

**The
Department of Commerce
Budget in Brief**

Fiscal Year 2013

John E. Bryson, Secretary

Contents

INTRODUCTORY HIGHLIGHTS	1
BUREAU DESCRIPTIONS	
Departmental Management	11
Office of the Inspector General	23
Economic Development Administration	27
Bureau of the Census	35
Economic and Statistical Analysis	47
International Trade Administration	53
Bureau of Industry and Security	59
Minority Business Development Agency	65
National Oceanic and Atmospheric Administration	69
U.S. Patent and Trademark Office	101
National Institute of Standards and Technology	107
National Technical Information Service	125
National Telecommunications and Information Administration	127
Public Safety Broadband Network	138
SUMMARY TABLES AND GRAPHS	
Department of Commerce Funding and Employment	141
2013 Distribution of Resources by Strategic Theme / Historical Summary of Resources	142
Budget Authority: FY 2011 - 2013	143
Outlays: FY 2011 - 2013	144
Full-Time Equivalent Employment: FY 2011 - FY 2013	145
Bridge from 2012 and 2013 Appropriations to 2012 and 2013 Budget Authority	146
Comparison of 2013 Estimate with 2011 Actual and 2012 Estimate	147
Comparison by Bureau of Adjustments to Base	148
Summary of Requirements with Detail of Adjustments to Base	150
Budget Authority by Function	151
AUTHORIZING LEGISLATION REQUIRED FOR FY 2013	153

Unless otherwise noted, all dollar amounts are in thousands

Departmental Overview

The mission of the Department of Commerce is to help make American businesses more innovative at home and more competitive abroad. The Department helps American businesses achieve economic growth and job creation by fostering innovation, entrepreneurship, and competitiveness. We accomplish our mission through direct assistance to businesses and communities, targeted investment in world-class research, science, technology, and more. The Secretary of Commerce leads the Department and its 12 bureaus with a budget of about \$8.0 billion and nearly 47,000 employees worldwide.

In today's challenging budget climate, Commerce is deeply committed to reducing its administrative costs by identifying savings and efficiencies. This helps us act as responsible stewards of taxpayer dollars, but it also ensures that the important programs that support Commerce's primary mission will continue despite current and future budget reductions.

The Department of Commerce helps American businesses drive economic growth and job creation in a number of critical areas:

- Critical programs at the National Institute of Standards and Technology (NIST) support innovation and cutting-edge manufacturers which in turn create good-paying jobs.
- Through protecting the intellectual property that sustains innovation, the U.S. Patent and Trademark Office (USPTO) contributes directly to strengthening America's leadership in manufacturing. USPTO is currently implementing patent reform legislation that will help modernize the U.S. patent system.
- The Economic Development Administration (EDA) invests in competitive, job-creating, advanced manufacturing projects and regional innovation clusters.
- The Minority Business Development Agency (MBDA) supports the competitiveness of minority-owned firms.
- By connecting U.S. businesses with opportunities abroad, the International Trade Administration (ITA) advances the goals of the National Export Initiative, works to remove trade barriers and promotes new business investment in the United States from foreign and domestic companies.
- The Bureau of Industry and Security (BIS) improves our economic security through efforts to reform our outdated export control laws.
- Critical to our competitiveness, the National Telecommunications and Information Administration (NTIA) expands broadband Internet access and ensures the Internet remains an engine for innovation and economic growth.
- The Economics and Statistics Administration (ESA), including the Census Bureau and Bureau of Economic Analysis (BEA), provide the economic and demographic data to evaluate growth, understand markets, and help American businesses make decisions for the future.
- By providing data that supports marine commerce, sustainable use of ocean resources, and accurate weather and climate forecasting, the National Oceanic and Atmospheric Administration's (NOAA) supports sustainable communities and economies.

Build It Here – Sell It Everywhere

The Commerce Department has a major role at this critical time to support job creation here at home. Secretary of Commerce John Bryson has made this imperative his priority:

We need to help American businesses build it here and sell it everywhere.

Building it here and selling it everywhere is how the United States became the world's greatest economic power in the 20th century. Here in the 21st century, the competition has changed, the circumstances have changed and America itself has changed. But the ingredients for a strong economy that creates good jobs have not. We must be able to build things, and we must be able to sell them competitively – not only at home – but in markets around the world. To help businesses build it here and sell it everywhere, the Commerce Department is currently focusing on three critical areas in the months ahead:

- **Supporting Advanced Manufacturing**

A strong manufacturing base creates good jobs to sustain a strong middle class and a strong country. Manufacturing is also the biggest source of innovation in our economy. This is why the President's Budget proposes \$157 million for NIST to focus research efforts in advanced manufacturing to introduce product innovations that will support future U.S. manufacturing market growth and competitiveness, and the creation and retention of high skill, well-paying jobs.

- **Increasing U.S. Exports**

In addition to helping American companies build their product, we want to help them take the next step to sell their product and services to the 95 percent of the world's consumers who live beyond our borders. Despite many opportunities, U.S. businesses are not exporting nearly as much as they could. Many companies would like to export, but are unsure how to start. Small businesses in particular often face big challenges getting export financing, building relationships with foreign suppliers, or dealing with unfamiliar foreign rules and regulations. Commerce resources provide solutions to these challenges and President Obama's National Export Initiative (NEI) is designed to help businesses overcome these hurdles. The initiative has already helped U.S. businesses expand 17 percent in 2010 and an additional 17 percent in 2011. The FY 2013 Budget requests \$517 million for the International Trade Administration, which will strengthen the efforts of the NEI to meet the President's goal of doubling U.S. exports by the end of 2014.

- **Attracting more investment to America from all over the world**

This Administration maintains a deep commitment to ensuring that the United States remains the most open economy in the world. America is already the number one destination for foreign direct investment, and foreign companies support more than 5 million jobs across the United States. However, until the recent launch of SelectUSA, there has not been a high-level Federal program designed to work in partnership with state and local economic development agencies and help businesses navigate the web of Federal resources to encourage them to make these types of investments in America.

SelectUSA is the first coordinated Federal effort to aggressively pursue and win new businesses' investment in the United States from foreign and domestic companies. The FY 2013 President's Budget proposes \$13 million for SelectUSA in FY 2013 to encourage, facilitate, and accelerate foreign direct investment in the United States to create jobs and spur economic growth.

BUDGET IN CONTEXT

The FY 2013 Budget for the Department of Commerce meets the need for fiscal responsibility and the need to promote innovation, entrepreneurship and competitiveness, which will allow us to build it here and sell it everywhere, and put Americans back to work. The FY 2013 President's Budget for the Department of Commerce includes \$8.0 billion in discretionary funding, which is a 5 percent increase from the FY 2012 Enacted level. The Budget also requests \$2.3 billion in mandatory funding for new programs. This Budget invests in priorities to create jobs, fuel economic growth, drive innovation and strengthen national security and public safety. It targets efforts to build a 21st Century infrastructure, promote exports and foreign direct investment, support environmental sustainability, and strengthen science and information.

The Department of Commerce made tough choices in compiling this Budget. In designing the FY 2013 Budget, the Department scrutinized core programs, seeking to make them as efficient and effective as possible without diminishing mission-critical functions. We avoided widely distributed reductions, concentrating instead on specific programs and projects that, while performing important work and generating value, are lower priorities. Overall, the Commerce Budget eliminates 16 programs, saving over \$50 million. These terminations and reductions occur in programs that are either similar to programs in other agencies or not central to the Department's mission. In addition, this Budget finds \$176 million in administrative savings.

Overall, this Budget reflects a commitment to three core values of the Commerce Department:

- **Supporting U.S. Businesses and Communities**, with direct assistance in areas such as consulting on production efficiencies and building public-private partnerships;
- **Advancing the Frontiers of Innovation**, with targeted investments in world-class research, science and technology; and
- **Stewarding Taxpayer Dollars**, building on the most effective Commerce Department programs while making tough decisions on less-impactful programs.

SUPPORTING U.S. BUSINESS AND COMMUNITIES

The Commerce Department serves as the voice of American business and works directly with small businesses and manufacturers to support job creation and enhance our economic competitiveness. The Commerce Department also supports communities through targeted investments, by sustainably managing our Nation's oceans and coasts, and by providing daily weather forecasts and severe storm warnings.

Fostering economic development and growth in partnership with local communities and businesses. The Department assists in developing communities, especially in disadvantaged or distressed areas, through private job creation. The President's Budget provides \$182 million for EDA's Economic Development Assistance Programs to drive 21st-century

development in a dynamic cluster-based approach that leverages regional assets to foster economic growth. EDA's budget invests \$25 million in the Regional Innovation Strategies Program and \$60 million in Economic Adjustment Assistance to stimulate entrepreneurship and high-growth business formation. The Budget provides \$29 million for the MBDA, through their network of Minority Business Enterprise Centers, to support the ability of minority businesses to grow and participate in the global economy. Within NIST, \$128 million is provided for the Hollings Manufacturing Extension Partnership (MEP) to improve the competitiveness of small and medium sized firms in manufacturing and service industries through custom consulting and product testing.

Creating jobs through export growth and foreign direct investment. While our direct assistance helps companies build it here, Commerce strives to improve U.S. global competitiveness and foster job growth through exports and foreign direct investment. The Budget proposes \$517 million for the International Trade Administration (ITA), continuing support for the National Export Initiative and the Administration's goal of doubling U.S. exports by the end of 2014. The ITA budget requests an additional \$30 million to strengthen trade promotion by placing Foreign Commercial Service Officers and the equivalent of 90 locally engaged staff in high-growth markets such as China, India, and Brazil. An expansion of these NEI priority markets will enable identification of more export opportunities for U.S. companies, more rapid and timely business counseling, and enhanced commercial diplomacy and advocacy support. The ITA budget also includes \$13 million for SelectUSA to promote foreign direct investment in the U.S. SelectUSA makes the Federal government a partner with states and local communities that are competing with overseas locations for major new facility investments by foreign and domestic companies.

Supporting national security missions and public safety. The Bureau of Industry and Security 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 President's FY 2013 Budget recognizes the important role of BIS programs to ensuring technologies are not exported to regimes where they may fall into the wrong hands with a request of \$102 million. Within this request, \$6 million is provided for the Administration's Export Control Reform initiative that will advance national security and overall economic competitiveness by utilizing the more flexible Commerce dual-use system to control military items of less significance.

This Budget also supports U.S. businesses and communities by investing in critical satellite operations that will provide businesses and individuals with the data and information necessary to plan for changing weather and climatic conditions. These satellites also provide advanced warning of severe storms so that actions can be taken to protect lives and property. The FY 2013 Budget invests \$1.8 billion in NOAA satellites, including \$916 million for the NOAA Joint Polar Satellite System (JPSS). Weather satellites, including JPSS, are critical to our Nation's infrastructure and economy and provide 93 percent of the input to the nation's weather prediction models. Funding JPSS is required to ensure public safety and homeland security. This funding will maintain a calendar year 2017 launch date for JPSS to minimize any potential gap in polar satellite coverage and to ensure that the next generation of geostationary satellites remains on schedule. In October 2011, NOAA and NASA successfully launched the Suomi National Polar-orbiting Partnership (Suomi-NPP). Suomi-NPP will bridge the gap between NOAA's last polar satellite and JPSS. Suomi-NPP's five-year design life will carry the program to the first quarter of FY 2017. JPSS is scheduled to launch in the second quarter of 2017. Full funding is required to avoid any additional schedule slip and to minimize the gap between missions.

Providing information to the Nation. The Commerce Department focuses on generating and providing timely data and analysis to support effective decision-making for the public and private sectors. NOAA's environmental data and services support commerce throughout the country. NOAA provides weather information that drives safe and efficient transportation,; drought, and water data that informs agricultural decisions; space weather warnings needed to protect

the national energy grid and worldwide communications from solar storms; and climate services that support adaptation decisions for business and communities. Nearly 80 percent of U.S. import and export freight is transported through seaports, and by 2020, the value of all freight coming through U.S. ports will increase by more than 40 percent. The FY 2013 President's Budget requests \$150 million to support navigational services nationwide, including mapping and charting and real-time observations and forecasts of water levels, tides, and currents. The Budget also provides \$973 million for weather, drought, and flood forecasting. NOAA is also engaging with specific industries to provide information that will aid in sector growth, such as helping to grow renewable energy generation through a number of research projects in partnership with other agencies and the energy industry.

The Economics and Statistics Administration (ESA) provides the tools to identify the drivers of growth and fluctuations, and to measure the long-term health and sustainability of U.S. economic activity. One of the valuable services the Department provides both the business community and policymakers is timely, accurate, and reliable economic data to inform their decision-making. The FY 2013 President's Budget requests \$100 million for ESA and \$970 million for the Census Bureau. The FY 2013 Budget for Census also sustains critical economic and household data collection activities, such as the 2012 Economic Census that provides businesses with key statistics by industry, and the American Community Survey that yields data to inform community decision-making on everything from school lunch programs to new hospitals.

Ensuring long-term economic opportunities through resource stewardship. Healthy coastal economies rely on a healthy ocean ecosystem. Sustainably managing our Nation's oceans and coasts will promote economic sustainability and will ensure that future generations also have the ability to enjoy and benefit from those same resources. Rebuilding our Nation's fisheries is essential to preserving the livelihood of fishermen, the economies of our coastal communities, and a sustainable supply of healthy seafood. The FY 2013 President's Budget requests \$880 million for the National Marine Fisheries Service, funding fisheries science, management, and conservation. Additionally, effective stewardship of coastal zone management, national marine sanctuaries, national estuarine research reserves, and other coastal resources, provide both immediate and long term economic benefits. For example, our beaches, coral reefs, estuaries and other coastal areas are essential drivers of tourism and recreation, contributing significantly to local and national economies.

ADVANCING THE FRONTIERS OF INNOVATION

Innovation is critical to our economy; it generates American jobs today and will certainly drive the jobs of the future. Businesses are the primary source of new ideas, from concept to commercialization, but the government plays a key role in this effort. Even in times of fiscal austerity, the Federal government has a responsibility to advance scientific and technological frontiers, building the foundations for a secure future. The Commerce Department has set clear budget priorities for where Departmental work can be done in this area.

Building future economic growth through innovation and 21st Century infrastructure. The Department is responsible for providing the tools, policies, and technologies that will enable U.S. businesses to maintain advantage in world markets. The United States Patent and Trademark Office (USPTO) facilitates the generation of innovative and commercially viable processes and products, while protecting the intellectual property rights of the investor. The FY 2013 Budget supports full access to fees for USPTO to accelerate patent processing and improve patent quality as outlined in the America Invents Act. NIST and NOAA provide support for cutting edge research and technology that fosters innovation and the FY 2013 Budget provides \$1.3 billion to these agencies in Research and Development dollars to improve the information on which communities, businesses, and government decision-makers rely. The proposed \$182

million in grants to be administered by EDA in FY 2013 plays a large role in supporting the innovation ecosystem that is required to foster economic development across the U.S., and particularly in distressed communities.

In June 2011, the President announced the Advanced Manufacturing Partnership. The Department of Commerce and in particular, NIST, plays a key role in seeing that the objectives of this government-wide initiative are realized. The Administration will propose legislation that will make \$1 billion available through NIST for a competitive grant program to establish a number of regional institutes for manufacturing innovation that will accelerate technological advancements in the manufacturing environment.

Building a Public Safety Broadband network and Increasing Wireless Access. Recognizing the critical importance of spectrum and state-of-the-art digital infrastructure to America's economic growth, the FY 2013 President's Budget provides \$47 million to the National Telecommunications and Information Administration (NTIA) to improve telecommunications performance, increase broadband access, and optimize other Federal agencies' use of spectrum for radars, satellites, weather data, and public safety, to name a few areas. NTIA will continue to work with the Federal Communications Commission to identify and make available 500 MHz (in bandwidth) of Federal spectrum for other purposes, including commercial applications. As proposed in the American Jobs Act, the FY 2013 Budget supports a National Wireless Initiative that would provide \$10 billion in total resources from spectrum auction proceeds to help build an interoperable public safety network. The establishment of the Public Safety Broadband Corporation will ensure the building, deployment, and operation of a secure and resilient nationwide public safety interoperable broadband network in consultation with Federal, State, tribal, and local public safety entities, the Director of NIST, the Commission, and the public safety advisory committee. NTIA's Broadband Technology Opportunities Program (BTOP) is expanding the access and adoption of high-speed internet throughout America and is providing the tools people need to thrive in the digital economy. BTOP is already delivering results. Across the U.S., new public computer centers are open, free computer classes are underway, and infrastructure projects are under construction. The FY 2013 President's Budget requests \$27 million for NTIA to continue to administer and monitor over \$4 billion in active projects.

Strengthening U.S. competitiveness through innovations in atmospheric and oceanic research. NOAA's atmospheric and ocean, coastal and Great Lakes research and applied science are at the forefront of discovery and a critical component of advancing the goals of the America Competes Reauthorization Act of 2010. The President's FY 2013 Budget requests \$651 million for NOAA Research and Development. The FY 2013 Budget for NOAA continues the necessary investments to improve our climate activities, with a specific focus on research that underpins our understanding of climate processes. Continued development and use of state-of-the-art Earth system models, which help address urgent climate issues, including sea level rise and Arctic climate change, will be supported by an investment of \$8 million.

STEWARDSHIP OF TAXPAYER DOLLARS

Just as businesses across the U.S. strive for efficiencies in hard economic times, the Federal government has a responsibility to maximize results, especially in times of fiscal austerity. The Department of Commerce focuses on crosscutting issues, simplifying and enhancing our interactions within the Federal system and with the public, and adhering to the highest standards of management.

In today's challenging budget climate, Commerce is deeply committed to reducing its administrative costs through savings and efficiencies. In doing so, we are not only acting as responsible stewards of taxpayer dollars, but we are

ensuring that the important programs that support Commerce's primary mission will continue despite current and future budget reductions.

The FY 2013 President's Budget invests in key areas to improve administrative functions throughout the Department. These investments include \$0.4 million for cybersecurity; \$3.9 million to upgrade the financial management and acquisition systems within the Department, and \$2.2 million to migrate from 24 human resource management systems to one.

BusinessUSA. The Department of Commerce continues to support the implementation of a comprehensive customer service experience to better meet the needs of businesses through the BusinessUSA initiative. Consistent with the President's vision, this program ensures that businesses looking for assistance from the Federal Government feel like they are interacting with one entity, rather than a number of separate, albeit linked, components. This means adopting a "No Wrong Door" policy that uses technology to quickly connect businesses to the services and information relevant to them, regardless of which agency's website, call center, or office they go to for help. BusinessUSA links American businesses and entrepreneurs to a portfolio of Commerce and other Federal, state and local partner resources that help them to grow and strengthen their competitiveness in the global economy. These services are provided, faster and more comprehensively, through a coordinated one-stop Federal assistance framework initially consisting of a web-based portal and enhanced call center coordination. The BusinessUSA initiative is an important step toward a new Federal Government service delivery relationship with America's business customers - applying information and customer service standards, processes, and technology, call centers, and field offices in a manner that provides the most useful, accurate, and timely services and information to businesses.

Administrative Cost Savings. The Commerce Department has moved aggressively in the past year to reduce our administrative costs as part of the President's Administrative Efficiencies Initiative. In early 2011, we launched the initiative across the Department, and with the participation of all of the Commerce bureaus, we will meet our goal of saving \$143 million by the end of FY 2012 in areas such as acquisition, fleet, human resources and information technology (IT). In FY 2011 we saved approximately \$51 million in administrative costs. In FY 2011 Commerce shut down 80 percent of its 3,200 cellular lines that showed zero usage for three months or more, and optimized rate plans, for an annual savings of \$1.8 million. Another example of an initiative the Department has put in place is to print both less and smarter. On June 14, 2011, the Acting Deputy Secretary issued the Department's first printing policy, calling for double-sided, black and white, and draft quality printing, as well as reduced energy settings. The Department continues each month to show progress, increasing black and white printing from 75 percent to 87 percent, and double sided printing from 11 percent to 50 percent, as well as a reduction of printing by 27 percent. Total annual savings from this initiative is about \$4.2 million.

The FY 2013 President's Budget calls on the Department to achieve \$176 million in administrative cost savings. Consistent with the Executive Order on Effective and Efficient Government, the Department plans to increase cost savings by placing additional focus on reducing travel costs, employee IT devices, printing, fleet operations, management contracts and extraneous promotional items.

Acquisition Reform. The Department of Commerce has taken substantial, concrete steps over the past two years to improve the effectiveness and efficiency of its acquisition operations, including important steps to respond to long-standing issues that led to several high-profile, problematic acquisitions in the past. The Department has a multi-pronged

approach to improve how we make acquisitions in order to deliver greater savings, greater results, and greater efficiencies. Those strategies include:

- Utilizing stronger metrics to measure performance;
- Adopting a new acquisition framework built around milestone reviews to better define and validate requirements;
- Pursuing bulk buying and other purchasing strategies;
- Better identifying and managing high-risk purchases; and
- Creating a new Center of Excellence to provide outstanding customer service to the smaller bureaus.

These efforts will ensure the Department is making lasting, important improvements in acquisition to shrink costs and boost value and efficiency.

ACCOMPLISHMENTS FOR FY 2011

- Through ITA, the Department continued to strengthen the economy by promoting exports and protecting against unfair trade practices. ITA assisted over 20,000 companies with export transactions worth over \$54 billion. Additionally, ITA successfully removed 56 trade barriers in 31 different countries that have directly benefitted U.S. industry and competitiveness, and has issued 268 anti-dumping and countervailing duty determinations covering a variety of products. ITA also continues to assist small and medium-sized businesses to compete in international markets through counseling and innovative programs like the Market Development Cooperator Program. On average, every government dollar invested in this program has generated \$172 of exports.
- EDA led a number of successful efforts to coordinate Federal resources and streamline processes and procedures. EDA championed two interagency funding competitions in FY 2011: the i6 Green challenge and the Jobs and Innovation Accelerator Challenge. The i6 Green Challenge combines the resources of six different agencies in order to encourage and reward innovative approaches to accelerating technology commercialization, new venture formation, job creation, and economic growth across the United States. The Jobs and Innovation Accelerator Challenge leveraged the resources of 16 different Federal agencies to support the development and implementation of locally driven economic development strategies that foster the development of high-growth clusters and accelerate the benefits of regional innovation cluster-based economic development.
- With a focus on measurement science, standards, and technology, the laboratories and programs of NIST provide the tools and infrastructure critical to enable the innovation, development, and deployment of advanced technologies. In the area of healthcare NIST published a set of approved procedures for testing information technology (IT) systems for electronic health records which are necessary to create confidence in and accelerate deployment of the technology. NIST also issued draft recommendations for securely configuring and using technologies for cloud computing. The Federal Chief Information Officer asked NIST to lead government efforts on developing standards for data portability, cloud interoperability, and security. NIST researchers also developed the world's most advanced low-temperature scanning probe microscope with unprecedented energy resolution for uncovering key properties of graphene, which is highly anticipated to play a revolutionary role in the future of devices such as computers and batteries.

- NTIA, in collaboration with the Federal Communications Commission, launched the National Broadband Map on February 17, 2011. This map publicly displays the geographic areas where broadband service is available; the technology used to provide the service; the speeds of the service; and broadband service availability at public schools, libraries, hospitals, colleges, universities, and public buildings.
- In order to strengthen the very infrastructure that marshals new innovation to the marketplace, USPTO undertook a series of initiatives to improve the speed and quality of patent processing, in an ongoing effort to further strengthen its examination capacity. USPTO has also been aggressively re-engineering many systems and processes, including its internal IT systems. USPTO is working toward a 21st century patent system that is smarter, better, faster, and stronger for all stakeholders. For the first time in several years, the number of patent applications awaiting first action dropped below 700,000—an important milestone that shows USPTO is helping to usher technological innovations from the drawing board into the economic sphere more quickly. USPTO also issued its 8,000,000th patent, an important signal of the technological vigor and creative industry underpinning a healthy and highly-productive U.S. intellectual property system.
- BEA and the Census Bureau continued to upgrade the quality and availability of critical economic and demographic information for policymakers, business leaders, and the public. After successfully completing the field operations for the 2010 Decennial Census, the Census Bureau compiled the data to determine the final population counts of each state and the Nation and released it on December 21, 2010. Population data from the Decennial Census, which is mandated by the Constitution, supports the reapportionment of Congress as well as state and local legislative bodies, and is also used to allocate over \$400 billion in annual Federal program funds. The Census Bureau completed the 2010 Census more than \$1.7 billion under budget, largely due to achieving a higher-than-estimated mail-back response rate and higher worker productivity.
- In FY 2011, for the first time ever, the Census Bureau’s American Community Survey released five-year estimates, comprised of data collected from 2005 to 2009. These estimates are now available for every state, county, city, town, place, American Indian Area, Alaska Native Area, and Hawaiian Home Land, as well as for census tracts and block groups.
- In FY 2011, ESA released reports on women’s economic and social well being, foreign direct investment, intellectual property and patent reform, broadband usage, and STEM (science, technology, engineering, and math) employment. BEA successfully released the 2011 flexible annual revision, which included several important improvements to the National Income and Product Accounts, and the annual revision of the U.S. International Transactions Accounts, which included improvements in classifications within services.
- NOAA’s National Weather Service (NWS) exceeded warning performance targets for the May 22, 2011 violent tornado that devastated a large portion of Joplin, MO. The Joplin tornado was the first single tornado in the United States to result in over 100 fatalities since the Flint, MI, tornado of June 8, 1953. NWS first forecasted severe weather for the Joplin area three days in advance, and issued a Tornado Watch four hours prior to the tornado and a Tornado Warning with lead time of 24 minutes before the tornado entered Joplin, which exceeded average warning lead times for all tornadoes occurring in FY 2011 by ten minutes. While the early warnings saved lives, improvements in science and technology are required in order to see further improvements in warning lead times and build a more weather-ready Nation.
- NOAA, the Oregon Dungeness Crab Commission, and the Oregon Department of Fish and Wildlife announced the new industry-led “Partnership to Retrieve Derelict Fishing Gear in Oregon” in August 2011. This partnership

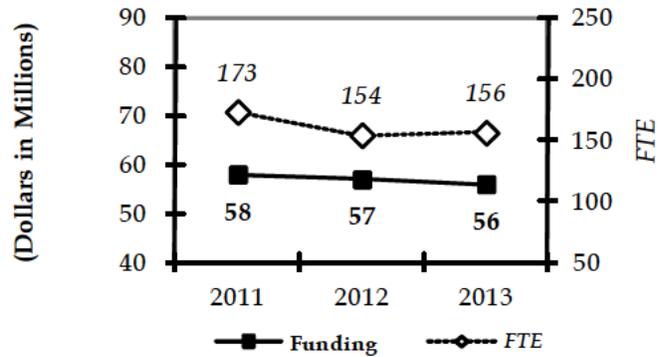
is built from the success of the American Recovery and Reinvestment Act (ARRA) funded project “Oregon Fishing Industry Partnership to Restore Marine Habitat,” which from June 2009 to June 2011, led to the removal of nearly 3,000 derelict crab pots from the ocean. The original project supported approximately 10,000 hours of work for commercial fisherman, state employees, and other project partners in Oregon coastal communities that have been especially hard-hit by high fuel prices and the national economic downturn. Of the crab pots recovered, 98 percent were returned to their owners and therefore those fishermen did not need to buy replacement gear – at an average savings of approximately \$200 per pot. The rest were recycled through the Fishing for Energy program. Recognizing the benefits provided to fishermen and the community, the industry decided to continue funding this program in partnership with NOAA after the ARRA funds were expended.

- CommerceConnect extended its local reach to 17 locations across the country from Los Angeles, CA to Boston, MA. CommerceConnect made considerable progress in establishing an operational infrastructure to support the growth of the initiative, expand inter-bureau collaboration, and implement a Department-wide customer-oriented business model, including training over 175 Department staff to participate in the initiative; engaging over 770 business clients (vs. 90 clients in FY 2010); and providing over 1,160 referrals (vs. 333 referrals in FY 2010) to Department and other Federal, state, local, and non-profit programs that address their specific needs. Referrals are critically important because among other things they help companies obtain financing for operations and expansion, improve the efficiency of their operations, protect their intellectual property, increase their exports, access data and information for more effective decision-making, and a host of other activities critical to the Nation’s growth and economic prosperity. Approximately 75 percent of the referrals made have been acted upon by clients.

Departmental Management

Within Departmental Management (DM), the Salaries and Expenses (S&E) account provides funding for the Office of the Secretary, Deputy Secretary, and support staff. DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch and Congressional and private sector groups, and acts as the management and administrative control point for the Department. The S&E account contains two activities: **Executive Direction**, which develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Department’s mission; and **Departmental Staff Services**, which develops and implements the Department’s internal policies, procedures, and other administrative guidelines.

**Salaries and Expenses
Budget Authority and FTE**



For FY 2013, the Department continues to support the implementation of a comprehensive long-term customer service delivery plan for the Department through an expanded BusinessUSA/CommerceConnect initiative. BusinessUSA/CommerceConnect links American businesses to a portfolio of DOC and other Federal, state, and local partner resources that enable client companies to become globally competitive. These services are provided, faster and more comprehensively, through a coordinated one-stop Federal assistance framework consisting of a web-based portal, a call center, one dedicated field office in Michigan, existing bureau field offices, a customer relationship management (CRM) system, and program knowledge base. In addition, the headquarters office will be responsible for ensuring the resource coordinator network is established and providing the necessary program content to support the initiative.

The Renovation and Modernization account will continue activities that focus on the most critical systems to address major building infrastructure deficiencies and security weaknesses. The request is critical to complete the Department’s portion of the HCHB Phase 3 activities and reflects the Department’s continued focus to remain in sync with GSA’s funding and schedule to complete Phase 3 by the end of the fiscal year.

DM also includes the non-appropriated Advances and Reimbursements (A&R), Working Capital Fund (WCF), and Franchise Fund accounts. The A&R account provides a centralized collection and payment point for special short-term tasks or pass-through costs that encompass several of the Department’s bureaus. The WCF finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis, such as legal, security, building management, information technology (IT), and procurement services. The Franchise Fund is a fee-for-service organization and recently closed its IT hosting facility. The Department is currently considering the advisability of retaining the Franchise Fund, its operations and the location of the services.

DM also includes the Emergency Steel and Emergency Oil & Gas Guaranteed Loan Programs, enacted in FY 1999 to assist companies in the steel, oil, and gas industries. Authority for the Emergency Oil & Gas Guaranteed Loan Program expired in 2001 and the Emergency Steel Loan Guarantee Board expired on December 31, 2011.

Summary of Appropriations

Funding Levels

Appropriation	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$57,884	\$57,000	\$56,000	(\$1,000)
HCHB Renovation and Modernization	14,970	5,000	2,040	(2,960)
Emergency Steel Guar. Loan Program	(47,479)	(700)	0	700
Emergency Oil and Gas Guar. Loan Program	(521)	0	0	0
TOTAL APPROPRIATION	24,854	61,300	58,040	(3,260)

Transfer from U.S. AID, 22USC2392(a) 700

Budget Authority

Salaries and Expenses	58,584	57,000	56,000	(1,000)
Renovation and Modernization	14,970	5,000	2,040	(2,960)
Emergency Steel Guar. Loan Program	(47,479)	(700)	0	700
Emergency Oil and Gas Guar. Loan Program	(521)	0	0	0
TOTAL DISCRETIONARY BUDGET AUTHORITY	25,554	61,300	58,040	(3,260)

Mandatory Appropriation

Gifts & Bequests Trust Fund	877	5,141	900	(4,241)
TOTAL MANDATORY	877	5,141	900	(4,241)

FTE

Salaries and Expenses	173	154	156	2
Reimbursable	60	56	56	0
Renovation and Modernization	5	5	5	0
Working Capital Fund	620	607	571	(36)
Franchise Fund	0	0	0	0
Total FTE	858	822	788	(34)

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			154	\$57,000
Adjustments to Base				
<u>Adjustments</u>				
FTE realignment			3	
<u>Other Changes</u>				
FY 2013 Pay raise		\$100		
Civil Service Retirement System (CSRS)		(56)		
Federal Employees Retirement System (FERS)		93		
Thrift Savings Plan		33		
Federal Insurance Contributions Act (FICA) - OASDI		53		
Health insurance		132		
Travel - Per Diem		13		
Rent payments to GSA		572		
Printing and reproduction		2		
HCHB Electricity		(253)		
HCHB Water		3		
NARA		9		
Other services:				
Working Capital Fund		(1)		
General Pricing Level Adjustments:				
Communications and miscellaneous charges		7		
Other services		177		
Supplies and materials		4		
Equipment		9		
Subtotal, other cost changes			0	897
Less Amount Absorbed			0	(897)
TOTAL, ADJUSTMENTS TO BASE			3	0
2013 Base			157	57,000
Administrative Savings			0	(658)
Program Change			(1)	(342)
2013 APPROPRIATION			156	56,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Executive Direction	89	\$32,781	92	\$32,741	92	\$32,423	0	(\$318)
Departmental Staff Services	65	24,259	65	24,259	64	23,577	(1)	(682)
TOTAL DIRECT OBLIGATIONS	154	57,040	157	57,000	156	56,000	(1)	(1,000)
ADVANCES & REIMBURSEMENTS								
COMMITTS	0	1,417	0	1,417	0	1,417	0	0
GSA Rent							0	0
Other	56	89,247	55	89,247	55	89,247	0	0
Total Reimbursable Obligations	56	90,664	55	90,664	55	90,664	0	0
TOTAL OBLIGATIONS	210	147,704	212	147,664	211	146,664	(1)	(1,000)
FINANCING								
Unobligated balance, start of year (Direct)		(40)						
Unobligated balance, start of year (Reimbursable)		(1,317)						
Offsetting collections from:								
Federal funds	(56)	(89,347)			(55)	(90,664)		
Subtotal, financing	(56)	(90,704)			(55)	(90,664)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	154	57,000			156	56,000		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Administrative Savings	0	\$0	0	-\$658

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the Departmental Management's administrative savings planned for FY 2012 (\$2.8 million), an additional \$.66 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$3.5 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Management Efficiencies	0	\$0	-1	-\$342
-------------------------	---	-----	----	--------

Departmental Management requests this decrease as part of the consolidated savings effort to reduce cost and increase efficiencies. In an effort to support the objective to reduce non-security discretionary spending, Departmental Management assessed the priorities and programs within the organization to identify areas for reduction. The reductions include eliminating FTE and reducing non-critical contracts such as administrative support and technical support.

Appropriation: Renovation and Modernization

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	5	\$5,000
Adjustments to Base		
Non-recurring adjustments	0	(4,111)
2013 Base	5	889
Program Changes	0	1,151
2013 APPROPRIATION	5	2,040

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Renovation & Modernization	5	\$5,207	5	\$889	5	\$2,040	0	\$1,151
TOTAL DIRECT OBLIGATIONS	5	5,207	5	889	5	2,040	0	1,151
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	5	5,207	5	889	5	2,040	0	1,151
FINANCING								
Unobligated balance, start of year	0	(207)	0	0	0	0	0	0
Subtotal, financing	0	(207)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	5	5,000	5	889	5	2,040	0	1,151

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Renovation and Modernization Project	5	\$889	0	+\$1,151

The Renovation and Modernization account combines Department of Commerce (DOC) and General Services Administration (GSA) solutions to address major building systems (mechanical, electrical, plumbing, heating, ventilation, air conditioning, and life safety systems) that are beyond their useful life and deteriorating. The GSA eight-phase modernization project provides a solution that will target new efficient mechanical, electrical, and plumbing systems; new life safety systems; security improvements and historic restoration. Blast windows will continue to be installed through Phase 3. This request is critical to complete the Department's portion of the HCHB Phase 3 activities and reflects the Department's continued focus to remain in sync with GSA's full funding and schedule to complete Phase 3 by the end of the fiscal year.

