



U.S. DEPARTMENT OF COMMERCE

PERFORMANCE & ACCOUNTABILITY REPORT



FISCAL YEAR

2011



DEPARTMENT OF COMMERCE WEB ADDRESSES

FOR PLANNING AND PERFORMANCE

Department of Commerce

<http://www.commerce.gov/>

Department of Commerce Strategic Plan,
Performance Reports and Performance Plans
http://www.osec.doc.gov/bmi/budget/budgetsub_perf_strategicplans.htm

Economic Development Administration

Annual Reports

<http://www.eda.gov/AboutEDA/Annualreport.xml>

International Trade Administration

Strategic Plan

http://trade.gov/pdfs/ITA_stratplan2007.pdf

Minority Business Development Agency

Portal/Annual Report

<http://www.mbd.gov>

Bureau of Industry and Security

Annual Report

<http://www.bis.doc.gov/>

Census Bureau

<http://www.census.gov>

Economics and Statistics Administration

<http://www.esa.doc.gov/>

Bureau of Economic Analysis

<http://www.bea.gov>

- ◆ BEA's Mission, Vision, Values, and Role
<http://bea.gov/about/mission.htm>
- ◆ BEA Strategic Plan for FY 2010-FY 2014
http://bea.gov/about/pdf/strategic_plan_matrix_2010-2014.pdf
- ◆ Release Dates for 2011
http://www.bea.gov/newsreleases/news_release_sort_national.htm

National Institute of Standards and Technology

- ◆ NIST Performance Evaluation
http://www.nist.gov/director/planning/impact_assessment.cfm
- ◆ NIST Strategic Planning
<http://www.nist.gov/director/planning/planning.cfm>
- ◆ NIST Technology Innovation Program
<http://www.nist.gov/tip/>
- ◆ NIST Manufacturing Extension Partnership – Making a Difference Brochure
<http://www.mep.nist.gov/impacts/making-a-difference.pdf>

National Technical Information Service

<http://www.ntis.gov/>

U.S. Patent and Trademark Office

<http://www.uspto.gov>

- ◆ Performance and Accountability Report
<http://www.uspto.gov/web/offices/com/annual/>
- ◆ President's Budget and Strategic Plan
<http://www.uspto.gov/web/offices/ac/comp/budg/index.html>

National Telecommunications and Information Administration

Annual Reports

<http://www.ntia.doc.gov/ntiahome/annreports.html>

National Oceanic and Atmospheric Administration

Strategic Planning and Performance

<http://www.ppi.noaa.gov/about-us/>

Office of Inspector General

<http://www.oig.doc.gov/>

BUDGET AND PERFORMANCE CONTACTS

Departmental Management

Bill Tatter, btatter@doc.gov,
202-482-5979
William Tootle, wtootle@doc.gov,
202-482-4891

Office of Inspector General

John Webb, jwebb@oig.gov,
202-482-1719
Kathleen Frampton, kframpton@oig.doc.gov,
202-482-4530

Economic Development Administration

Hilary Sherman, hsherman@eda.doc.gov,
202-482-3357
Kerstin Millius, kmillius@eda.doc.gov,
202-482-3280

Census Bureau

James S. Belton, james.s.belton@census.gov,
301-763-3593
Camellia Burris, camellia.burris@census.gov,
301-763-3145

Economics and Statistics Administration/ Bureau of Economic Analysis

Douglas Follansbee, dfollansbee@doc.gov,
202-482-5103

International Trade Administration

Matthew Bright, matthew.bright@trade.gov,
202-482-3504

Bureau of Industry and Security

Gay Shrum, gay.shrum@bis.doc.gov,
202-482-1058
Brad Burke, brad.burke@bis.doc.gov,
202-482-6006

Minority Business Development Agency

Ron Marin, rmarin@mbda.gov,
202-482-3341

National Oceanic and Atmospheric Administration

Heidi Keller, heidi.keller@noaa.gov,
202-482-2855

U.S. Patent and Trademark Office

Robert Fawcett, robert.fawcett@uspto.gov,
571-272-7006

National Institute of Standards and Technology

Francisco Balicao, francisco.balicao@nist.gov,
301-975-5510
Jason Boehm, jason.boehm@nist.gov,
301-975-8678

National Technical Information Service

Angie Martin, amartin@ntis.gov,
703-605-6455
Mary Houff, mhouff@ntis.gov,
703-605-6611

