Corporate Context for Corporate Management (CM)

This section on Corporate Context that is included for the first time in the Department's budget is provided to facilitate the integration of the FY 2003 budget and performance measures. The Department's Strategic Plan published in September 2000 is no longer relevant since it does not reflect the priorities laid out in President Bush's Management Agenda, the 2001 National Energy Policy, OMB's R&D project investment criteria or the new policies that will be developed to address an ever evolving and challenging terrorism threat. The Department has initiated the development of a new Strategic Plan due for publication in September 2002, however that process is just beginning. To maintain continuity of our approach that links program strategic performance goals and annual targets to higher level Departmental goals and Strategic Objectives, the Department has developed a revised set of Strategic Objectives in the structure of the September 2000 Strategic Plan.

The Department manages an extensive array of energy-related programs over a nationwide complex including headquarters organizations, operations offices, field offices, national laboratories, power marketing administrations, special purpose offices, and sites now dedicated to environmental cleanup. The Department needs strong corporate management in order to integrate its diverse portfolio of program missions, its facilities, and its contractors spread over a large geographic base.

Corporate Management (CM) Goal

Demonstrate excellence in the management of the Department's human, financial, physical and information assets. Successfully implement each of DOE's requirements in the President's Management Agenda; demonstrate measured progress in resolving DOE's management challenges; and resolve all management recommendations from DOE's IG and GAO within three years of issuance.

Strategic Objectives

CM1: Achieve effective and efficient management of the Department of Energy by implementing the President's Management Agenda initiatives on Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; and Budget and Performance Integration. (MBE, ED)

CM2: Advocate and implement E-government citizen service delivery office in FY 2003. (CIO)

CM3: Ensure secure, efficient, effective and economical operations of the Department's Information Technology Systems and Infrastructure. (CIO)

CM4: Provide analysis of domestic and international energy policy, develop implementation strategies, ensure policies are consistent across DOE and within the Administration, communicate analyses and priorities to the Congress, public, industry, foreign governments, and domestic and international organizations, and enhance the export and deployment of energy technologies internationally. (PI)

CM5: Reduce adverse security incidents, worker injuries, and environmental releases through policy development, counterintelligence, intelligence, and oversight of the Nation's energy infrastructure, nuclear weapons, materials, facilities and information assets. (SO, CN, IN, OA)

CM6: Operate a robust review program and provide timely performance information and recommendations to facilitate: (1) implementation of the President's Management Agenda; (2) resolution of Management Challenges; (3) execution of the Secretary's priorities; (4) completion of statutory Inspector General mandates; (5) recovery of monies and opportunities for savings; and (6) the integrity of the Federal and contractor workforce. (IG)

Budget Summary Table

(dollars in thousands)

	FY 2001 Comparable Appropriation	FY 2002 Comparable Appropriation	FY 2003 Request
Office of the Secretary	$5,081	$4,784	$4,731
Energy Security	3,244	3,269	27,686
Management, Budget and Evaluation/CFO (CM1)	116,815	109,310	110,841
Board of Contract Appeals	917	953	785
Hearing and Appeals	5,533	5,381	4,753
Congressional & Intergovernmental Affairs	5,275	4,777	5,224
Economic Impact and Diversity (CM1)	6,916	6,269	6,821
General Counsel	23,894	23,775	23,964
Policy and International Affairs (CM4)	17,237	16,176	21,619
Public affairs	4,244	4,057	4,685
Inspector General (CM6)	33,556	33,856	38,872
Intelligence (CM5)	36,154	40,618	41,559
Counterintelligence (CM5)	45,079	45,514	39,383
Security (CM5)	165,357	173,977	186,506
Independent Oversight and Performance Assurance (OA)	22,275	22,228	22,615
Chief Information Officer (CIO)	73,978	75,444	84,160
Subtotal Corporate Management	**565,555**	**570,388**	**624,204**
Cost of Work for Others	66,027	65,499	69,916
Miscellaneous Revenues	-107,103	-137,810	-137,524
Total, CM	**524,479**	**498,077**	**556,596**

Energy Security and Assurance

Mission

Energy Security activities managed by the Office of Emergency Operations support the national security of the United States by working to protect the Nation against severe energy supply disruptions. This is accomplished in close collaboration with the private sector, by providing technical expertise to: identify system critical components and interdependencies; identify threats to the systems; recommend actions to correct or mitigate vulnerabilities; plan for response and recovery to system disruptions and; provide technical response support during energy emergencies.