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Operating Level			607	\$153,545
Adjustments to Base				
<u>Adjustments</u>				
Non-recurring project			(3)	(590)
<u>Other Changes</u>				
2013 Pay raise		\$300		
Civil Service Retirement System (CSRS)		(168)		
Federal Employees' Retirement System (FERS)		280		
Thrift Savings Plan		48		
Federal Insurance Contributions Act (FICA) - OASDI		160		
Health insurance		448		
Travel - Per Diem		23		
Travel - Mileage		1		
Rent payments to GSA		1,357		
Printing and reproduction		3		
Commerce Business System		193		
General Pricing Level Adjustment:				
Transportation of things		3		
Communications and miscellaneous		35		
Other services		670		
Supplies and materials		42		
Equipment		38		
Subtotal, other cost changes			0	3,433
Less Amount Absorbed			0	(3,433)
TOTAL, ADJUSTMENTS TO BASE			(3)	(590)
2013 Base			604	152,955
Administrative Savings			0	(2,582)
Program Changes			(33)	(710)
2013 OPERATING LEVEL			571	149,663

Comparison by Activity

REIMBURSABLE OBLIGATIONS	2012 Operating Level		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Executive Direction	237	\$58,154	234	\$57,466	231	\$57,690	(3)	224
Departmental Staff Services	370	95,391	370	95,489	340	91,973	(30)	(3,516)
TOTAL REIMBURSABLE OBLIGATIONS	607	153,545	604	152,955	571	149,663	(33)	(3,292)
FINANCING								
Unobligated balance, start of year		(7,813)						
Offsetting collections from:								
Federal funds	(607)	(145,732)			(571)	(149,663)		
Subtotal, financing	(607)	(153,545)			(571)	(149,663)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Administrative Savings	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
	0	\$0	0	-\$2,582

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. The Department’s total savings target for FY 2013 is \$176 million, which includes \$142.8 million in savings initiated in FY 2012 and an additional \$33.2 million planned for FY 2013. Building on the Departmental Management’s Working Capital Fund administrative savings planned for FY 2012 (\$6.3 million), an additional \$2.6 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$8.9 million.

Highlights of Program Changes

Departmental Staff Services

Management Efficiencies	0	\$0	-36	-\$8,357
-------------------------	---	-----	-----	----------

Departmental Management Working Capital Fund requests this decrease as part of the consolidated savings effort to reduce cost and increase efficiencies. In an effort to support the objective to reduce spending, Departmental Management Working Capital Fund assessed the priorities and projects within the Fund to identify areas for reduction. The reductions include eliminating FTE, filling positions at lower grades, and reducing contracts.

Executive Direction

Enterprise Cybersecurity Monitoring and Operations	1	\$2,091	0	+\$189
--	---	---------	---	--------

This increase requested is for software license and maintenance costs in support of the standardized common security products and operations of the Commerce-wide continuous monitoring architecture that was established in FY 2012. In FY 2012, Commerce established consistent, efficient, and effective common controls and situational awareness of the cyber health of workstations, laptops, and servers at each Operating Unit (OU), with the exception of the Census Bureau, and at the Commerce enterprise level. Although Commerce previously had investments that supported decentralized cybersecurity technologies and operations, with the exception of some tracking, reporting, oversight and policy functions, the Department lacked the enterprise-wide cybersecurity capabilities necessary to provide Department-level situational awareness to allow for consistent detection, remediation of and response to cyber events. This request would increase the Department’s overall cybersecurity posture and situational awareness through the operation of an enterprise-wide cybersecurity capability to continuously monitor all Commerce information technology (IT) assets in near real-time.

<u>Executive Direction</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
IT Security Program Support	0	\$0	0	+\$218

This increase in funding is requested to acquire adequate staff and support to develop improved IT policies, procedures, and continuous monitoring activities associated with the influx of cyber security attacks on the Department. These resources will include (but not limited to) analysis of data feeds from automated tool sets and scans, plan of action and maintenance. The increase is designed to reduce the Agency's vulnerability to cyber attacks by providing enhanced policies and procedures and account management oversight and analysis of data feeds produced from the automated tool(s) funded by the National & Cyber Security Office that are expected to be deployed for the Office of Networking and Telecommunications Operations (ONTO) systems. The request supports the FY 2012 CyberSecurity Initiative and maintains the ONTO's overarching IT security program in order to improve operational security.

Software Refresh	0	\$0	0	+\$169
------------------	---	-----	---	--------

This funding increase is to upgrade two existing applications, the Departmental Directory Services and the electronic mailing list software application, that will reach end-of-year life/end-of-support by 2013 and require intensively manual operations for continued support. The Directory Services application is the current software that is used to manage the Department's Lightweight Directory Access Protocol (LDAP) directories and the Office of the Secretary's Exchange Global Address List (GAL). The email list management software application is over eight years old and also nearing end-of-life/end-of-support which increases the potential of security risks since these applications will no longer be maintained and security/vulnerability patches will no longer be available.

Departmental Staff Services

Business Application Solutions (BAS)	0	\$0	+1	+\$3,900
--------------------------------------	---	-----	----	----------

This funding increase is required to conduct detailed planning, organizational readiness, and acquisition support activities to modernize the Department's financial and administrative systems environment. The request includes the funds needed to conduct detailed implementation planning for the modernization of the Department's enterprise-wide business applications, including Core Financials, Data Warehouses and Acquisitions. In addition, this request includes funds needed to define and execute the acquisition of new software and services, including Request for Proposal (RFP) development and release, proposal evaluation, and vendor selection for the multi-year BAS project.

Human Resource Management System (HRMS)	2	\$4,984	+2	+\$2,231
---	---	---------	----	----------

This increase is requested to continue implementation of the Human Resources Management System (HRMS) that complies with the E-Gov Human Resources Line of Business (HR LOB) blueprint developed by the Office of Personnel Management (OPM). The manually intensive and non-standardized HR processes that currently exist throughout the Department's various bureaus and offices result in increased costs, increased risk of loss of privacy data, and inefficient organizational management. The HRMS will provide an agency-wide, modern, cost-effective, standardized, and interoperable HR solution that delivers common, core functionality to support the strategic management of human capital and address the manual and inefficient processing of HR transactions across the Department.

Building Management Division Fan Coil Units	0	\$0	+0	+\$780
---	---	-----	----	--------

This increase is requested to maintain the new fan coil units, blast windows, and newly refurbished operable historic windows in accordance with manufacturer and GSA recommended Preventive Maintenance tasking. This request funds a new contract to maintain new fan coil units and windows. The preventative maintenance required is based on GSA standard time data and tasking for maintenance of historic double hung windows and the manufactures recommended preventative maintenance schedule for new blast windows.

<u>Departmental Staff Services</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Maintenance Contract HVAC	0	\$0	0	+\$160

This increase is requested to purchase a maintenance contract for the HVAC system, required as a result of the renovation in the HCHB building. The current contract is in its last option year and is being rebid with the increased scope. The new contract will allow HCHB to maintain the ability to control its HVAC, its critical life safety shutdown ability, provide energy management throughout the building, and compliance with GSA delegation guidelines and with the Physical Security Criteria for Federal Federal Facilities.

Direct Costs by Office

<u>Offices</u>	2013 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	71	\$21,376
Civil Rights	24	3,705
Financial Management	42	20,734
Security	89	17,853
Administrative Services	86	22,420
Acquisition Management	21	4,368
Office of Privacy and Open Government	4	647
Office of Program Evaluation & Risk Management	3	870
Subtotal, Departmental Staff Services	340	91,973
Chief Information Officer	34	15,725
General Counsel	188	39,851
Public Affairs	9	2,114
Total Working Capital Fund	571	149,663

Distribution by Bureau

<u>Bureaus</u>	FY 2013 <u>Amount</u>
Office of the Secretary	\$10,087
International Trade Administration	31,537
Economic Development Administration	3,014
National Telecommunications and Information Administration	5,682
National Technical Information Service	365
Bureau of the Census	26,947
Economic and Statistics Administration	2,497
National Oceanic and Atmospheric Administration	37,074
National Institute of Standards and Technology	10,855
U.S. Patent and Trademark Office	7,519
Minority Business Development Agency	1,906
Bureau of Industry and Security	9,274
Office of the Inspector General	2,299
Total Commerce Bureaus	149,056
Other Agencies	607
Total	149,663

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

	Summary	
	FTE	Amount
2012 Enacted	0	(\$700)
Adjustments to Base	0	700
2013 Base	0	0
Program Change	0	0
2013 APPROPRIATION	0	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	64	0	0	0	0	0	0
SUBTOTAL DISCRETIONARY OBLIGATIONS	0	64	0	0	0	0	0	0
Mandatory, Credit Reestimate	0	0			0	0		
TOTAL, DIRECT OBLIGATIONS	0	64			0	0		
FINANCING								
Unobligated balance, start of year		(793)				(29)		
Recoveries/Refunds								
Unobligated balance, end of year		29				29		
Subtotal, financing	0	(764)			0	0		
DISCRETIONARY BUDGET AUTHORITY / APPROPRIATION	0	(700)			0	0		

Performance Outcomes and Measures

(Dollars reflect obligations in Millions)

DM performance measures appear in the three different administrative themes (Customer Service, Organizational Excellence and Workforce Excellence), covering four different objectives, one of which is associated with CommerceConnect. Prior performance measures are included among these objectives along with several new measures. The table below shows the new objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the DM section of the Department of Commerce Budget.

	2011 Actual	2012 Enacted / Targets	2013 Estimate / Targets
Objective 19: Provide streamlined services and single point of contact assistance to customers through better interaction and communication utilizing CommerceConnect, partnerships, branding, and other means of stakeholder involvement.	\$0.9	\$2.4	\$2.6
Number of referrals made to program partners	New	1,100	4,213
Number of companies engaged - field operations	New	400	1,404
Number of companies engaged - online operations	New	New	7,452
Number of website hits - monthly average	New	New	248,400
Number of CommerceConnect locations	New	30	55
Objective 21: Provide a high level of customer service to our internal and external customers through effective and efficient Department functions with empowered employees. (Measures will be developed for this objective in FY 2012)	\$8.4	\$6.8	\$6.7
Objective 22: Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud and abuse of government resources. Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.	\$25.2	\$25.2	\$24.8
	<ul style="list-style-type: none"> Eliminated Significant Deficiency Completed FY 2010 A-123 assessment of internal controls. 	<ul style="list-style-type: none"> Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2012 A-123 assessment of internal controls. 	<ul style="list-style-type: none"> Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency. Complete FY 2013 A-123 assessment of internal controls.
For each administrative / business system, reduction of the number of locations that house DOC's financial and acquisition systems	New	1	1
For each administrative / business system, reduce the number of data calls and consolidate efforts to streamline the data through one source	New	1	1
Unqualified Audit Opinion	New	Unqualified	Unqualified
For each administrative / business system, maintain compliance and alignment with OMB initiatives	New	Compliance maintained	Compliance maintained
Objective 23: Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness.	\$3.9	\$3.8	\$3.5
Percent of dollars awarded using high-risk contracting authorities	New	Reduce by 10% the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities	TBD

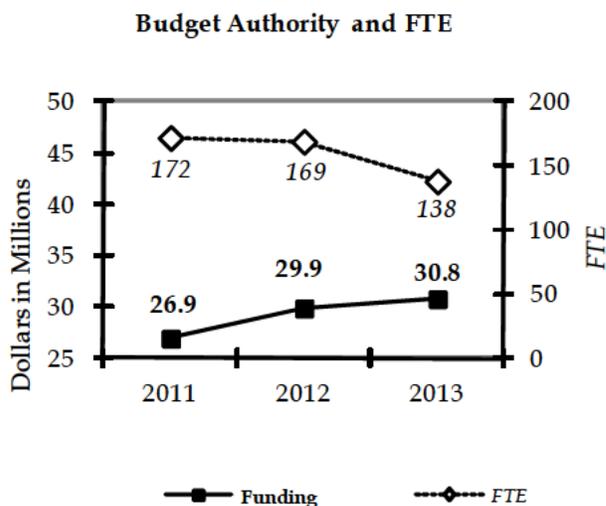
	2011 Actual	2012 Enacted /Targets	2013 Estimate / Targets
Objective 24: Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including addressing cyber security threats.	\$13.7	\$13.9	\$13.6
Deliver effective management of information technology resources including cyber security	<ul style="list-style-type: none"> All IT investments within 10% of cost and schedule. Completed security and vulnerability reviews 89% completion rate for privileged users 	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Perform IT Security Compliance review of all operating units, and ten FISMA systems in CSAM. Increase security training completion rate to 80% for privileged users (role-based). Deploy 80% of the required NCSD 3-10 communications capabilities. Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams. 	<ul style="list-style-type: none"> IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Percentage of systems in production with valid Authority to Operate (ATOs) is 100% Percentage of Plan of Action and Milestones (POA&Ms) closed on time is 100% Percentage of moderate/high impact systems with "top 5" security controls fully implemented is 100%
Objective 25: Recruit, develop and retain a high-performing, diverse workforce with the critical skills necessary for mission success including growing the next generation of scientists and engineers.	\$5.4	\$4.9	\$4.8
Average number of calendar days to complete hiring actions	83	77	75
Percentage of employees with approved individual Development Plans	New	New	10
Number of participants trained via Careers in Motion	181	300	300
2 year retention	New	New	65
Grand Total	\$57.5	\$57.0	\$56.0

Office of the Inspector General

The Office of the Inspector General (OIG) promotes economy and efficiency in Department of Commerce programs and operations to prevent fraud, waste, and abuse. The OIG monitors and tracks the use of taxpayer dollars through audits, inspections, evaluations, and investigations. The Inspector General is required by law to keep the Secretary and Congress timely informed about problems and deficiencies relating to the administration of programs and operations and the need for corrective action.

The audit function involves performance and financial audits and evaluations. Performance audits address the efficiency, effectiveness, and economy of the Department's programs, activities, and information technology systems. Financial audits focus on compliance with generally accepted accounting principles, management's responsibility for internal controls as defined by the Office of Management and Budget, and financial laws and regulations. Program evaluations are in-depth reviews of specific management issues, policies, or programs, while systems evaluations focus on system development, system acquisitions, operations, and policy of computer systems and other technologies.

The investigative function focuses on alleged or suspected improper and illegal activities involving employees, contractors, recipients of financial assistance, and others responsible for handling Federal resources. OIG focuses on programs and operations with the greatest potential for identifying fraud, recovering funds, precluding unnecessary outlays, and improving management.



Summary of Appropriations

<u>Funding Levels</u>	2011	2012	2013	Increase
<u>Appropriation</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Inspector General	\$26,946	\$26,946	\$28,753	\$1,807
Total	26,946	26,946	28,753	1,807
Transfer from Census		1,000		
Transfer from NOAA		1,000		
Transfer from USPTO (Reimbursable)		1,000	2,000	
Total Budget Authority	26,946	29,946	30,753	807
FTE				
Inspector General Direct	172	169	138	(31)
Inspector General Reimbursable	3	6	17	11
Total	175	175	155	(20)

Highlights of Budget Changes

Appropriation: Office of the Inspector General

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			169	\$26,946
American Recovery and Reinvestment Act Reduction			(38)	
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$67		
Civil Service Retirement System (CSRS)		(26)		
Federal Employees' Retirement System (FERS)		43		
Thrift Savings Plan		7		
Federal Insurance Contributions Act (FICA) - OASDI		18		
Employees' Compensation Fund		(28)		
Health insurance		49		
Travel - Per Diem		12		
Rent payments to GSA		30		
HCHB Water		1		
HCHB Electricity		(85)		
Other services:				
Working Capital Fund		(20)		
General Pricing Level Adjustment				
Other Services		45		
Supplies and materials		2		
Equipment		3		
Subtotal, other cost changes			0	118
TOTAL, ADJUSTMENTS TO BASE			0	118
2013 Base			131	27,064
Administrative Savings [non-add]				[80]
Program Changes			7	1,689
2013 APPROPRIATION			138	28,753

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Inspector General	169	\$37,280	131	\$27,064	138	\$28,753	7	\$1,689
TOTAL DIRECT OBLIGATIONS	169	37,280	131	27,064	138	28,753	7	1,689
REIMBURSABLE OBLIGATIONS	6	6,000	6	6,000	17	7,000	11	1,000
TOTAL OBLIGATIONS	175	43,280	137	33,064	155	35,753	18	2,689
FINANCING								
Unobligated balance, start of year (direct)		(8,334)				0		
Unobligated balance, start of year (reimb.)		0				0		
Offsetting Collections		(6,000)				(7,000)		
Subtotal, financing	0	(14,334)			0	(7,000)		
TOTAL BUDGET AUTHORITY	175	28,946			155	28,753		
Transfers from other accounts		(2,000)				0		
APPROPRIATION	175	26,946			155	28,753		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the OIG's administrative savings planned for FY 2012 (\$0.34 million), an additional \$0.08 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$0.42 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Acquisition and contract oversight	0	\$0	+7	+1,298

In FY 2013, OIG requests an increase of \$1.3 million and seven FTEs to provide oversight for Departmental acquisitions and contracts. In FY 2011, the Department spent \$6.4 billion in acquisitions and contracts. OIG has identified high-risk areas in acquisitions and contracts, such as the National Oceanic and Atmospheric Administration's (NOAA) satellite programs. Two satellite programs accounted for \$1.1 billion in obligations in FY 2011. OIG will also examine the planning for the 2020 Census, which will involve large ongoing contracts. In order to provide adequate oversight of acquisitions and contracts, without reducing the level of oversight of other competing priorities and statutory mandates, OIG will establish audit teams to examine procurement activities across Department.

Council of the Inspectors General on Integrity and Efficiency	0	\$77	0	+\$391
---	---	------	---	--------

In FY 2013, the OIG requests an increase of \$0.4 million for a total of \$0.5 million to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The Inspector General Reform Act of 2008 (P.L. 110-409) established CIGIE to address integrity, economy, and effectiveness issues that transcend individual government agencies. Its mission is to

increase the professionalism and effectiveness of personnel by developing policies, standards and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General. The DOC OIG is a member of CIGIE, and the Act authorizes interagency funding of CIGIE and requires that any department, agency, or entity of the executive branch, which has a member on the Council, shall fund or participate in the funding of its activities. This funding will specifically support coordinated Government-wide activities that identify and review areas of weakness and vulnerability in Federal programs and operations with respect to fraud, waste and abuse.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Oversight of U.S. Patent and Trademark Office	N/A	N/A	N/A	N/A

In FY 2013, OIG requests a transfer of \$2.0 million to support 11 FTEs to provide oversight for USPTO. From FY 2005 to FY 2012, USPTO's budget has increased from \$1.5 billion to \$2.7 billion, and its workforce has increased by approximately 3,000 employees to more than 10,000. In order to provide adequate oversight of USPTO, without reducing the level of oversight of other competing priorities and statutory mandates, OIG requires these additional resources to establish two teams of five auditors under one lead auditor.

Performance Objective and Measures

(Dollars Reflect Obligations in Millions and Include Reimbursable Funding)

The OIG performance measures appear in the administrative theme - Organizational Excellence, under the objective to strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud, and abuse of government resources. As the Department works to accomplish its mission, OIG provides a unique, independent voice to the Secretary and other senior DOC managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness, and to prevent and detect waste, fraud, and abuse in Department programs and operations. This work is primarily accomplished through audits, inspections, evaluations, and investigations and related activities. In FY 2012, OIG will continue its efforts to help the Department achieve organizational and management excellence by:

- Performing high quality and timely work;
- Concentrating efforts on the Department's most critical programs, operations, challenges, and vulnerabilities;
- Achieving results that allow government funds to be put to better use; and
- Addressing any criminal, civil, or other wrongdoing.

Prior performance measures are included among these objectives along with one new measure. The table below shows the new objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the OIG section of the Department of Commerce Budget.

	<u>2011 Actual</u>	<u>2012 Enacted/ Targets</u>	<u>2013 Estimate / Targets</u>
Objective 22: Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statutes and regulations, and prevent waste, fraud, and abuse of government resources.	\$37.7	\$43.3	\$35.8
% of OIG recommendations accepted by departmental and bureau management. (This measure will be replaced by the following measure in FY 2013.)	94%	95%	N/A
% of audit recommendations that were issued three years prior, which have been implemented by Departmental and bureau management.	N/A	N/A	90%
Dollar value of financial benefits identified by OIG.	\$33.6M	\$39.0	\$39.0
% of criminal and civil matters that are accepted for prosecution. (This measure will be replaced by the following measure in FY 2013.)	73%	75%	N/A
% of investigative cases for which investigation is complete within 12 months.	N/A	N/A	70%

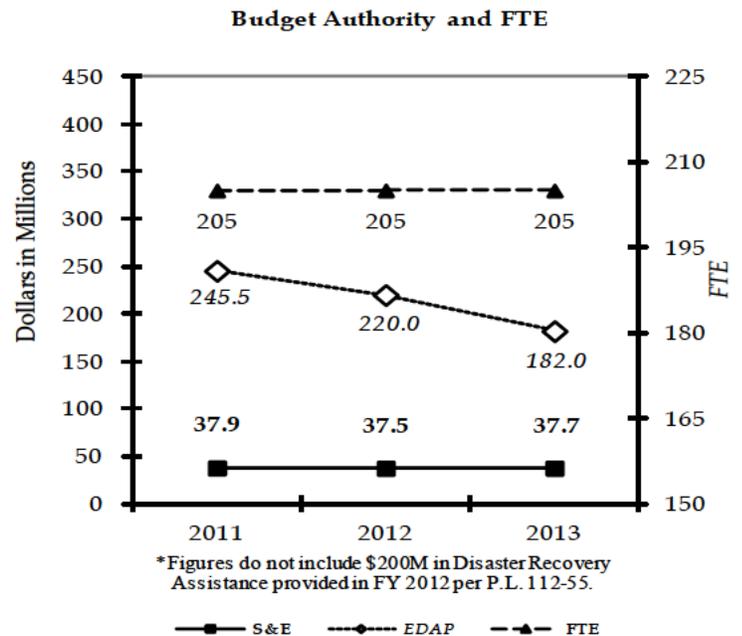
Economic Development Administration

The Economic Development Administration (EDA) focuses on accelerating the transition to the 21st Century economy by supporting sustainable job growth and regional competitiveness across the United States. EDA carries out its mission through a network of headquarters and regional personnel that work directly with regional organizations and leaders to identify and invest in projects that demonstrate potential for the greatest economic impact in distressed communities.

EDA programs serve as a catalyst for assisting the Nation's distressed communities in achieving their long-term economic potential through the strategic investment of resources based upon locally and regionally developed priorities. EDA works in partnership with other Federal agencies, state and local governments, regional economic development districts, public and private non-profit organizations, Native American Indian Tribes, and Alaska Native Villages to accomplish its mission. For example, in FY 2011 EDA led several inter-agency initiatives (e.g., i6 and Jobs and Innovation Accelerator Challenge) to leverage complementary Federal investments to boost job creation and economic growth in regions across the country.

EDA's FY 2013 budget request continues EDA's focus on accelerating the transition to the 21st Century economy by supporting sustainable job growth and competitive communities throughout the United States. EDA will continue focusing staff resources on outreach and technical assistance to distressed communities by helping communities analyze and understand socioeconomic and demographic data from a wide variety of sources, and how that data can be used to develop strategies to increase competitiveness. EDA staff will help communities cultivate relationships with key business, civic community, academia, and local government partners to pursue regional economic development opportunities, foster innovation, and support entrepreneurship and connect with the global marketplace.

Specifically, in FY 2013, EDA will direct resources to help distressed communities revitalize, expand, and upgrade their hard and soft infrastructure through the 21st Century Innovation Infrastructure (Successor to Public Works), the Economic Adjustment Assistance, Technical Assistance, Partnership Planning (Successor to Planning), and Trade Adjustment Assistance Programs; and will foster cutting-edge tools and data to help policymakers and practitioners better understand and capitalize on economic opportunities through the Research and Evaluation program. EDA will utilize the new Regional Innovation Strategies Program to support Science Park loan guarantees. Additionally, EDA proposes to continue its successful inter-agency efforts such as i6 and the Jobs and Innovation Accelerator Challenge through the Regional Innovation Strategies Program.



Summary of Appropriations

Funding Levels	2011	2012	2013	Increase
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Appropriation, Discretionary				
Salaries and Expenses	\$37,924	\$37,500	\$37,719	\$219
EDAP	245,508	220,000	182,000	(38,000)
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	0	200,000	0	(200,000)
DISCRETIONARY APPROPRIATION	283,432	457,500	219,719	(237,781)
Transfers from EDAP to S&E	[(1,531)]	[(350)]	[(350)]	
Budget Authority				
Salaries and Expenses	37,924	37,500	37,719	219
EDAP	245,508	220,000	182,000	(38,000)
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	0	200,000	0	(200,000)
EDA Revolving Fund	0	0	0	0
TOTAL BUDGET AUTHORITY	283,432	457,500	219,719	(237,781)
FTE				
Salaries and Expenses	205	205	205	0
Reimbursable	1	1	1	0
Total	206	206	206	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			205	\$37,500
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$83		
Civil Service Retirement System (CSRS)		(100)		
Federal Employees' Retirement System (FERS)		168		
Thrift Savings Plan		29		
Federal Insurance Contributions Act (FICA) - OASDI		96		
Health insurance		94		
Travel - Per Diem		26		
Travel - Mileage		7		
Rent payments to GSA		42		
Printing and Reproduction		1		
HCHB Electricity		(75)		
HCHB Water		1		
NARA		2		
Other services				
Working Capital Fund		14		
General Pricing Level Adjustment:				
Rental payments to others		4		
Other services		69		
Supplies and materials		4		
Equipment		13		
Subtotal, other cost changes			0	478
Less Amount Absorbed				(259)
TOTAL, ADJUSTMENTS TO BASE			0	219
2013 Base			205	37,719
Administrative Savings [non-add]				[84]
Program Changes			0	0
2013 APPROPRIATION			205	37,719

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Salaries and Expenses	205	\$40,541	205	\$37,719	205	\$37,719	0	\$0
TOTAL DIRECT OBLIGATIONS	205	40,541	205	37,719	205	37,719	0	0
REIMBURSABLE OBLIGATIONS	1	1,220	1	1,000	1	1,000	0	0
TOTAL OBLIGATIONS	206	41,761	206	38,719	206	38,719	0	0
FINANCING								
Unobligated balance, start of year (Direct)		(3,041)						
Unobligated balance, start of year (Reimb.)		(220)						
Offsetting coll. from Federal funds	(1)	(1,000)			(1)	(1,000)		
Subtotal, financing	(1)	(4,261)			(1)	(1,000)		
TOTAL BUDGET AUTHORITY / TOTAL APPROPRIATION	205	37,500			205	37,719		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the EDA's administrative savings planned for FY 2012 (\$0.36 million), an additional \$0.08 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$0.44 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Appropriation: Economic Development Assistance Programs**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$420,000
Non-recurring Category B Funding	0	(200,000)
2013 Base	0	220,000
Program Changes	0	(38,000)
2013 APPROPRIATION	0	182,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Sustainable Economic Development (Successor to Global Climate Change)	0	\$0	0	\$0	0	\$0	0	\$0
21st Century Innovation Infrastr. (Successor to Public Works)	0	138,528	0	136,640	0	65,500	0	(71,140)
Partnership Planning (Successor to Planning)	0	29,000	0	29,000	0	27,000	0	(2,000)
Technical Assistance	0	12,481	0	12,000	0	12,000	0	0
Research and Evaluation	0	1,537	0	1,500	0	1,500	0	0
Trade Adjustment Assistance	0	15,841	0	15,800	0	15,800	0	0
Economic Adjustment Assistance	0	55,718	0	55,060	0	65,200	0	10,140
Regional Innovation Strategies	0	0	0	0	0	25,000	0	25,000
Category B Appropriations		27,497						
Disaster Recovery Assistance (Category B - New; P.L. 112-55)		200,000						
TOTAL DIRECT OBLIGATIONS	0	480,602	0	250,000	0	212,000	0	(38,000)
REIMBURSABLE OBLIGATIONS		30,000				30,000		
TOTAL OBLIGATIONS	0	510,602			0	242,000		
FINANCING								
Unobligated balance, start of year (Direct)		(30,602)						
Recoveries of prior year obligations		(30,000)				(30,000)		
Offsetting collections from:								
Federal funds		(30,000)				(30,000)		
Subtotal, financing	0	(90,602)			0	(60,000)		
TOTAL BUDGET AUTHORITY	0	420,000			0	182,000		
Unobligated balance rescission	0				0	0		
TOTAL APPROPRIATION	0	420,000			0	182,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>21st Century Innovation Infrastructure</u>	0	\$111,640	0	-\$71,140

EDA requests a reduction in funding for the 21st Century Innovation Infrastructure Program (Successor to Public Works) as part of the Agency's alignment with the Administration's efforts to reduce government spending. EDA's request is part of the Agency's overall effort to ensure a balanced portfolio best suited to help distressed communities access the diverse tools that can support the construction of hard and soft infrastructure inputs that drive regional growth. The 21st Century Innovation Infrastructure Program remains a critical component of the Agency's portfolio providing support for "asset poor" communities in the development of basic public assets that can lead to long term economic growth, such as water and sewer system improvements, fiber optic cable, industrial parks, business incubators, expansion of ports and harbors, workforce development facilities, and multi-tenant manufacturing facilities. These investments help distressed communities become more competitive.

<u>Partnership Planning</u>	0	\$29,000	0	-\$2,000
-----------------------------	---	----------	---	----------

EDA requests a reduction in funding for EDA's Partnership Planning Program (Successor to Planning) which brings the program to its statutorily required level. The Partnership Planning Program provides a foundation for EDA's infrastructure investments, which are designed to stimulate economic growth in distressed regions. The planning process supports an assessment of the region's economic conditions and the development of a Comprehensive Economic Development Strategy (CEDS) to guide resource allocation and project development. The key value of this process is that it is locally determined and involves participation from all the diverse interests in the community.

<u>Economic Adjustment Assistance</u>	0	\$50,060	0	+\$10,140
---------------------------------------	---	----------	---	-----------

EDA requests slightly more funding in its Economic Adjustment Assistance (EAA) Program. Before the creation of the Regional Innovation Strategies Program, EDA used EAA funds to accelerate job creation by providing a more complex and complimentary level of support for "asset rich" communities to develop and implement strategies that leverage existing assets more effectively (e.g., i6 and Jobs and Innovation Accelerator Challenges). EAA funds were also used to provide construction and non-construction support to assist in recovery from sudden and severe economic dislocations. Given that funding to support the job creation efforts of "asset rich" communities is now being requested through the separate Regional Innovation Strategies Program, EDA will be able to focus its EAA funding on the needs of communities recovering from sudden and severe economic dislocations.

<u>Regional Innovation Strategies Program</u>	0	\$0	0	+\$25,000
---	---	-----	---	-----------

EDA requests \$25 million to support the new Regional Innovation Strategies Program. The America COMPETES (COMPETES) Reauthorization Act of 2010 mandated the Department of Commerce to create the Regional Innovation Strategies Program to encourage innovation, regional collaboration, and regional innovation clusters. This program is based on the premise that, while many communities continue to need basic economic development assistance (such as planning and core infrastructure), it is critical to support advanced job creation strategies that promote regional innovation clusters as the basic building blocks of economic development in the 21st Century. This program will be the dedicated forum by which EDA supports its inter-agency efforts in order to more accurately balance its portfolio of other programs to meet the needs of its stakeholders. In addition, EDA will utilize \$7,000,000 in Regional Innovation Strategies Program funds for Science Park loan guarantees.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

EDA's program activities support the theme of Economic Growth, two corresponding goals (Innovation and Entrepreneurship and Market Development and Commercialization), and three objectives – Stimulate high growth business formation and entrepreneurship through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization (Objective 3); Promote the advancement of sustainable technologies, industries and infrastructure (Objective 6); and, Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas (Objective 7). EDA's GPRA performance measures capture the impact of EDA's investments in terms of job creation and private sector leverage and help EDA assess its performance against its goal of cultivating economic development in communities across the country. EDA focuses on assessing the outcomes of investments and identifying mechanisms for ensuring continuous improvement. EDA continues to work to improve its methods for tracking, reporting, and evaluating performance against key goals. EDA has also taken steps to implement new management tools, including a balanced scorecard and a dashboard, and is working to implement a more competitive and standardized grant making process in order to ensure that the Agency is able to most effectively accomplish its mission. Below are EDA's current performance outcomes and selected measures. A more detailed description of these objectives and measures is in the EDA section of the Department of Commerce Budget.

	FY 2011 Actual	2012 Enacted/ Targets	FY 2013 Estimate / Targets
Objective 3: Stimulate high growth business formation and entrepreneurship, through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization ¹	\$124.4	\$62.9	\$107.2
Objective 6: Promote and support the advancement of green and blue technologies and industries	\$19.0	\$28.9	\$21.0
Objective 7: Promote competitiveness of disadvantaged and distressed communities and businesses ¹	\$140.1	\$365.7	\$91.5
Private sector dollars invested in distressed communities as a result of EDA investments ²	\$3,960 M from 2002 investments \$1,617M from 2005 investments \$1,475M from 2008 investments	\$206M by 2015 \$515M by 2018 \$1,029M by 2021	\$115M by 2016 \$288M by 2019 \$576M by 2022
Jobs created or retained in distressed communities as a result of EDA investments ²	56,058 from 2002 investments 26,416 from 2005 investments 14,842 from 2008 investments	4,847 by 2015 12,118 by 2018 24,236 by 2021	2,710 by 2016 6,775 by 2019 13,550 by 2023
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	86%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	85%	89%	89%
% of University Center (UC) clients taking action as a result of University Center assistance	71%	75%	75%
% of those actions taken by UC clients that achieve the expected results	83%	80%	80%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	71%	90%	90%
% of those actions taken by TAAC clients that achieved the expected results	100%	95%	95%
Total ³	\$283.5	\$457.5	\$219.7

¹ All of EDA's performance measures support DOC Objectives 3, 6 and 7. While the Disaster Recovery Assistance funds support DOC Objective 7, they are not included as part of EDA's FY 2012 target calculations.

² For investments made in FY 2011, FY 2012, and FY 2013, long-term outcome results are reported by investment recipients over a period of nine years at three year intervals. EDA's nine-year targets are derived from a mid-1990s Rutgers University research project that identified and analyzed the actual jobs and private investment generated by EDA investments. EDA's three- and six-year targets are estimates of the percentage of the nine-year projection that will be achieved in those respective time periods. These estimates have been found to underestimate actual results.

³ FY targets are directly dependent on appropriated funding levels for S&E and EDAP. Funding amounts exclude reimbursable, one-time costs and legislative proposal programs since these vary widely from year to year.

Bureau of the Census

The mission of the Bureau of the Census (Census), within the Economics and Statistics Administration, is to serve as the leading source of quality data about the Nation's people and economy. To accomplish this mission, Census measures and disseminates information about the Nation's ever-changing economy, society, and institutions, fostering economic growth and advancing scientific understanding, and facilitating informed decisions.

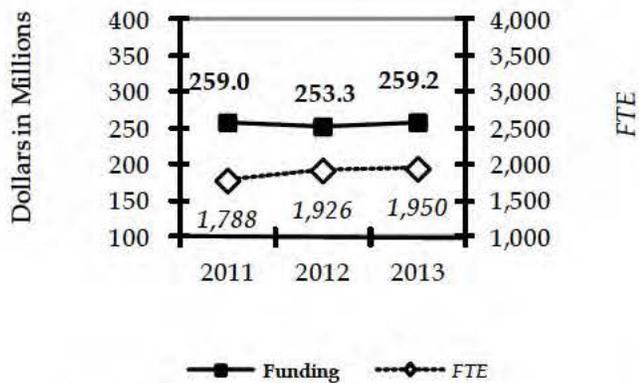
The President's FY 2013 budget request enables the Department of Commerce to achieve its goal of generating jobs, increasing trade, and advancing scientific understanding by providing timely, relevant, trusted, and accurate data, standards, and services needed by policymakers and public and private decision makers.