National Telecommunications and Information Administration

Charles Franz, cfranz@ntia.doc.gov,
202-482-1826



U.S. DEPARTMENT OF COMMERCE



PERFORMANCE & ACCOUNTABILITY REPORT



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THE DEPARTMENT AT A GLANCE

HISTORY AND ENABLING LEGISLATION

The Department of Commerce was originally established by Congressional Act on February 14, 1903 as the Department of Commerce and Labor (32 Stat. 826; 5 U.S.C. 591) and was subsequently renamed the U.S. Department of Commerce by President William H. Taft on March 4, 1913 (15 U.S.C. 1512). The defined role of the new Department was “to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, and fishery industries of the United States.”

MISSION

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

Program Bureaus

- Economic Development Administration (EDA)
- Economics and Statistics Administration (ESA)
 - Bureau of Economic Analysis (BEA)
 - Census Bureau
- International Trade Administration (ITA)
- Bureau of Industry and Security (BIS)
- Minority Business Development Agency (MBDA)
- U.S. Patent and Trademark Office (USPTO)
- National Institute of Standards and Technology (NIST)
 - National Technical Information Service (NTIS)
- National Telecommunications and Information Administration (NTIA)
- National Oceanic and Atmospheric Administration (NOAA)

STRATEGIC THEMES

PROGRAMMATIC THEMES

- *Economic Growth*
- *Science and Information*
- *Environmental Stewardship*

MANAGEMENT THEMES

- *Customer Service*
- *Organizational Excellence*
- *Workforce Excellence*

LOCATION

The Department is headquartered in Washington, D.C., at the Herbert Clark Hoover Building, which is located on eight acres of land covering three city blocks. The Department also has field offices in all states and territories and maintains offices in more than 86 countries worldwide.

EMPLOYEES

As of September 30, 2011, the Department had approximately 48,000 employees.

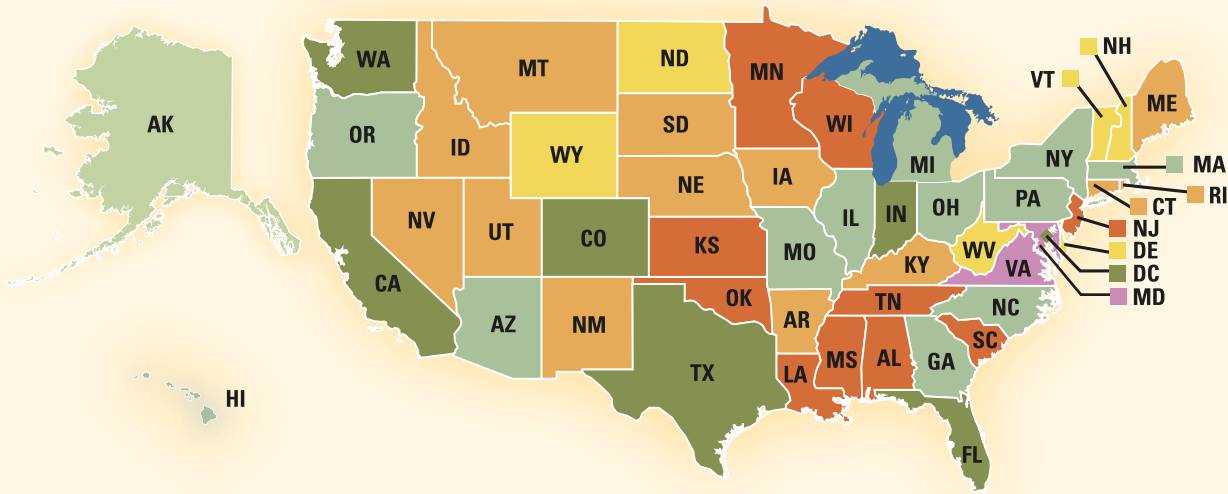
FINANCIAL RESOURCES

The Department’s FY 2010 and FY 2011 budgets were approximately \$7.9 billion and 5.7 billion respectively (budget authority).

INTERNET

The Department’s Internet address is www.commerce.gov.

