

**Statement of Jeffery K. Nulf
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U. S. Department of Commerce
Before the
Subcommittee on Financial Management, Government Information,
and International Security
Committee on Homeland Security and Governmental Affairs
United States Senate
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Statement for the Record

Good afternoon Chairman Coburn, Senator Carper, and Members of the Committee. Thank you for the opportunity to testify before you on behalf of the Department of Commerce on the topic of conference spending in federal agencies.

Your requests for information and the invitation to speak to you today have focused attention on an area that, for the Department of Commerce, not only is an important element in mission support and employee development, but also presents an opportunity for savings at a time when we are trying to do more with fewer resources.

In furtherance of sound management and as a result of current and coming budgetary constraints, the Secretary and the Deputy Secretary have instructed the Department's Presidential Appointees and Heads of Operating Units to direct resources to mission-critical activities, and to do so by taking a hard look at what is expended on administrative functions. All elements of the Department have been charged with meeting our program responsibilities efficiently and effectively while reducing the amounts spent on non-essential

activities. Our bureaus report to the Deputy Secretary on a quarterly basis regarding their performance in this and other areas.

The Department of Commerce is a diverse organization, largely scientific, with numerous compelling responsibilities. It is essential for the employees working towards accomplishing the Department's missions to have a current understanding of developments in their program areas. Commerce employees

- predict the weather,
- manage the nation's fisheries,
- allocate radio spectrum,
- and create better ways to measure everything from the structure of atoms to the flammability of buildings.

Our employees

- help American business learn how to expand markets for their products
- count people for the census
- and support the Nation through the provision of economic information such as quarterly reports on international trade activity, residential construction and sales, and the gross domestic product.

Participation at critical conferences furthers these mission-related activities by providing continuing education for our scientists, engineers, economists, and other professionals.

Conference attendance also furnishes venues where the exchange of ideas in an intellectually stimulating environment can lead to new solutions to problems faced by our country and the world. We believe that investment in conference attendance, balanced with sound

stewardship of taxpayers' dollars, is necessary for the Department to meet its responsibilities to U.S. citizens and the world community.

The Department is a large organization with extremely varied responsibilities. We have in place no single policy that governs conferences and related activities, nor do we have a line item in our budget for conferences, or a conference spending ceiling to restrict expenditures in this area. We have confidence that our managers are making prudent decisions regarding which conferences to attend and who should attend them. We do recognize our affirmative obligation to restrain resources expended on travel in general and conference attendance in particular. Concurrently, we recognize that in austere fiscal times, conference spending is among the top candidates for reduction, and offers an opportunity for savings that can then be applied to mission-essential work.

Although Commerce Department conference spending increased rapidly between fiscal years 2000 and 2003 (as you know from the material we provided you in January), our conference expenditures decreased in FY 2004 and fell again in FY 2005, the most recent year for which we have complete data. In examining the available FY 2006 data we identified several indicators that we consider positive in terms of the efficient use of taxpayers' dollars for conferences. Among these are the following:

- The single most frequently used geographic area for conferences attended by Commerce employees is local—the Baltimore-Washington metropolitan area.
- There is a relatively small number of Commerce attendees—5 or fewer—at 87 percent of the conferences in which Commerce employees are involved.

- Conferences sponsored or co-sponsored by the Department typically are held in cities where the sponsoring organization is located, thereby minimizing travel expenditures and overall cost.
 - As an example, of 69 conferences sponsored by NIST, only three were held outside the Washington, DC, or Boulder, Colorado, areas, where all NIST employees live and work.
 - The National Weather Service's Northeast Storms Conference was held in Burlington, Vermont,
 - and its Des Moines Severe Storms Conference was held in Des Moines, Iowa.

This is not to suggest that we don't participate in conferences held in locations perceived to be more exotic. Indeed, the North Pacific Marine Sciences workshop, sponsored by NOAA, was held in Hawaii, but this was the most economical place for this event to occur. Similarly, NOAA's co-sponsored Gulf of Mexico Alliance meetings were in New Orleans and Naples, Florida, both on the Gulf coast.

The FY 2006 conference spending data that we have collected indicates a continuing downward trend in conference spending. To date, the Commerce Department has spent \$7.8 million on conference-related activities in FY 2006. That is about 62 percent of our FY 2003 high. Projections for FY 2007 suggest that conference-related spending will drop further, to around \$7.5 million. These figures are good news, but we remain interested in identifying where we might continue our reduction efforts.

Mr. Chairman, we appreciate your concern that current technology be used fully to bring people together for electronic conferencing. The Department will continue to seek creative means to leverage its ability to video- and teleconference in order to reduce, as much as possible, the need for in-person attendance at training and professional meetings.

Consistent with that objective, we have created within the Department an online Learning Management System that now provides our employees desktop access to some 1600 training courses. This, of course, won't take the place of professional conferences, but it certainly is an economical approach to professional development.

We also are aware that some agencies have developed policy statements that specifically address conference attendance and spending. We look forward to exploring this approach along with other actions that may assist us in assuring that conference spending is fully justified and appropriately controlled within the Department of Commerce.

Mr. Chairman, and members of the Subcommittee, I would like to thank you again for this opportunity to share with you information about the Commerce Department's conference activities and spending, and I look forward to answering any questions you may have on this topic.