Census's cyclical programs include the Economic Census and the Census of Governments, conducted every five years, and the Decennial Census, conducted every ten years. The Census Bureau will release the final data products from the 2010 Census and the remaining 2010 Census evaluations while continuing a program of research and development that supports fundamental changes to the design, cost, conduct, and management of the 2020 Census. In addition, the Census Bureau will continue to produce socio-economic estimates for over 700,000 geographic areas from the American Community Survey. Census also conducts a number of vital current demographic and economic surveys, produces population estimates between decennial censuses, and selects new survey samples for Federal statistical programs.

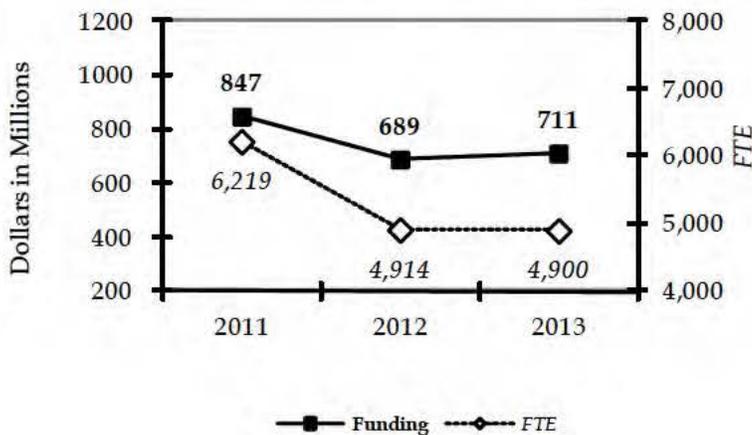
Census continually re-evaluates each of its programs to ensure they best meet the needs of policymakers, businesses, and the public. As part of this ongoing evaluation, the

FY 2013 budget includes funding for program enhancements for the 2020 Census, and the Current Population Survey, as well as cyclical program changes for the Economic Census, Census of Governments, and the 2010 Census. Despite planned increases necessary for the data collection year of the Economic Census and for the investments in the 2020 Census designed to avoid more significant costs over the decennial life cycle, the overall FY 2013 request for the Census Bureau is \$28 million greater than the FY 2012 total funding available. To minimize the requested increases in FY 2013, the Census Bureau prioritized functions and revised plans to fund the cyclical increases in the Economic Census and the 2020 Census programs. Further details are provided under the "Highlights of Budget Changes" section.

**Salaries and Expenses
Budget Authority and FTE**



**Periodic Censuses and Programs
Budget Authority and FTE**



Census is funded through the following appropriations:

The **Salaries and Expenses** appropriation provides for monthly, quarterly, and annual surveys, and other programs that are used for planning by both the public and private sectors. Census's current economic programs include twelve principal economic indicators, and profile U.S. businesses and government organizations. Current population and housing surveys and analyses provide detailed and integrated information on the social, demographic, economic, and housing conditions of the United States including measures of income, poverty, and health insurance.

The **Periodic Censuses and Programs** appropriation funds the Decennial Census which is conducted every ten years, and the Economic Census and the Census of Governments, which are conducted every five years. It also funds other programs, including the American Community Survey (ACS), which produces annual, detailed community-level demographic socio-economic estimates, permitting the Decennial Census to collect only minimal demographic information. Other programs include Intercensal Demographic Estimates and Geographic Support. All of these programs are a valuable resource for both Federal and local decision-makers. Finally, two programs, Demographic Surveys Sample Redesign and Data Processing Systems, provide critical infrastructure to Census Bureau surveys and censuses.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, also known as the Welfare Reform Act (P.L. 111-291, Extended) established and funded (through mandatory appropriations) the **Survey of Program Dynamics** (SPD). The SPD provides policy makers with socioeconomic data to evaluate the impact of the welfare reforms on state welfare program recipients. The FY 2013 budget assumes that the SPD is reauthorized at the full funding level by FY 2013.

The Medicare, Medicaid, and State Children's Health Insurance Program Bill (P.L. 106-113) established and funded (through mandatory appropriations) the **State Children's Health Insurance Program** (SCHIP). The SCHIP produces statistically reliable annual state estimates on the number of low-income children who do not have health insurance coverage. Information from the SCHIP is used to allocate funds to states based on estimates from the March Income Supplement to the Current Population Survey (CPS). The SCHIP program was recently reauthorized by the Children's Health Insurance Program Reauthorization Act of 2009 (P.L. 111-3).

The **Working Capital Fund (WCF)** is a revolving fund account funded by contributions from appropriated and reimbursable accounts used to finance services within Census, which are more efficiently performed on a centralized basis. The WCF also includes funds received by Census to perform work for other Federal agencies, state and local governments, foreign governments, and the private sector.

Summary of Appropriations

Funding Levels

	2011	2012	2013	Increase
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Discretionary Appropriations				
Salaries and Expenses	\$259,024	\$253,336	\$259,175	\$5,839
Periodic Censuses and Programs ¹	893,000	635,000	711,250	76,250
Total Discretionary Appropriation ¹	1,152,024	888,336	970,425	82,089
Permanent Appropriation				
Survey of Program Dynamics	10,000	2,500	10,000	7,500
State Children's Health Insurance Program	20,000	20,000	20,000	0
Rescissions & Transfers				
Rescission from S&E	(518)	0	0	0
Rescission from PC&P	(1,786)	0	0	0
Transfers from PC&P to Other Accounts ¹	(44,561)	(1,000)	0	1,000
Transfers to PC&P from Other Accounts ¹	0	55,000	0	(55,000)
Budget Authority				
Salaries and Expenses	288,506	275,836	289,175	13,339
Periodic Censuses and Programs	846,654	689,000	711,250	22,250
TOTAL BUDGET AUTHORITY	1,135,160	964,836	1,000,425	35,589
FTE				
Salaries and Expenses	1,788	1,926	1,950	24
Periodic Censuses and Programs	6,219	4,914	4,900	(14)
Total Discretionary FTE	8,007	6,840	6,850	10
Mandatory	239	274	283	9
Working Capital Fund	2,715	3,049	2,729	(320)
Total FTE	10,961	10,163	9,862	(301)

¹ In FY 2012, the Periodic Censuses and Programs appropriation was augmented by a \$55 million transfer from the Census Working Capital Fund and decreased by a \$1 million transfer to the Office of Inspector General. As a result, the Census Bureau's total FY 2013 discretionary appropriation request is \$28 million higher than the FY 2012 funding level (change from FY2012 = \$942 million to FY2013 = \$970 million).

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			1,926	\$253,336
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$604		
Civil Service Retirement System (CSRS)		27		
Federal Employees' Retirement System (FERS)		(46)		
Thrift Savings Plan		348		
Federal Insurance Contributions Act (FICA) - OASDI		(55)		
Health insurance		786		
Employees' Compensation Fund		(24)		
Travel - Per Diem		(104)		
Travel - Mileage		79		
Rent payments to GSA		193		
Printing and reproduction		11		
NARA		148		
Other services:				
Working Capital Fund		(1,134)		
Commerce Business System		120		
General Pricing Level Adjustment:				
Transportation of things		6		
Communications, utilities, and misc. charges		30		
Other services		895		
Supplies and materials		41		
Equipment		54		
Subtotal, other cost changes			0	1,979
Subtotal, adjustments to base			0	1,979
Less Amount Absorbed			0	(140)
TOTAL, ADJUSTMENTS TO BASE			0	1,839
2013 Base			1,926	255,175
Administrative Savings [non add]			[16]	[1,257]
Program Changes			24	4,000
2013 APPROPRIATION			1,950	259,175

Comparison by Activity

	2012 Enacted		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Current surveys and statistics								
Current economic statistics	1,261	\$177,758	1,261	\$179,095	1,261	\$179,095	0	\$0
Current demographic statistics	650	72,995	650	73,481	674	77,481	24	4,000
Survey development and data services	15	2,583	15	2,599	15	2,599	0	0
Subtotal, Discretionary Obligations	1,926	253,336	1,926	255,175	1,950	259,175	24	4,000
Survey of Program Dynamics	34	2,500	43	10,000	43	10,000	0	0
State Children's Health Insurance Program	240	22,761	240	20,000	240	20,000	0	0
TOTAL DIRECT OBLIGATIONS	2,200	278,597	2,209	285,175	2,233	289,175	24	4,000
FINANCING								
Unobligated balance start of year, SCHIP	0	(2,761)	0	0	0	0	0	0
Less Permanent Appropriation	(274)	(22,500)	(283)	(30,000)	(283)	(30,000)	0	0
TOTAL DISCRETIONARY BUDGET AUTHORITY / APPROPRIATION	1,926	253,336	1,926	255,175	1,950	259,175	24	4,000

Note: The FY 2013 Budget assumes that the Survey of Program Dynamics is reauthorized at the full funding level by FY 2013.

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the Census Bureau's administrative savings planned for FY 2012 (\$0.85 million), an additional \$1.26 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$2.11 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Current Demographic Statistics</u>	650	\$73,481	24	+\$4,000
Current Population Survey	92	\$14,336	36	+\$5,000

The FY 2013 request includes \$5 million to allow the Census Bureau to expand its research and production capacities, and work in coordination with the Bureau of Labor Statistics, to supplement the official poverty measures with annual measures of poverty from the Current Population Survey.

Survey of Income and Program Participation	489	\$49,209	-12	-\$1,000
--	-----	----------	-----	----------

This decrease reflects completion of Event History Calendar field tests. The remaining funding will allow the Census Bureau to continue collecting data at the full sample size, and continue the reengineering process.

Appropriation: Periodic Censuses and Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			4,914	\$689,000
Adjustments to Base				
<u>Transfer</u>				
Transfer of Community Address Update System from MAF/TIGER Enhancements Program			(118)	(13,301)
Transfer of Community Address Update System to Geographic Support			118	13,301
<u>Other Changes</u>				
2013 Pay raise		\$1,050		
Civil Service Retirement System (CSRS)		44		
Federal Employees' Retirement System (FERS)		(73)		
Thrift Savings Plan		555		
Federal Insurance Contributions Act (FICA) - OASDI		(96)		
Health insurance		1,272		
Employees' Compensation Fund		(6,472)		
Travel - Per Diem		(261)		
Travel - Mileage		231		
Rent payments to GSA		436		
Printing and reproduction		89		
General Pricing Level Adjustment:				
Transportation of things		15		
Communications, utilities, and misc. charges		69		
Other services		1,539		
Supplies and materials		49		
Equipment		141		
Subtotal, other cost changes			0	(1,412)
Subtotal, adjustments to base			0	(1,412)
Less Amount Absorbed			0	(5,060)
TOTAL, ADJUSTMENTS TO BASE			0	(6,472)
2013 Base			4,914	682,528
Administrative Savings [non add]			[43]	[3,398]
Program Changes			(14)	28,722
2013 APPROPRIATION			4,900	711,250

Comparison by Activity

	2012 Enacted		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Economic statistics programs:								
Economic censuses	657	\$114,122	657	\$112,291	957	\$152,738	300	\$40,447
Census of governments	87	10,547	87	10,470	93	11,433	6	963
Subtotal, Economic statistics	744	124,669	744	122,761	1,050	164,171	306	41,410
Demographic statistics programs:								
Intercensal demographics estimates	82	10,908	82	10,092	82	10,092	0	0
2010 Decennial census program	3,362	390,294	3,244	359,745	2,727	297,262	(517)	(62,483)
2020 Decennial census	283	66,630	283	66,630	611	131,425	328	64,795
Subtotal, Demographic statistics	3,727	467,832	3,609	436,467	3,420	438,779	(189)	2,312
Demographic surveys sample redesign	76	12,266	76	9,833	76	9,833	0	0
Geographic support	367	68,503	485	81,035	354	66,035	(131)	(15,000)
Data processing system	0	33,759	0	32,432	0	32,432	0	0
TOTAL DIRECT OBLIGATIONS	4,914	707,029	4,914	682,528	4,900	711,250	(14)	28,722
FINANCING								
Unobligated balance, start of year		(18,029)					0	0
Unobligated balance, expiring							0	0
Unobligated balance, end of year							0	0
TOTAL BUDGET AUTHORITY/	4,914	689,000	4,914	682,528	4,900	711,250	(14)	28,722
APPROPRIATION								

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the Census Bureau's administrative savings planned for FY 2012 (\$19.15 million), an additional \$3.40 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$22.55 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Economic Census</u>	657	\$112,291	300	+\$40,447

The Census Bureau conducts the economic census every five years. It is integral to the Bureau of Economic Analysis (BEA) estimates of Gross Domestic Product (GDP) and industry inputs and outputs. It provides decision-makers with comprehensive, detailed, and authoritative facts about the structure and functioning of the U.S. economy. It is the foundation of the Nation's economic statistics programs, providing core information on virtually all non-farm businesses and related data on business expenditures, commodity flows, minority and women-owned businesses, and other topics. Fiscal Year 2013 is the fourth year of the six-year 2012 Economic Census funding cycle; the Census Bureau has already invested \$227 million in preparatory work building to this most-expensive year, the data collection year. The focus of

activity for FY 2013 is mailing out about 4.6 million establishment-based report forms to 3.1 million businesses (some businesses have more than one establishment.); conducting a comprehensive program to encourage response, including focused personal contact and assistance to the top Fortune 500 companies and conducting the necessary mail and telephone follow-ups with late respondents which require an additional 4.2 million follow-up packages and approximately 500,000 reminder calls; answering over 370,000 incoming inquires from businesses about their reports; data capture of 3.5 million reports; providing a 24/7, full-service, one-stop website to handle the expected ten million hits for online respondent assistance; processing over 500,000 referrals for possible reporting errors; assigning classification codes according to the North American Industry Classification System (NAICS); and assigning geographic location codes to each establishment.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Census of Governments</u>	87	\$10,470	6	+\$963

The Census Bureau conducts a census of governments every five years. Like the Economic Census, it is integral to BEA's estimates of GDP. It is the only source of comprehensive and uniformly classified data on the economic activities of more than 90,000 state and local governments, which account for about 12 percent of GDP and nearly 16 percent of the U.S. workforce. Fiscal Year 2013 is the fourth year in the five-year cycle of the 2012 Census of Governments. The 2012 Census of Governments consists of three components: government organization, public employment, and government finances. For the government organization phase, funding is requested primarily to create the universe frame and develop organizational information. In the employment phase, funds will be used to continue central collection and processing. In the finance phase, funds will be used to start the data collection for local governments, to continue central collection operations with cooperating state governments, and also to continue collection and processing of state and local government data from external source information.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>2010 Decennial Census Program</u>	3,244	\$359,745	-517	-\$62,483
2010 Census Cyclical Program Change	623	\$107,040	-313	-\$51,564

As mandated in the U.S. Constitution, the decennial census provides the official population counts for determining the allocation to states of seats in the U.S. House of Representatives and for determining how the districts are defined for those seats. The program also provides data for small geographic areas and population groups that Federal agencies need to implement legally mandated programs. The request for FY 2013 will be used to complete conducting the 2010 Decennial Census. The focus of activities in FY 2013 will include data dissemination, evaluation, and resolution of count questions from local, state, and tribal governments.

American Community Survey Program Change	2,621	\$252,705	-204	-\$10,919
--	-------	-----------	------	-----------

The FY 2013 request includes a \$10.9 million reduction to the American Community Survey (ACS) program. This reduction will eliminate the item non-response component of the Failed Edit Follow-Up operation as part of a bureau-wide effort to prioritize funding. It also reflects efficiencies realized as the Census Bureau has implemented data collection operations at the expanded sample size and estimated savings from plans to offer an Internet response option for the ACS in 2013.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>2020 Decennial Census</u>	283	\$66,630	328	+\$64,795

Fiscal Year 2013 is the second year of a three-year research and testing phase of the 2020 Census. The focus of FY 2013 activities will be to expand and support the research and testing infrastructure allowing us to effectively test (1) new enumeration methods, (2) new processes to support field operations, (3) more cost-effective IT systems, and (4) address and spatial frame-related methods needed for the 2020 Census to supplement research being carried out in the geographic support program. Additionally, focus will be on full implementation of program management and systems engineering activities to ensure effective management and technical/operational cohesion of research and testing projects. Consequently, the research and testing agenda (supported by strong program and risk management and systems engineering) addresses the major cost and quality drivers in the census, critical to achieving the strategic vision and goals. In addition, the 2020 Census program will conduct research to pursue various uses of administrative records to increase the efficiency of the 2020 Census, while maintaining quality, and explore opportunities for leveraging the 2020 administrative records infrastructure for surveys. This level of investment early in the lifecycle is necessary for the Bureau to meet its cost control goals for the 2020 Decennial Census. Without rigorous investigation and testing of new methods the risk of reverting to expensive but proven past practices is very high.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Geographic Support</u>	485	\$81,035	-131	-\$15,000

The FY 2013 request includes a \$15 million reduction that limits the sample size in the Community Address Updating System (CAUS) program and reduces research and maintenance of geospatial update activities, such as on-going maintenance of the Master Address File/Topologically Integrated Geographic Encoding and Referencing database, research on change detection methodology, and others. The CAUS program will focus on a level of targeted fieldwork that provides indicators of the challenges of rural addresses. The addresses collected will support the American Community Survey. Furthermore, as part of a bureau-wide effort to prioritize funding, the Census Bureau will defer plans to enhance the Automated Listing and Mapping Instrument (ALMI) used by the CAUS program. The realigned FY 2013 plan will provide adequate results for making a 2015 decision on the feasibility of a targeted address canvass operation in FY 2019.

Performance Objectives and Measures

(Dollars reflect obligations in Millions and Include Reimbursable Funding)

All of Census's program activities support the theme of Science and Information and corresponding goal of generating and communicating new, cutting-edge scientific understanding of technical, economic, social, and environmental systems while appearing within one objective - Improve understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions (Objective 14). A more detailed description of these outcomes and their measures can be found in the Census section of the Department of Commerce Budget.

	2011 Actual	2012 Enacted / Targets	2013 Estimate / Targets
Objective 14: Improve understanding of the U.S. economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions	\$1,546.9	\$1,328.1	\$1,285.4
Produce timely, relevant, and accurate measures showing the dynamics of local job markets and identifying the changing structure of the U.S. economy and its effect on jobs.	New	For states that provide wage records on schedule, Census will produce Quarterly Workforce Indicators for at least 90 % of those states on time every quarter.	For states that provide wage records on schedule, Census will produce Quarterly Workforce Indicators for at least 90 % of those states on time every quarter.
Release monthly export statistics on schedule	New	100%	100%
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.	Met percentages	At least 90% of key surveys meet or exceed pre-determined collection rates at planned levels of reliability.	At least 90% of key surveys meet or exceed pre-determined collection rates at planned levels of reliability.
Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public.	(1) 100% of economic indicators were released on schedule. (2) At least 90% of other data products from key censuses and surveys were released on schedule.	(1) 100% of economic indicators released on schedule. (2) At least 90% of other data products from key censuses and surveys released on schedule.	(1) 100% of economic indicators released on schedule. (2) At least 90% of other data products from key censuses and surveys released on schedule.
Improve satisfaction with the Census Bureau's Website. (Prior to FY 2012, the measure was "Meet or exceed overall Federal score of customer satisfaction on the E-Government American Customer Satisfaction Index.")	60 (Census), 74 (Federal)	The Census Bureau will develop a new measure of Customer Satisfaction and implement it in FY 2012.	74% of respondents indicate that they would recommend the site to others.
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.	At least 90% of key preparatory activities were completed on time.	At least 90% of key preparatory activities completed on schedule.	At least 90% of key preparatory activities completed on schedule.

Priority Goals

Priority goals are a clear statement of the specific, measurable, ambitious, near-term priority targets chosen by the senior leaders of major Federal agencies. Priority goals communicate the performance improvements each agency is trying to accomplish relative to its priorities using existing legislative authority, previously appropriated funds, and funding at levels proposed in the President's FY 2013 Budget. Priority goals constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes priority goals from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

Census has the following priority goal (established in FY 2010) along with three associated measures: Effectively execute the 2010 Census, and provide the states with accurate and timely redistricting data. (Timely completion of milestones to conduct the 2010 Census and provide redistricting data as mandated by law.)

- Achieve an accuracy level of an overall net coverage error at the national level of less than one-half of one percent.

The overall net coverage error is determined by an independent follow-up survey which measures the accuracy of the census results. The survey estimates both the number of households missed and those either mistakenly counted or counted multiple times. The undercount and overcount percentages are derived by subtracting the number of people counted in the census from the number of people measured in the survey and then dividing by the estimate of the total population according to the survey. A net overcount occurs if the resulting percentage is negative, while a positive percentage indicates a net undercount. Results from the survey do not appear until FY 2012.

	FY 2013
Measure	Target
Achieve an accuracy level of an overall net coverage error at the national level of less than one-half of one percent.	+/-0.5%

In FY 2011, the Census completed the coverage measurement person followup operation, coverage measurement housing unit followup, and coverage measurement final housing unit followup clerical matching.

Economic and Statistical Analysis

Includes the Bureau of Economic Analysis and the Economics and Statistics Administration Headquarters

The United States is widely recognized as the world's economic information leader, due in large part to the timely, relevant, and accurate data and analyses produced by the Economics and Statistics Administration's (ESA) Bureau of Economic Analysis (BEA) and the Bureau of the Census. BEA produces some of the Nation's most important economic statistics, including the gross domestic product (GDP) and the balance of payments; the Bureau of the Census conducts the quinquennial Economic Census and produces important economic measures, including durable goods, wholesale and retail trade, and new construction. ESA provides economic policy analysis that is used by the President and Congress and business leaders in decision-making, and ultimately affects the lives of all Americans.

ESA includes: **ESA Headquarters, the Bureau of Economic Analysis (BEA), and the Bureau of the Census.**

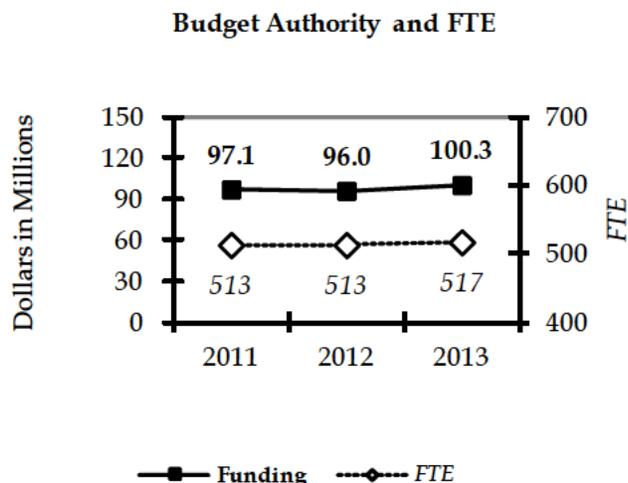
ESA Headquarters staff consists of the Office of the Under Secretary for Economic Affairs, economists and policy support staff, and support personnel. The Under Secretary for Economic Affairs provides leadership and executive oversight of all ESA activities including BEA and the Census Bureau. ESA's economists provide real time, sophisticated economic research and policy analysis directly in support of the Secretary of Commerce and the Administration. ESA monitors and interprets economic developments and domestic fiscal and monetary policies, and analyzes economic conditions and policy initiatives of major trading partners.

Bureau of Economic Analysis (BEA). Funding requested in FY 2013 will help BEA achieve its mission to promote a better understanding of the U.S. economy by providing timely, relevant and accurate economic accounts data in an objective and cost-effective manner. Although BEA is a relatively small agency, it produces economic statistics that are among the Nation's most closely watched. These statistics influence critical decisions made by policy makers, business leaders, households and individuals that affect interest and exchange rates, tax and budget projections, business investment plans, and the allocation of over \$300 billion in Federal funds to states and local communities.

The National Income and Product Accounts (NIPAs), which feature the GDP statistics and related measures, are the cornerstone of BEA's statistics. Since their inception, BEA has continuously improved and expanded them to keep pace with the constantly changing nature of the U.S. economy. Today, BEA prepares national, regional, industry and international economic accounts that present essential information on such issues as regional economic development, inter-industry relationships, and the Nation's position in the world economy.

The FY 2013 budget allows BEA to maintain the relevance of all of its economic accounts, as outlined in its five-year Strategic Plan, which provides a detailed outline for improving the quality and accuracy of BEA economic statistics. The BEA Strategic Plan, which is reviewed and provided to stakeholders annually, calls for a number of ambitious undertakings to improve its measures in FY 2013 to better meet its mission.

The **Bureau of the Census** budget is discussed in its own section of the Budget in Brief, as it receives its funding from a separate appropriation.



Summary of Appropriations

Funding Levels

Appropriation	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$97,060	\$96,000	\$100,269	\$4,269
TOTAL, BUDGET AUTHORITY	97,060	96,000	100,269	4,269

FTE

Salaries and Expenses	513	513	517	4
Reimbursable	31	32	30	(2)
TOTAL	544	545	547	2

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			513	\$96,000
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$230		
Civil Service Retirement System (CSRS)		(110)		
Federal Employees' Retirement System (FERS)		183		
Thrift Savings Plan		72		
Federal Insurance Contributions Act (FICA) - OASDI		110		
Health insurance		272		
Travel: Per Diem		11		
Rent payments to GSA		81		
Printing and reproduction		4		
HCHB Electricity		(59)		
Other services:				
Working Capital Fund		(98)		
Costs associated with BEA's expiring lease		2,241		
General Pricing Level Adjustments				
Rental payments to others		1		
Communications, utilities, and miscellaneous charges		4		
Other services		294		
Supplies		21		
Equipment		12		
Subtotal, other cost changes			0	3,269
Total, Adjustments to Base			0	3,269
2013 Base			513	99,269
Administrative Cost Savings [non-add]			0	[144]
Program Changes			4	1,000
2013 APPROPRIATION			517	100,269

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Bureau of Economic Analysis	497	\$92,509	497	\$95,453	501	\$96,453	4	\$1,000
Policy Support	16	3,886	16	3,816	16	3,816	0	0
TOTAL DIRECT OBLIGATIONS	513	96,395	513	99,269	517	100,269	4	1,000
REIMBURSABLE OBLIGATIONS	32	6,983	30	6,495	30	6,495	0	0
TOTAL OBLIGATIONS	545	103,378	543	105,764	547	106,764	4	1,000
FINANCING								
Unobligated balance, start of year (Direct)		(395)						
Offsetting collections from:								
Federal funds	(29)	(6,523)			(27)	(6,035)		
Non-Federal sources	(3)	(460)			(3)	(460)		
Subtotal, financing	(32)	(7,378)			(30)	(6,495)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	513	96,000			517	100,269		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on ESA's administrative savings planned for FY 2012 (\$0.62 million), an additional \$0.14 million in savings is targeted for FY 2013 for total savings in FY 2013 of \$0.76 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Quarterly GDP by Industry	0	\$0	2	+\$500

Producing GDP by industry on a quarterly basis will provide real-time information on the health and stability of every sector in the U.S. economy. By identifying real-time fluctuations across sectors, government and businesses will have a comprehensive set of statistics on which to base policy decisions and critical business investments.

The Federal economic statistical system – charged with providing key actionable intelligence on the status, trends, and dynamics of the American economy – fell short in providing the advanced warning signs of a building economic crisis. In no small part, this was due to an inability to see, both at the detailed and aggregate levels, warning signs of systematic risk. This shortcoming was not a result of a lack of attention, competence, or focus, but rather the exceptional tempo of change and evolution occurring in the economy and the existing statistical system's inability to keep pace.

The addition of GDP-by-Industry statistics on a quarterly basis will enable policymakers to quickly identify fluctuations across sectors and thus improve the ability to understand and target responses to a given sector's economic position. These key data will also help inform business investment decisions, providing more effective real-time information that will help small business improve their growth potential. They will also provide an early tool to evaluate the economic performance of U.S. industries.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Decomposition of Personal Income	0	\$0	2	+\$500

A decomposition of personal income that presents median, as well as mean, income and other measures of the distribution of income across households are critical for understanding how the business cycle affects U.S. households and their ability to spend on such crucial items as housing, food, transportation, and medical care. These data will provide a more detailed picture of households' ability to consume – arguably the single most important component of economic recovery and future growth – and will fill one of the most notable gaps in public data made apparent by the ongoing economic crisis. These data will illustrate how changes in the economy are affecting different households over time, and provide better insight into the everyday experience of American households – key information for U.S. policymakers to have at their disposal.

Currently, no statistics provide a true picture of the discretionary income of consumers. This initiative will serve to address missing pieces of the household economic picture that will provide valuable new understanding and insights, including:

- Valuable insight into the household sector, and changes in household consumption and capacity, allowing better informed government policy decisions aimed at helping the American household;
- The ability to anticipate and identify critical shifts in household discretionary income, providing policymakers with key tools to help determine the right response;
- More descriptive and detailed ability to understand and respond to the household economic experience.

This new economic indicator will present a nuanced understanding of households' purchasing power and how it varies across households and over time. As households attempt to rebuild their balance sheets, serious questions are being raised about the contribution of consumer spending to economic recovery and growth. America's path to economic recovery will require a new mix of consumption and savings, and developing key new statistics detailing spending power and decomposition of personal income will provide a roadmap, a gauge of progress, and critical tools to identify signs of weakness in the future.

Performance Objective and Measures

(Dollars reflect obligations in Millions)

ESA/BEA's program activities support the theme of Science and Information and corresponding goal of Generating and communicating new, cutting-edge scientific understanding of technical, economic, social, and environmental systems while appearing within one objective - Improve understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions (Objective 14).

BEA's mission is to "promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner." To monitor progress toward achieving this mission, BEA developed four performance measures to assess long-term performance and track efforts to accomplish specific budget initiative requests. The following table shows the measures that BEA uses to evaluate its performance. A more detailed description of this outcome and these measures is in the BEA section of the Department of Commerce budget.

	2011 Actual	2012 Enacted / Targets	2013 Estimate / Targets
Objective 14: Improve understanding of the U.S. economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions	\$104.8	\$103.4	\$106.8
Reliability of delivery of economic data (number of scheduled releases issued on time)	62	62 of 62	TBD ¹
Customer satisfaction with quality of products and services (mean rating on a 5 point scale)	4.1	Greater than 4.0	Greater than 4.0
Percent of GDP estimates correct	89%	Greater than 85%	Greater than 85%
Improvement of GDP and the economic accounts	Completed major milestones	Successful completion of Strategic Plan milestones	Successful completion of Strategic Plan milestones

1. FY 2013 targets will be added when the schedule is made available to OMB and published in the *Survey of Current Business* in the fall of the preceding year

International Trade Administration

The mission of the International Trade Administration (ITA) is to create prosperity by promoting trade and investment, ensuring fair trade and compliance with trade laws and agreements, and strengthening the competitiveness of U.S. industry.

ITA's goals and objectives are accomplished through five program areas:

Manufacturing and Services (MAS) advances the international competitiveness of U.S. industries by leveraging its in-depth sector and analytical expertise in the development of global sector export strategies. MAS provides critical economic and policy analysis and information to strengthen U.S. industry's export performance; ensures appropriate industry and other stakeholder input into trade policy development, negotiations and implementation; and participates in the ITA trade policy process.

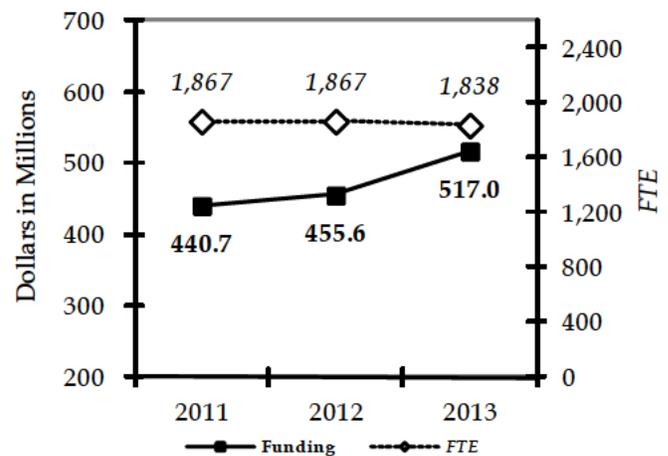
Market Access and Compliance (MAC) concentrates on the development of strategies to overcome market access obstacles faced by U.S. businesses. MAC monitors foreign country compliance with numerous trade-related agreements, works with other U.S. Government agencies to rapidly address barriers, and helps ensure that U.S. firms know how to use market opening agreements. It provides information on foreign trade and business practices to U.S. firms and works to find opportunities and to develop strategies in traditional and emerging markets. MAC also operates the established Free Trade Agreement Secretariats (i.e. NAFTA).

Import Administration (IA) helps ensure fair trade by administering the U.S. antidumping (AD) and countervailing duty (CVD) laws in a manner consistent with U.S. international obligations. IA works extensively with U.S. businesses to educate them about U.S. trade laws related to dumping and foreign government subsidies and how to access U.S. Government assistance if they are injured by those practices. IA detects, and where appropriate, confronts unfair competition by monitoring economic data from our global competitors and investigates evidence of unfair subsidization and market distortions. U.S. exports can also come under the intense scrutiny of foreign trade remedy action which can result in loss of market share or the inability of U.S. companies to ship product overseas, especially when such actions are taken based on political considerations and/or in violation of international trade rules. Accordingly, IA also advocates on behalf of U.S. exporters subject to foreign trade remedy actions. IA also administers the Foreign Trade Zones Program and programs involving imports of textiles and apparel.

Trade Promotion and the U.S. & Foreign Commercial Service (US&FCS) broadens and deepens the base of U.S. exports, particularly small and medium-sized firms (SMEs), by conducting trade promotion programs. US&FCS provides U.S. companies with reliable advice on the range of public and private assistance available and knowledgeably supports all other Federal trade promotion services. Specifically, US&FCS assists exporters by providing information, referral and follow-up services through an integrated global field network. US&FCS's SelectUSA program supports encourages, facilitates, and accelerates business investment in the United States to create jobs and spur economic growth. US&FCS includes the Trade Promotion Coordinating Committee (TPCC) secretariat. The TPCC, chaired by the Secretary of Commerce, is composed of ITA plus 19 Federal agencies that work together to coordinate and streamline trade promotion and financing services. US&FCS also leads interagency advocacy efforts for major overseas projects, including early involvement in project development and assistance to resolve post-export transaction problems.