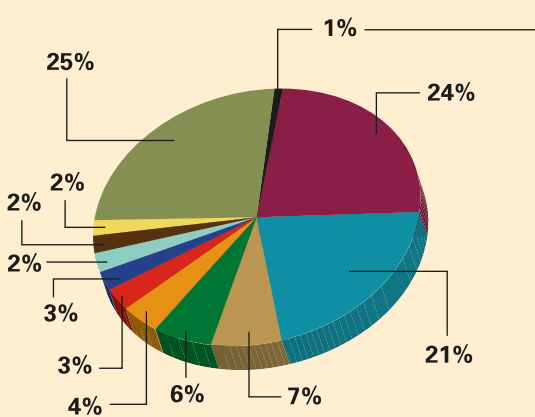
DEPARTMENT OF COMMERCE EMPLOYEES



NUMBER OF EMPLOYEES



DEPARTMENT OF COMMERCE EMPLOYEES BY LOCATION



Maryland	11,864	Colorado	1,293
Virginia	10,205	Texas	1,200
District of Columbia	3,355	Florida	1,058
Indiana	2,939	New York	930
California	2,101	Other States	12,112
Washington	1,394	Other Nations/ Territories	344

Other Nations/Territories in which Department of Commerce has Staff

Afghanistan	Hong Kong	Portugal
American Samoa	Hungary	Puerto Rico
Argentina	India	Qatar
Australia	Indonesia	Romania
Austria	Iraq	Russia
Belgium	Ireland	Saudi Arabia
Brazil	Israel	Senegal
Bulgaria	Italy	Serbia
Canada	Japan	Singapore
Chile	Jordan	Slovakia
China	Kazakhstan	South Africa
Columbia	Kenya	South Korea
Costa Rica	Kuwait	Spain
Croatia	Libya	Sweden
Czech Republic	Malaysia	Switzerland
Dominican Republic	Mexico	Taiwan
Ecuador	Morocco	Thailand
Egypt	Netherlands	Tunisia
El Salvador	Nigeria	Turkey
Finland	Northern Mariana Islands	Ukraine
France	Pakistan	United Arab Emirates
Germany	Panama	United Kingdom
Ghana	Peru	Vietnam
Greece	Philippines	
Guam	Poland	

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STATEMENT FROM THE SECRETARY



I am pleased to present the Department of Commerce's fiscal year (FY) 2011 Performance Accountability Report (PAR). The PAR highlights the Department's accomplishments and the challenges we faced in FY 2011, as well as provides information on our financial management and performance. The Department helps make U.S. businesses more innovative for economic growth and opportunity. Every day, the Department promotes innovation, entrepreneurship, competitiveness, and stewardship informed by world-class scientific research and information. The Department achieves its mission through its 12 bureaus in partnership with U.S. businesses.

Through weather forecasts, climate and ocean monitoring, marine resource management, and support for marine commerce, the National Oceanic and Atmospheric Administration's (NOAA) services have a daily impact on our lives and U.S. commerce. The Economics and Statistics Administration (ESA), including the Census Bureau and the Bureau of Economic Analysis (BEA), provides the economic and demographic information necessary to evaluate growth, understand markets, and make sound decisions for the future. The National Telecommunications and Information Administration (NTIA), through broadband grants and spectrum reform, is expanding the information highway to propel job growth and competitiveness. The National Institute of Standards and Technology (NIST) and U.S. Patent and Trademark Office (USPTO) are critical to supporting innovation and advancing U.S. commerce. Economic development and commercialization activities supported by the Economic Development Administration (EDA) and the Minority Business Development Agency (MBDA) turn ideas into jobs. Export promotion and economic security activities at the International Trade Administration (ITA) and the Bureau of Industry and Security (BIS) directly support our Nation's international competitiveness and help U.S. companies sell more of what they make in countries around the world.

Our FY 2011 accomplishments and our challenges are highlighted within the three programmatic themes of our strategic plan: Economic Growth, Science and Information, and Environmental Stewardship.

Economic Growth

The Department, through ITA 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.

In FY 2011, 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. EDA also implemented an overhaul of its grant award process in order to enhance the transparency of its decision-making process and to provide applicants with information on the status of their application as quickly as possible. EDA now provides

winners of its quarterly funding competitions with letters of non-binding commitment within 20 business days of its quarterly competition deadline. EDA is also committed to providing feedback to any prospective applicant on the application merits and deficiencies of their application within 15 business days of submission to EDA.

