, to develop joint strategies for manufacturing R&D programs in the federal government and promote industrial competitiveness and innovation.

  ◆ Through MEP, NIST collaborates with ITA, MBDA, and EDA, as well as with a wide range of federal agencies, including DOD, DOL, EPA, and SBA, that regulate or provide programs and services that affect small manufacturing businesses.

  - The National Technical Information Service (NTIS) provides a variety of services that assist other agencies in developing, producing, and disseminating their information in a variety of media.

- The U.S. Patent and Trademark Office (USPTO) collaborates with the European Patent Office (EPO) and the Japan Patent Office (JPO) to deliver high quality products through Trilateral collaboration.

- National Telecommunications and Information Administration

  - NTIA works with ESA on Internet use measurements analysis and with USPTO on domain name and IP issues relating to digital rights management.

  - NTIA works with the White House and other federal agencies to develop and coordinate Administration-wide telecommunications policy statements, and represents the Administration on telecommunications and information policy issues before Congress and the FCC. NTIA serves as the manager of federal government spectrum while the FCC manages the non-federal spectrum. Since spectrum is often shared, NTIA and the FCC regularly engage in coordination of spectrum uses and policies.

  - NTIA obtains private-sector views on a broad range of telecommunications and information policy issues through formal proceedings, where public comments are solicited, and through public conferences, workshops, and meetings on specific subjects.

- National Oceanic and Atmospheric Administration

  - Commerce Bureaus

    ◆ With the support of EDA, MBDA, and NIST, along with enlisting the support of USDA, SBA and DOL, NOAA will play a key role in mitigating the impact of critical resource conservation decisions in the transition to economically sustainable communities.

    ◆ NOAA works closely with EDA and NIST on the Federal Natural Disaster Initiative. NOAA also works closely with FEMA, the Corps of Engineers (COE), the Bureau of Reclamation, DOD and state and local governments to complement their meteorological services. NOAA works with the Coast Guard concerning marine forecasts, FAA regarding aviation forecasts and National Aeronautics and Space Administration (NASA) concerning launch forecasts.

    ◆ NOAA, through its Office of Space Commercialization (OSC), coordinates space commerce policy activities with NTIA, ITA, BIS, and NIST to include departmental membership and support of the National Space-Based Positioning, Navigation, and Timing (PNT) Executive Committee.

■ Other partners

- ◆ NOAA works with a variety of partners to integrate coastal science, assessment, monitoring, education and management activities. NOAA has developed partnerships with Maine, Washington, Oregon, and California to promote the recovery of salmon and steelhead.

- ◆ NOAA partners with the private sector through the Committee on Marine Transportation Services.

- ◆ NOAA works with NASA in the GOES and POES satellite acquisition programs.

- ◆ NOAA partners with EUMETSAT on the Initial Joint Polar-orbiting Operational Satellite system (IJPS).

- ◆ NOAA works with CNES on the Argos Data Collection System.

- ◆ NOAA partners with the U.S. Air Force and the U.S. Coast Guard on the Search and Rescue Program (SARSAT).

- ◆ NASA and the U.S. Air Force participate together in the NPOESS Integrated Program Office.

- ◆ Additionally, NOAA partners with the USDA Forest Service on wildfire/fire weather support; with the EPA on air quality; with FEMA on disaster mitigation and response including hurricane prediction and planning; with the Red Cross on disaster preparedness and awareness; and with USCG on search and rescue operations and HAZMAT response.

● DM works with all bureaus, most other government agencies and the private sector in four key areas: policy development and program management, human resources, financial management, and IT policy development and program management.

APPENDICES

APPENDIX A:
BIS PERFORMANCE GOAL CROSSWALK

B IS performance goals and measures crosswalk (FY 2006 – FY 2008).

FY 2006 BIS GPRA PERFORMANCE GOALS	FY 2007 - FY 2008 BIS GPRA PERFORMANCE GOALS
PERFORMANCE GOAL 1: *Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system*	**PERFORMANCE GOAL 1:** *Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system*
Percent of licenses requiring interagency referral referred within nine days	Percent of licenses requiring interagency referral referred within nine days
Median processing time for new regime regulations (months)	Median processing time for new regime regulations (months)
Percent of attendees rating seminars highly	Percent of attendees rating seminars highly
Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified, and submitted to the State Department in time for the United States to meet its treaty obligations	Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified, and submitted to the State Department in time for the United States to meet its treaty obligations
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge
Number of end-use checks completed	
PERFORMANCE GOAL 2: *Integrate non-U.S. actors to create a more effective global export control and treaty compliance system*	**PERFORMANCE GOAL 2:** *Integrate non-U.S. actors to create a more effective global export control and treaty compliance system*
Number of targeted deficiencies remedied in the export control systems of cooperating countries	Number of end-use checks completed
PERFORMANCE GOAL 3: *Eliminate illicit export activity outside the global export control and treaty compliance system*	
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	
Number of end-use checks completed	
PERFORMANCE GOAL 4: *Ensure continued U.S. technology leadership in industries that are essential to national security*	**PERFORMANCE GOAL 3:** *Ensure continued U.S. technology leadership in industries that are essential to national security*
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls

APPENDIX B: GLOSSARY OF ACRONYMS

ABBREVIATION	TITLE
ACS	American Community Survey
ACSI	American Customer Satisfaction Index
AD	Antidumping
AHCRQ	Agency for Health Care Research and Quality
APP	Annual Performance Plan
ARC	Appalachian Regional Commission
ARTS	Annual Retail Trade Survey
ASM	Annual Survey of Manufacturers
ATS	Annual Trade Survey
BEA	Bureau of Economic Analysis
BIS	Bureau of Industry and Security
BJS	Bureau of Justice Statistics
BLS	Bureau of Labor Statistics
BNQP	Baldrige National Quality Program
CAPs	Corrective Action Plans
CFO	Chief Financial Officer
CIO	Chief Information Officer
COE	Corps of Engineers
COOP	Continuity of Operations Plan
CRADA	Cooperative Research and Development Agreements
CVD	Countervailing Duty
CWC	Chemical Weapons Convention
DM	Departmental Management
DOD	Department of Defense
DOE	Department of Energy
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
EAR	Export Administration Regulations
ECASS	Export Control Automated Support System
EDUCATION	Department of Education
EDA	Economic Development Administration
ENUM	Telephone Number Mapping

ABBREVIATION	TITLE
EPA	Environmental Protection Agency
EPO	European Patent Office
ERL	Environmental Research Laboratories
ESA	Economics and Statistics Administration
FAA	Federal Aviation Administration
FBI	Federal Bureau of Investigation
FCC	Federal Communications Commission
FDA	Food and Drug Administration
FEMA	Federal Emergency Management Agency
FRB	Federal Reserve Board
FTC	Federal Trade Commission
FY	Fiscal Year
GAO	Government Accountability Office
GDP	Gross Domestic Product
GIS	Geographic Information System
GPS	Global Positioning System
GSS	Geographic Support System
HHS	Department of Health and Human Services
IA	Import Administration
IAEA	International Atomic Energy Agency
ICANN	Internet Corporation of Assigned Names and Numbers
ICP	Internal Control Program
IMF	International Monetary Fund
IRS	Internal Revenue Service
IT	Information Technology
ITA	International Trade Administration
ITS	Institute for Telecommunication Sciences
ITU	International Telecommunication Union
MAC	Market Access and Compliance
MAF	Master Address File
MBDA	Minority Business Development Agency
MEP	Manufacturing Extension Partnership

Abbreviation	Title
MIS	Management Information System
MTS	Marine Transportation System
N NAS	National Academy of Sciences
NASA	National Aeronautics and Space Administration
NCEP	National Centers for Environmental Prediction
NCES	National Center for Education Statistics
NEC	National Economic Council
NESDIS	National Environmental Satellite, Data, and Information Service (NOAA)
NIH	National Institutes of Health
NIPLECC	National Intellectual Property Law Enforcement Coordination Council
NIST	National Institute of Standards and Technology
NMFS	National Marine Fisheries Service (NOAA)
NMIs	National Metrology Institutes
NOAA	National Oceanic and Atmospheric Administration
NOS	National Ocean Service (NOS)
NRC	National Research Council
NSF	National Science Foundation
NSRS	National Spatial Reference System
NTIA	National Telecommunications and Information Administration
NTIS	National Technical Information Service
NWS	National Weather Service (NOAA)
O OAR	Office of Oceanic and Atmospheric Research (NOAA)
OGC	Office of General Counsel
OGP	Office of Global Programs
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPCW	Organization for the Prohibition of Chemical Weapons
OPEM	Office of Planning, Evaluation and Management
OPM	Office of Personnel Management
OSTP	Office of Science and Technology Policy

Abbreviation	Title
P PAR	Performance and Accountability Report
PART	Program Assessment Rating Tool
PCS	Personal Communication Service
PCT	Patent Cooperation Treaty
R RLF	Revolving Loan Fund
S S&T	Science and Technology
SAB	Science Advisory Board
SAS	Service Annual Survey
SBA	Small Business Administration
SIPP	Survey of Income and Program Participation
SMEs	small and medium-sized enterprises
SRMs	standard reference materials
STATE	Department of State
STOP	Strategy Targeting Organized Piracy
T 3G	Third Generation
TA	Technology Administration
TAAC	Trade Adjustment Assistance Center
TECI	Transshipment Country Export Control Initiative
TCC	Trade Compliance Center
TIGER	Topologically Integrated Geographic Encoding and Reference System
TPCC	Trade Promotion Coordinating Committee
Treasury	Department of Treasury
U US&FCS	U.S. and Foreign Commercial Service
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USPTO	U.S. Patent and Trademark Office
USTR	U.S. Trade Representative
UWB	Ultra Wideband
U VCAT	Visiting Committee on Advanced Technology
U WTO	World Trade Organization

AMERICAN JOBS, AMERICAN VALUES

STRATEGIC GOALS

GOAL 1

MAXIMIZE U.S. COMPETITIVENESS AND ENABLE
ECONOMIC GROWTH FOR AMERICAN INDUSTRIES,
WORKERS, AND CONSUMERS

GOAL 2

PROMOTE U.S. INNOVATION AND INDUSTRIAL
COMPETITIVENESS

GOAL 3

PROMOTE ENVIRONMENTAL STEWARDSHIP

MANAGEMENT INTEGRATION GOAL

ACHIEVE ORGANIZATIONAL AND
MANAGEMENT EXCELLENCE