Executive Direction and Administration (ExAd) directs policy and planning functions to effectively plan and manage ITA. ExAd delivers administrative services to enable ITA's programs to advance their program goals. These administrative services include information technology support systems, strategic planning, performance management services, human capital planning, financial management, and general administrative assistance.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Appropriation				
Operations and Administration	\$440,667	\$455,561	\$517,000	\$61,439
Total, Discretionary Appropriation	440,667	455,561	517,000	61,439
Mandatory Appropriation				
Grants to Manufacturers of worsted wool fabrics	5,332	5,332	5,332	0
TOTAL BUDGET AUTHORITY	445,999	460,893	522,332	61,439
FTE				
Operations and Administration	1,845	1,836	1,807	(29)
Reimbursable	22	31	31	0
Total	1,867	1,867	1,838	(29)

Highlights of Budget Changes

Summary of Requirements

	Detailed		Summary	
	FTE	Amount	FTE	Amount
2012 Enacted			1,836	\$455,561
FY 2012 Fee Collections				9,439
FY 2012 Gross Appropriation			<u>1,836</u>	<u>465,000</u>

Adjustments to Base

Adjustments

Savings from VERA/VSIP Activity				(5,907)
---------------------------------	--	--	--	---------

Other Changes

FY 2013 Pay raise		\$910		
Civil Service Retirement System (CSRS)		(170)		
Federal Employees' Retirement System (FERS)		(291)		
Thrift Savings Plan		48		
Federal Insurance Contributions Act (FICA) - OASDI		167		
Health insurance		987		
Travel - Domestic per diem		76		
Travel - Foreign per diem		156		
Travel - Mileage		9		
Rent payments to GSA		258		
HCHB Electricity		(504)		
HCHB Water		10		
Printing and reproduction		4		
Other services:				
Working Capital Fund (WCF)		606		
Commerce Business System		52		
NARA		10		
Capital Security Cost Sharing Program		(1,348)		
International Cooperative Admin. Support Services (ICASS)		369		
Non ICASS local guard service		20		
Military pouch		11		
General Pricing Level Adjustment:				
Transportation of things		10		
Rental payments to others		5		
Communications, utilities, and miscellaneous charges		14		
Other Services		808		
Supplies		22		
Equipment		69		
MDCP Grants		45		
Overseas price increases		276		
Subtotal, other cost changes			<u>0</u>	<u>2,629</u>

TOTAL, ADJUSTMENTS TO BASE

2013 Base

Administrative Savings [non-add]				[2,348]
Program Changes			(29)	64,717
2013 GROSS APPROPRIATION			<u>1,807</u>	<u>526,439</u>
FY 2013 Fee Collections				(9,439)
2013 NET APPROPRIATION			<u>1,807</u>	<u>517,000</u>

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Manufacturing and Services	186	\$46,624	186	\$45,849	159	\$46,781	(27)	\$932
Market Access and Compliance	206	46,381	206	42,358	202	50,250	(4)	7,892
Import Administration	315	69,790	315	69,102	329	84,797	14	15,695
Trade Promotion and U.S. Foreign Commercial Service	1,021	270,280	1,021	267,674	1,059	318,177	38	50,503
Executive Direction / Administration	108	27,271	108	27,300	103	24,995	(5)	(2,305)
Consolidation					(45)	(8,000)	(45)	(8,000)
TOTAL DIRECT OBLIGATIONS	1,836	460,346	1,836	452,283	1,807	517,000	(29)	64,717
REIMBURSABLE OBLIGATIONS	31	22,090	31	22,090	31	22,090	0	0
TOTAL OBLIGATIONS	1,867	482,436	1,867	474,373	1,838	539,090	(29)	64,717
FINANCING								
Unobligated balance, start of year (direct)		(2,355)						
Unobligated balance, start of year (transferred)		(2,430)						
Offsetting collections from:								
Federal funds		(11,203)				(11,203)		
Non-Federal sources		(10,887)				(10,887)		
Subtotal, financing	0	(26,875)			0	(22,090)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	1,867	455,561			1,838	517,000		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the International Trade Administration's administrative savings planned for FY 2012 (\$10.0 million), an additional \$2.3 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$12.3 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Export.gov 2.0</u>	0	\$0	+15	+\$18,060

ITA is requesting an increase of 15 FTE and \$18.1 million to develop the next generation of Export.gov (Export.gov 2.0), which will integrate into a single web platform all export-related content and contacts across the 20 Federal government Trade Promotion Coordinating Committee (TPCC) agencies. The platform will enable ITA to greatly increase the number of companies it assists and equip U.S. firms with a comprehensive suite of exporting resources from across the U.S. Government. This investment will provide the technology and organizational foundation so that ITA can seamlessly deliver content and services dynamically to the BusinessUSA.gov platform.

<u>Expand overseas presence in priority markets</u>	1,021	\$267,674	+21	+\$30,293
---	-------	-----------	-----	-----------

ITA is requesting an increase of 21 FTE and \$30.3 million to place Foreign Commercial Service Officers and the equivalent of 90 locally engaged staff in high-growth markets such as China, India, and Brazil. An expansion of these NEI priority markets will enable identification of more export opportunities for U.S. companies, more rapid and timely business counseling, and enhanced commercial diplomacy and advocacy support.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>SelectUSA</u>	3	\$750	+20	+\$12,250

ITA is requesting an increase of 20 FTE and \$12.3 million to support implementation of the SelectUSA program, established by Presidential Executive Order on June 15, 2011. SelectUSA will encourage, facilitate, and accelerate foreign direct investment in the United States to create jobs and spur economic growth.

<u>Trade Enforcement</u>	0	0	+22	+\$30,150
--------------------------	---	---	-----	-----------

ITA is requesting an increase of 22 FTE and \$30.2 million to enhance our overall trade enforcement capabilities and support the creation of a new trade enforcement unit that will bring together personnel from across the Federal Government, including from the Commerce Department, to reduce or eliminate unfair trade practices among our foreign trading partners.

<u>Trade Promotion Coordinating Committee</u>	3	\$673	0	\$0
---	---	-------	---	-----

ITA proposes to reassign responsibility for the Trade Promotion Coordinating Committee (TPCC) Secretariat from the US&FCS to ExAd and move \$0.7 million and 3 FTE between the two organizations to support this action.

<u>ITA Organizational Optimization</u>	1,836	\$452,283	-62	-\$18,036
--	-------	-----------	-----	-----------

ITA has closely examined its organization to optimize its program structure to meet the Administration's deficit reduction goals, while still supporting the National Export Initiative (NEI) efficiently and effectively. ITA is requesting a decrease of 62 FTE and \$18.0 million. As part of this effort, ITA will:

- Reduce MAS activities related to the Organization for Economic Cooperation and Development (OECD), Asia/Pacific Economic Cooperation (APEC), and standards;
- Reduce or eliminate MAS industry outreach activities, including organizing conferences, business roundtables, and seminars unrelated to NEI sector strategy implementation;
- Eliminate direct funding for the collection of travel and tourism data through the In-Flight Survey;
- Decrease MAC specialists in headquarters that combat non-tariff barriers in customs, standards, and transparency in markets that are not priorities or have a limited return on investment;
- Consolidate MAC staff to cover priority markets such as FTA partners, emerging markets such as China and India, and next tier markets such as Turkey and Indonesia that have significant trade barriers, but are poised to offer significant opportunities for U.S. firms in the near future;
- Eliminate redundant funding in MAC for the SelectUSA program which is housed in US&FCS;
- Reduce the Trade Information Center and eliminate CS marketing & communications, moving staff into the new Export.gov 2.0 environment. Decrease Advocacy Center staffing;
- Streamline ExAd operations in areas such as IT-related services, human capital, general administrative support, and reengineering business processes to be more efficient and effective.

<u>Consolidation of Organizational Structure</u>	1,836	\$452,283	-45	-\$8,000
--	-------	-----------	-----	----------

Since 2010, ITA has worked diligently to realign resources with NEI priorities, including: redirecting resources to key export promotion programs; optimizing our support to export-ready industries; targeting high-growth, emerging markets, including the removal of trade barriers and expanding market access; and vigorously enforcing trade rules. Going forward, we are committed to sustaining and growing these efforts and recognize the opportunity to further modernize and transform our trade programs through the development of a streamlined and consolidated organization in FY 2013. ITA proposes to realign and consolidate its organizational structure to redirect \$8 million in funding to these NEI-related priorities. This proposed consolidation will include the reduction of the number of ITA business units from four to three, reducing management oversight and administrative overhead while still supporting the NEI more efficiently and effectively.

Performance Objectives and Measures

(Dollars reflect obligations in millions)

All of ITA's program activities support the Department's theme of Economic Growth and two corresponding goals: Market Development and Commercialization, and Trade Promotion and Compliance. Within these goals, ITA supports three objectives: provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries (Objective 8); increase U.S. export value through an emphasis on trade promotion, market access, compliance, and interagency collaboration (including support for small and medium sized enterprises); (Objective 9); and, vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with antidumping/countervailing duty remedies (Objective 12). The following table shows the measures that ITA uses to track its performance. A more detailed description of these outcomes and measures can be found in the ITA section of the Department of Commerce budget.

	FY 2011 Actual	FY 2012 Enacted/ Targets	FY 2013 Estimate / Targets
Objective 8: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$51.6	\$50.2	\$43.2
Exports generated annually from public-private partnerships	\$2.5B	\$1.9B	\$467M
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$1.8B	\$250M	\$250M
Percentage reduction in the per unit cost of data distribution	1.0%	1.2%	1.4%
Objective 9: Increase U.S. export value through an emphasis on trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises)	\$331.2	\$339.3	\$372.4
Number of Commercial Diplomacy Successes (annual)	243	152	155
Percentage of clients highly likely to recommend US&FCS assistance	n/a	n/a	66%
Number of clients assisted by U.S.& Foreign Commercial Service	20,143	20,709	20,800
Dollar value of U.S. export content in advocacy cases won	n/a	\$19B	\$19.5B
Annual number of SMEs US&FCS assists in exporting to a second or additional country	3,186	3,307	3,502
Annual number of new markets that current U.S. exporters enter with Commercial Service assistance	5,721	5,921	6,121
Objective 12: Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with antidumping/ countervailing duty remedies	\$99.1	\$99.6	\$128.8
Number of new antidumping / countervailing duty petitioners counseled	153	50	50
Percent of industry-specific trade barriers addressed that were removed or prevented	35%	20%	20%
Percent of industry-specific trade barrier milestones completed	75%	55%	55%
Percent of trade agreement milestones completed	100%	90%	90%
Number of compliance and market access cases initiated	246	239	215
Number of compliance and market access cases resolved successfully	91	91	82
Total Funding	\$481.9	\$489.1	\$544.4

Bureau of Industry and Security

The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership.

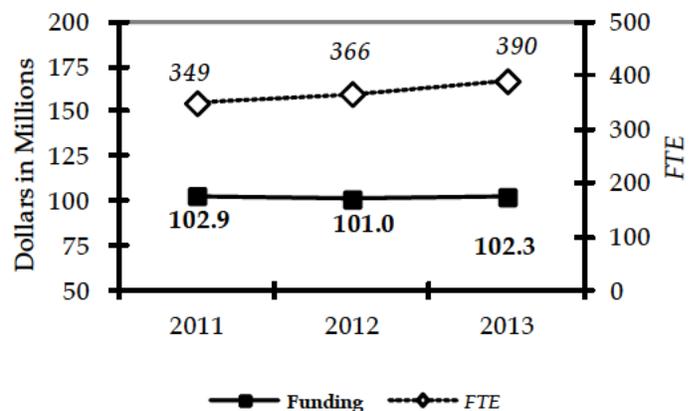
BIS accomplishes this mission through the following activities:

- Regulating the export of sensitive “dual use” goods and technologies in an effective and efficient manner;
- Enforcing export control, anti-boycott, and public safety laws;
- Cooperating with and assisting other countries on export control and strategic trade issues;
- Assisting U.S. industry in complying with international arms agreements; monitoring the viability of the U.S. defense industrial base;
- Evaluating the effects on national security of foreign investments in U.S. companies; and,
- Supporting continued U.S. technology leadership in industries that are essential to national security.

BIS’s mission priorities are to:

- **Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system:** BIS administers and enforces controls on exports of dual-use goods and technologies to counter proliferation of weapons of mass destruction, combat terrorism, and pursue other national security and foreign policy goals. BIS also serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC) and the International Atomic Energy Agency (IAEA) Additional Protocol, which allows the IAEA complimentary inspection authority in order to develop a comprehensive picture of a country’s nuclear and nuclear-related activities. BIS’s enforcement efforts detect, prevent, and prosecute illicit dual-use export activity, with a primary focus on weapons of mass destruction, terrorism, and military diversion.
- **Integrate non-U.S. actors to create a more effective global export control and treaty compliance system:** The effectiveness of U.S. export controls is enhanced by strong controls in other nations that export or transship sensitive goods and technologies. BIS works to improve the participation and compliance of existing members of multilateral export control regimes and cooperates with other countries to help them establish effective export control programs. As part of policy formulation and implementation toward key trading partners and transshipment countries, BIS engages in a robust end-use visit program.
- **Ensure continued U.S. technology leadership in industries that are essential to national security:** BIS works to ensure that the United States remains competitive in industry sectors and sub-sectors critical to national security. To this end BIS analyzes the impact of export controls and trade policies on strategic U.S. industries, administers the Federal Government’s Defense Priorities and Allocations System (DPAS), reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

Budget Authority and FTE



Summary of Appropriations

<u>Funding Levels</u>	2011	2012	2013	Increase
<u>Appropriation</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations and Administration	\$100,141	\$101,000	\$102,328	\$1,328
Total Appropriation	100,141	101,000	102,328	1,328
Transfer of funds from Census*	2,800	0	0	0
TOTAL, BUDGET AUTHORITY	102,941	101,000	102,328	1,328
FTE				
Operations and Administration	349	366	390	24
Reimbursable	2	2	2	0
Total	351	368	392	24

* During FYs 2011 and 2012, BIS will spend \$4.1 million related to Export Control Reform. This is a result of BIS taking responsibility for some export licensing workload that is currently processed by the State Department. Of the \$4.1 million, \$1.3 million came from BIS's base operations and the remaining \$2.8 million was transferred from the Census Bureau.

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			366	\$101,000
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$183		
Civil Service Retirement System (CSRS)		(54)		
Federal Employees' Retirement System (FERS)		92		
Thrift Savings Plan		15		
Federal Insurance Contributions Act (FICA/OASDI)		56		
Health insurance		246		
Employee Compensation Fund		(41)		
Travel - Mileage		2		
Travel - Per Diem		89		
Rent payments to GSA		92		
Printing and reproduction		4		
HCHB Electricity		(217)		
HCHB Water		2		
NARA		2		
Other services:				
Working Capital Fund		69		
Fuel		(15)		
General Pricing Level Adjustment				
Transportation of things		3		
Communications, utilities, and miscellaneous		15		
Other services		233		
Supplies		19		
Equipment		76		
Subtotal, other cost changes			0	\$871
Less Amount Absorbed			0	(\$680)
TOTAL, ADJUSTMENTS TO BASE			0	191
2013 Base			366	101,191
Administrative Savings			0	(466)
Program Changes			24	1,603
2013 APPROPRIATION			390	102,328

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Management & Policy Coordination	11	\$6,750	11	\$6,134	11	\$5,826	0	(\$308)
Export Administration	188	57,789	188	54,910	212	58,379	24	3,469
Export Enforcement	167	40,450	167	40,147	167	38,123	0	(2,024)
TOTAL DIRECT OBLIGATIONS	366	104,989	366	101,191	390	102,328	24	1,137
REIMBURSABLE OBLIGATIONS	2	8,545	2	2,900	2	2,900	0	0
TOTAL OBLIGATIONS	368	113,534	368	104,091	392	105,228	24	1,137
FINANCING								
Unobligated balance, start of year (Direct)		(3,989)						
Unobligated balance, start of year (Reimbursable)		(5,645)						
Offsetting collections from:								
Federal funds	(2)	(1,508)			(2)	(1,508)		
Non-Federal sources		(1,392)				(1,392)		
Subtotal, financing	(2)	(12,534)			(2)	(2,900)		
TOTAL BUDGET AUTHORITY /	366	101,000			390	102,328		

APPROPRIATION

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change the funding levels for these line items.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the Bureau of Industry and Security's administrative savings planned for FY 2012 (\$2.0 million), an additional \$0.466 million in savings is targeted for FY 2013 for total savings in FY 2013 of \$2.466 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Management and Policy Coordination (MPC)	11	\$6,134	0	-\$308
Export Administration (EA)	188	\$54,910	24	\$3,469

BIS requests a decrease of \$0.308 million, and 0 FTE for MPC. The \$0.308 million decrease is derived from MPC's portion of the Administrative Cost Savings (\$0.028 million) and additional savings within MPC (\$0.280 million) from reductions in application development, re-organization of Information Technology support services, and reduction of main frame requirements as BIS moves to the Department of Defense's USXPORT System.

BIS requests an increase of \$3.469 million, and 24 FTE for EA to support the Presidential, Secretarial and Administration, priority to: Implement an effective export control reform program to advance national security and overall economic competitiveness by utilizing the more flexible Commerce dual-use system to control military items of less significance. The \$3.469 million increase will be added to EA's portion of the Administrative Cost Savings (\$0.253 million) and additional savings derived within EA (\$2.515 million) to fund a total requirement of \$6.237 million for the Export Control Reform

Initiative. These savings will result from reductions in application development, re-organization of Information Technology support services, and reduction of main frame requirements as BIS moves to the Department of Defense's USXPORT System.

The U.S. Export Control System

The U.S. Government's export control and sanctions laws and regulations are administered and supported by a number of different agencies within the Departments of Commerce, State, Defense, Treasury, and Energy. These regulations are structured differently, often overlap in scope, use different definitions of the same terms, and, as a result, impose unnecessary burdens on exporters and government officials. This structure was essentially set up after World War II and expanded considerably during the Cold War.

The two primary agencies in the system are BIS and State Department's Directorate of Defense Trade Controls (DDTC). BIS processes approximately 22,000 license applications a year under the Export Administration Regulations (EAR), which are relatively flexible in that they have various country groups for different types of items and various exceptions to allow for unlicensed exports under certain circumstances. DDTC processes approximately 84,000 license applications a year under the International Traffic in Arms Regulations (ITAR), which are relatively inflexible in that they impose virtually worldwide licensing obligations on all covered items, regardless of significance, with few exceptions. Moreover, the ITAR impose many collateral burdens and controls on exporters that do not exist in the EAR, such as registration requirements, expanded controls on related services, and controls over insignificant items even when incorporated into a foreign-made end item. The authorizing statute for the ITAR, the Arms Export Control Act, largely prohibits State Department from making the ITAR more flexible and tailored to the types of items being controlled. The authorizing statutes for the EAR provide Commerce with much more flexibility to tailor how and what is controlled under the EAR to account for current threats and national security needs.

Export Control Reform

In August 2009, the President directed a broad-based interagency review of this system, with the goal of strengthening national security and increasing the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. This review determined that the current export control system is overly complicated, contains too many redundancies, and, in trying to protect too much, diminishes our ability to focus our efforts on the most critical national security priorities.

As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative), which will fundamentally reform the U.S. export control system. The ECR Initiative is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction. The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

Transfer of Control to Commerce from State of Less Significant Defense Articles

A core part of the White House-led, Deputies-approved plan to bring about the national security objectives described above is to transfer jurisdiction over less significant defense articles, principally generic parts and components, controlled by the regulations currently administered by the State Department to the more flexible regulations administered by the Commerce Department. This plan will create an important Phase II deliverable of significantly reducing the licensing and other collateral burdens on exporters and the government while harmonizing the system to allow for the eventual creation of a single list of controlled items administered by a single licensing agency.

Key Resource Points Associated with the Transfer of Items to Commerce from State

- It is estimated that approximately 30,000 of the license applications State's DDTC processes annually will become the responsibility of BIS.

- This means that the licensing workload for Commerce, and overall related training and compliance obligations, will increase by 150%, although the net burden the U.S. Government export control system imposes on exporters will decrease.
- BIS is in the process of putting the workforce in place to accommodate this transfer.
- BIS estimates that each Licensing Officer will process up to 1,200 licenses a year and be involved in performing related compliance training, outreach, and tasks associated with resolving control issues under the new system. This estimate incorporates the number of licenses processed by DDTC with an added factor for the additional commodity classification requirements done by BIS.
- Thus, for this key element of the President's ECR Initiative to succeed, BIS needs 24 additional staff to perform the licensing and related functions described above. Approximately \$6.24 million in additional funding for BIS is needed to perform these functions. This amount covers personnel pay, benefits, training, travel, specialized information technology requirements (Secret Internet Protocol Router Network (SIPRNet), and USXPORTS), and overhead and support.
- Making the current workforce absorb the 150% increase would cause significant delays in processing times and would put U.S. exporters at a severe disadvantage during a critical point in our economic recovery.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Export Enforcement (EE)	167	\$40,147	0	-\$2,024

BIS requests a decrease of \$2.024 million, and 0 FTE for EE. The \$2.024 million decrease is derived from EE's portion of the Administrative Cost Savings (\$0.185 million) and additional savings within EE (\$1.839 million) from reductions in application development, re-organization of Information Technology support services, and reduction of main frame requirements as BIS moves to the Department of Defense's USXPORT System.

Performance Objective and Measures

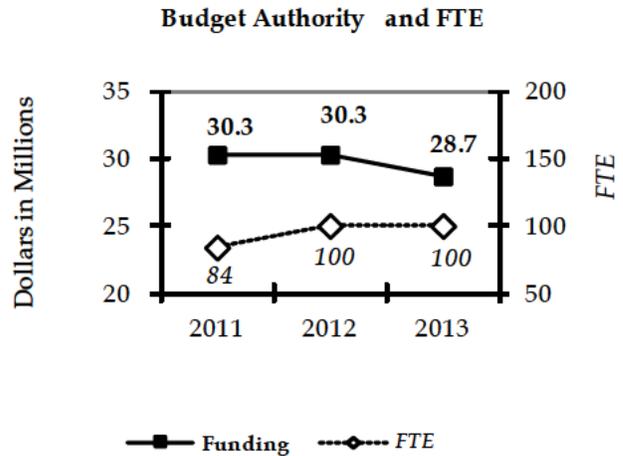
(Dollars reflect obligations in Millions)

BIS's program activities support the theme of **Economic Growth**, appearing under the goal of **Trade Promotion and Compliance** and within one objective - **Implement an effective export control reform program to advance national security and overall economic competitiveness**. BIS has continued to refine its performance measures to: (1) focus on results, (2) measure work under its control, (3) use representative data, and (4) create new measures to support new initiatives / programs.

	2011 Actual	2012 Enacted / Targets	2013 Estimate / Targets
Objective 10: Implement an effective export control reform program to advance national security and overall economic competitiveness	\$102.9	\$101.0	\$102.3
Percent of licenses requiring interagency referral referred within nine days	88%	98%	98%
Median processing time for new regime regulations (months)	2.0	2.0	2.0
Percent of attendees rating seminars highly	94%	93%	93%
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 U.S. to meet its treaty obligations	100%	100%	100%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	1,073	850	850
Percent of Shipped Transactions in Compliance with the Licensing Requirements of the Export Administration Regulations (EAR)	99%	99%	99%
Percentage of Post-Shipment Verifications completed and categorized above the "Unfavorable" classification	382 PSVs / 92%	315 PSVs / 90%	315 PSVs / 90%
Number of end-use checks completed	891	850	850
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%	100%

Minority Business Development Agency

The Minority Business Development Agency (MBDA) promotes the ability of minority business enterprises (MBE) to grow and to participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services. MBDA, through its direct Federal client services and its network of funded centers (1) fosters the expansion of opportunities for minority-owned businesses in the global marketplace; (2) identifies sources of financial capital for minority-owned firms; (3) develops and upgrades electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities; (4) provides management and technical assistance to minority-owned businesses; and (5) advocates for the increased use of electronic commerce and new technologies by MBEs.



In FY 2013, MBDA will continue to support the national growth and expansion of U.S. businesses that are minority-owned, with a specific focus on minority firms operating in high growth industries such as green technology and clean energy. A key component to our economic recovery, under the auspices of President Obama’s National Export Initiative, export promotion and the globalization of the minority business community will continue to be a substantial focus of Agency activities in FY 2013. MBDA’s target clients have unique competitive advantages in the global markets including language skills, cultural knowledge, knowledge of local business practices and familial and other relationships. These competitive advantages have resulted in minority-owned firms being twice as likely to export as nonminority-owned firms.

MBDA will also continue to develop additional avenues by which it can leverage its resources while expanding the availability of services to MBEs. This includes the use of the Internet, which includes participating in BusinessUSA, to establish information clearinghouses and national referral centers for minority-owned businesses of any size, which will provide a wider access to public and private business development resources. MBDA will also expand its automated matching capabilities related to all forms of contracting opportunities. MBDA will continue to rely on its nationwide network of funded centers to provide management and technical assistance, contract opportunities, and financial transactions for businesses that are minority-owned.

Summary of Appropriations

Funding Levels

Appropriation	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
Minority Business Development	\$30,339	\$30,339	\$28,689	(\$1,650)
FTE				
Minority Business Development	84	100	100	0

Highlights of Budget Changes

Appropriation: Minority Business Development

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Appropriation			100	\$30,339
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$38		
Civil Service Retirement System (CSRS)		(18)		
Federal Employees' Retirement System (FERS)		31		
Thrift Savings Plan		5		
Federal Insurance Contributions Act (FICA/OASDI)		18		
Health insurance		42		
Employees' Compensation Fund		(37)		
Travel - Mileage				
Travel - Per Diem		11		
Rent payments to GSA		61		
HCHB Electricity		(51)		
HCHB Water		1		
Other services:				
Working Capital Fund		(29)		
General Pricing Level Adjustment				
Communications, utilities, and miscellaneous		2		
Other services		38		
Equipment		6		
Subtotal, Other Cost Changes			0	118
Less Amount Absorbed			0	(118)
TOTAL, ADJUSTMENTS TO BASE			0	0
2013 Base			100	30,339
Administrative Savings [non-add]			[0]	[58]
Program Changes			0	(1,650)
2013 APPROPRIATION			100	28,689

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Minority Business Development	100	\$30,339	100	\$30,339	100	\$28,689	0	(\$1,650)
TOTAL DIRECT OBLIGATIONS	100	30,339	100	30,339	100	28,689	0	(1,650)
REIMBURSABLE OBLIGATIONS	0	300	0	300	0	300	0	0
TOTAL OBLIGATIONS	100	30,639	100	30,639	100	28,989	0	(1,650)
FINANCING								
Unobligated balance, start of year (Direct)								
Offsetting collections from:								
Federal funds		(300)				(300)		
Subtotal, financing	0	(300)			0	(300)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	100	30,339			100	28,689		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on MBDA’s administrative savings planned for FY 2012 (\$0.25 million), an additional \$0.06 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$0.31 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Base Reductions	100	\$30,339	0	-\$1,650

MBDA plans to reduce all base program activities for a total of \$1.6M in FY 2013. In order to be good stewards of taxpayer money, the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, MBDA will reduce its costs through closure of its 5 regional offices, reassignment of its Federal regional staff to Washington, DC, and an overall streamlining of operations. In FY 2012, MBDA will close its regional locations in support of the effort to reduce overhead costs and centralize operations in Washington, DC. It is expected that by FY 2013, commensurate savings will have been achieved to support a lean and highly efficient operation.

Performance Objective and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

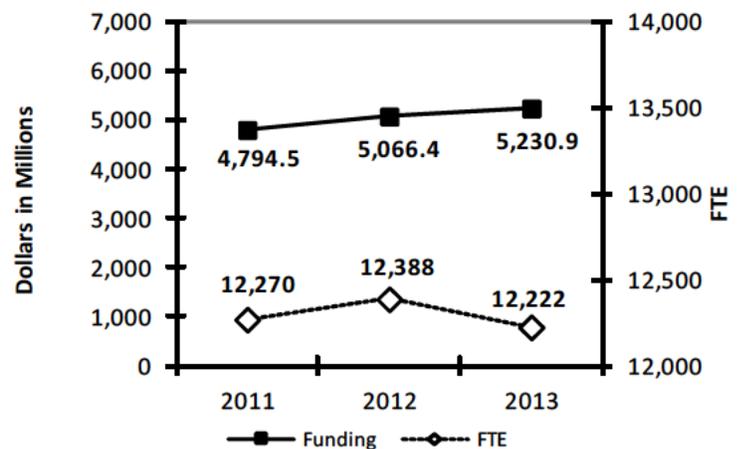
MBDA’s program activities support the theme of Economic Growth and corresponding goal of Market Development and Commercialization while appearing within one objective – Promote competitiveness of disadvantaged and distressed communities and businesses (Objective 7). MBDA will continue to develop and refine its performance measures as a key management tool for benchmarking program impact. The following table shows the measures that MBDA uses to gauge its performance. A more detailed description of this objective and these measures may be found in the MBDA section of the Department of Commerce budget.

	2011 Actual	2012 (Annualized) / Target	2013 Estimate / Target
Objective 7 Promote competitiveness of disadvantaged and distressed communities and businesses	\$30.3	\$30.3	\$28.7
Dollar value of contract awards to minority business enterprises	\$1.4B	\$1.1B	\$1.1B
Dollar value of financial awards obtained	\$2.1B	\$0.9B	\$0.9B
Number of new job opportunities created	4,200	5,000	5,000

National Oceanic and Atmospheric Administration

The National Oceanic and Atmospheric Administration (NOAA) budget is divided into two primary accounts: Operations, Research and Facilities (ORF) and Procurement, Acquisition and Construction (PAC). These two accounts make up over 98 percent of the total FY 2013 NOAA appropriation. Other accounts include Pacific Coastal Salmon Recovery, Coastal Impact Assistance Fund, Fishermen's Contingency Fund, Foreign Fishing Observer Fund, Fisheries Finance Program Account, Promote and Develop American Fishery Products and Research Pertaining to American Fisheries Fund, Damage Assessment and Restoration Revolving Fund, Coastal Zone Management Fund, Federal Ship Financing Fund, Limited Access System Administration Fund, Marine Mammal Unusual Mortality Event Fund, and Medicare-Eligible Retiree Healthcare Fund, NOAA Corps Commissioned Officers Retirement, Western Pacific Sustainable Fisheries Fund, Fisheries Enforcement Asset Forfeiture Fund, and Sanctuaries Enforcement Asset Forfeiture Fund.

Budget Authority and FTE



For Fiscal Year (FY) 2013, the National Oceanic and Atmospheric Administration (NOAA) requests a total appropriation of \$5,060.5 million.

Operations, Research and Facilities (ORF) and Procurement, Acquisition and Construction (PAC)

The President's budget requests a total of \$3,161.5 million for ORF and \$1,965.7 million for PAC. These two accounts fund the following NOAA elements that provide nearly all of NOAA's services.

National Ocean Service (NOS): NOS delivers a range of nationwide coastal and Great Lakes scientific, technical, and resource management services in support of safe, healthy, resilient coastal communities; sustainable, robust coastal economies; and productive oceans and coasts. In carrying out its diverse programs and services, NOS forges partnerships to integrate expertise and efforts across all levels of government and with other nongovernmental organizations. This coordinated approach is an essential component of NOS's national effort to protect, maintain, and sustain the viability of healthy, resilient and productive coastal communities, economies, and ecosystems. NOS also manages the Papahānaumokuākea Marine National Monument, marine sanctuaries, and, through partnerships with coastal states, the National Estuarine Research Reserves. The President's FY 2013 Budget requests \$458.5 million for NOS.

National Marine Fisheries Service (NMFS): NMFS is responsible for the management and conservation of living marine resources within the 200-mile U.S. Exclusive Economic Zone (EEZ). NMFS is dedicated to the stewardship of living marine resources through science-based conservation and management. NMFS conserves, protects, and manages living marine resources in a way that ensures their continuation as functioning components of marine ecosystems, affords economic opportunities, and enhances the quality of life for the American public. NMFS also provides critical support and scientific and policy leadership in the international arena, and plays a key role in the management of living marine resources in coastal areas under state jurisdiction. The President's FY 2013 Budget requests \$857.8 million for NMFS (including the Pacific Coastal Salmon Recovery Fund).

Oceanic and Atmospheric Research (OAR): OAR is NOAA's centralized research and development (R&D) line office and it is the engine of innovation that strengthens the scientific underpinnings necessary to improve NOAA climate, weather, coastal and ocean services. Through its network of over fifty Federal laboratories and university-based research programs, OAR supplies the scientific information to advise national policy decisions in areas such as climate change, mitigation of severe weather impacts, coastal resource management, air quality, and stratospheric ozone depletion. OAR promotes economic growth through the development of environmental observation technologies; extreme weather

preparedness; the sustainable use of coastal, marine, and Great Lakes resources; and the application of innovative techniques, such as in marine biotechnology. The President's FY 2013 Budget requests \$413.8 million for OAR.

National Weather Service (NWS): NWS provides weather, water, and climate forecasts and warnings for the protection of life and property and the enhancement of the national economy. NWS data and products form a national information database and infrastructure which can be used by other government agencies, the private sector, the public, and the global community. The President's FY 2013 Budget requests \$972.2 million for NWS.

National Environmental Satellite, Data, and Information Service (NESDIS): NESDIS is responsible for the procurement, launch, and operation of the Nation's civil operational environmental satellites. NESDIS provides the Nation with specialized expertise and computing systems that process, analyze, and distribute satellite-derived products and services using data from NOAA, DOD, and NASA environmental satellites, as well as foreign and commercial spacecraft. These products and services are provided to the National Weather Service and other national and international users 24 hours per day, 7 days per week and are used to accurately track the location, extent, and duration of severe weather; support development of flash flood warnings; track volcanic ash clouds; detect remote wild land fires; monitor coastal ecosystem health such as coral bleaching; identify and monitor maritime hazards from sea ice; and assist the U.S. Coast Guard in search and rescue activities. Through its Data Centers, NESDIS also provides users with a long-term archive of and access to past, present, and future environmental observations, products, and services from data recorded across the U.S. and around the world. The President's FY 2013 Budget requests \$2,041.4 million for NESDIS.

Program Support (PS): Program Support includes Corporate Services, the NOAA Education Program, Facilities, and the Office of Marine and Aviation Operations (OMAO). Through Corporate Services, NOAA provides overall management, planning and administrative support for NOAA, including acquisition and grants, budget, accounting, and human resources. The Education Program focuses on NOAA's strategic cross-cutting priorities of promoting environmental literacy and developing, valuing, and sustaining a world-class workforce. The Facilities program provides for repair, restoration and other construction efforts, along with NOAA-wide environmental compliance and safety issues. OMAO operates and maintains NOAA's ships and aircraft and uses them to collect data to support NOAA's mission. OMAO also provides technical and management support through the NOAA Commissioned Corps, assists with outsourcing for ship and aircraft support, plans and implements the modernization of the NOAA fleet, and provides centralized guidance for NOAA's small-boat safety program. OMAO also operates the NOAA Dive program, the Teacher at Sea program, and the Teacher in the Air program. The President's FY 2013 Budget requests \$476.8 million for PS (including estimates for the Medicare-Eligible Retiree Healthcare Fund and NOAA Corps Retirement Pay).

Other NOAA Accounts

Pacific Coastal Salmon Recovery Fund was established in FY 2000 to fund State, Tribal and local conservation initiatives to help recover threatened and endangered Pacific salmon populations in the states of California, Washington, Oregon, Idaho, Nevada, and Alaska. The FY 2013 President's Request includes \$50 million for the Pacific Coastal Salmon Recovery Fund.

NOAA uses the **Fishermen's Contingency Fund** to compensate domestic fishermen for the damage or loss of fishing gear and resulting economic loss due to obstructions related to oil and gas exploration, development or production in the Outer Continental Shelf. The funds come from fees collected annually by the Secretary of the Interior from the holders of leases, explorations, permits, easements, and rights of way. The FY 2013 President's Request includes \$0.4 million for the Fisherman's Contingency Fund.

The **Foreign Fishing Observer Fund** provides observer coverage of foreign fishing activities within the 200-mile EEZ. Fees collected from foreign governments with fishing vessels within the exclusive fishery jurisdiction of the U.S. finance the fund and are used to pay salaries, administrative costs, data entry, and other expenses associated with the placement of observers aboard foreign fishing vessels.

The **Fisheries Finance Program Account** provides direct loans that promote building sustainable fisheries. The program provides Individual Fishing Quota (IFQ) financing at the request of a Fishery Management Council. The program also makes long term fixed rate financing available to U.S. citizens who otherwise do not qualify for financing and refinancing of the construction, reconstruction, reconditioning, and in some cases, the purchasing of fishing vessels, shoreside

processing, aquaculture, and mariculture facilities. These loans provide stability to at least one aspect of an otherwise volatile industry.

The **Promote and Develop American Fishery Products & Research Pertaining to American Fisheries Fund** receives 30 percent of the import duties the Department of Agriculture collects on fishery-related products. NOAA will use a portion of these funds to offset the ORF appropriation in FY 2013. NOAA uses the remaining funds to promote industry development through competitively-awarded external grants for innovative research and development of projects in the fishing industry and for internal research that complements the external program.

