

NATIONAL SCIENCE FOUNDATION  
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ARLINGTON, VIRGINIA 22230



OFFICE OF THE  
DIRECTOR

July 9, 2007

Clay Johnson III  
Deputy Director for Management  
Office of Management and Budget  
Executive Office of the President  
725 17<sup>th</sup> Street, NW  
Washington, D.C. 20503

Dear Mr. Johnson:

In accordance with the Federal Activities Inventory Reform (FAIR) Act (P.L. 105-270), the FY 2007 Commercial Activities Inventory for the National Science Foundation is attached. We have followed the guidance from the revised A-76 Circular and from OMB Memo M-07-14 dated May 3, 2007 to prepare this year's Inventory.

At the end of FY 2006, The National Science Foundation (NSF) completed a comprehensive, multi-year business analysis that involved the concurrent consideration of human capital and next-generation technology-enabled systems in an analysis framed around the Agency's core business processes. Outcomes of the Business Analysis are now guiding long-term, integrated administration and management investments that promise important mission-focused results. The Business Analysis responded directly to issues raised in the President's Management Agenda, to government-wide issues identified by the General Accounting Office (GAO) and others, and to agency-specific challenges such as the effective management of an increasingly multidisciplinary science and engineering research and education portfolio, and the management and oversight of an increasing number of complex, large facility projects.

In the area of Human Capital Management, NSF has developed a strategic approach to workforce planning and deployment that evaluates mission needs, customer expectations and workload. The approach also identifies competencies; develops strategies to obtain, develop and retain critical competencies; and reduces excess organizational layers and redundancies.

Results from the business analysis effort have led to the development of a competency-based Job Family framework for evaluating the Foundation's human capital needs. Following discussions with OMB and OPM, NSF first utilized the framework while developing the 2004 FAIR Act Inventory, and it continues to be utilized for the annual inventory.

NSF's 2007 FAIR Act Inventory continues its use of Reason Code A to identify those commercial activities that are core to the agency's mission, and therefore are not appropriate for private sector performance. The 2007 justification for the use of Reason Code A remains largely unchanged from previous years.

NSF will continue to refine our Inventory and evaluate the viability of competitive sourcing as a tool to ensure that business process efficiencies are maximized at the Foundation, and that objectives defined by the President's Management Agenda are achieved. We appreciate OMB's ongoing support of our efforts to maintain an agile workforce, and we will continue to work closely with you as we move forward.

Please contact Joseph Burt, Director, Division of Human Resource Management, at 703-292-8180, for further information.

Sincerely,



Arden L. Bement, Jr.  
Director

Attachments