America's energy supply is essential to a strong economy and national security. Failure to meet increasing energy demand with increased energy supply, vulnerability to disruptions from natural or malevolent causes, could compromise our Nation's economic prosperity, compromise our national security, and alter the way we live our lives.

Recognizing this weakness, on October 16, 2001, the Administration issued an Executive Order on Critical Infrastructure Protection in the Information Age. As part of this focus, the Department of Energy is organizing a strong public-private program to address this serious problem. Though protecting our energy vulnerabilities will largely be accomplished through the private sector, there is a strong national coordinating and analytical role to be filled by the federal government.

To demonstrate the Administration's commitment to shore up these vulnerabilities, in FY 2003 funding is requested to fully deploy the Department of Energy's newly expanded Energy Security and Assurance program. The effort will provide resources to enhance energy assurance critical assessment and response capabilities, conduct infrastructure vulnerability assessments, analyze energy systems and infrastructure security, respond to energy emergencies, and support the National Infrastructure Simulation and Analysis Center (NISAC).

Strategic Objectives

The Energy Security and Assurance program builds on activities previously conducted by the Critical Infrastructure Protection program in the Office of Security. The expanded activity will support the strategic objective previously established for the Critical Infrastructure Protection program.

CM5: Reduce adverse security incidents, worker injuries, and environmental releases through policy development, counterintelligence, intelligence, and oversight of the Nation's energy infrastructure, nuclear weapons, materials, facilities and information assets.

This strategic objective is supported by the Program Strategic Performance Goal that follows:

CM5-1: Direct Department-wide energy sector critical infrastructure protection activities and lead and coordinate Departmental efforts to work with industry, state and local governments, and national and international entities. Work with the national energy sector to develop the capability required to assure the Nation's energy infrastructures, including the physical and cyber components of the electricpower, oil and gas infrastructures, the interdependencies among those components, and the interdependencies with the other critical national infrastructures. Identify DOE technologies that can help assure our Nation's critical energy infrastructures and facilitate their use by the private sector and other federal agencies. Work with State and local governments to develop plans and procedures for recovery from an attack on the energy infrastructure through training, exercise and technical assistance programs.

Program Objectives

The United States faces new threats and a vulnerable energy sector. Large-scale blackouts, massive power supply disruptions in the West, and previously unthinkable terrorist actions at home have brought national energy securityto the forefront of public attention. Though protecting our energy infrastructure will largely be accomplished through the private sector there is a strong national coordinating and analytical role to be filled by the federal government.

To demonstrate the Administration's commitment to shore up these vulnerabilities, funding in FY 2003 is requested to initiate the Department of Energy's, Energy Security and Assurance program. The program objectives are to:

- Develop and maintain a national strategy for energy assurance in support of the President's National Energy Policy and provide leadership for intradepartmental energy assurance activities.

- Represent DOE in interagency, intergovernmental and other energy assurance related forums.

- Identify potential threats to the national energy infrastructure, including those from natural disasters, acts of terror, sabotage, industrial accidents; and communicate potential threats to the appropriate authorities to facilitate emergency planning and response.

- Maintain effective communications and liaison network to facilitate information flow during emergencies.

- Develop plans for federal responses to energy emergencies; provide technical and professional assistance to states and industry for the development of local and regional response plans. Ensure responses are timely by maintaining an Energy Security and Assurance Duty Officer qualification program to coordinate responses to requests for assistance.