The **Damage Assessment and Restoration Revolving Fund (DARRF)** receives proceeds from claims against responsible parties, as determined through court settlements or agreements, for damages to natural resources for which NOAA serves as trustee. In FY 1999 and prior years, NOAA transferred funds to the ORF account for purposes of damage assessment and restoration. Beginning in FY 2000, funds were expended in the DARRF and treated as mandatory budget authority. NOAA utilizes funds transferred to this account to respond to hazardous materials spills in the coastal and marine environments, by conducting damage assessments, providing scientific support during litigation, and using recovered damages to restore injured resources.

The **Federal Ship Financing Fund** manages the loan guarantee portfolio that existed prior to the enactment of the Federal Credit Reform Act of 1990.

The **Limited Access System Administration Fund (LASAF)** was established under the authority of the Magnuson-Stevens Fisheries Conservation and Management Act, Section 304(d)(2)(A), which stated that NMFS must collect a fee to recover the incremental costs of management, data collection, and enforcement of Limited Access Privilege Programs (LAPPs). These fees are deposited into the LASAF and are not to exceed 3 percent of the ex-vessel value of fish harvested under any such program. Also, a Regional Council can consider, and may provide, a program to collect royalties for the initial or any subsequent distribution of allocations; revenues from these royalties are deposited in the LASAF. The LASAF shall be available, without appropriation or fiscal year limitation, only for the purposes of administering the central registry system; and administering and implementing the Magnuson-Stevens Act in the fishery in which the fees were collected.

The **Environmental Improvement and Restoration Fund** was created by the Department of the Interior and Related Agencies Act, 1998, for the purpose of carrying out marine research activities in the North Pacific. These funds will provide grants to Federal, State, private or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean.

The **Marine Mammal Unusual Mortality Event Fund** provides funds to support investigations and responses to unusual marine mammal mortality events.

The **Medicare-Eligible Retiree Healthcare Fund** finances the cost of Tricare retirement health care benefits accrued by the active duty members of the NOAA Commissioned Corps.

The **NOAA Corps Commissioned Officers Retirement** provides a measure of financial security after release from active duty for uniform service members and their survivors. It is an important factor in the choice of a career in the uniformed services and is mandated by Federal statutes under Title 10, United States Code. NOAA transfers retirement pay funds to the Coast Guard, which handles the payment function for retirees and annuitants. Health care funds for non-Medicare-eligible retirees, dependents, and annuitants are transferred to the U.S. Public Health Service, which administers the health care program.

The **Western Pacific Sustainable Fisheries Fund** was established under Section 204(e) of the 2006 amendments to the Magnuson-Stevens Fishery Conservation and Management Act. Funds collected from any permit payment received for foreign fishing and fines and penalties from violations within the U.S. EEZ around Johnston Atoll, Kingman Reef, Palmyra Atoll, and Jarvis, Howland, Baker and Wake Islands, sometimes known as the Pacific remote island areas (PRIA) are deposited into this Fund. Funds can only be used to support the conservation and management objectives under a marine conservation plan developed for the region by the appropriate governor and the Western Pacific Regional Fishery Management Council.

The **Fisheries Enforcement Asset Forfeiture Fund** was established under the authority of Section 311(e)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) which allows the Secretary of Commerce to pay

certain enforcement-related expenses from fines, penalties and forfeiture proceeds received for violations of the Magnuson-Stevens Act, or of any other marine resource law enforced by the Secretary. Certain fines, penalties and forfeiture proceeds received by NOAA are deposited into this Fund, and subsequently used to pay for certain enforcement-related expenses.

The **Sanctuaries Enforcement Asset Forfeiture Fund** receives proceeds from civil penalties and forfeiture claims against responsible parties, as determined through court settlements or agreements, for violations of NOAA sanctuary regulations. Penalties received are held in sanctuary site-specific accounts from year to year and the funds are spent on resource protection within the sanctuary site where the penalty or forfeiture occurred. Funds are expended for resource protection purposes which may include all aspects of law enforcement (from equipment to labor), community oriented policing programs, and other resource protection and management measures such as the installation of mooring buoys or restoration of injured resources.

Summary of FTE

	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	11,961	12,185	12,025	(160)
ORF Reimbursable	831	706	706	0
Procurement, Acquisition & Construction (PAC)	239	186	180	(6)
Pacific Coastal Salmon Recovery	1	0	0	0
Limited Access System Administration Fund	40	0	0	0
Damage Assessment & Restoration Revolving Fund	28	16	16	0
Promote & Develop American Fishery Products	1	0	0	0
Coastal Impact Assistance Fund	0	0	0	0
Fishermen's Contingency Fund	0	1	1	0
TOTAL	13,101	13,094	12,928	(166)

Summary of Appropriations

<u>Appropriation</u>	<u>2011 Actual</u>	<u>2012 Enacted</u>	<u>2013 Estimate</u>	<u>Increase (Decrease)</u>
Operations, Research & Facilities (ORF)	\$3,179,511	\$3,022,231	\$3,042,460	\$20,229
Procurement, Acquisition & Construction (PAC)	1,332,683	1,817,094	1,965,736	148,642
Coastal Zone Management Fund	3,000	0	0	0
Fishermen's Contingency Fund	0	350	350	0
Pacific Coastal Salmon Recovery	79,840	65,000	50,000	(15,000)
Medicare-Eligible Retiree Healthcare Fund	1,832	1,936	1,936	0
TOTAL APPROPRIATION	4,596,866	4,906,611	5,060,482	153,871
Transfers:				
<u>Operations, Research & Facilities</u>				
FROM: Promote & Develop Fishery Products	90,240	109,098	119,064	9,966
Coastal Zone Management Fund	3,000	0	0	0
Pacific Coastal Salmon Recovery	80	0	0	0
Procurement, Acquisition and Construction	1,333	0	0	0
TO: Procurement, Acquisition, and Construction	(28,940)	0	0	0
Subtotal, ORF	65,713	109,098	119,064	9,966
<u>Coastal Zone Management Fund</u>				
TO: ORF	(3,000)	0	0	0
<u>Pacific Coastal Salmon Recovery</u>				
TO: ORF	(80)	0	0	0
<u>Procurement, Acquisition & Construction (PAC)</u>				
FROM: ORF	28,940	0	0	0
TO: OIG	0	(1,000)	0	1,000
TO: ORF	(1,333)	0	0	0
FROM: CENSUS	39,760	0	0	0
<u>Fisheries Finance Program Account (FFPA)</u>				
TO: ORF	0	0	0	0
<u>Sanctuaries Asset Forfeiture Fund</u>				
TO: ORF	0	0	0	0
<u>Fisheries Asset Forfeiture Fund</u>				
FROM: Reimbursable Offsetting collections	0	0	0	0
<u>Promote & Develop American Fishery Products (P&D)</u>				
TO: ORF	(90,240)	(109,098)	(119,064)	(9,966)
FROM: Department of Agriculture (mandatory funds)	90,240	109,098	124,064	14,966
Subtotal, P&D	0	0	5,000	5,000
TOTAL TRANSFERS	130,000	108,098	124,064	15,966

<u>Appropriation</u>	<u>2011 Actual</u>	<u>2012 Enacted</u>	<u>2013 Estimate</u>	<u>Increase (Decrease)</u>
Unobligated balances, rescission				
Foreign Fishing Observer Fund	\$0	(\$350)	\$0	\$350
TOTAL UNOBLIGATED BALANCES, RESCISSION	0	(350)	0	350
Mandatory Accounts				
Damage Assessment & Restoration Revolving Fund	7,071	6,000	6,000	0
Fisheries Finance Program Account	9,910	5,771	0	(5,771)
Environmental Improvement and Restoration Fund	9,896	290	194	(96)
CZMF mandatory offsetting collections	(409)	0	0	0
Federal Ship Financing Fund	(204)	0	0	0
NOAA Corps Retirement Pay	28,269	28,269	28,269	0
Western Pacific Sustainable Fisheries	1,030	1,000	1,000	0
Limited Access System Administration Fund	12,113	9,675	10,934	1,259
TOTAL BUDGET AUTHORITY	4,794,542	5,065,364	5,230,943	165,579
Mandatory Funds	157,916	160,103	170,461	10,358
Discretionary Budget Authority				
Operations, Research & Facilities (ORF)	3,245,224	3,131,329	3,161,524	30,195
P&D Transfer	(90,240)	(109,098)	(119,064)	(9,966)
Procurement, Acquisition & Construction (PAC)	1,400,050	1,816,094	1,965,736	149,642
Medicare-Eligible Retiree Healthcare Fund	1,832	1,936	1,936	0
Fishermen's Contingency Fund	0	350	350	0
Foreign Fishing Observer Fund	0	(350)	0	350
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	79,760	65,000	50,000	(15,000)
TOTAL DISCRETIONARY BUDGET AUTHORITY	4,636,626	4,905,261	5,060,482	155,221
OFFSETTING RECEIPTS:				
Fisheries Finance Negative Subsidy Receipt Account	(7,475)	(11,000)	(9,831)	1,169
Fisheries Asset Forfeiture Funds	0	(5,000)	(5,000)	0
Sanctuaries Asset Forfeiture Funds	0	(1,000)	(1,000)	0
Adjustment to reflect reestimates				0
Total, Negative Subsidy	(7,475)	(17,000)	(15,831)	1,169

Highlights of Budget Changes

Appropriation: Operations, Research and Facilities

Summary of Requirements

	FY 2012 Conference		FY 2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations	12,185	\$3,022,231	12,025	\$3,042,460	(160)	\$20,229

Comparison by Activity

	2012 Conference		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS						
National Ocean Service	1,225	\$465,662	1,208	\$458,466	(17)	(\$7,196)
National Marine Fisheries Service	2,864	794,210	2,835	807,808	(29)	\$13,598
Oceanic & Atmospheric Research	755	376,575	758	403,441	3	\$26,866
National Weather Service	4,618	903,098	4,522	874,754	(96)	(\$28,344)
National Environmental Satellite Service	678	180,323	669	191,097	(9)	\$10,774
Program Support	2,045	419,461	2,033	431,958	(12)	12,497
DIRECT OBLIGATIONS	12,185	3,139,329	12,025	3,167,524	(160)	\$28,195
NOAA Corp Retirement (mandatory)	0	28,269	0	28,269	0	0
TOTAL DIRECT OBLIGATIONS	12,185	3,167,598	12,025	3,195,793	(160)	28,195
REIMBURSABLE OBLIGATIONS						
From Offsetting Collections	706	239,000	706	242,000	0	3,000
TOTAL OBLIGATIONS	12,891	3,406,598	12,731	3,437,793	(160)	31,195
FINANCING						
Unobligated balance, start of year	0	0	0	0	0	\$0
Transfer from ORF to PAC	0	0	0	0	0	\$0
Offsetting Collections	(706)	(239,000)	(706)	(242,000)	0	(\$3,000)
Deobligations	0	(8,000)	0	(6,000)	0	\$2,000
Subtotal, Financing	(706)	(247,000)	(706)	(248,000)	0	(1,000)
TOTAL BUDGET AUTHORITY	12,185	3,159,598	12,025	3,189,793	(160)	30,195
Transfers / Mandatory	0	(137,367)	0	(147,333)	0	(9,966)
APPROPRIATION, ORF	12,185	3,022,231	12,025	3,042,460	(160)	20,229

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NOAA's administrative savings planned for FY 2012 (\$67.8 million), an additional \$15.8 million in savings is targeted for FY 2013 for a cumulative two-year savings of \$83.5 million.

Budget Highlights

Funding is summarized, by line office, at the sub-activity level below.

National Ocean Service (NOS)

NOAA requests \$149,589 for Navigation Services. Within this amount, NOAA requests:

- Mapping and Charting Base: \$49,344
- Hydrographic Research & Technology Development: \$6,964
- Electronic Navigation Charts: \$5,780
- Shoreline Mapping: \$2,272
- Address Survey Backlog/Contracts: \$26,946
- Geodesy Base: \$26,822
- National Height Modernization: \$2,406
- Tide & Current Data Base: \$29,055

NOAA requests \$166,077 for Ocean Resources Conservation & Assessment. Within this amount, NOAA requests:

- IOOS Regional Observations: \$29,520
- NOAA IOOS: \$6,533
- Coastal Storms: \$2,774
- Coastal Services Center: \$29,152
- Coral Reef Program: \$26,775
- Response and Restoration Base: \$24,288
- National Centers for Coastal Ocean Science (NCCOS): \$36,035
- Competitive Research: \$11,000

NOAA requests \$142,800 for Ocean and Coastal Management. Within this funding level, NOAA requests:

- CZM Grants: \$66,146
- CZM and Stewardship: \$7,084
- Regional Ocean Partnership Grants: \$4,000
- National Estuarine Research Reserve System (NERRS): \$18,979
- Marine Sanctuary Program Base: \$46,591

National Marine Fisheries Service (NMFS)

NOAA requests \$170,041 for Protected Species Research and Management. Within this funding level, NOAA requests:

- Protected Species Research and Management Programs Base: \$38,972
- Species Recovery Grants: \$4,797
- Marine Mammals: \$44,410
- Marine Turtles: \$10,632
- Other Protected Species: \$7,148
- Atlantic Salmon: \$6,000
- Pacific Salmon: \$58,082

NOAA requests \$430,077 for Fisheries Research and Management. Within this funding level, NOAA requests:

- Fisheries Research and Management Programs: \$177,560
- National Catch Share Program: \$28,000
- Expand Annual Stock Assessments – Improve Data Collection: \$68,645

- Economics & Social Sciences Research: \$7,773
- Salmon Management Activities: \$26,918
- Regional Councils and Fisheries Commissions: \$27,349
- Fisheries Statistics: \$23,531
- Fish Information Network: \$22,152
- Survey and Monitoring Projects: \$24,336
- Fisheries Oceanography: \$7,147
- American Fisheries Act: \$5,620
- National Standard 8: \$1,017
- Reducing Bycatch: \$3,440
- Product Quality and Safety: \$6,589

NOAA requests \$110,289 for Enforcement & Observers/Training. Within this funding level, NOAA requests:

- Enforcement: \$67,123
- Observers/Training: \$43,166

NOAA requests \$35,987 for Habitat Conservation & Restoration.

NOAA requests \$61,414 for Other Activities Supporting Fisheries. Within this funding level, NOAA requests:

- Antarctic Research: \$2,765
- Aquaculture: \$5,682
- Climate Regimes & Ecosystem Productivity: \$1,807
- Computer Hardware and Software: \$1,842
- Cooperative Research: \$12,000
- Information Analyses & Dissemination: \$17,959
- Marine Resources Monitoring, Assessment & Prediction Program (MarMap): \$842
- National Environmental Policy Act (NEPA): \$6,567
- NMFS Facilities Maintenance: \$3,391
- Regional Studies: \$8,559

Oceanic and Atmospheric Research (OAR)

NOAA requests \$212,683 for Climate Research. Within this funding level, NOAA requests:

- Laboratories & Cooperative Institutes: \$53,350
- Climate Data & Information: \$14,003
- Climate Competitive Research, Sustained Observations and Regional Info: \$145,330

NOAA requests \$69,542 for Weather & Air Chemistry Research. Within this funding level, NOAA requests:

- Laboratories & Cooperative Institutes: \$55,311
- U.S. Weather Research Program (UWSRP): \$4,223
- Tornado Severe Storm Research/Phased Array Radar: \$10,008

NOAA requests \$108,838 for Ocean, Coastal, and Great Lakes Research. Within this funding level, NOAA requests:

- Laboratories & Cooperative Institutes: \$21,125
- National Sea Grant College Program Base: \$57,325
- Marine Aquaculture Program: \$4,323
- Ocean Exploration & Research: \$19,665
- Integrated Ocean Acidification: \$6,400

NOAA requests \$12,378 for Information Technology Research & Development, High Performance Computing Initiatives.

National Weather Service (NWS)

NOAA requests \$772,378 for Operations and Research. Within this amount, NOAA requests:

- Local Warnings and Forecasts Base: \$628,564
- Air Quality Forecasting: \$865
- Alaska Data Buoys: \$1,683
- Sustain Cooperative Observer Network: \$998
- NOAA Profiler Network: \$1,811
- Strengthen U.S. Tsunami Warning Network: \$18,912
- Pacific Island Compact: \$3,775
- Advanced Hydrological Prediction Services: \$6,209
- Aviation Weather: \$21,452
- Weather Forecast Office Maintenance: \$6,588
- Weather Radio Transmitter Base: \$2,297
- Central Forecast Guidance: \$79,224

NOAA requests \$102,376 for Systems Operation and Maintenance. Within this amount NOAA requests:

- Next Generation Radar (NEXRAD): \$46,247
- Automated Surface Observation Systems (ASOS): \$11,352
- Advanced Weather Interactive Processing System (AWIPS): \$39,495
- National Weather Service Telecommunications Gateway Backup – Critical Infrastructure Protection (NWSTG – CIP): \$5,282

National Environmental Satellite, Data, and Information Service (NESDIS)

NOAA requests \$123,199 Environmental Satellite Observing Systems. Within this amount, NOAA requests:

- Satellite Command and Control: \$40,238
- NOAA Satellite Operations Facility (NSOF) Operations: \$8,009
- Product, Processing and Distribution: \$45,682
- Product Development, Readiness and Application: \$19,545
- Product Development, Readiness and Application (Ocean Remote Sensing): \$4,058
- Joint Center Satellite Data Assimilation: \$3,384
- Commercial Remote Sensing Regulatory Affairs: \$1,119
- Office of Space Commercialization: \$659
- Group on Earth Observations (GEO): \$505

NOAA requests \$67,898 for Data Centers and Information Services. Within this amount, NOAA requests:

- Archive, Access, and Assessment: \$48,434
- Coastal Data Development: \$4,000
- Regional Climate Services: \$5,752
- Environmental Data Systems Modernization: \$9,712

Program Support

NOAA requests \$199,901 for Corporate Services. Within this amount, NOAA requests:

- Under Secretary and Associate Office: \$27,429
- NOAA Wide Corporate Services and Agency Management: \$117,234
- DOC Accounting System: \$9,733
- Payment to the DOC Working Capital Fund: \$37,074
- Office of Chief Information Officer, IT Security: \$8,431

NOAA requests \$11,266 for the NOAA Education Program.

NOAA requests \$24,535 for Facilities Management and Construction and Safety.

Office of Marine and Aviation Operations

NOAA requests \$166,015 for Marine Operations & Maintenance. Within this amount, NOAA requests:

- Fleet Planning and Maintenance: \$27,035 technical adjustment to base moving the Fleet Planning and Maintenance line into the Marine Operations and Maintenance line for improved planning and efficiency of maintenance and fleet operations.

NOAA requests a total of \$30,241 for Aviation Operations.

Detailed Comparison by Activity

	2012 Conference		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
NATIONAL OCEAN SERVICE						
Navigation Services:						
Mapping & Charting	272	\$94,376	255	\$91,306	(17)	(\$3,070)
Geodesy	154	29,142	154	29,228	0	86
Tide & Current Data	124	27,530	124	29,055	0	1,525
Total, Navigation Services	550	151,048	533	149,589	(17)	(1,459)
Ocean Research Conservation and Assessment:						
Ocean Assessment Program (OAP)	113	101,495	113	94,754	0	(6,741)
Response and Restoration	114	27,531	114	24,288	0	(3,243)
National Centers for Coastal Ocean Science	199	47,061	199	47,035	0	(26)
Total, Ocean Res. Conservation & Assessment	426	176,087	426	166,077	0	(10,010)
Ocean and Coastal Management:						
Coastal Management	67	101,927	58	96,209	(9)	(5,718)
Ocean Management (Marine Sanctuary Program)	182	47,600	191	46,591	9	(1,009)
Total, Ocean & Coastal Management	249	149,527	249	142,800	0	(6,727)
Undistributed Reduction		(11,000)		0		
TOTAL, NOS	1,225	465,662	1,208	458,466	(17)	(7,196)
NATIONAL MARINE FISHERIES SERVICE						
Protected Species Research & Management	812	176,451	791	170,041	(21)	(6,410)
Fisheries Research and Management	1,384	433,023	1,382	430,077	(2)	(2,946)
Enforcement & Observers/Training	385	107,899	385	110,289	0	2,390
Habitat Conservation & Restoration	149	43,187	153	35,987	4	(7,200)
Other Activities Supporting Fisheries	134	57,650	124	61,414	(10)	3,764
Undistributed Reduction		(24,000)		0		
TOTAL, NMFS	2,864	794,210	2,835	807,808	(29)	13,598
OCEANIC & ATMOSPHERIC RESEARCH						
Climate Research:						
Laboratories & Cooperative Institutes	249	53,483	249	53,350	0	(133)
Climate Data & Information	5	10,439	7	14,003	2	3,564
Climate Competitive Research, Sustained Obs. & Regional Information	112	120,000	124	145,330	12	25,330
Climate Operations	0	911	0	0	0	(911)
Total, Climate Research	366	184,833	380	212,683	14	27,850
Weather and Air Chemistry Research:						
Laboratories & Cooperative Institutes	189	54,505	201	55,311	12	806
Weather & Air Chemistry Research Programs	21	14,310	9	14,231	(12)	(79)
Total, Weather and Air Quality Res.	210	68,815	210	69,542	0	727

	2012 Conference		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount
Ocean, Coastal and Great Lakes Research:						
Laboratories & Cooperative Institutes	119	24,246	117	\$21,125	(2)	(\$3,121)
National Sea Grant College Program	27	63,000	24	61,648	(3)	(1,352)
Ocean Exploration and Research	17	26,200	11	19,665	(6)	(6,535)
Other Ecosystems Programs	3	6,359	3	6,400	0	41
Total, Ocean, Coastal and Great Lakes Research	166	119,805	155	108,838	(11)	(10,967)
Info Technology and R&D	13	9,122	13	12,378	0	3,256
Undistributed Reduction		(6,000)		0		
TOTAL, OAR	755	376,575	758	403,441	3	26,866
NATIONAL WEATHER SERVICE						
Operations & Research:						
Local Warnings & Forecasts	4,123	733,919	4,027	693,154	(96)	(40,765)
Central Forecast Guidance	307	80,771	307	79,224	0	(1,547)
Total, Operations & Research	4,430	814,690	4,334	772,378	(96)	(42,312)
Systems Operation and Maintenance	188	103,408	188	102,376	0	(1,032)
Undistributed Reduction		(15,000)		0		
TOTAL, NWS	4,618	903,098	4,522	874,754	(96)	(28,344)
NATIONAL ENVIRONMENTAL SATELLITE, DATA & SERVICE						
Environmental Satellite Observing Systems:						
Office of Satellite and Product Operations	297	83,955	297	93,929	0	9,974
Product develop, readiness & appl.	102	28,152	102	26,987	0	(1,165)
Office of Space Commercialization	5	653	5	659	0	6
Group on Earth Observations (GEO)	0	505	0	505	0	0
Commercial Remote Sensing Reg. Affairs	5	1,308	5	1,119	0	(189)
Total, Environmental Satellite Observing Systems	409	114,573	409	123,199	0	8,626
NOAA Data Centers & Information Services:						
Archive, access & assessment	230		221	48,434	(9)	48,434
Coastal data development	16		16	4,000	0	4,000
Regional Climate Services	0		0	5,752	0	5,752
Environmental data systems modern.	23		23	9,712	0	9,712
Tot., NOAA Data Centers & Info. Serv.	269	68,750	260	67,898	(9)	(852)
Undistributed Reduction		(3,000)		0		3,000
TOTAL, NESDIS	678	180,323	669	191,097	(9)	10,774
PROGRAM SUPPORT						
Corporate Services:						
Under Secretary & Assoc. Office	154	\$27,474	154	\$27,429	0	(\$45)
NOAA-wide Corporate Services	795	\$167,705	795	\$164,041	0	(\$3,664)
Office of Chief Info. Officer	0	11,059	0	8,431	0	(2,628)
Sub-total, Corporate Services	949	206,238	949	199,901	0	(6,337)
NOAA Education Program	21	31,540	9	11,266	(12)	(20,274)
Facilities Mgmt, Construct & Maint.	45	24,500	45	24,535	0	35
Total, Corporate/Education/Facilities	1,015	262,278	1,003	235,702	(12)	(26,576)

	2012 Conference		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Office of Marine and Aviation Operations (OMAO)						
Marine Operations	923	129,740	926	166,015	0	36,275
Fleet planning & maintenance	3	22,035	0	0	(3)	(22,035)
Sub-total, Marine Ops & Maint.	926	151,775	926	166,015	0	14,240
Aviation Operations	104	29,358	104	30,241	0	883
NOAA Corps pension & health benefits	0	0	0	0	0	0
Total, OMAO	1,030	181,133	1,030	196,256	0	15,123
Undistributed Reduction		(23,950)		0		
TOTAL, PROGRAM SUPPORT	2,045	419,461	2,033	431,958	(12)	(11,453)
DIRECT OBLIGATIONS	12,185	3,139,329	12,025	3,167,524	(160)	28,195
NOAA Corps retirement pay (mand.)	0	28,269	0	28,269	0	0
TOTAL DIRECT OBLIGATIONS	12,185	3,167,598	12,025	3,195,793	(160)	28,195
REIMBURSABLE OBLIGATIONS						
From Offsetting collections	706	239,000	706	242,000	0	3,000
TOTAL OBLIGATIONS, ORF	12,891	3,406,598	12,731	3,437,793	(160)	31,195
FINANCING						
Unobligated balance, start of year	0	0	0	0	0	0
Transfer from ORF to PAC	0	0	0	0	0	0
Offsetting Collections	(706)	(239,000)	(706)	(242,000)	0	(3,000)
De-obligations (direct)	0	(8,000)	0	(6,000)	0	2,000
Subtotal, Financing	(706)	(247,000)	(706)	(248,000)	0	(1,000)
TOTAL BUDGET AUTHORITY, ORF	12,185	3,159,598	12,025	3,189,793	(160)	30,195
FINANCING FROM:						
NOAA Corps retirement pay (mandatory)	0	(28,269)	0	(28,269)	0	0
From Promote and Develop American Fisheries	0	(109,098)	0	(119,064)	0	(9,966)
Subtotal, Transfers / Mandatory	0	(137,367)	0	(147,333)	0	(9,966)
APPROPRIATION, ORF	12,185	3,022,231	12,025	3,042,460	(160)	20,229

Appropriation: Procurement, Acquisition and Construction*Summary of Requirements*

	<u>FY 2012 Conference Report</u>		<u>FY 2013 Request</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations	186	\$1,817,094	180	\$1,965,736	(6)	\$148,642

Funding by Activity

	FY 2012 Conference Report		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS						
National Ocean Service						
Construction / Acquisition						
Coastal and Estuarine Land Conserv. Prg.	1	\$5,000	0	\$0	(1)	(\$5,000)
NERRS	0	1,690	0	0	0	(1,690)
Marine Sanctuaries	0	5,495	0	0	0	(5,495)
Other NOS Construction/ Acquisition	0	0	0	0	0	0
Total, NOS PAC	1	12,185	0	0	(1)	(12,185)
National Marine Fisheries Service						
Systems Acquisition / Construction	0	0	0	0	0	0
Total, NMFS PAC	0	0	0	0	0	0
Oceanic and Atmospheric Research						
Systems Acquisition	0	10,358	0	10,379	0	21
Construction	0	0	0	0	0	0
Total, OAR PAC	0	10,358	0	10,379	0	21
National Weather Service						
Systems Acquisition	31	91,997	26	94,289	(5)	2,292
Construction	0	3,150	0	3,150	0	0
Total, NWS PAC	31	95,147	26	97,439	(5)	2,292
National Environmental Satellite, Data & Information Service:						
Systems Acquisition						
Geostationary Satellites - N	20	\$33,967	20	\$29,900	0	(\$4,067)
Geostationary Satellites - R	46	617,390	46	802,000	0	184,610
Polar-Orbiting Systems - POES	22	34,632	22	32,241	0	(2,391)
Jason-3	0	20,000	0	30,000	0	10,000
DSCOVER	0	30,100	0	22,883	0	(7,217)
Polar-Orbiting Systems - JPSS (formerly NPOESS)	61	924,014	61	916,364	0	(7,650)
EOS data processing & archiving	0	990	0	990	0	0
CIP - single pt. of failure	0	2,772	0	2,772	0	0
CLASS	0	6,476	0	6,476	0	0
Climate Sensors (transferred to Polar-Orbiting Systems - JPSS)	0	28,880	0	0	0	(28,880)
NPOESS Data Exploitation	0	4,455	0	4,455	0	0
Subtotal	149	1,703,676	149	1,848,081	0	144,405
Construction		2,228		2,228	0	0
Total, NESDIS PAC	149	1,705,904	149	1,850,309	0	144,405

	FY 2012 Conference		2013 Estimate		Increase / Decrease	
	Report					
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Program Support / Construction						
Fairbanks, AK CDA	0	0	0	0	0	0
NOAA Construction	0	0	0	0	0	0
Construction Projects	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Program Support / Office of Marine & Aviation Operations						
Fleet Replacement	5	12,500	5	14,609	0	2,109
Aircraft Replacement	0	0	0	0	0	0
Subtotal	5	12,500	5	14,609	0	2,109
Total, Program Support, PAC	5	12,500	5	14,609	0	2,109
Undistributed Reduction	0	(11,000)	0	0	0	11,000
Tranfers (to Office of Inspector General)	0	(1,000)	0	0	0	1,000
TOTAL OBLIGATIONS, PAC	186	1,824,094	180	1,972,736	(6)	148,642
Unobligated balance, start of year	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0
De-obligations	0	(8,000)	0	(7,000)	0	1,000
TOTAL BUDGET AUTHORITY, PAC	186	1,816,094	180	1,965,736	(6)	149,642
FINANCING FROM:						
Transfers	0	1,000	0	0	0	(1,000)
Other	0	0	0	0	0	0
Subtotal, Transfers / Mandatory	0	1,000	0	0	0	(1,000)
APPROPRIATION, PAC	186	1,817,094	180	1,965,736	(6)	148,642

Budget Highlights

National Ocean Service (NOS)

NOAA requests no funding for NOS construction or acquisition programs in FY 2013.

Office of Oceanic & Atmospheric Research (OAR)

NOAA requests \$10,379 for Research Supercomputing. These funds will be used to improve understanding of decadal-to-centennial climate change, variability and predictability.

National Weather Service (NWS)

NOAA requests \$94,289 for NWS System Acquisitions. This funding will be used to upgrade the following systems:

- Automated Surface Observing System (ASOS): \$1,635
- Advanced Weather Interactive Processing System (AWIPS): \$20,592
- NWS Telecommunications Gateway Legacy Replacement: \$8,185
- Radiosonde Network Replacement: \$4,014
- Weather and Climate Supercomputing: \$38,169
- Cooperative Observer Network Modernization: \$3,700
- Complete and Sustain NOAA Weather Radio: \$5,594

- Ground Readiness Project: \$12,400

No funding is requested for NEXRAD Product Improvement as the planned upgrades will be completed in FY 2012. No funding is requested to continue the NOAA Wind Profiler Conversion.

Construction

NOAA requests \$3,150 for Weather Forecast Office Construction.

National Environmental Satellite, Data, and Information Service (NESDIS)

NOAA requests \$1,848,081 for NESDIS System Acquisitions. Within this amount, NOAA requests:

- Geostationary Systems - N: \$29,900
- Geostationary Systems - R (GOES-R): \$802,000
- Polar Orbiting System - POES: \$32,241
- Jason-3: \$30,000
- Joint Polar Satellite System (JPSS): \$916,364 (includes the transfer of Climate Sensor Restoration funds to the JPSS program)
- DSCOVR: \$22,883
- EOS & Advanced Polar Data Processing, Distribution & Archiving Systems: \$990
- Critical Infrastructure Protection: \$2,772
- Comprehensive Large Array Data Stewardship System (CLASS): \$6,476
- National Polar-Orbiting Partnership Data Exploitation: \$4,455

NOAA requests \$2,228 for NESDIS Construction at Satellite Command Data Acquisition facilities.

Program Support / Office of Marine and Aviation Operations (OMAO)

NOAA requests \$14,609 for OMAO Fleet Replacement. Within this amount, NOAA requests:

- Fleet Capital Improvement & Technology Infusion: \$11,712
- New Vessel Construction: \$2,897

Appropriation: Pacific Coastal Salmon Recovery**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted		\$65,000
Less Terminations		\$0
Adjustments to Base	0	\$0
2013 Base	0	65,000
Program Changes		(15,000)
2013 Appropriation	0	50,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants		\$65,000		\$65,000		\$50,000	0	(\$15,000)
FINANCING								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL APPROPRIATION	0	65,000	0	65,000	0	50,000	0	(15,000)

NOAA requests \$50 million for the Pacific Coastal Salmon Recovery Fund (PCSRF). This account funds State, Tribal and local conservation initiatives to help recover Pacific salmon populations. State and local recipients of this funding will provide matching contributions of at least thirty-three percent of Federal funds. In addition, funds will be available to Tribes that do not require matching dollars.

Appropriation: Limited Access System Administration Fund*Summary of Requirements*

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Mandatory Appropriation		\$9,675
Adjustments		\$1,259
2013 Base	0	10,934
Program Changes	0	0
2013 Mandatory Appropriation	0	10,934

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS		\$9,675		\$10,934		\$10,934	0	\$0
TOTAL OBLIGATIONS	0	9,675	-	10,934	-	10,934	-	-
FINANCING								
Unobligated balance, end of year		-		-		-	-	-
TOTAL APPROPRIATION	0	9,675	-	10,934	-	10,934	-	-

This fund was established by Title III of Public Law 104-297. Fee collections equaling no more than three percent of the proceeds from the sale or transfer of limited access system fishing permits are deposited into the Fund. These deposits to the Fund are used to administer an exclusive central registry system for the limited access system permits.

Appropriation: Fishermen's Contingency Fund**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted		\$350
Adjustments	0	0
2013 Base	0	350
Program Changes		
2013 Appropriation	0	350

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Administrative Expenses		\$360		\$350		\$350	0	\$0
Payment of Claims & Other Services							0	0
TOTAL OBLIGATIONS	0	360	0	350	0	350	0	0
FINANCING								
Unobligated balance, start of year	0	(10)	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL APPROPRIATION	0	350	0	350	0	350	0	0

NOAA requests \$350 thousand to support the level of expected claims from this fund. This activity is funded totally through user fees. However, these funds can only be expended to the extent authorized in appropriations acts. The Fishermen's Contingency Fund is authorized under Section 402 of Title IV of the Outer Continental Shelf Lands Act Amendments of 1978. NOAA compensates U.S. commercial fishermen for damage or loss of fishing gear, vessels, and resulting economic loss caused by obstructions related to oil and gas exploration, development, and production in any area of the Outer Continental Shelf. The funds used to provide this compensation are derived from fees collected by the Secretary of the Interior from the holders of leases, exploration permits, easements, or rights-of-way in areas of the Outer Continental Shelf.

Appropriation: Foreign Fishing Observer Fund**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	(\$350)
Adjustments	0	350
2013 Base	0	0
Program Changes	0	0
2013 Appropriation	0	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	0	0	0	0	0	0	0
FINANCING								
Unobligated balance, soy		(522)		0		0	0	0
Unobligated balance, eoy		172		0		0	0	0
TOTAL BUDGET AUTHORITY	0	(350)	0	0	0	0	0	0
Rescission of unobligated balance		350					0	0
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

The Foreign Fishing Observer Fund is financed through fees collected from owners and operators of foreign fishing vessels fishing within the U.S. EEZ (such fishing requires a permit issued under the Magnuson-Stevens Act). This includes longline vessels fishing in the Atlantic billfish and shark fishery and other foreign vessels fishing in the EEZ. The fund is used by NOAA to pay salaries, administrative costs, data editing and entry costs, and other costs incurred in placing observers aboard foreign fishing vessels. The observer program is conducted primarily through contracts with the private sector. NOAA/NMFS places these observers aboard foreign fishing vessels to monitor compliance with U.S. fishery laws and to collect fishery management data. Amounts available in the fund can be disbursed only to the extent and in amounts provided in appropriation acts.

In FY 1985 Congress approved the establishment of a supplemental observer program. The program provided that foreign vessels without Federally funded observers are required to obtain the services of private contractors certified by the Secretary of Commerce.

Appropriation: Fisheries Finance Program Account*Summary of Requirements*

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$0
Adjustments	0	0
2013 Base	0	0
Program Changes	0	0
2013 Appropriation	0	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Credit Reestimates		\$6,091		\$0		\$0	0	\$0
Cost of Loan Subsidy							0	0
TOTAL OBLIGATIONS	0	6,091	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		(3,019)		(3,019)		(3,019)	0	0
Unobligated balance, end of year		3,019		3,019		3,019	0	0
Transfer to ORF							0	0
Less Permanent Indefinite Authority		(6,091)		0		0	0	0
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

NOAA proposes no funds for the Fisheries Finance Program (FFP) account. This account was established in FY 1997 to cover the cost of financing direct loans as authorized by Title XI of the Merchant Marine Act of 1936. The request proposes a loan level of \$24 million for individual fishing quota loans and \$59 million for traditional loans. These loans do not require an appropriated subsidy, as they have a negative subsidy rate.

Appropriation: Promote and Develop American Fishery Products & Research Pertaining to American Fisheries

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted				\$0
<u>Transfers</u>				
From Department of Agriculture		\$109,098		\$0
To NOAA ORF		(109,098)		
Total, Transfers			0	0
Adjustments to Base			0	0
2013 Base			0	0
Program Changes				5,000
TOTAL REQUIREMENTS			0	5,000
<u>Transfers</u>				
From Department of Agriculture				(124,064)
To NOAA ORF				119,064
2013 Appropriation			0	\$0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$5,000	0	\$5,000	0	\$0
TOTAL OBLIGATIONS	0	0	0	5,000	0	5,000	0	0
FINANCING								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
Transfer of unobligated balance to ORF	0	0	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	0	0	0	5,000	0	5,000	0	0
TRANSFERS								
Transfer to P&D Discretionary							0	0
Transfer from USDA	0	(109,098)	0	(124,064)	0	(124,064)	0	0
To NOAA ORF	0	109,098	0	119,064	0	119,064	0	0
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

The American Fisheries Promotion Act of 1980 authorized a grants program for fisheries research and development projects to be carried out with Saltonstall-Kennedy (S-K) funds. S-K funds are derived from duties on imported fisheries products; 30 percent of these duties are transferred from the Department of Agriculture to the Department of Commerce. The FY 2013 budget estimate of the transfer is \$124.1 million. Of this amount, \$5.0 million will be used for the grants program and the remaining \$119.1 million which will be transferred to offset the ORF appropriation. This program supports the NOAA strategic plan goal to build sustainable fisheries.

Appropriation: Damage Assessment and Restoration Revolving Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2012 Mandatory Appropriation	16	\$0
Adjustments	0	0
2013 Base	16	0
Program Changes	0	0
2013 Mandatory Appropriation	16	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	16	\$65,299	16	\$11,000	16	\$11,000	0	\$0
REIMBURSABLE OBLIGATIONS	0	7,600	0	7,600	0	7,600	0	0
TOTAL OBLIGATIONS	16	72,899	16	18,600	16	18,600	0	0
FINANCING								
Estimated collections	0	(7,600)	0	(7,600)	0	(7,600)	0	0
Unobligated balance, start of year	0	(51,299)	0	0	0	0	0	0
Transfer of budget authority from DOI	0	(6,000)	0	(6,000)	0	(6,000)	0	0
Transfer of unobligated balances from DOI	0	(8,000)	0	(5,000)	0	(5,000)	0	0
TOTAL MANDATORY APPROPRIATION	16	0	16	0	16	0	0	0

This fund was established in 1990 to facilitate oil and hazardous material spill response, as well as assessment and restoration activities for damages to natural resources for which NOAA serves as trustee. The Fund retains sums transferred by responsible parties or government entities for future use. The sources of these funds are settlements and awards by the courts. Receipts from settlements are expected to be \$7.6 million in FY 2013.

Appropriation: Federal Ship Financing Fund**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Mandatory Appropriation	0	\$0
Transfers	0	0
Adjustments	0	0
2013 Base	0	0
Program Changes	0	0
2013 Mandatory Budget Authority	0	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$204	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	204	0	0	0	0	0	0
FINANCING								
Less: offsetting collections	0	(204)	0	0	0	0	0	0
TOTAL MANDATORY BUDGET AUTHORITY	0	0	0	0	0	0	0	0

Premiums and fees collected under the Fishing Vessel Obligations Guarantee program for loan commitments made prior to October 1, 1991 are deposited in this fund to pay the costs of defaults, foreclosures, and Federal up-keep activities. Proceeds from the sale of collateral are also deposited in the fund for defaults on loans committed prior to October 1, 1991.

Appropriation: Environmental Improvement and Restoration Fund*Summary of Requirements*

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Mandatory Appropriation	0	\$290
Adjustments	0	(96)
2013 Base	0	194
Program Change	0	0
2013 Mandatory Appropriation	0	194

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS		\$11,671		\$290		\$290	0	\$0
TOTAL OBLIGATIONS	0	11,671	0	290	0	290	0	0
FINANCING								
Unobligated balance, start of year	0	(11,381)		(96)		(96)		
TOTAL MANDATORY BUDGET AUTHORITY	0	290	0	194	0	194	0	0

This fund was established by Title IV of P.L. 105-83, the Department of the Interior and Related Agencies Appropriations Act of 1998. Twenty percent of the interest earned from this fund is made available to the Department of Commerce. Funds are to be used to provide grants to Federal, State, private or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean. Research priorities and grant requests are reviewed and approved by the North Pacific Research Board with emphasis placed on cooperative research efforts designed to address pressing fishery management or marine ecosystem information needs. This program supports the NOAA strategic plan goal to protect, restore, and manage the use of coastal and ocean resources through ecosystem-based management.

Appropriation: Marine Mammal Unusual Mortality Event Fund**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$0
Adjustments	0	0
2013 Base	0	0
Program Changes	0	0
2013 Appropriation	0	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$200	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	\$200	0	\$0	0	\$0	0	\$0
FINANCING								
Unobligated balance, start of year	0	(200)	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	0	0	0	0	0	0	0	0

In response to the death of more than 700 bottlenose dolphins on the East Coast of the United States in 1987–88, NMFS established the Marine Mammal Health and Stranding Response Program, and its Working Group on Unusual Marine Mammal Mortality Events. This program determines when an unusual mortality event is occurring, and directs responses to such events. Funding from this account will be made available to members of the Marine Mammal Stranding Network for costs incurred in investigating the death of marine mammals.

Appropriation: Medicare-Eligible Retiree Healthcare Fund**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$1,936
Adjustments	0	0
2013 Base	0	1,936
Program Changes	0	0
2013 Appropriation	0	1,936

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$1,936	0	\$1,936	0	\$1,936	0	\$0
TOTAL OBLIGATIONS	0	1,936	0	1,936	0	1,936	0	0
Transfer of unobligated balances	0	0	0	0	0	0	0	0
TOTAL APPROPRIATION	0	1,936	0	1,936	0	1,936	0	0

This account includes amounts necessary to finance the cost of Tricare retirement health care benefits accrued by the active duty members of the NOAA Commissioned Corps. The Ronald W. Reagan National Defense Authorization Act for 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance these costs for all uniformed service members.

Appropriation: Western Pacific Sustainable Fisheries Fund

Summary of Requirements

	Summary	
	FTE	Amount
2012 Mandatory Appropriation	0	\$1,000
Adjustments	0	0
2013 Base	0	1,000
Program Changes	0	0
2013 Appropriation	0	1,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	0	\$2,030	0	\$1,000	0	\$1,000	0	\$0
TOTAL OBLIGATIONS	0	\$2,030	0	\$1,000	0	\$1,000	0	\$0
FINANCING								
Unobligated balance, start of year	0	(1,030)	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	0	1,000	0	1,000	0	1,000	0	0

Section 204(e) of the 2006 amendments to the Magnuson-Stevens Fishery Conservation and Management Act authorizes the establishment of the Western Pacific Sustainable Fisheries Fund. The purpose of this Fund is to allow foreign fishing within the U.S. Exclusive Economic Zone (EEZ) in the Western Pacific through a Pacific Insular Area Fishery Agreement. Before entering into such an Agreement, the Western Pacific Fishery Management Council must develop a Marine Conservation Plan that provides details on uses for any funds collected by the Secretary of Commerce. Marine Conservation Plans must also be developed by the Governors of the Territories of Guam and American Samoa and of the Commonwealth of the Northern Mariana Islands and approved by the Secretary or designee.

The Western Pacific Sustainable Fisheries Fund serves as a repository for any permit payments received by the Secretary for foreign fishing within the U.S. EEZ around Johnston Atoll, Kingman Reef, Palmyra Atoll, and Jarvis, Howland, Baker and Wake Islands, sometimes known as the Pacific remote island areas (PRIA). Also, in the case of violations by foreign vessels occurring in these areas, amounts received by the Secretary attributable to fines and penalties shall be deposited into the Western Pacific Sustainable Fisheries Fund. Additionally, any funds or contributions received in support of conservation and management objectives under a Marine Conservation Plan for any Pacific Insular Area other than American Samoa, Guam, or the Northern Mariana Islands shall be deposited in the Western Pacific Sustainable Fisheries Fund.

Appropriation: Fisheries Enforcement Asset Forfeiture Fund*Summary of Requirements*

	Summary	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$5,000
Adjustments	0	0
2013 Base	0	5,000
Program Change	0	0
2013 Appropriation	0	5,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$8,000	0	\$5,000	0	\$5,000	0	\$0
TOTAL OBLIGATIONS	0	\$8,000	0	\$5,000	0	\$5,000	0	\$0
FINANCING								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
Transfer of unob. Balance	0	(3,000)	0	0	0	0	0	0
TOTAL Appropriation	0	5,000	0	5,000	0	5,000	0	0

The **Fisheries Enforcement Asset Forfeiture Fund** was established under the authority of Section 311(e)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) which allows the Secretary of Commerce to pay certain enforcement-related expenses from fines, penalties and forfeiture proceeds received for violations of the Magnuson-Stevens Act, or of any other marine resource law enforced by the Secretary. Certain fines, penalties and forfeiture proceeds received by NOAA are deposited into this Fund, and subsequently used to pay for certain enforcement-related expenses.

Appropriation: Sanctuaries Enforcement Asset Forfeiture Fund*Summary of Requirements*

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted		\$1,000
Adjustments		
2013 Base	0	1,000
Program Change		0
2013 Appropriation	0	1,000

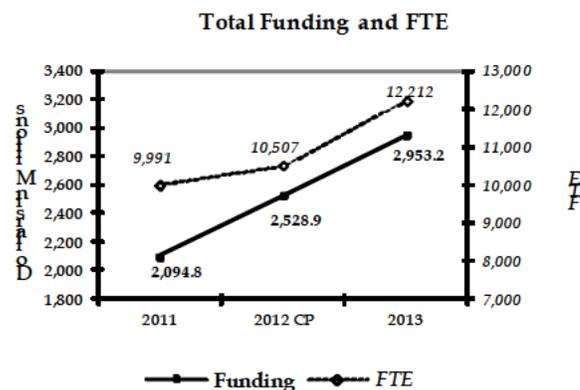
Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$1,000	0	\$1,000	0	\$1,000	0	\$0
TOTAL OBLIGATIONS	0	\$1,000	0	\$1,000	0	\$1,000	0	\$0
FINANCING								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY	0	1,000	0	1,000	0	1,000	0	0

Sanctuaries Enforcement Asset Forfeiture Fund receives proceeds from civil penalties and forfeiture claims against responsible parties, as determined through court settlements or agreements, for violations of NOAA sanctuary regulations. Penalties received are held in sanctuary site-specific accounts from year to year and spent on resource protection within the sanctuary site where the penalty or forfeiture occurred. Funds are expended for resource protection purposes which may include all aspects of law enforcement (from equipment to labor), community oriented policing programs, and other resource protection and management measures such as the installation of mooring buoys or restoration of injured resources.

U.S. Patent and Trademark Office

The mission of the U.S. Patent and Trademark Office (USPTO) is to foster innovation, competitiveness and economic growth, domestically and abroad by providing high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property (IP) policy, and delivering IP information and education worldwide. This mission is accomplished by the USPTO through its two distinct business lines: Patents and Trademarks, which administer the patent and trademark laws [15 U.S.C. 113 and 35 U.S.C. 41 and 376, including the newly enacted Leahy-Smith America Invents Act (P. L. No. 112-29)]. These laws provide protection to inventors and businesses for their inventions and corporate and product identifications, and encourage innovation and scientific and technical advancement of American industry through the preservation, classification, and dissemination of patent and trademark information. In addition to the examination of applications for patents and trademark registrations, the USPTO provides policy and technical advice and information to Executive Branch agencies on IP matters and trade-related aspects of IP rights, and assists governments of other countries in establishing regulatory and enforcement mechanisms to meet their international obligations relating to the protection of IP.



Funding requested for FY 2013 will be used in support of USPTO's strategic and management goals to optimize patent and trademark quality and timeliness, provide domestic and global leadership to improve IP policy, protection and enforcement worldwide, and achieve organizational excellence. In addition, the USPTO will implement the America Invents Act (AIA) by publishing final rules, completing AIA studies in accordance with statutory due dates, implementing new AIA programs in accordance with statutory due dates, and implementing a new fee structure as authorized by the AIA.

The FY 2013 Budget continues to emphasize the patent pendency and backlog reduction priority, particularly in light of the projected increase in patent application filings over the next five years. Likewise, the budget addresses the projected increase in trademark application filings during the planning horizon. The required funds for information technology reflect the transition from development to operations and maintenance.

Finally, the FY 2013 Budget provides the comprehensive background and support for a new fee structure that will be proposed and vetted through the rulemaking process.

Summary of Appropriations

Funding Levels

Appropriation, Discretionary	2011 Actual	2012 Enacted	2013 Estimate	Increase (Decrease)
New Offsetting collections/Program level*	\$2,094,801	\$2,706,313	\$2,953,241	\$246,928
Fee collections	(2,303,656)	(2,706,313)	(2,953,241)	(246,928)
Unappropriated fee collections, available for obligation, subject to further appropriation	208,855	0	0	0
TOTAL APPROPRIATION	0	0	0	0
Transfer to IG	0	(1,000)	(2,000)	(1,000)
Budget Authority				
New Offsetting collections/program level	2,094,801	2,705,313	2,951,241	245,928
Fee collections	(2,303,656)	(2,706,313)	(2,953,241)	(246,928)
Total Budget Authority	(208,855)	(1,000)	(2,000)	(1,000)
FTE	9,991	10,507	12,212	1,705

*Excludes collections for reimbursables.

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted				\$0
2012 Enacted Fee Collections			10,970	\$2,706,313
Re-estimate of USPTO fee collections			10,507	2,528,872
Other Income /Recoveries				23,000
USPTO Funding to Operating Reserve				(44,267)
Funds currently available, 2012			10,507	2,507,605
FY 2012 Transfer to DOC IG				(1,000)
USPTO FY 2012 Base				2,506,605

Adjustments to Base:

Other Changes

2013 Pay raise		\$4,986		
Full year cost in 2013 of positions financed for part-year in 2012	1,182	120,619		
Other Compensation Adjustments		35,498		
Civil Service Retirement System (CSRS)		(2,409)		
Federal Employees' Retirement System (FERS)		4,096		
Thrift Savings Plan		688		
Federal Insurance Contributions Act (FICA) - OASDI		2,088		
Health insurance		5,087		
Post-retirement benefits to OPM		10,321		
Travel		107		
Rent payments to GSA		1,818		
Printing and Reproduction		1,503		
General Pricing Level Adjustment:				
Transportation of things		5		
Rental payments to others		258		
Communications, utilities, and misc. charges		172		
Other services		6,172		
Supplies and materials		585		
Equipment		2,121		
Subtotal, other cost changes			1,182	193,715
TOTAL, ADJUSTMENTS TO BASE			1,182	193,715
2013 Base			11,689	2,700,320
Administrative savings [non-add]				[6,120]
Program Changes			523	119,248
FY 2013 Transfer to DOC IG				2,000
TOTAL REQUIREMENTS			12,212	2,821,568
Total offsetting fee Collections				(2,953,241)
Other Income /Recoveries				(23,000)
USPTO Funding to Operating Reserve				154,673
2013 NET APPROPRIATION			12,212	0

Comparison by Activity

	2012 Current Plan		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Patents	9,605	\$2,241,257	10,733	\$2,423,141	11,229	\$2,541,238	496	\$118,097
Trademarks	902	258,348	956	270,179	983	271,330	27	1,151
TOTAL DIRECT OBLIGATIONS	10,507	2,499,605	11,689	2,693,320	12,212	2,812,568	523	119,248
Reimbursables		7,000		7,000		7,000	0	0
TOTAL OBLIGATIONS	10,507	2,506,605	11,689	2,700,320	12,212	2,819,568	523	119,248
FINANCING								
Fees		(2,528,872)				(2,953,241)		
Other Income / Recoveries		(23,000)				(23,000)		
USPTO funding to Operating Reserve		44,267				154,673		
Subtotal Financing	0	(2,507,605)			0	(2,821,568)		
TOTAL BUDGET AUTHORITY	10,507	(1,000)			12,212	(2,000)		
Transfer to DOC IG		1,000				2,000		
TOTAL APPROPRIATION	10,507	0			12,212	0		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on USPTO's administrative savings planned for FY 2012 (\$26.3 million), an additional \$6.1 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$32.4 million. For additional information see the Administrative Savings section of the Introduction to the Budget-in-Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Patent Process	10,733	\$2,423,141	496	\$118,097

Resources requested in FY 2013 will be used for examining patent applications, granting patents, and continuing to implement the Patent End to End portfolio. USPTO will continue its aggressive agenda to reduce overall pendency and backlog through FY 2016 by which time backlog and pendency will have been reduced to optimal levels.

Trademark Process	956	\$270,179	27	\$1,151
-------------------	-----	-----------	----	---------

The FY 2013 Budget provides resources for examining trademark applications, registering trademarks, maximizing the use of e-government for conducting business with applicants and registrants, and improving trademark practices worldwide.

Performance Objectives and Measures

(Dollars reflect direct obligations)

USPTO's program activities support the theme of Economic Growth and the Innovation and Entrepreneurship goal. Within this goal, USPTO supports two objectives: Facilitate intellectual property protection by reducing patent and trademark pendency and increasing quality of issued patents and trademarks (Objective 1), and Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights (Objective 2). The following table shows the measures that USPTO uses to track its performance. A more detailed description of these measures can be found in the USPTO section of the Department of Commerce budget.

The USPTO supports the Department's strategic objective to "protect intellectual property and improve the patent and trademark systems." The USPTO focuses on measuring patent and trademark quality and timeliness, and improving IP protection and enforcement domestically and abroad in concert with our focused management priorities.

	2011 Actuals	2012 Enacted/Targets	2013 Estimate/Targets
Objective 1: Facilitate intellectual property protection by reducing patent and trademark pendency and increasing quality of issued patents and trademarks			
	\$2,111.2M	\$2,438.8M	\$2,744.3M
Patent quality composite rate ²	30.7	48-56	65-73
Patent average first action pendency (months)	28.0	22.5	16.9
Patent average total pendency (months)	33.7	34.7	30.1
Patent backlog	669,625	621,800	529,100
Patent applications filed electronically	93.1%	96.0%	97.0%
Trademark first action compliance rate	96.5%	95.5%	95.5%
Trademark final compliance rate	97.0%	97.0%	97.0%
Trademark first action pendency (months)	3.1	2.5 to 3.5	2.5 to 3.5
Trademark average total pendency (months)	10.5	12.0	12.0
Trademark applications processed electronically	73.0%	74.0%	76.0%
Objective 2: Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights			
	\$43.7M	\$60.8M	\$68.3M
Percentage of prioritized countries for which country teams have implemented at least 75% of action steps in the country-specific action plans toward progress in: (1) institutional improvements of IP office administration for advancing IP protection, (2) institutional improvements of IP enforcement entities, (3) improvements in IP laws and regulations, and (4) establishment of government-to-government cooperative mechanisms.	100.0%	75.0%	75.0%
Percentage of foreign officials trained who have initiated or implemented a positive change in the IP systems in their organization and/or countries	Baseline	75.0%	75.0%
Total	\$2,154.9M	\$2,499.6M	\$2,812.6M

² Patent Quality composite will subsume Final disposition compliance rate and In-Process compliance rate

Priority Goals

Priority goals are clear statements of the specific, measurable, ambitious near-term priority targets chosen by the senior leaders of major Federal agencies. They communicate the performance improvements each agency is trying to accomplish relative to its priorities using existing legislative authority, previously appropriated funds, and funding at levels proposed in the FY 2013 President's Budget Request. They constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes the priority goals from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

USPTO has the following priority goal along with three associated measures: By September 30, 2013, the Department will reduce patent pendency for first actions and for final actions from the end of 2011 levels of 28.0 and 33.7 months respectively to 16.9 months and 30.1 months, as well as the patent backlog of 669,625 applications to 529,100.

1. First action patent pendency
2. Final action patent pendency
3. Patent backlog

All of these measures are ongoing GPRA measures, occurring under the aforementioned Objective 1. The first measure tracks the timeliness of first office actions on patent applications, measuring the time in months from the application filing date to the date of the first office action. The second measure identifies the timeliness related to issuance of the patent or abandonment of the application, measuring the average time in months from the application filing date to the date of issue or abandonment. The third measure tracks the number of patent applications awaiting first action review by an examiner. The previous table shows the FY 2011 actual and FY 2012 and FY 2013 targets. The following table provides all the targets and actuals from 2004 – 2017.

Fiscal Year	First action patent pendency		Final action patent pendency		Patent backlog	
	Target	Actual	Target	Actual	Target	Actual
2004	20.2	20.2	29.8	27.6	524,000	508,878
2005	21.3	21.1	31.0	29.1	594,800	586,580
2006	22.0	22.6	31.3	31.1	680,700	674,333
2007	23.7	25.3	33.0	31.9	801,000	737,288
2008	26.9	25.6	34.7	32.2	801,300	750,596
2009	27.5	25.8	37.9	34.6	741,400	718,835
2010	25.4	25.7	34.8	35.3	698,000	708,535
2011 ¹	23.0	28.0	34.5	33.7	659,000	669,625
2012	22.5		34.7		621,800	
2013	16.9		30.1		529,100	
2014	15.9		24.6		421,600	
2015	10.1		22.9		329,500	
2016	9.4		18.3		328,400	
2017	9.4		18.1		358,000	

¹Targets assumed funding would be appropriated for updated fee estimate along with a 15% Patent Fee Surcharge in FY 2011. The Agency's final FY 2011 appropriation did not include this increase, which impacted completion of a number of initiatives and milestones associated with this high priority performance goal, the details of which can be found in the *USPTO 2010-2015 Strategic Plan* and the FY 2010 and FY 2011 Performance and Accountability Reports (PAR).

- Re-engineer the Examiner Count System
- Project Exchange
- Institutionalize Compact Prosecution of Applications
- Measurement and Tracking of Patent Quality
- Improve and Provide More Effective Training
- Ombudsman Pilot Program
- Develop and Implement the Patent End-to-End Processing System
- Prioritize Work - Green Technology Acceleration
- Hire Patent Examiners.
- Target Overtime to High Backlog Areas.
- Institute a "Nationwide Workforce"
- Reformulate Performance Appraisal Plans

National Institute of Standards and Technology

The mission of the National Institute of Standards and Technology (NIST) is to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. For more than 100 years, NIST has maintained the national standards of measurement, a role that the U.S. Constitution assigns to the Federal Government. Today, the NIST Laboratories address increasingly complex measurement challenges, developing measurements focusing on the very small (e.g., nanotechnology devices) and the very large (e.g., skyscrapers), the physical (e.g., methods for characterizing strands of DNA for forensic testing) and the virtual (e.g., methods for testing electronic health record systems). NIST engages in activities that support trade and global science, provide industry and academia with unique user facilities, and supports development of standards and specifications that define technical and performance requirements for goods and services.

The **NIST Laboratories** are part of the President's Plan for Science and Innovation that, consistent with the goals of the America COMPETES Reauthorization Act of 2010, proposes to double funding for research at key basic research agencies. The NIST Laboratories directly support U.S. innovation and industrial competitiveness by developing new measurement instruments and facilities to address critical barriers to innovation; disseminating validated measurement methods and protocols; providing reference data, reference materials, and calibration services to ensure that industry-performed measurements are traceable to NIST standards; and developing testing protocols and supporting laboratory accreditation programs.

The FY 2013 budget request proposes \$648.0 million for NIST's Laboratory research programs in the Scientific and Technical Research and Services (STRS) appropriation, an increase of \$81.0 million from the FY 2012 Enacted appropriations. Within the request, NIST will support roughly \$135.0 million in research efforts focused on Advanced Manufacturing. Proposed initiatives include:

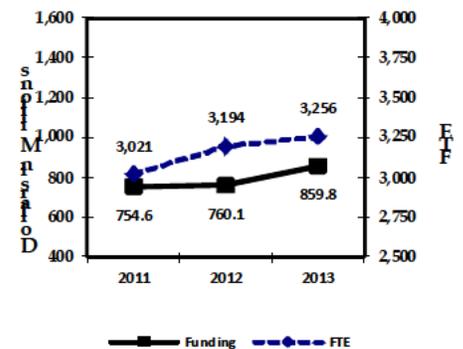
- Supporting new Advanced Manufacturing activities (+\$45.0 million)
- Creating a competitive grant program for universities to establish NIST Centers of Excellence (+\$20.0 million)
- Addressing challenges in Forensic Science, Advanced Communications, and Disaster Resilience (+\$20.0 million)
- Continuing to invest in the Administration's National Strategy for Trusted Identities for Cyberspace efforts (+\$8.0 million).

The request also includes a \$12.0 million reduction to NIST's STRS extramural grants.

NIST's **Construction of Research Facilities** (CRF) appropriation supports projects for new buildings and the renovation and maintenance of current buildings and laboratories. The CRF account includes an increase of \$4.6 million over the FY 2012 enacted appropriations for a total request of \$60.0 million. Within this total, \$48.2 million is for the Safety, Capacity, Maintenance, and Major Repairs account and \$11.8 million is to fund on-going work for the Building 1 Renovation project in Boulder, Colorado.

NIST's FY 2013 request for these two core programs total \$708.0 million, almost \$86.0 million more than the FY 2012 enacted levels.

Budget Authority and FTE



The request also includes two extramural programs under the Industrial and Technology Services (ITS) appropriation, the Hollings Manufacturing Extension Partnership (MEP) and the Advanced Manufacturing Technology Consortia (AMTech).

Hollings Manufacturing Extension Partnership (MEP)

Through public (Federal-state-local) and private sector partnerships, MEP provides technical and business assistance to small- and medium-sized manufacturers through a network of centers in all 50 states and Puerto Rico. The request includes \$128.0 million for MEP, roughly the same level as in FY 2012.

Advanced Manufacturing Technology Consortia (AMTech)

The request includes \$21.0 million for the new Advanced Manufacturing Technology Consortia (AMTech) program, which will provide grants to leverage existing consortia or establish new industry-led consortia. These consortia will develop road-maps of critical long-term industrial research needs as well as fund research at leading universities and government laboratories directed at meeting these needs. This new program would be based on NIST's experience with the Nanoelectronics Research Initiative (NRI) partnership and would expand and improve on that model.

The initiatives in the *Highlights of Program Changes* under STRS, CRF, and ITS outline the Administration's FY 2013 investment priorities for NIST.

Summary of Appropriations

<u>Funding Levels</u>	2011	2012	2013	Increase
Appropriation	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
DISCRETIONARY ACCOUNTS				
Scientific and Technical Research and Services	\$506,984	\$567,000	\$648,000	\$81,000
Industrial Technology Services	173,253	128,443	149,000	20,557
Construction of Research Facilities	69,860	55,381	60,000	4,619
Total Appropriation, Discretionary Accounts	750,097	750,824	857,000	106,176
Transfers of funds from Election Assistance	3,244	2,750	2,750	0
Transfers of funds from DoJ to OLES, STRS	1,243	6,500	0	(6,500)
Working Capital Fund, STRS	[0]	[1,695]	[1,500]	
Budget Authority				
Scientific and Technical Research and Services	511,471	576,250	650,750	74,500
Industrial Technology Services	173,253	128,443	149,000	20,557
Construction of Research Facilities	69,860	55,381	60,000	4,619
TOTAL, BUDGET AUTHORITY	754,584	760,074	859,750	99,676
Reorganization from STRS (BPEP)	(9,608)			
Reorganization to ITS (BPEP)	9,608			
Budget Authority (Revised)				
Scientific and Technical Research and Services	501,863	576,250	650,750	74,500
Industrial Technology Services	182,861	128,443	149,000	20,557
Construction of Research Facilities	69,860	55,381	60,000	4,619
TOTAL, BUDGET AUTHORITY	754,584	760,074	859,750	99,676
FTE				
DISCRETIONARY ACCOUNTS				
Scientific and Technical Research and Services	2,001	2,175	2,292	117
Industrial Technology Services	206	133	87	(46)
Construction of Research Facilities	121	121	121	0
Working Capital Fund	693	765	756	(9)
Total	3,021	3,194	3,256	62

Highlights of Budget Changes

Appropriation: Scientific and Technical Research and Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			2,175	\$567,000
Adjustments to Base				
<u>Adjustments</u>				
Restoration of FY 2012 deobligation offset				1,000
<u>Other Changes</u>				
2013 Pay raise		\$978		
Full-year cost in 2013 of positions financed for part-year in FY 2012	27			
Civil Service Retirement System (CSRS)		(224)		
Federal Employees' Retirement System (FERS)		374		
Thrift Savings Plan (TSP)		107		
Federal Insurance Contribution Act (FICA) - OASDI		292		
Health Insurance		1,270		
Employees' Compensation Fund		(24)		
Travel - Per Diem		345		
Rental Payments to GSA		1		
HCHB electricity		(1)		
Electricity rate increase		1,761		
Natural Gas rate increase		189		
NARA		1		
Other services:				
Commerce Business Systems (CBS)		137		
Working Capital Fund (Departmental Management)		24		
Supplies and materials:				
Scientific journal subscriptions		156		
Helium rate increase		29		
General pricing level adjustment:				
Transportation of things		20		
Rental payments to others		34		
Communications, utilities, and miscellaneous charges		68		
Printing and reproduction		5		
Other services		1,181		
Supplies and materials		367		
Equipment		698		
Subtotal, other cost changes			27	7,788
Less Amount Absorbed				(7,788)
TOTAL, ADJUSTMENTS TO BASE			27	1,000
2013 Base			2,202	568,000
Administrative Savings			[0]	[2,693]
Program Changes			90	81,000
TOTAL REQUIREMENTS			2,292	649,000
Recoveries from Prior Year Obligations				(1,000)
2013 APPROPRIATION			2,292	648,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Laboratory Programs								
Strategic & emerging research initiative fund	24	\$10,313	24	\$9,668	24	\$9,668	0	\$0
National measurement and standards labs	1,684	432,472	1,706	421,384	1,762	470,807	56	49,423
User Facilities	259	75,273	259	74,755	270	81,253	11	6,498
Postdoctoral Research Associates Program	99	14,212	103	13,022	103	13,022	0	0
Subtotal, Laboratory Programs	2,066	532,270	2,092	518,829	2,159	574,750	67	55,921
Corporate Services								
Computer Support	12	8,169	12	8,169	12	8,169	0	0
Business System	36	10,481	36	10,481	36	10,481	0	0
Subtotal, Corporate Services	48	18,650	48	18,650	48	18,650	0	0
Standards Coordination and Special Programs								
Standards Coordination and Special Programs	61	38,959	62	30,521	85	56,850	23	26,329
Congressionally Directed Projects	0	0	0	0	0	0	0	0
Subtotal, Standards Coordination and Special Programs	61	38,959	62	30,521	85	56,850	23	26,329
TOTAL OBLIGATIONS	2,175	589,879	2,202	568,000	2,292	650,250	90	82,250
FINANCING								
Unobligated balance, start of year - direct		(15,924)					0	0
Unobligated balance transfer to ITS		1,600						
Recovery of prior year obligations		(1,000)		(1,000)		(1,000)	0	0
Subtotal, financing	0	(15,324)	0	(1,000)	0	(1,000)	0	0
TOTAL BUDGET AUTHORITY	2,175	574,555	2,202	567,000	2,292	649,250	90	82,250
Transfers from EAC		(2,750)				(2,750)	0	(2,750)
Transfers from DoJ		(6,500)					0	0
Transfers to Working Capital Fund		1,695				1,500	0	1,500
Reorganization							0	0
TOTAL APPROPRIATION	2,175	567,000	2,202	567,000	2,292	648,000	90	81,000

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NIST's administrative savings planned for FY 2012 (\$11.6 million), an additional \$2.7 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$14.3 million. For additional information see the Administrative Savings section of the Introduction to the Budget-in-Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Measurement Science, Services, and Programs</u>				
Advanced Manufacturing	98	\$90,824	+58	+\$45,000

Manufacturing plays a central role in technological progress and the overall growth and health of the U.S. economy. The ability to rapidly introduce product innovations will support future U.S. manufacturing market growth, competitiveness, and creation and retention of high quality jobs. With its FY 2013 budget request NIST is expanding its laboratory efforts in the following areas to address measurement and technology needs essential to advanced manufacturing:

- \$10.0 million for metrology infrastructure and standards to support biomanufacturing. This NIST program will develop measurement methods, protocols, and standards for improved measurement of biologic products during manufacturing and for end-product characterization. NIST will work closely with industry, the FDA, and other standards organizations to achieve greater process understanding, higher quality biologic products through continuous improvement of manufacturing processes, and agile biomanufacturing processes required for next generation products such as stem cells and personalized biotherapeutics.
- \$10.0 million for measurement science and standards to support nanomanufacturing. \$8.0 million of these funds are requested for the development of measurement methods that will enable manufacturers to overcome a number of technical barriers to cost-effective, high-volume nanomanufacturing. \$2.0 million is requested for measurement science and standards development in nanotechnology-related environmental health and safety (nanoEHS). The nanoEHS program will develop new reference materials, measurement protocols, and documentary standards as well as new methodologies to evaluate the release of nanoparticles during manufacture and in consumer products.
- \$10.0 million to support measurement science and standards in advanced materials for industry, as related to the national Materials Genome Initiative (MGI). The MGI is an interagency effort to significantly reduce the timeline from discovery to commercial deployment of new materials. The request will enable NIST to strengthen and extend its expertise in the development, use, and integration of materials modeling and simulation, with a focus on standard reference databases, data assessment and validation, and standards development and implementation.
- \$10.0 million for measurement science and standards to support smart manufacturing. Smart Manufacturing refers to equipment, factory, and enterprise level production methods that integrate computational (cyber) and physical systems to enable innovative production, products, and systems of products. NIST will develop the measurements and standards necessary to develop automated, in-process quality monitoring and control for factory-level production systems. NIST will also build a testbed integrating a systems architecture framework and an open standards platform to facilitate simultaneous engineering of the cyber and physical elements of manufacturing systems. It will include predictive modeling and simulation for automated control and performance optimization.
- \$5.0 million for a NIST Manufacturing Fellowships Program. NIST manufacturing fellowships will provide opportunities for engineers and scientists to work with NIST staff on the measurement and standards required to create cutting-edge tools for manufacturers. Fellowships will be available to qualified candidates who are currently employed in industry and non-profit organizations, as well as to recent recipients of bachelors or masters degrees in relevant fields. NIST Manufacturing Fellowships Program awardees will work jointly with NIST to publicize NIST advanced manufacturing research opportunities.