- Conduct readiness exercises with states and industry to assist in identifying shortfalls prior to actual emergencies and recommend corrective actions.

- Lead DOE support to Energy Emergency Support Function (ESF-12) under the National Response Plan.

- Maintain energy related databases, prepare energy supply and infrastructure assessments, and monitor national energy supply and distribution networks and infrastructures.

- Coordinate national laboratory research and development programs related to the identification of ways to mitigate national energy infrastructure vulnerabilities.

- Plan and conduct outreach to energy industry stakeholders, including the development of information exchange modalities and mechanisms, and vulnerability awareness and education programs.

- Represent the Department in Critical Infrastructure Protection (CIP)-related interagency deliberations, including the Critical Infrastructure Coordination Group and in meetings of the National Infrastructure Assurance Council.

- Assess, in collaboration with states and industry, the potential benefits of standards and best practices for the energy sectors.

Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	$ Change	% Change
Energy Security and Assurance	2,994	2,994	23,411	20,417	681.9%
Program Direction	250	275	4,275	4,000	1454.5%
Total, Energy Security	3,244	3,269	27,686	24,417	746.9%

Funding by Site

(dollars in thousands)

	FY 2001	FY 2002	FY 2003
Argonne National Laboratory	0	0	4,101
Los Alamos National Laboratory	994	994	5,793
Sandia National Laboratories	2,000	2,000	13,517
Total, Funding by Site	2,994	2,994	23,411

Site Description

Argonne National Laboratory

Funding supports to identify and assess system vulnerabilities, provide technical analytical support and coordinate outreach programs. Argonne will participate in activities with states and industry to plan for, respond to and mitigate actions that disrupt the national energy infrastructure.

Los Alamos National Laboratory

Funding supports the National Infrastructure Simulation and Analysis Center (NISAC) a collaborative effort between Los Alamos and Sandia National Laboratories to provide technical support to assess the system of infrastructures and their interdependencies. Funding is also provided to:

- Perform activities that support states and industry efforts to plan for, respond to and mitigate actions that disrupt the national energy infrastructure.
- Develop and maintain interdependency models and planning tools to assist the federal and state governments and industry with anticipating system failuresand understanding the cascading effects of single point failures
- Identify DOE technologies and capabilities that can protect our nation's critical energy

infrastructures and facilitating their use by the private sector and other federal agencies.

- Conduct readiness exercises with states and industry to assist in identifying shortfalls prior to actual emergencies and recommend corrective actions
- Assess how the national energy infrastructure is vulnerable to cyber or physical disruptions through site visits and other cooperative efforts with states and industry.

Sandia National Laboratories

Funding supports the National Infrastructure Simulation and Analysis Center (NISAC) a collaborative effort between Los Alamos and Sandia National Laboratories to provide technical support to assess the system of infrastructures and their interdependencies. Funding is also provided to:

- Perform activities that support states and industry efforts to plan for, respond to and mitigate actions that disrupt the national energy infrastructure.
- Develop and maintain interdependency models and planning tools to assist the federal and state governments and industry with anticipating system failures and understanding the cascading effects of single point failures
- Identify DOE technologies and capabilities that can protect our nation's critical energy infrastructures and facilitating their use by the private sector and other federal agencies.
- Conduct readiness exercises with states and industry to assist in identifying shortfalls prior to actual emergencies and recommend corrective actions
- Assess how the national energy infrastructure is vulnerable to cyber or physical disruptions through site visits and other cooperative efforts with states and industry.

Energy Security

Mission Supporting Goals and Objectives

National security includes assured energy security for the Nation. The tragic events of September 11th and the reality of widespread regional energy disruptions have brought to the forefront the need to build a strong defense of our energy infrastructure. A new Energy Security program is proposed in FY 2003 to meet this need. Through the application of sophisticated modeling technologies, development of training and information materials, and outreach with local officials and industry representatives, the resources provided by this program will better inform and facilitate efforts to protect the Nation's critical energy infrastructure.

Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	$ Change	% Change
Energy Security and Assurance					
Energy Security and Assurance	2,994	2,994	4,100	1,106	36.9%
National Infrastructure Simulation & Analysis Center.....	0	0	19,311	19,311	100.0%
Program Direction.....	250	275	4,275	4,000	1454.5%
Total, Energy Security	3,244	3,269	27,686	24,417	746.9%

Detailed Program Justification

	FY 2001	FY 2002	FY 2003
Energy Security and Assurance	2,994	2,994	4,100

The goal of this program is to coordinate with the States, industry, and to lead the federal government's effort to ensure a secure flow of energy to America's homes, industry, public service facilities and the transportation system. This activity is conducted in direct support of the President's National Energy Policy and Presidential Decision Directive 63.

This effort addresses both physical and cyber threats to the nation's energy infrastructure, coordinate the Department's analysis of U.S. energy supply sectors and examines key interdependencies in energy delivery systems. Additionally, this effort will formalize and strengthen the Department's role as the lead federal agency in national energy emergencies by providing regional teams of federal experts to address specific regional energy supply disruption issues such as the energy consequences of catastrophic earthquakes.

The program assists energy infrastructure stakeholders to assess and address threats, provides necessary research and development, and pursues outreach and collaborative activities to accomplish this goal. Additionally, this program will establish a private/public partnership of industry experts and energy specialists throughout the country to standardize energy emergency response plans and offer technical assistance.

Policy analysis within DOE's Office of Policy and International Affairs will support this activity. Funding for energy systems energy analysis ($2.0 million) is requested separately in the Department's Office of Policy and International Affairs budget and is fundamental to provide the Department the ability to understand and enhance energy critical infrastructure protection. Working collaboratively with industry, federal regulators, and local officials the program will also develop and distribute energy assurance and vulnerability assessment training to industry and local officials nationwide.

The program works in partnership with infrastructure providers to identify critical assets, systems, processes and facilities and evaluates their susceptibility to threats. "Best practices" and risk management tools for self-assessment and mitigation will be developed to assist decision makers. Funding will also provide state, local and federal planning officials with "hands-on" capability to run simulated scenarios using data from the National Infrastructure Simulation and Analysis Center (NISAC) to achieve real-time solutions to potential and actual energy emergencies. The program will also develop a framework that local governments and energy utilities can adopt to collect relevant information to identify and assess the vulnerabilities of critical community facilities.

This program includes Critical Infrastructure Protection functions previously performed by the Office of Security and Emergency Operations, and Energy Emergency Response activities within Nuclear Weapons Incident Response/Emergency Management.

	FY 2001	FY 2002	FY 2003
National Infrastructure Simulation and Analysis Center (NISAC)	0	0	19,311

Funding supports the National Infrastructure Simulation and Analysis Center (NISAC) a public/private technical partnership led by Los Alamos and Sandia National Laboratories. NISAC will provide a fundamentally new technical planning and decision support environment for the analysis of critical infrastructures, their interdependencies, vulnerabilities, and complexities for policy analysis and emergency planning. Analysis of critical infrastructure interdependencies in the electric power, oil and gas sectors is an essential component of a national energy security strategy. NISAC modeling, simulation, and analysis will support preparation of mitigation strategies, reconstruction planning, and real time crisis support. NISAC will use distributed information systems architectures to provide virtual analysis capabilities that will accommodate a large number of providers and a large number of users. NISAC will provide services to the Critical Infrastructure Protection and Continuity Board established under the Presidential Executive Order on Critical Infrastructure Protection in the Information Age, as well as to other federal agencies, and private industry infrastructure owners. NISAC is projected to be fully operational by FY 2005.