NIST Centers of Excellence	0	\$0	+2	+\$20,000
----------------------------	---	-----	----	-----------

These funds will be used to provide grants to establish four competitively selected Centers of Excellence in measurement science areas defined by NIST that will leverage and expand NIST research capabilities. Each Center of Excellence will provide an interdisciplinary environment in which NIST, academia and industry will collaborate in pursuing early stage basic and applied research focused on innovations in measurement science and emerging technology areas. Potential

focus areas include Advanced Communications, Advanced Manufacturing, Biomanufacturing, Cyberphysical Systems, Forensic Science, Human-Robotic Integration, Materials Modeling and Design, Quantitative Biology, and Telecommunications.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Secure, Scalable, and Interoperable Advanced Communications	23.2	\$10,600	+10	+\$10,000

National initiatives such as such Health IT, telemedicine, Smart Grid, environmental monitoring, and cloud computing depend on an interoperable, scalable, secure, advanced networking technology. Current fixed and wireless network infrastructures already show strain meeting short-term, rapid increases in demand. In addition, the growing complexity of networked information systems built upon this infrastructure increases financial and security risks. The requested funding will allow NIST to research technical requirements and develop measurement techniques for future telecommunications technologies that can scale to the long-term demands of advanced networks while maintaining robustness and security.

Measurement Science and Standards in Support of Forensic Science	12.3	\$4,605	+16	+\$5,000
---	------	---------	-----	----------

The funds requested will allow NIST to support the forensic science community through the research and development of traceable standards materials, reference data, and calibration systems; to facilitate standards development; and to provide measurement science research and training opportunities for forensic science practitioners. The NIST laboratories will perform research to characterize and improve many forensic approaches, providing practitioners tools for crime scene investigation, laboratory analysis, and court room use of this evidence while also enabling NIST laboratories to innovate completely new approaches to forensic science disciplines.

Disaster Resilience and Natural Hazards Risk Reduction	3	\$1,000	+4	+\$5,000
---	---	---------	----	----------

U.S. communities can and do suffer catastrophic loss, due to extreme events such as hurricanes, tornadoes, wildfires, earthquakes, and flooding. Through a multi-year, public-private partnership program strategy, this funding will enable NIST to work with stakeholder interests in all hazard areas to develop and adopt a national resilience framework and associated resilience models, standards and policies. In addition, NIST will help address the Research and &Development (R&D) gaps to realize the full potential of national resilience.

National Strategy for Trusted Identities In Cyberspace	13	\$16,500	+0	+\$8,000
---	----	----------	----	----------

The budget request includes an increase of \$8.0 million for additional grants for the NSTIC initiative begun in FY 2012, which seeks to increase the security of online transactions.

Reduction to NIST's STRS extramural grants	0	\$34,200	- 0	-\$12,000
--	---	----------	-----	-----------

NIST requests a \$12.0 million decrease to its extramural STRS grant program. The reduction includes \$6.0 million from one-time external grants to support industry-led consortia in the development of technology roadmaps. NIST will identify an additional \$6.0 million from low priority research areas and areas where intramural efforts are sufficient to meet research requirements.

Crosswalk of Program Changes

STRS Initiative Name	National Measurement and Standards Laboratories	User Facilities	Standards Coordination and Special Programs	Working Capital Fund	Total
Advanced Manufacturing	\$29,500	\$8,000	\$6,000	\$1,500	\$45,000
NIST Centers of Excellence			\$20,000		\$20,000
Advanced Communications	\$8,000		\$2,000		\$10,000
Disaster Resilience	\$5,000				\$5,000
Forensics			\$5,000		\$5,000
NSTIC	\$8,000				\$8,000
STRS One-Time Extramural Grants			(\$6,000)		(\$6,000)
Reduction to STRS NIST-wide Extramural Grants	(\$3,827)	(\$1,502)	(\$671)		(\$6,000)
STRS TOTAL	\$46,673	\$6,498	\$26,329	\$1,500	\$81,000

Appropriation: Construction of Research Facilities*Summary of Requirements*

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			121	\$55,381
Adjustments to Base				
<u>Other Changes</u>				
FY 2013 Pay raise		\$44		
Civil Service Retirement System (CSRS)		(10)		
Federal Employees' Retirement System (FERS)		17		
Thrift Savings Plan (TSP)		5		
Federal Insurance Contribution Act (FICA) - OASDI		15		
Health Insurance		65		
Employees' Compensation Fund		5		
Travel - Per Diem		2		
General pricing level adjustment:				
Other services		383		
Supplies and materials		25		
Equipment		1		
Subtotal, other cost changes			0	552
TOTAL, ADJUSTMENTS TO BASE			0	552
2013 Base			121	55,933
Program Changes				4,067
2013 APPROPRIATION			121	60,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Construction & Major Renovations	121	\$68,703	121	\$55,933	121	\$60,000	0	\$4,067
TOTAL DIRECT OBLIGATIONS	121	68,703	121	55,933	121	60,000	0	4,067
REIMBURSABLE OBLIGATIONS		930					0	0
TOTAL OBLIGATIONS	121	69,633	121	55,933	121	60,000	0	4,067
FINANCING								
Unobligated balance, start of year (Direct)		(13,322)						
Offsetting collections from:								
Non-Federal sources		(930)						
Subtotal, financing		(14,252)				0		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	121	55,381			121	60,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Construction and major renovations</u>	121	\$55,933	+0	\$4,067

Renovation of Building 1 at NIST in Boulder, Colorado, Decrease -0 -\$13,900

NIST requests a decrease in the amount of \$13.9 million for the completed exterior renovations to Building 1 and interior renovation of Wing 3.

Renovation of Building 1 at NIST in Boulder, Colorado, Increase +0 +\$11,800

NIST requests an increase to continue with the long-term plan to renovate the multi-wing Building 1 of the NIST Boulder, Colorado laboratories, which houses the majority of NIST Boulder research and measurement facilities. The FY 2013 requested increase of \$11.8 million would fund Wing 6 interior renovation. The remaining wing renovations will be completed with future funding requests.

NIST Safety, Capacity, Maintenance, and Major Repairs Increase +0 +\$6,167

NIST requests an increase of \$6.2 million to expedite the maintenance and repair of facilities and reduce the impact of facility deficiencies on laboratory projects.

Appropriation: Industrial Technology Services**Summary of Requirements**

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			133	\$128,443
Adjustments to Base				
<u>Adjustments</u>				
TIP Shutdown/BPEP transition			(50)	
<u>Other Changes</u>				
2013 Pay raise		\$37		
Civil Service Retirement System (CSRS)		(8)		
Federal Employees' Retirement System (FERS)		14		
Thrift Savings Plan (TSP)		4		
Federal Insurance Contribution Act (FICA) - OASDI		11		
Health Insurance		47		
Employees' Compensation Fund		6		
Travel - Per Diem		19		
Electricity rate increase		247		
Natural Gas rate increase		25		
General pricing level adjustment:				
Rental payments to others		5		
Communications, utilities, and miscellaneous charges		3		
Other services		203		
Supplies and materials		6		
Equipment		5		
Subtotal, other cost changes			0	624
Less Amount Absorbed			0	(624)
TOTAL, ADJUSTMENTS TO BASE			(50)	0
2013 Base			83	128,443
Program Changes			4	20,557
2013 APPROPRIATION			87	149,000

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Technology Innovation Program	39	\$8,384	0	\$0	0	\$0	0	\$0
Advanced Manufacturing Technology Consortia	0	0	0	0	4	21,000	4	21,000
Hollings Manufacturing Extension Partnership Program	83	130,826	83	128,443	83	128,000	0	(443)
Baldrige Performance Excellence Program	11	2,050	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	133	141,260	83	128,443	87	149,000	4	20,557
FINANCING								
Unobligated balance, start of year		(8,117)						
Unobligated balance, transfer from STRS		(1,600)						
Recovery of prior obligations		(3,100)						
Subtotal, financing		(12,817)						
TOTAL BUDGET AUTHORITY/ APPROPRIATION	133	128,443	83	128,443	87	149,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Industrial Technology Services</u>				
Manufacturing Extension Partnership (MEP)	83	\$128,443	+0	-\$443

The request funds the Hollings Manufacturing Extension Partnership (MEP) at \$128.0 million, a reduction of \$443 thousand from the FY 2012 enacted appropriations. The reduction will not affect funding for MEP Center renewals in FY 2013.

Advanced Manufacturing Technology Consortia (AMTech) Program	+4	+\$21,000
--	----	-----------

The request includes \$21.0 million to establish an Advanced Manufacturing Technology Consortia (AMTech) program that will provide grants to leverage existing consortia or establish new industry-led consortia. These consortia will develop road-maps of key long-term industrial research needs, as well as fund research at leading universities and government laboratories directed at meeting these needs. This new program would be modeled on NIST's experience with the Nanoelectronics Research Initiative (NRI) partnership and would expand and improve on that model.

Appropriation: Working Capital Fund

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Direct Obligations	0	\$1,695	0	\$0	0	\$1,500	0	\$1,500
Reimbursable Obligations	765	191,552	756	163,190	756	163,190	0	0
WCF Investments		12,120		0		0	0	0
TOTAL OBLIGATIONS	765	205,367	756	163,190	756	164,690	0	1,500
FINANCING								
Unobligated balance, start of year		(125,879)		(125,879)		(125,879)		0
Unobligated balance, end of year		125,879		125,879		125,879		0
Offsetting collections from:								
Federal funds		(128,894)		(110,909)		(110,909)		0
Non-Federal sources		(74,778)		(52,281)		(52,281)		0
Subtotal, financing	0	(203,672)	0	(163,190)	0	(163,190)	0	0
TOTAL BUDGET AUTHORITY	765	1,695	756	0	756	1,500	0	1,500
TRANSFERS								
From other accounts		(1,695)				(1,500)		(1,500)
TOTAL, APPROPRIATION	765	0	756	0	756	0	0	0

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

NIST's program activities support the theme of Economic Growth and two corresponding goals: Innovation and Entrepreneurship, and Market Development and Commercialization. Within these goals, NIST supports three objectives: Stimulate high-growth business formation and entrepreneurship, through investing in high-risk, high-reward technologies and by removing impediments to accelerate technology commercialization (Objective 3); Provide measurement tools and standards to strengthen manufacturing, enable innovation, and increase efficiency (Objective 5); and improve the competitiveness of small and medium-sized firms in manufacturing and service industries (Objective 8). The following table shows the measures that NIST uses to gauge its performance.

	2011 Actual	2012 Enacted / Targets	2013 Estimate / Targets
Objective 3: Stimulate high-growth business formation and entrepreneurship, through investing in high-risk, high-reward technologies and by removing impediments to accelerate technology commercialization*	\$74.2	\$8.4	\$21.0*
Objective 5: Provide measurement tools and standards to strengthen manufacturing, enable innovation, and increase efficiency	\$776.1	\$863.6	\$874.3
Qualitative assessment and review of technical quality and merit using peer review	Completed	Complete	Complete
Citation impact of NIST-authored publications	>1.1 ¹	>1.1	>1.1
Peer-reviewed technical publications	1,210	1,210	1,210
Standard reference materials sold	32,864	31,000	31,000
NIST maintained datasets downloaded	19.1M	18M	18M
Number of calibration tests performed	18,195	14,000	13,500
Objective 8: Improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$129.3	\$134.1	\$128.7
Number of clients served by MEP centers receiving Federal funding	33,838	32,500 ³	32,500
Increased sales attributed to MEP centers receiving Federal funding	\$2.0B ²	\$2.2B ³	\$2.5B
Capital investment attributed to MEP centers receiving Federal funding	\$1.1B ²	\$1.3B ³	\$1.4B
Cost savings attributed to MEP centers receiving Federal funding	\$1.1B ²	\$1.1B ³	\$1.1B
Total	\$979.6	\$1,006.1	\$1,024.0

*The TIP was terminated in FY 2012, so the measures have been removed from the BiB. FY 2011 and FY 2012 targets can be found in the FY 2012 BiB. The remaining amount in FY 2013 is for AMTech.

¹ Actual for this measure lags nine months; this estimate is based on the FY 2010 actual.

² These amounts are the FY 2011 targets. The FY 2011 actuals will be available in January 2013 due to the lag time associated with collecting and analyzing the Hollings MEP client survey data six months after the services are delivered. The data in the FY 2011 PAR reflects estimated FY 2010 actuals associated with the FY 2010 funding level. The FY 2010 actuals will be available in February 2012.

³ These targets were changed to reflect the actual FY 2012 appropriation.

Wireless Innovation (WIN) Fund

As part of the National Wireless Initiative included in the proposed American Jobs Act, NIST will create a Wireless Innovation (WIN) Fund to help develop cutting-edge wireless technologies for public safety users. The WIN Fund will provide \$300.0 million to help industry and public safety organizations conduct research and develop new standards, technologies and applications to advance public safety communications in support of the initiative's efforts to build an interoperable nationwide broadband network for first responders. As proposed in the American Jobs Act, WIN will be funded from spectrum auction proceeds deposited in the Public Safety Trust Fund. For more details on the Public Safety Trust Fund, please see the entry under the National Telecommunications and Information Administration.

Summary of Appropriations

<u>Funding Levels</u>	2011	2012	2013	Increase
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
MANDATORY ACCOUNT				
Wireless Innovation Fund			\$300,000	\$300,000
FTE			13	13

Highlights of Budget Changes

Mandatory Account: Wireless Innovation Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2012 Mandatory Account	0	\$0
Adjustments	0	0
2013 Base	0	0
Program Change	13	300,000
2013 Mandatory Account	13	300,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Total Authority from Transfer					13	\$300,000	13	\$300,000
TOTAL OBLIGATIONS	0	0	0	0	13	15,000	13	15,000
FINANCING								
Unobligated balance, end of year	0	0	0	0	0	285,000	0	285,000
TOTAL MANDATORY SPENDING AUTHORITY	0	0	0	0	13	300,000	13	300,000

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Wireless Innovation Fund	0	\$0	+13	+\$300,000

The President's Budget includes a request of \$300 million in mandatory funds for the Wireless Innovation Fund to help spur the development of cutting-edge wireless technologies. As part of this initiative, NIST will work with industry and public safety organizations to conduct research and develop standards, technologies and applications to advance public safety communications. Core components of this program will include documenting public safety requirements and driving the adoption of those requirements into the appropriate standards; developing the capability for communications between currently deployed public safety narrow band systems and the future nationwide broadband network, and establishing a roadmap that addresses public safety's needs beyond what can be provided by the current generation of broadband technology and driving technological progress in that direction. NIST will accomplish these goals through directed research, development, applications, and demonstration projects. Where appropriate, NIST will collaborate with other government research agencies and transfer funding if particular agencies are better suited to sponsor and oversee relevant research, development, or demonstration projects.

National Network for Manufacturing Innovation

As part of its efforts to revitalize U.S. manufacturing, the Administration will propose legislation creating a mandatory account making available \$1.0 billion to establish a National Network for Manufacturing Innovation (NNMI), which would consist of a network of institutes where researchers, companies, and entrepreneurs can come together to invest in new manufacturing technologies with broad applications. The Manufacturing Innovation Institutes would support manufacturing technology commercialization by helping to bridge the gap from the laboratory to the market and address core gaps in scaling manufacturing process technologies.

Summary of Appropriations

Funding Levels	2011	2012	2013	Increase
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
MANDATORY ACCOUNT				
National Network for Manufacturing Innovation			\$1,000,000	\$1,000,000
FTE			25	25

Highlights of Budget Changes

Mandatory Account: National Network for Manufacturing Innovation

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Mandatory Account	0	\$0
Adjustments	0	0
2013 Base	0	0
Program Change	25	1,000,000
2013 Mandatory Account	25	1,000,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
SPENDING AUTHORITY					25	\$1,000,000	25	\$1,000,000
TOTAL OBLIGATIONS	0	0	0	0	25	560,000	25	560,000
FINANCING								
Unobligated balance, end of year	0	0	0	0	0	440,000	0	440,000
TOTAL MANDATORY SPENDING AUTHORITY	0	0	0	0	25	1,000,000	25	1,000,000

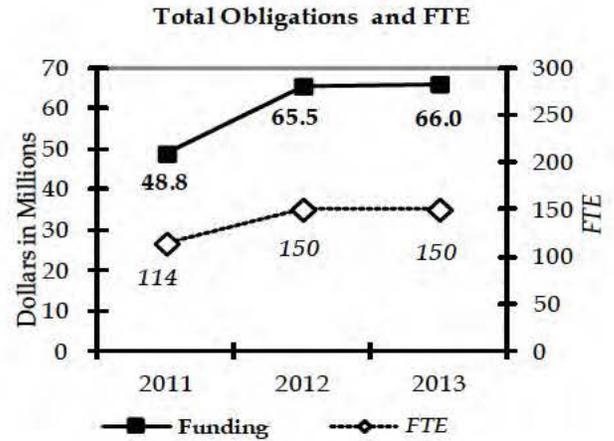
Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
National Network for Manufacturing Innovation	0	\$0	+25	+\$1,000,000

As part of its efforts to revitalize U.S. manufacturing, the Administration will propose legislation creating a mandatory account making available \$1.0 billion to establish a National Network for Manufacturing Innovation (NNMI), which would consist of a network of institutes where researchers, companies, and entrepreneurs can come together to invest in new manufacturing technologies with broad applications. These institutes will help support an ecosystem of manufacturing activity in local areas and each institute would have a unique technology focus. The Manufacturing Innovation Institutes would support manufacturing technology commercialization by helping to bridge the gap from the laboratory to the market and address core gaps in scaling manufacturing process technologies.

National Technical Information Service

The National Technical Information Service (NTIS) collects and preserves scientific, technical, engineering and other business-related information from Federal and international sources, and disseminates it to the American business and industrial research community. NTIS operates a revolving fund for the payment of all expenses incurred. NTIS reports to the Secretary of Commerce through the National Institute of Standards and Technology.



Summary of Appropriations

Funding Levels

Appropriation	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase (Decrease)
NTIS Revolving Fund	\$0	\$0	\$0	\$0
FTE				
Reimbursable	114	150	150	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	150	\$0
Adjustments to Base	0	0
2013 Base	150	0
Administrative Savings [non-add]		[32]
Program Changes	0	0
2013 APPROPRIATION	150	0

Comparison by Activity

	2012 Enacted		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
National Technical Information Service	150	\$0	150	\$0	150	\$0	0	\$0
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	0	0	0
REIMBURSABLE OBLIGATIONS		65,500		66,000		66,000	0	0
TOTAL OBLIGATIONS	150	65,500	150	66,000	150	66,000	0	0
FINANCING								
Unobligated balance, start of year		(7,407)		(7,407)		(7,407)		
Unobligated balance, end of year		7,407		7,407		7,407		
Reinvested administrative savings						[32]		
Offsetting collections from:								
Federal funds		(51,700)		(52,200)		(52,200)		
Non-Federal sources		(13,800)		(13,800)		(13,800)		
Subtotal, financing	0	(65,500)	0	(66,000)	0	(66,000)		
TOTAL BUDGET AUTHORITY	150	0	150	0	150	0		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NTIS's administrative savings planned for FY 2012 (\$0.14 million), an additional \$0.03 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$0.17 million. For additional information see the Administrative Savings section of the Introduction to the Budget-in-Brief.

Performance Objective and Measures

(Dollars reflect obligations in Millions)

All of NTIS's program activities support the theme of Science and Information and corresponding goal of Generating and communicating new, cutting-edge scientific understanding of technical, economic, social, and environmental systems while appearing within one objective - Increase scientific knowledge and provide information to stakeholders to support economic growth and to improve innovation, technology, and public safety (Objective 13). The following table shows the measures that NTIS uses to gauge its performance.

	2011 Actual	2012 Enacted/Targets	2013 Estimate / Targets
Objective 13: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth, and improve public safety.	\$48.8	\$65.5	\$66.0
Number of updated items available (annual)	836,579	875,000	892,500
Number of information products disseminated (annual)	48,958,993	49,878,000	50,875,560
Customer satisfaction	99.5%	95% - 98%	95% - 98%

National Telecommunications and Information Administration

The National Telecommunications and Information Administration (NTIA) develops domestic and international telecommunications and information policy for the executive branch, ensures the efficient and effective management and use of the Federal radio spectrum, performs state-of-the-art telecommunications research, engineering, and planning, and administers broadband programs.

The **Salaries and Expenses (S&E) account** focuses on NTIA's core programs for domestic and international policy development, Federal spectrum management, related research, management and oversight of broadband grants, and establishment of the Public Safety Broadband Corporation.

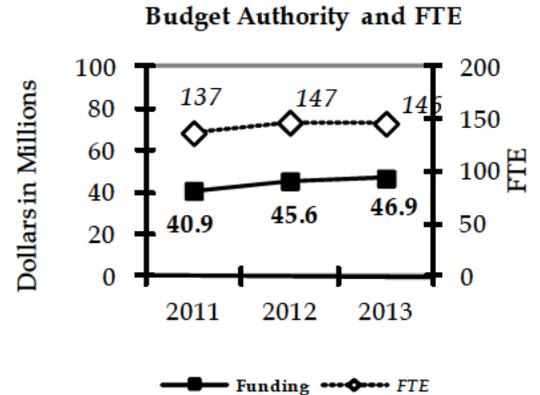
For FY 2013, NTIA's Office of Policy Analysis and Development and Office of International Affairs will develop, implement, and advocate policies to preserve an open, interconnected global Internet that supports continued innovation and economic growth, investment, and the trust of its users.

The Office of Spectrum Management will support economic growth by continuing work to identify 500 MHz of spectrum that can be used for mobile and fixed wireless broadband.

NTIA's research and engineering laboratory in Boulder, Colorado, the Institute for Telecommunication Sciences, will restructure its core capabilities, thereby producing savings.

To prevent waste, fraud, and abuse, Broadband Programs will continue with the administration and oversight of nearly \$4.2 billion in awarded broadband grants as those broadband projects approach completion.

As part of the President's National Wireless Initiative in the American Jobs Act, NTIA will provide initial funding to establish a Public Safety Broadband Corporation with State, Local and Federal representation to oversee the building, deployment, and operation of a secure and resilient nationwide public safety interoperable broadband network.



Summary of Appropriations

Funding Levels

	2011	2012	2013	Increase
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Appropriation, Discretionary				
Salaries and Expenses	\$40,568	\$45,568	\$46,925	\$1,357
Public Telecommunications Facilities, Planning and Construction	285	0	0	0
DISCRETIONARY APPROPRIATION	40,853	45,568	46,925	1,357
Transfer From Census to S&E	1,999	0	0	0
Unobligated balance, rescission, Public Telecommunications Facilities, Planning and Construction	0	(2,750)	0	(2,750)
Unobligated balance, rescission, Information Infrastructure Grants	0	(2,000)	0	(2,000)
Unobligated balance, rescission, Digital Television Transition and Public Safety Fund	0	(4,300)	0	(4,300)
Subtotal, Discretionary Budget Authority	42,852	36,518	46,925	(7,693)
Appropriation, Mandatory				
Digital Television Transition and Public Safety Fund				
Appropriation (special fund receipts)	0	0	0	0
Appropriation, Mandatory				
Public Safety Broadband Corporation				
Appropriation, Mandatory	0	0	50,000	50,000
Budget Authority, Mandatory	0	0	50,000	50,000
TOTAL BUDGET AUTHORITY	42,852	36,518	96,925	42,307

FTE	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses - Direct	137	147	146	(1)
Salaries and Expenses - Reimbursable	138	155	155	0
Public Telecommunications Facilities, Planning and Construction	4	0	0	0
Information Infrastructure Grants	1	0	0	0
Total, Discretionary FTEs	280	302	301	(1)
Mandatory:				
Digital Television Transition and Public Safety Fund	5	4	0	(4)
Public Safety Broadband Corporation	0	0	5	5
TOTAL, FTEs	285	306	306	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			147	\$45,568
<u>Other Changes</u>				
FY 2013 Pay raise		\$74		
Civil Service Retirement System (CSRS)		(8)		
Federal Employees' Retirement System (FERS)		14		
Federal Insurance Contributions Act (FICA) - OASDI		30		
Thrift Savings Plan		2		
Health insurance		94		
Employee Compensation Plan		(9)		
Rent payments to GSA		32		
Travel - Per diem		20		
Travel - Mileage		1		
Printing and reproduction		1		
Electricity		(169)		
Water		2		
Other services:				
Working Capital Fund		58		
General Pricing Level Adjustment:				
Transportation of things		1		
Communications, utilities, and miscellaneous charges		1		
Other services		309		
Supplies and materials		2		
Equipment		4		
Subtotal, other cost changes				459
TOTAL, ADJUSTMENTS TO BASE			0	459
2013 Base			147	46,027
Administrative Savings [non-add]			0	[144]
Program Changes			(1)	898
2013 APPROPRIATION			146	46,925

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Domestic & International Policies	26	\$6,179	26	\$5,418	31	\$6,349	5	\$931
Spectrum Management	32	8,644	32	7,560	32	7,183	0	(377)
Wireless Broadband Access (500 MHz)	0	0	0	0	5	1,234	5	1,234
Telecommunication Sciences Res.	49	7,071	49	7,151	42	5,265	(7)	(1,886)
Broadband Programs	40	25,682	40	25,898	36	26,894	(4)	996
TOTAL DIRECT OBLIGATIONS	147	47,576	147	46,027	146	46,925	(1)	898
REIMBURSABLE OBLIGATIONS	155	58,016	155	38,840	155	37,332	0	(1,508)
TOTAL OBLIGATIONS	302	105,592	302	84,867	301	84,257	(1)	(610)
FINANCING								
Unobligated balance, start of year (Direct)		(2,008)						
Unobligated balance, start of year (Reimbursable)		(19,472)						
Offsetting collections from:								
Federal funds	(152)	(38,044)			(152)	(36,832)		
Non-Federal sources	(3)	(500)			(3)	(500)		
Subtotal, financing	(155)	(38,544)			(155)	(37,332)		
TOTAL BUDGET AUTHORITY	147	45,568			146	46,925		
Transfer from DOC Census	0	0			0	0		
Total Appropriation	147	45,568			146	46,925		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NTIA's administrative savings planned for FY 2012 (\$0.62 million), an additional \$0.14 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$0.76 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Internet Innovation	26	\$5,418	+5	+\$931

NTIA requests an increase of \$931,000 and 5 FTE to bolster the Department of Commerce's leadership role in the evolution of innovation-promoting policies for the Internet both domestically and internationally. NTIA will develop, implement, and advocate in the "Internet 3.0" policy framework, building on previous work, including the Department's successful engagement with the Internet Corporation for Assigned Names and Numbers.

NTIA's Internet Innovation initiative would use a multi-stakeholder approach to lead U.S. policymakers and regulators, governments around the world, and industry, in the formation of Internet policies and best practices to ensure continued innovation in Internet-based services and products. (The term "Internet 3.0" refers to the next generation of Internet use, with 1.0 being primarily informational websites and 2.0 being increased user-generated content and developments such

as social media.) The third phase of the development of the Internet brings with it a range of new public policy challenges that the U.S. must be prepared to meet. These challenges include, inter alia, enhancing online privacy, providing effective cybersecurity, protecting children online, securing online copyright protection, and fostering the global Internet economy. To fulfill its duty as principal telecommunications and information policy adviser to the President, NTIA must have the resources and expertise to take a leadership role in developing Federal government policy in such areas.

Just as the U.S. Government led the world in creating a policy framework for the first phase of the Internet, so too must the U.S. Government show leadership in this new era.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Spectrum Management: Federal Spectrum Management System	32	\$7,560	0	-\$377

The Office of Spectrum Management (OSM) proposes a reduction of \$377,000 in direct appropriations by reducing funding for its Federal Spectrum Management System (FSMS). This reduction also will decrease OSM’s collections of reimbursable funds from other agencies. This reduction will not delay development and roll out of the FSMS system. Because of the current status of the project, the program anticipates reduced development costs.

Wireless Broadband Access (500MHz)	0	\$0	+5	+\$1,234
------------------------------------	---	-----	----	----------

In accordance with President’s National Wireless Initiative, NTIA will work with Federal agencies and the Federal Communications Commission to identify 500 megahertz of spectrum for wireless broadband. NTIA will review bands in accordance with its 10-year plan released in 2010 to determine which bands can be made available either through relocation of Federal systems, data collection and cleanup efforts, or through innovative sharing techniques. To advance the potential for spectrum sharing and increasing spectrum access, NTIA needs to facilitate advancement and expansion of its spectrum innovation test bed and research into sharing technologies, such as cognitive radio.

Telecommunication Sciences Research: Phase-out of Multi-Media Quality Research and Reduce Propagation and Noise Measurements/Modeling Studies and International Standard Contributions	49	\$7,151	-7	-\$1,886
--	----	---------	----	----------

In an effort to reduce Government spending, NTIA will restructure its research program and laboratory core capabilities around projects that yield the highest benefits and advance National goals in the areas of broadband deployment, spectrum management, public safety, and technology innovation. Less significant program elements will be phased out, including multimedia quality research. Support for international standards development and studies focused on radio propagation, noise measurement methods and modeling will be significantly reduced, but not entirely eliminated. While these program elements are important, and their impact will be felt, a shift in research emphasis and resources is necessary to balance future research needs and budget reduction goals.

In order to fund higher priority programs in FY 2013, NTIA is in the process of downsizing the Institute for Telecommunication Sciences (ITS), in Boulder, CO, through normal attrition and buy-outs. Additionally, ITS will be pursuing reimbursable opportunities, such as public safety, that directly support and benefit other Federal agencies. High-priority base research capabilities will continue to function, especially spectrum measurements and propagation support for the Office of Spectrum Measurement, Audio and Video Quality research in support of industry, Domestic and International Standards Development, and Table Mountain Field Site Modernization and Maintenance.

Broadband Programs	40	\$25,898	-4	+\$996
--------------------	----	----------	----	--------

NTIA requests an increase of \$996,000 and a reduction of 4 FTE to continue oversight and prevent waste, fraud, and abuse of the nearly \$4.2 billion in awarded broadband grants. The American Recovery and Reinvestment Act of 2009 (Public Law No. 111-5) appropriated \$4.7 billion to NTIA to provide grants for broadband initiatives throughout the United States. The grants will remain open in FY 2013 and require administration and oversight to protect the Federal

Government’s investment in broadband infrastructure, public computer centers, broadband adoption, and state broadband data and development projects.

NTIA is using FY 2012 appropriations to extend a critical program support contract into FY 2013. NTIA will use the increase to ensure that those contract resources remain level through FY 2013. The contract resources are necessary to ensure that NTIA conducts adequate grants oversight and technical assistance for recipients as their projects near completion. The contract support also will help fill resource gaps as NTIA expects Federal staff attrition under the limited remaining term of these programs. NTIA expects that nearly all of the Broadband Technology Opportunities Program projects will be complete by the end of fiscal year 2013, while the State Broadband Data and Development Program projects will be completed by the end of calendar year 2014.

Highlights of Budget Changes

Mandatory Appropriation: Public Safety Broadband Corporation

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			0	\$0
Adjustments to Base			0	0
2013 Base			<u>0</u>	<u>0</u>
Program Changes			5	50,000
2013 MANDATORY APPROPRIATION			<u>5</u>	<u>50,000</u>

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Program Management	0	\$0	0	\$0	5	\$25,000	5	\$25,000
TOTAL DIRECT OBLIGATIONS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>25,000</u>	<u>5</u>	<u>25,000</u>
FINANCING								
Unobligated balance, start of year								
Unobligated balance, end of year		0				0		
Unobligated balance, rescinded		0				0		
TOTAL BUDGET AUTHORITY	<u>0</u>	<u>0</u>			<u>5</u>	<u>25,000</u>		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Public Safety Broadband Corporation	0	\$0	+5	+\$50,000

In support of the President's National Wireless Initiative in the American Jobs Act, the Budget proposes to establish a \$7 billion program to develop a nationwide interoperable public safety broadband network in the 700 MHz band. The program would begin in FY 2013 and would be administered over ten years. In this endeavor, NTIA requests \$50 million in mandatory appropriation related to administrative expenses to establish a Public Safety Broadband Corporation to oversee the building, deployment, and operation of a secure and resilient nationwide public safety interoperable broadband network.

NTIA would transfer funds to the Corporation for administrative expenses during the start-up phase. With the authority to collect fees and issue bonds or notes, the intention is for the Corporation eventually to be self-funded and reinvest in the nationwide public safety interoperable network. The total cost to the Federal government would be \$50 million.

Appropriation: Public Telecommunications Facilities, Planning and Construction**Summary of Requirements**

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			0	\$0
Adjustments to Base			0	0
2013 Base			0	0
Program Changes			0	0
2013 APPROPRIATION			0	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	0	3,854	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	3,854	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		(6,604)				0		
Unobligated balance, end of year		0				0		
Unobligated balance, rescinded		2,750				0		
TOTAL BUDGET AUTHORITY	0	0			0	0		

Appropriation: Information Infrastructure Grants

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$0
Adjustments to Base	0	0
2013 Base	<u>0</u>	<u>0</u>
Program Changes	0	0
2013 APPROPRIATION	<u>0</u>	<u>0</u>

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Technology Opportunity Program								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	0	681	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	<u>0</u>	<u>681</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FINANCING								
Unobligated balance, start of year		(2,681)				0		
Unobligated balance, end of year		0				0		
Unobligated balance, rescinded		2,000				0		
TOTAL BUDGET AUTHORITY	<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		

Appropriation: Digital Television Transition and Public Safety Fund*Summary of Requirements*

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$0
Adjustment to Base		
Financing		
Prior year unobligated balances		0
Total, Adjustments to Base	0	0
2013 Base	0	0
Program Changes	0	0
2013 Mandatory Budget Authority	0	0

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Public Safety Interoperable Communications Grants	1	\$2,823	0	\$0	0	\$0	0	\$0
Low Power TV & Translator Upgrade Program	2	33,240	0	0	0	0	0	0
Tsunami Warning Program	0	94	0	0	0	0	0	0
National and Remote Alert Programs	1	1,331	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	4	37,488	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		(8,786,580)						
Unobligated balance, end of year								
Capital Transfer to General Fund		8,749,092						
TOTAL MANDATORY BUDGET AUTHORITY	0	0			0	0		
CHANGE IN MANDATORY PROGRAM		(4,300)						
TOTAL DISCRETIONARY BUDGET AUTHORITY	0	(4,300)			0	0		

Title III of the Deficit Reduction Act of 2005 provided the Department the authority to borrow from the Treasury in advance of the availability of radio spectrum auction receipts that financed several programs created in the Act. All borrowings have been repaid to the Department of Treasury and authority for the programs ended in FY 2012.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

NTIA performance measures appear in two themes (Economic Growth and Science and Information), covering three different objectives. The table below shows the new objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the NTIA section of the Department of Commerce budget.

	2011 Actual	2012 Enacted / Targets	2013 Estimate / Targets
Objective 4: Drive innovation through supporting an			
open global Internet and through communications and broadband policies that enable robust infrastructure, ensure integrity of the system, and support e-commerce	\$118.7	\$75.2	\$59.6
Update the Spectrum Inventory first established in FY2011	Completed initial version of Spectrum Inventory	Spectrum Inventory Update	Spectrum Inventory Update
Identify up to 500 MHz of spectrum to support wireless broadband	New	Meet 66% of milestones regarding the identification of 500 MHz for wireless broadband	Meet 66% of milestones regarding the identification of 500 MHz for wireless broadband.
Miles of broadband networks deployed (Infrastructure Projects)	29,191	50,000	75,000
Community anchor institutions connected (Infrastructure Projects)	4,163	10,000	15,000
New and upgraded public computer workstations (Public Computer Centers Projects)	24,512	35,000	35,000
New household and business subscribers to broadband (Sustainable Broadband Adoption Projects)	230,755	350,000	500,000
Objective 11: Develop and influence international standards and policies to support the full and fair competitiveness of the U.S. information and communications technology sector	\$2.3	\$2.6	\$2.3
75% of NTIA positions substantially adopted or successful at international meetings	95% of NTIA positions substantially adopted or successful at international meetings	75% of NTIA positions substantially adopted or successful at international meetings	75% of NTIA positions substantially adopted or successful at international meetings
Objective 13: Increase scientific knowledge and provide information to stakeholders to support economic growth, and to improve innovation, technology, and public safety	\$27.8	\$34.8	\$22.3
Annual Progress Report on the Test-Bed	Published Report	Publish Annual Report	Publish Annual Report
Total¹	\$148.7	\$112.5	\$84.3

¹Amounts include reimbursable work and direct, mandatory, and supplemental appropriations.

Public Safety Broadband Network

In support of the President's National Wireless Initiative, the Budget proposes to invest \$7 billion to develop a nationwide interoperable public safety broadband network in the 700 MHz band. This investment will be fully offset by expected proceeds from anticipated spectrum auctions to be conducted by the Federal Communications Commission (FCC) and deposited in the Public Safety Trust Fund. Additionally there would be an Incentive Auction Relocation Fund in the amount of \$500 million to help cover the relocation costs of TV broadcasters resulting from the incentive auctions. The Assistant Secretary for Communications and Information will administer the Public Safety Trust Fund and may borrow from the General Fund of the Treasury such sums as necessary to implement the State and Local Implementation Grant Program while awaiting spectrum auction proceeds.

Summary of Appropriations

Public Safety Trust Fund

Funding Levels

	2011	2012	2013	Increase
Appropriation, Mandatory	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Incentive Auction Relocation Fund			\$500,000	\$500,000
Public Safety Broadband Corporation*			216,000	216,000
Wireless Innovation Fund*			300,000	300,000
State and Local Implementation Fund			200,000	200,000
Total			\$1,216,000	\$1,216,000

* These funds will be transferred to the Public Safety Broadband Corporation or NIST, as proposed in the American Jobs Act. Additional information is provided below.

The Public Safety Trust Fund established within the Department of Treasury will receive incentive auction proceeds that will be available for ten years. The American Jobs Act dedicated a total of \$7 billion for a Public Safety Broadband Network and additional spectrum for public safety use valued at over \$3 billion. These funds will be administered in support of programs included in the President's National Wireless Initiative, including grants to help cover the relocation costs of TV broadcasters resulting from incentive auctions; the development of a nationwide interoperable public safety broadband network in the 700 MHz band; research and development of standards, technologies, and applications to advance wireless public safety communications; and grants for State and local implementation of the public safety broadband network. Thereafter, the amounts are deposited to the General Fund solely for the purpose of deficit reduction.

The Public Safety Broadband Corporation fund and the Wireless Innovation Fund are expenditure accounts in which NTIA will transfer resources to other recipients. The Public Safety Broadband Corporation will be a separate entity that will spend the funds on deploying and operating a Nationwide Public Safety Interoperable Broadband Network including taking all actions necessary to ensure the building, deployment, and operation of a secure and resilient nationwide public safety interoperable broadband network in consultation with Federal, State, tribal, and local public safety entities. Within the NTIA S&E account, a total of \$50 million is proposed for the start-up costs of this Corporation. In the case of the Wireless Innovation Fund, NTIA will transfer the funds to NIST who will help develop standards for public safety broadband communications and foster the creation of new technologies for public safety communications.

Highlights of Budget Changes

Appropriation: State and Local Implementation Fund

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			0	\$0
Adjustments to Base			0	0
2013 Base			<u>0</u>	<u>0</u>
Program Changes			20	200,000
2013 Mandatory Budget Authority			<u>20</u>	<u>200,000</u>

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants					0	\$36,000	0	\$36,000
Program Management					15	4,000	15	4,000
TOTAL DIRECT OBLIGATIONS	0	0	0	0	15	40,000	15	40,000
FINANCING								
Unobligated balance, start of year					0	0		
TOTAL MANDATORY BUDGET AUTHORITY (offsetting collections).	0	0			15	40,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
State and Local Implementation Fund	0	\$0	+15	+\$40,000

In support of the President's National Wireless Initiative, the Budget proposes to establish a program to develop a nationwide interoperable public safety broadband network in the 700 MHz band. The program would include the establishment of a State and Local Implementation Grant Program, administered by NTIA, making grants to States to assist State, regional, tribal and local jurisdictions to identify, plan, and implement the most efficient and effective way for such jurisdictions to utilize and integrate the infrastructure, equipment and other architecture associated with the nationwide public safety interoperable broadband network. The grant program would begin in FY 2013 and would be administered over ten years. The total cost to the Federal government would be \$200 million. The program will be fully offset by proceeds from spectrum incentive auctions, which are to be conducted by the Federal Communications Commission (FCC) pursuant to the American Jobs Act.

Highlights of Budget Changes

Appropriation: Incentive Auction Relocation Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			0	\$0
Adjustments to Base			0	0
2013 Base			0	0
Program Changes			15	500,000
2013 Mandatory Budget Authority			15	500,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants					0	\$22,500	0	\$22,500
Program Management					11	2,500	11	2,500
TOTAL DIRECT OBLIGATIONS	0	0	0	0	11	25,000	11	25,000
FINANCING								
Unobligated balance, start of year					0	0		
TOTAL MANDATORY BUDGET AUTHORITY	0	0			11	25,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Incentive Auction Relocation Fund	0	\$0	+11	+\$25,000

Incentive auction proceeds are deposited in the Public Safety Trust Fund established within the Treasury. Within guidelines established in the program, NTIA, in consultation with FCC, will use the funds to cover costs of TV broadcast stations that are relocated following auction or impacted by such relocations and costs incurred by multichannel video programming distributors related to the carriage of such relocated station or carriage of stations that voluntarily elect to share a channel. The total cost is estimated at \$500 million.

Department of Commerce Funding and Employment

	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
BUDGET AUTHORITY				
Discretionary	\$5,743,172	\$7,808,835	\$7,982,549	\$173,714
Mandatory	183,229	186,786	1,250,499	1,063,713
TOTAL BUDGET AUTHORITY	5,926,401	7,995,621	9,233,048	1,237,427
 OUTLAYS				
Discretionary	9,579,826	10,855,865	9,532,316	(1,323,549)
Mandatory	378,608	481,652	(537,624)	(1,019,276)
TOTAL OUTLAYS	9,958,434	11,337,517	8,994,692	(2,342,825)
 FULL-TIME EQUIVALENT EMPLOYMENT				
	41,558	41,497	42,829	1,332

Note: Where there are discrepancies between these figures and the President's Budget, the FTE levels in this document should be used.

FY 2013 Distribution of Resources by Theme / Historical Summary of Resources

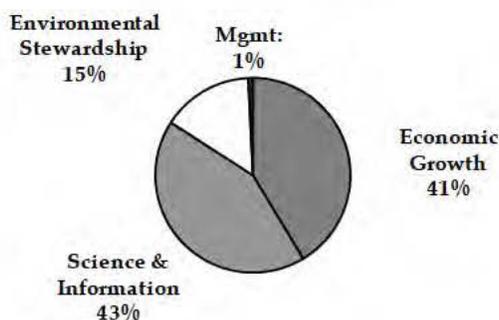
Programmatic Theme 1: Economic Growth (Includes EDA, ITA, BIS, MBDA, USPTO, and portions of NIST and NTIA)

Programmatic Theme 2: Science and Information (Includes Census, ESA, NTIS, and portions of NIST and NTIA)

Programmatic Theme 3: Environment Stewardship (Includes NOAA)

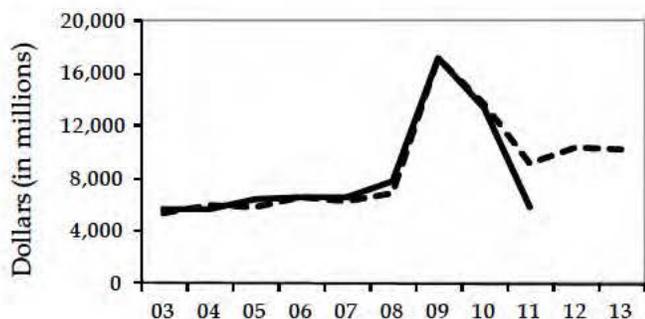
Management Themes: Customer Service, Organizational Excellence and Workforce Excellence (Includes DM and OIG)

Funding by Theme



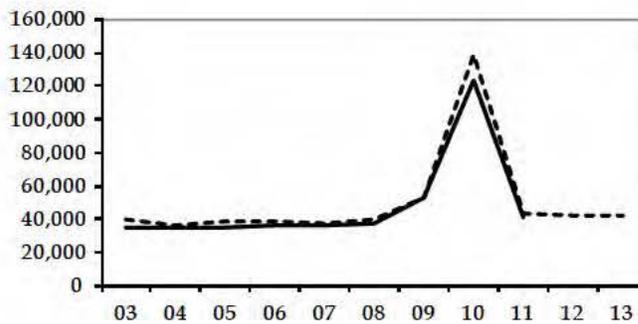
Historical Summary of Resources

**Budget Authority
FY 2003 - FY 2013**



— Actual BA - - - President's Budget

**FTE Employment
FY 2003 - FY 2013**



— Actual FTE - - - President's Budget

Budget Authority – FY 2011, FY 2012 and FY 2013

	2011	2012	2013	Change
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>2012 - 2013</u>
DISCRETIONARY				
Departmental Management	\$57,884	\$57,000	\$56,000	(\$1,000)
HCHB Renovation and Modernization	14,970	5,000	2,040	(2,960)
Subtotal, Departmental Management	72,854	62,000	58,040	(3,960)
Inspector General	26,946	29,946	30,753	807
Economic Development Administration	283,432	457,500	219,719	(237,781)
Bureau of the Census	1,105,160	887,336	970,425	83,089
Economic and Statistical Analysis	97,060	96,000	100,269	4,269
International Trade Administration	440,667	455,561	517,000	61,439
Bureau of Industry and Security	102,941	101,000	102,328	1,328
Minority Business Development Agency	30,339	30,339	28,689	(1,650)
National Oceanic & Atmospheric Administration	4,636,612	4,905,611	5,060,482	154,871
Patent and Trademark Office	(208,855)	(1,000)	(2,000)	(1,000)
National Institute of Standards & Technology	754,590	760,074	859,750	99,676
National Telecommunications & Information Admin.	42,852	45,568	46,925	1,357
Offsetting receipts:				
Fisheries finance, negative subsidy	(8,001)	(11,000)	(9,831)	1,169
Subtotal, Discretionary	7,376,597	7,818,935	7,982,549	163,614
Recissions				
Emergency Steel Guaranteed Loan Program	(47,479)	(700)	0	700
Emergency Oil and Gas Guar. Loan Program	(521)	0	0	0
Periodic censuses and programs	(1,740,000)	0	0	0
Census Working Capital Fund	(50,000)	0	0	0
Foreign Fishing Observer Fund	0	(350)	0	350
NTIA reimbursable spectrum management	(4,800)	0	0	0
Public tele. Facilities, panning and construction	0	(2,750)	0	2,750
Information Infrastructure Grants	0	(2,000)	0	2,000
Digital Television Transition & Public Safety Fund	0	(4,300)	0	4,300
Subtotal	(1,842,800)	(10,100)	0	10,100
TOTAL, DISCRETIONARY	5,533,797	7,808,835	7,982,549	173,714
MANDATORY				
Departmental Management	877	5,141	900	(4,241)
Bureau of the Census	30,000	22,500	30,000	7,500
International Trade Administration	5,332	5,332	5,332	0
National Oceanic & Atmospheric Administration	157,916	154,103	164,461	10,358
Fisheries Enforcement Asset Forfeiture Fund	0	5,000	5,000	0
Sanctuaries Enforcement Asset Forfeiture Fund	0	1,000	1,000	0
Subtotal	194,125	193,076	206,693	13,617
Offsetting Receipts	(10,896)	(6,290)	(6,194)	96
SUBTOTAL, MANDATORY	183,229	186,786	200,499	13,713
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
NTIA/Spectrum Auction Receipts, Public Safety Trust Fund	0	0	(1,216,000)	(1,216,000)
NIST/National Network for Manufacturing Innovation	0	0	1,000,000	1,000,000
NTIA/Public Safety Broadband Corporation	0	0	50,000	50,000
NTIA/Public Safety Broadband Network	0	0	1,216,000	1,216,000
TOTAL, MANDATORY	183,229	186,786	1,250,499	1,063,713
TOTAL, DEPARTMENT OF COMMERCE	5,717,026	7,995,621	9,233,048	1,237,427

Outlays — FY 2011, FY 2012 and FY 2013

	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	<u>Change</u> 2012 - 2013
DISCRETIONARY				
Departmental Management	\$58,753	\$68,998	\$56,283	(\$12,715)
HCHB Renovation and Modernization	3,539	37,325	2,990	(34,335)
Enterprise Cybersecurity Monitoring and Operations	0	0	0	0
Emergency Steel Guaranteed Loan Program	0	266	0	(266)
Nat'l Intellectual Property Law Enforcement Coordination	0	0	0	0
Working Capital Fund	(3,581)	46,662	0	(46,662)
Franchise Fund	557	5	0	(5)
Subtotal, Departmental Management	<u>59,268</u>	<u>153,256</u>	<u>59,273</u>	<u>(93,983)</u>
Inspector General	33,192	42,844	30,657	(12,187)
Economic Development Administration	466,268	530,948	482,060	(48,888)
Bureau of the Census	1,466,063	1,360,919	985,063	(375,856)
Economic and Statistical Analysis	94,600	99,980	99,804	(176)
International Trade Administration	450,468	369,090	496,785	127,695
Bureau of Industry and Security	103,346	103,512	102,708	(804)
Minority Business Development Agency	29,713	23,693	27,760	4,067
National Oceanic & Atmospheric Administration	5,218,729	4,785,087	4,947,051	161,964
Patent and Trademark Office	(191,592)	68,214	14,367	(53,847)
National Technical Information Service	2,518	274	(225)	(499)
National Institute of Standards & Technology	1,047,791	1,033,008	1,060,611	27,603
National Telecommunications & Information Admin.	804,360	2,292,261	1,228,202	(1,064,059)
Offsetting Receipts:				
Fisheries finance, negative subsidy	(4,898)	(7,221)	(1,800)	5,421
TOTAL, DISCRETIONARY	<u>9,579,826</u>	<u>10,855,865</u>	<u>9,532,316</u>	<u>(1,323,549)</u>
MANDATORY				
Departmental Management/Gifts & Bequests	1,637	5,302	935	(4,367)
Economic Development Administration	(5,675)	0	(528)	(528)
Bureau of the Census	28,257	25,621	30,000	4,379
International Trade Administration	5,332	9,664	5,332	(4,332)
National Oceanic & Atmospheric Administration	15,117	138,206	142,846	4,640
Fisheries Enforcement Asset Forfeiture Fund	0	(5,243)	(5,427)	(184)
Sanctuaries Enforcement Asset Forfeiture Fund	0	(898)	(782)	116
National Telecommunications & Information Admin.	333,940	309,000	25,000	(284,000)
Subtotal	<u>378,608</u>	<u>481,652</u>	<u>197,376</u>	<u>(284,276)</u>
Offsetting receipts			(1,216,000)	(1,216,000)
SUBTOTAL, MANDATORY	<u>378,608</u>	<u>481,652</u>	<u>(1,018,624)</u>	<u>(1,500,276)</u>
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
NIST/Wireless Innovation (WIN)Fund	0	0	(288,000)	(288,000)
NIST/National Network for Manufacturing Innovation	0	0	208,000	208,000
NTIA/State and Local Implementation Fund	0	0	(160,000)	(160,000)
NTIA/Incentive Auction Relocation Fund	0	0	(500,000)	(500,000)
NTIA/Digital Television Transition and Public Safety	0	0	5,000	5,000
NTIA/Public Safety Trust Fund	0	0	1,216,000	1,216,000
TOTAL, MANDATORY	<u>378,608</u>	<u>481,652</u>	<u>(537,624)</u>	<u>(1,019,276)</u>
TOTAL, DEPARTMENT OF COMMERCE	<u>9,958,434</u>	<u>11,337,517</u>	<u>8,994,692</u>	<u>(2,342,825)</u>

Full-Time Equivalent Employment – FY 2011, FY 2012 and FY 2013

	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Change <u>2012-2013</u>
Departmental Management	858	822	788	(34)
Inspector General	175	175	155	(20)
Economic Development Administration	206	206	206	0
Bureau of the Census	10,961	10,163	9,862	(301)
Economic and Statistical Analysis	544	545	547	2
International Trade Administration	1,867	1,867	1,838	(29)
Bureau of Industry and Security	351	368	392	24
Minority Business Development Agency	84	100	100	0
National Oceanic and Atmospheric Administration	13,101	13,094	12,928	(166)
Patent and Trademark Office	9,991	10,507	12,212	1,705
National Technical Information Service	114	150	150	0
National Institute of Standards & Technology	3,021	3,194	3,294	100
National Telecommunications & Information Admin.	285	306	306	0
SUBTOTAL, DEPARTMENT OF COMMERCE	41,558	41,497	42,778	1,281
Legislative Proposal (Subject to PAYGO):				
National Institute of Standards & Technology/STRS	0	0	25	25
National Telecommunications & Information Admin.	0	0	26	26
TOTAL, DEPARTMENT OF COMMERCE	41,558	41,497	42,829	1,332

Note: Where there are discrepancies between these figures and the President's Budget, the FTE levels in this document should be used.

Bridge from FY 2012 and FY 2013 Appropriations to FY 2012 and FY 2013 Budget Authority

	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Change <u>2012-2013</u>
ANNUAL APPROPRIATIONS ACT	\$7,809,685	\$7,979,799	\$170,114
Unobligated balance rescission from prior years:			
Emergency Steel Guaranteed Loan Program	(700)	0	0
Foreign Fishing Observer Fund	(350)	0	350
NTIA - Public Telecommunications Facilities, Planning and Construction	(2,750)	0	2,750
NTIA - Information Infrastructure Grants	(2,000)	0	2,000
NTIA - Digital Television Transition and Public Safety Fund	(4,300)	0	4,300
SUBTOTAL, APPROPRIATIONS ACT	7,799,585	7,979,799	179,514
Transfer of Asset Forfeiture balances from NOAA ORF to FEAFF	0	0	0
Portion precluded from obligation (limitation on obligations) - PTO	0	0	0
Transfer from the Election Assistance Commission to NIST/STRS	2,750	2,750	0
Transfer to FCC from NTIA Digital-To-Analog			
Transfer from DOJ Community Oriented Policing Services to NIST/STRS	6,500	0	(6,500)
TOTAL, DISCRETIONARY BUDGET AUTHORITY	7,808,835	7,982,549	173,014
MANDATORY			
Bureau of the Census - Survey of Program Dynamics	2,500	10,000	7,500
Bureau of the Census - State Children's Health Insurance Program	20,000	20,000	0
ITA - Wool Apparel Manufacturers Trust Fund	5,332	5,332	0
Coastal Zone Management Fund - Offsetting Collections	0	0	0
Transfer to Promote and develop fishery products and research pertaining to American fisheries from Dept. of Agriculture	109,098	124,064	14,966
NOAA Commissioned Officer Corps Retirement	28,269	28,269	0
Fisheries Finance Program Account	5,771	0	(5,771)
Environmental Improvement & Restoration Fund	290	194	(96)
Limited Access System Administration Fund	9,675	10,934	1,259
Damage Assessment & Restoration Revolving Fund	6,000	6,000	0
Western Pacific Sustainable Fisheries	1,000	1,000	0
NTIA - Public Safety Broadband Corporation	0	50,000	50,000
Trust Funds - Gifts and Bequests	5,141	900	(4,241)
Offsetting receipts	(6,290)	(6,194)	96
SUBTOTAL, MANDATORY BUDGET AUTHORITY	186,786	250,499	63,713
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):			
EDA/EDAP/Public Safety Innovation Fund			0
NTIA/Public Safety Trust Fund			0
Incentive Auction Relocation Fund	0	500,000	500,000
Public Safety Broadband Corporation	0	216,000	216,000
Wireless Innovation Fund	0	300,000	300,000
State and Local Implementation Fund	0	200,000	200,000
NTIA/Spectrum Auction Receipts, Public Safety Trust Fund	0	(1,216,000)	(1,216,000)
NIST/National Network for Manufacturing Innovation	0	1,000,000	1,000,000
TOTAL, MANDATORY BUDGET AUTHORITY	186,786	1,250,499	1,063,713
DEPARTMENT OF COMMERCE, BUDGET AUTHORITY	7,995,621	9,233,048	1,237,427

Comparison of FY 2013 Estimate with FY 2011 Actual and FY 2012 Enacted

Enacted

	2011 Actual		2012 Enacted		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DEPARTMENTAL MANAGEMENT								
Salaries and Expenses	173	\$57,884	154	\$57,000	156	\$56,000	2	(1,000)
HCHB Renovation and Modernization	5	14,970	5	5,000	5	2,040	0	(2,960)
Subtotal, DM	178	72,854	159	62,000	161	58,040	2	(3,960)
OFFICE OF THE INSPECTOR GENERAL	172	26,946	169	26,946	138	28,753	(31)	1,807
ECONOMIC DEVELOPMENT ADMINISTRATION								
Salaries & Expenses	205	37,924	205	37,500	205	37,719	0	219
Economic Assistance Development Programs	0	245,508	0	220,000	0	182,000	0	(38,000)
Economic Assistance Development Programs- Disaster	0	0	0	200,000	0	0	0	(200,000)
Subtotal, EDA	205	283,432	205	457,500	205	219,719	0	(237,781)
BUREAU OF THE CENSUS								
Salaries & Expenses	1,788	258,506	1,926	253,336	1,950	259,175	24	5,839
Periodic Censuses & Programs	6,219	891,214	4,914	635,000	4,900	711,250	(14)	76,250
Subtotal, Census	8,007	1,149,720	6,840	888,336	6,850	970,425	10	82,089
ECONOMIC & STATISTICAL ANALYSIS								
Salaries & Expenses	513	97,060	513	96,000	517	100,269	4	4,269
INTERNATIONAL TRADE ADMINISTRATION								
Operations & Administration	1,845	440,667	1,836	455,561	1,807	517,000	(29)	61,439
BUREAU OF INDUSTRY & SECURITY								
Operations & Administration	349	100,141	366	101,000	390	102,328	24	1,328
MINORITY BUSINESS DEVELOPMENT AGENCY								
Minority Business Development	84	30,339	100	30,339	100	28,689	0	(1,650)
NATIONAL OCEANIC & ATMOSPHERIC ADMIN								
Operations, Research & Facilities	11,961	\$3,179,511	12,185	\$3,022,231	12,025	\$3,042,460	(160)	20,229
Procurement, Acquisition and Construction	239	1,332,682	186	1,817,094	180	1,965,736	(6)	148,642
Pacific Coastal Salmon Recovery	1	79,840	0	65,000	0	50,000	0	(15,000)
Fishermen's Contingency Fund		0		350		350	0	0
Medicare-Eligible Retiree Healthcare Fund		1,818		1,936		1,936	0	0
Subtotal, NOAA	12,201	4,593,851	12,371	4,906,611	12,205	5,060,482	(166)	153,871
PATENT & TRADEMARK OFFICE								
Salaries & Expenses	9,991	0	10,507	0	12,212	0		0
NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY								
Scientific & Technical Research & Services	2,001	506,984	2,175	567,000	2,292	648,000	117	81,000
Industrial Technology Services	206	173,253	133	128,443	87	149,000	(46)	20,557
Construction of Research Facilities	121	69,860	121	55,381	121	60,000	0	4,619
Subtotal, NIST	2,328	750,097	2,429	750,824	2,500	857,000	71	106,176
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMIN								
Salaries & Expenses	137	40,568	147	45,568	146	46,925	(1)	1,357
Public Telecommunications Facilities, Planning and Construction	4	285	0	0	0	0	0	0
Subtotal, NTIA	141	40,853	147	45,568	146	46,925	(1)	1,357
OFFSETTING RECEIPTS								
NOAA-Fisheries Finance, negative subsidy		(8,001)		(11,000)		(9,831)	0	1,169
TOTAL, DEPARTMENT OF COMMERCE	36,014	7,577,959	35,642	7,809,685	37,231	7,979,799	1,589	170,114

Summary of Requirements with Detail of Adjustments to Base and Built-In Changes

	<u>2012 Estimate</u>			
	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			25,135	7,873,635
2012 Enacted (Fee Collections)			10,970	2,715,752
Adjustment to Reflect Re-Estimate of USPTO Fee Collections			(463)	(177,441)
Other Income / Recoveries (USPTO)			0	23,000
USPTO Funding from operating reserve			0	(44,267)
Recovery Act Reduction (OIG)			(38)	0
<u>Transfer</u>				
From Department of Agriculture (PDF)	0	109,098		
FY 2012 Transfer to DOC OIG	0	(2,000)		
Total, Transfers			0	107,098
<u>Adjustments</u>				
Non-recurring adjustments (DM, EDA,NOAA)	0	(203,061)		
FTE Realignment (DM)	3	0		
FTE Reduction (NOAA)	(5)	0		
Savings from VERA/VSIP Activity (ITA)	0	(5,907)		
TIP Shutdown / BPEP transition	(50)	0		
Subtotal, Adjustments			(52)	(208,968)
<u>Financing:</u>				
Recoveries of prior year deobligations (NOAA)	0	17,000		
Total Financing			0	17,000
<u>Other Changes</u>				
FY 2013 pay increase		14,679		
Full-year cost in 2013 of positions financed for part-year in FY 2012	1,212	120,940		
Civil Service Retirement System (CSRS)		(5,068)		
Federal Employees' Retirement System (FERS)		7,968		
Thrift Savings Plan		2,474		
Federal Insurance Contributions Act (FICA) - OASDI		4,584		
Health insurance		17,207		
Employees' Compensation Fund		(6,848)		
Travel:				
Domestic Per diem		3,131		
Foreign Per diem (ITA)		156		
Mileage		390		
Rent payments to GSA		4,913		
Printing and reproduction		1,706		
HCHB Electricity		(1,562)		
HCHB Water		20		
Electricity rate increase		2,008		
Natural gas rate increase		214		
NARA		246		
Other services:				
Working Capital Fund		(3,682)		
Commerce Business System		309		

	2012 Estimate			
	<u>FTE</u>	<u>Detailed Amount</u>	<u>FTE</u>	<u>Summary Amount</u>
General pricing level adjustment				
Transportation of things		288		
Rental payments to others		691		
Communications, utilities, and miscellaneous		1,362		
Other services		22,383		
Supplies		2,288		
Equipment		3,720		
Post-Retirement Benefits to OPM (USPTO)		10,321		
Other compensation adjustments (USPTO)		35,498		
Full-year cost of FY 2012 pay increase and related costs (NOAA)		199		
OMAO Wage Marine Overtime (NOAA)		23		
BEA Lease Renewal (ESA)		2,241		
Overseas price increases		276		
International Cooperative Admin Support Service (ICASS)		369		
Non ICASS local guard service (ITA)		20		
Military Pouch (ITA)		11		
Capital Security Cost Sharing Program (ITA)		(1,348)		
Fuel (BIS)		(15)		
Scientific journal subscriptions (NIST)		156		
Helium rate increase (NIST)		29		
Ship and Aircraft fuel costs (NOAA)		8,333		
Grants (ITA, NOAA)		1,060		
Subtotal, other cost changes			1,212	251,690
Less Amount Absorbed			0	(15,566)
TOTAL, ADJUSTMENTS TO BASE			1,122	44,156
Other FTE Changes			5	0
Other Adjustments			0	0
2013 Base			36,769	10,541,933
Administrative Cost Savings			(98)	(16,894)
Administrative Cost Savings [non-add]			[59]	[16,358]
Program Changes			560	431,662
FY 2013 Transfer to DOC OIG (USPTO)			0	2,000
TOTAL REQUIREMENTS			37,231	10,958,701
Offsetting Fee Collections			0	(2,962,680)
Unobligated balance carried forward (NIST/IIS)			0	0
Recoveries from prior year obligations			0	(37,000)
Fisheries Finance negative subsidy			0	(9,831)
USPTO Funding to operating reserve				154,673
Transfers				
From Department of Agriculture			0	(124,064)
2013 APPROPRIATION			37,231	7,979,799

Comparison by Bureau of Adjustments to Base, FY 2013 Estimate and Program Changes

BUREAU	Net Adjustments To Base		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Departmental Management	3	(\$3,411)	162	\$57,889	161	\$58,040	(1)	\$151
Office of the Inspector General	(38)	118	131	27,064	138	28,753		1,689
Economic Development Administration	0	(199,781)	205	257,719	205	219,719	0	(38,000)
Bureau of the Census	0	(4,633)	6,840	937,703	6,850	970,425	10	32,722
Economic and Statistical Analysis	0	3,269	513	99,269	517	100,269	4	1,000
International Trade Administration	0	(3,278)	1,836	461,722	1,807	526,439	(29)	64,717
Bureau of Industry and Security	0	191	366	101,191	390	102,328	24	1,137
Minority Business Development Agency	0	0	100	30,339	100	28,689	0	(1,650)
National Oceanic & Atmospheric Admin.	(2)	55,955	12,374	5,070,314	12,205	5,197,546	(169)	127,232
Patent and Trademark Office	1,182	193,715	11,689	2,700,320	12,212	2,821,568	523	121,248
National Inst. of Standards & Technology	(23)	1,552	2,406	752,376	2,500	858,000	94	105,624
National Telecommunications and Info. Admin.	0	459	147	46,027	146	46,925	(1)	898
TOTAL REQUIREMENTS	1,122	44,156	36,769	10,541,933	37,231	10,958,701	455	416,768
USPTO and ITA Fee collections						(2,962,680)		
From Department of Agriculture						(124,064)		
NOAA Fisheries Finance, negative subsidy						(9,831)		
Recoveries from prior year obligations						(37,000)		
USPTO Funding from Operating Reserve						154,673		
2013 APPROPRIATION					37,231	7,979,799		

Budget Authority by Function

FUNCTION / PROGRAM	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Change <u>2012 - 2013</u>
050 DEFENSE-RELATED ACTIVITIES				
054 Defense-related activities				
Bureau of Industry and Security	\$32,981	\$34,000	\$34,109	\$109
300 NATURAL RESOURCES AND ENVIRONMENT				
306 Other natural resources				
National Oceanic & Atmospheric Administration	4,726,852	5,014,709	5,179,546	164,837
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement and regulation of Commerce				
Departmental Management	72,854	62,000	58,040	(3,960)
Inspector General	26,946	29,946	30,753	807
Bureau of the Census	1,105,160	887,336	970,425	83,089
Economic and Statistical Analysis	97,060	96,000	100,269	4,269
International Trade Administration	440,667	455,561	517,000	61,439
Bureau of Industry and Security	\$69,960	\$67,000	\$68,219	1,219
Minority Business Development Agency	30,339	30,339	28,689	(1,650)
National Oceanic & Atmospheric Administration	(90,240)	(109,098)	(119,064)	(9,966)
Patent and Trademark Office	0	(1,000)	(2,000)	(1,000)
National Institute of Standards & Technology	754,584	760,074	859,750	99,676
National Telecommunications & Information Administration	42,852	45,568	46,925	1,357
Subtotal, Commerce and Housing Credit	2,550,182	2,323,726	2,559,006	235,280
450 COMMUNITY AND REGIONAL DEVELOPMENT				
452 Area and regional development				
Economic Development Administration	283,432	457,500	219,719	(237,781)
900 NET INTEREST				
908 Other Interest				
National Oceanic & Atmospheric Administration	(8,001)	(11,000)	(9,831)	1,169
SUBTOTAL, DISCRETIONARY	7,585,446	7,818,935	7,982,549	163,614
TOTAL, DISCRETIONARY	7,585,446	7,818,935	7,982,549	83,089

	2011	2012	2013	Change
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>2012 - 2013</u>
MANDATORY				
300 NATURAL RESOURCES AND ENVIRONMENT				
302 Conservation and land management				
National Oceanic & Atmospheric Administration	\$9,896	\$290	\$194	(\$96)
306 Other natural resources				
National Oceanic & Atmospheric Administration	47,044	43,944	45,203	1,259
Subtotal, Natural Resources and Environment	56,940	44,234	45,397	1,163
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement & regulation of Commerce				
Departmental Management	877	5,141	900	(4,241)
Bureau of the Census	30,000	22,500	30,000	7,500
International Trade Administration	5,332	5,332	5,332	0
National Oceanic & Atmospheric Administration	100,976	115,869	125,064	9,195
Subtotal, Commerce and Housing Credit	137,185	148,842	161,296	12,454
900 NET INTEREST				
908 Other Interest				
Undistributed interest	(10,896)	(6,290)	(6,194)	96
Undistributed clearing accounts	0	0	0	0
Subtotal, Net Interest	(10,896)	(6,290)	(6,194)	96
SUBTOTAL, MANDATORY	183,229	186,786	200,499	13,713
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
NIST/ National Network for Manufacturing Innovation			1,000,000	1,000,000
NTIA/ Public Safety Broadband Corporation			50,000	50,000
NTIA/ Public Safety Broadband Network			1,216,000	1,216,000
TOTAL, MANDATORY	183,229	186,786	2,466,499	1,211,759
SUBTOTAL, DEPARTMENT OF COMMERCE	7,768,675	8,005,721	10,449,048	2,443,327
Undistributed Offsetting Receipts				
NTIA/Spectrum Auction Receipts, Public Safety Trust Fund			(1,216,000)	(1,216,000)
TOTAL, DEPARTMENT OF COMMERCE	7,768,675	8,005,721	9,233,048	1,227,327

Authorizing Legislation Expiring Prior To 2013

APPROPRIATION AND ACTIVITY	FY 2013 Related Request
<u>Economic Development Administration</u>	
Salaries and Expenses	
Public Works and Economic Development Act of 1965, P.L.108-373, expired 9/30/08	37,719
Economic Development Assistance Programs	
Public Works and Economic Development Act of 1965, P.L.108-373, expired 9/30/08	182,000
<u>International Trade Administration</u>	
Export Promotion Act of 2010, P.L. 111-240, expires 3/27/2012	432,203
<u>Bureau of Industry and Security</u>	
Export Administration Act of 1979, P.L. 106-508, expired 8/20/01	102,328
<u>National Oceanic and Atmospheric Administration</u>	
<u>Operations, Research and Facilities</u>	
National Ocean Service	
Coral Reef Conservation Act, P.L.106-562, expired 9/30/04	26,775
Hydrographic services improvement act, P.L. 110-386, expires 9/30/2012	91,647
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	96,209
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	46,250
Estuary Restoration Act, P.L.110-114, expires 9/30/2012	500
National Marine Fisheries Service	
Endangered Species Act Amendments of 1988, P.L. 100-478, expired 9/30/92	131,833
Interjurisdictional Fisheries Act, P/L/ 109-479, expires 9/30/2012	638
Marine Mammal Protection Act, P.L. 103-238, expired 9/30/99	35,387
NOAA Marine Fisheries Program Authorization Act, P.L. 104-297, expired 9/30/00	135,857
Oceanic and Atmospheric Research	
Federal Ocean Acidification Research and Monitoring Act, P.L. 111-11 33 USC 3708, expires 9/30-2012	6,400
National Integrated Drought information System Act, P.L. 109-430, expires 9/30/2012	13,616
National Weather Service	
Tsunami Warning and Education Act, P.L. 109-479	18,912
Subtotal, NOAA	604,024
<u>National Telecommunications and Information Administration</u>	
Salaries and Expenses	
Telecommunications Authorization Act of 1992, P.L. 102-538, expired 9/30/93	46,925
TOTAL, AUTHORIZATION REQUIRED	1,405,199
PROGRAMS AUTHORIZED	6,577,350
TOTAL, DEPARTMENT OF COMMERCE APPROPRIATIONS	7,982,549