Total, Energy Security	**2,994**	**2,994**	**20,417**

Explanation of Funding Changes from FY 2002 to FY 2003

	FY 2003 v. FY 2002 ($000)
Energy Security and Assurance	1,106

Additional funds expand regional outreach and training with industry and local officials, DOE participation at federal emergency coordinating meetings, and "hands-on" planning capabilities to achieve real-time solutions to potential and actual energy emergencies. This funding will also support new tasking associated with support of the President's National Energy Policy and Presidential Decision Directive 63.

National Infrastructure Simulation and Analysis Center (NISAC)	19,311

New initiative in FY 2003 to apply high-end modeling and simulation capabilities to analyze critical infrastructure interdependencies in the energy sector.

Total Funding Change, Energy Security and Assurance	+ 20,417

Program Direction

Program Direction provides the federal staffing resources and expenses associated with the technical direction and administrative support for an Energy Security and Assurance function within the Office of Emergency Operations. This activity includes funding for support service contractors, equipment, travel, and other expenses such as the Working Capital Fund.

Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	$ Change	% Change
Salaries and Benefits	190	200	2,530	2,330	1,165%
Travel	10	10	390	380	3,800%
Support Services	40	50	545	495	990%
Other Related Expenses	10	15	810	795	5,300%
Total, Headquarters	250	275	4,275	4,000	1,454.54%
Full Time Equivalents	9	9	22	13	144%

Detailed Program Justification

	FY 2001	FY 2002	FY 2003
Salaries and Benefits	200	215	2,530

Funding supports salaries and benefits for Headquarters and regional personnel providing technical direction, outreach, and analysis to Energy Security and Assurance activities. This category includes funding for other personnel compensation such as awards, overtime pay, and transit subsidies.

Travel	10	10	390

Funding supports staff transportation expenses in performance of program duties, employees' *per diem* allowance while in authorized travel status, and other expensesincidental to travel.

Support Services	50	50	545

Funding provides for technical and management support services to Energy Security and Assurance employees, including ADP support.

	FY 2001	FY 2002	FY 2003
Other Related Expenses	10	15	810

Includes funding for administrative expenses such as: training, computer hardware and software acquisitions, telecommunications, and publication and subscription services. Also included is the portion of the Working Capital Fund expenses in support of Energy Security and Assurance activities which covers items such as: rent, phone usage, and other mandatory costs.

Total, Program Direction	250	275	4,275

Explanation of Funding Changes from FY 2002 to FY 2003

	FY 2003 v. FY 2002 ($000)
Salaries and Benefits	+2,330
Salaries and Benefits increase reflects establishment of expanded 22 FTE energy security and assurance initiative. Within the 22 FTEs are 9 FTEs transferred from other existing DOE functions (2 FTE from Critical Infrastructure Protection formerly in the Office of Security and Emergency Operations, and 7 FTE formerly in Nuclear Weapons Incident Response/Emergency Management). The remaining 13 FTE will support federal oversight of NISAC activities, and expanded regional outreach, coordination and technical assistance activities.	
Travel	+380
Travel increase accommodates additional FTEs and the requirement to conduct outreach programs with States and private industry. It also reflects an increase in the exercise and training activities associated with the energy response teams.	
Support Services	+495
Support services increase reflects additional technical support required to effectively and efficiently execute this expanded program. In direct services to Energy Security employees, including ADP support	
Other Related Expenses	+795
Other Related Expenses increases to accommodate logistical support for 13 additional FTEs including computer hardware and software acquisitions, telecommunications, Working Capital Fund expenses and publication and subscription services	
Total Funding Change, Program Direction	+4,000

Support Services

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	$ Change	% Change
Technical Support Services	10	10	390	380	3,800%
Management Support Services	0	0	0	0	0%
ADP Support	0	0	0	0	0%
Administrative Support Services	0	0	0	0	0%
Total, Support Services	10	10	390	380	3,800%

Other Related Expenses

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	$ Change	% Change
Working Capital Fund	3	3	210	207	6,900%
Other	7	12	600	588	4,900%
Total, Other Related Expenses	10	15	810	795	5,300%