MBDA promotes the ability of minority businesses to succeed in the local, national, and global economies. MBDA continued its upward trend of increasing contract and financial awards, rising from \$1.6 billion in FY 2005 to \$3.5 billion in FY 2011. One of MBDA's goals is to increase the number of new job opportunities. In that regard, MBDA has increased the number of new jobs created from 2,270 in FY 2005 to 4,200 in FY 2011.

In FY 2011, the President announced that the Administration released a series of regulations and requests for comment as part of the implementation of the new U.S. export control system. The Administration also deployed its Export Control Reform Initiative Web page at www.export.gov. This Web page features the government's first-ever consolidated electronic screening list, which will enhance exporter compliance. Prior to this release, exporters had to check different lists published in different formats, maintained by different departments, or read the Federal Register every day for names that are not published on any list, to ensure they were not exporting to someone who is sanctioned or otherwise requires special scrutiny before receiving U.S. origin goods. For the first time, exporters can download a single electronic list of the literally thousands of names maintained across the U.S. government for whom there is an export control restriction or special requirement. This will provide significant time-saving and compliance benefits, particularly to small businesses. All these steps—more clearly identifying what is controlled, how it is controlled, and how to screen to ensure that items do not end up where they should not—are tangible results in implementing the Administration's common sense approach to export controls. This clarity ensures that our export control system works as it was intended, as a key tool in protecting our national security.

BIS is currently helping to implement the long-term goals of the Export Control Reform Initiative. In the near term, the initiative will result in the transfer of a significant number of export-controlled items from the jurisdiction of the State Department's Directorate of Defense Trade Controls to BIS. BIS will need to increase its outreach efforts to educate exporters about changes in export control regulations and provide the necessary guidance to ensure compliance with new regulations.

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 grapheme, which is highly anticipated to play a revolutionary role in the future of devices such as computers and batteries. NIST continued its contributions to enhance building, occupant, and firefighter safety nationwide by issuing 11 new recommendations for building and fire codes at state and local levels based on its detailed investigation of the Sofa Super Store fire (Charleston, SC, 2007). To strengthen the competitiveness of our Nation's domestic manufacturing base, the NIST Hollings Manufacturing Extension Partnership (MEP) provided a range of tools and services which supported its clients, primarily small manufacturers, in generating an estimated \$2.8 billion in increased sales, \$1.8 billion in capital investment, and \$1.4 billion in cost savings during FY 2010 (MEP results have a one-year time lag). The NIST Technology Innovation Program (TIP) supported small and medium-sized businesses in their pursuit of high-risk, high-reward research in areas of critical national need, including civil infrastructure and manufacturing, by leveraging a federal investment of \$136 million in 38 grants since the program's inception for a total investment of \$280.0 million, including awardee cost-share contributions.

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. NTIA created DigitalLiteracy.gov, in partnership with nine federal agencies, to provide librarians, teachers, workforce trainers, and others a central location to share digital literacy content and best practices. Anyone can use the Web

site to identify the skills needed for various jobs, locate suitable training, and search for employment. The Broadband Technology Opportunities Program is on track to meet—and in most cases exceed—its program goals, delivering significant progress in areas such as infrastructure construction, computer center launches, and delivery of training to new broadband users.

NTIA participated with other Department operating units in the Internet Policy Task Force (IPTF), which is conducting comprehensive reviews of the nexus between privacy policy, copyright, global free flow of information, cybersecurity, and innovation in the Internet economy. In December 2010, the IPTF released a privacy report with initial recommendations, outlining a framework to increase protection of consumers' data while supporting innovation and evolving technology. One of the recommendations was the adoption of baseline privacy principles concerning how online companies collect and use personal information, a consumer online "bill of rights."

In order to strengthen the very infrastructure that marshals new innovation to the marketplace, USPTO made important strides in FY 2011. 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 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. For the fifth consecutive year, Trademarks Office exceeded its pendency targets for first action and final disposition. Finally, patent reform legislation—passed in summer 2011 by Congress, and signed into law in September 2011 by the President—is pivotal to USPTO operations. The America Invents Act ensures that USPTO remains sufficiently resourced to modernize its IT infrastructure, hire more examiners, and swiftly implement new cost-effective provisions that will increase the efficiency and the quality of its patent system.

Science and Information

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 \$400.0 billion in annual federal program funds. The Census Bureau completed the 2010 Census more than \$1.7 billion under budget, largely due to exceeding the estimated mail-back response rate and higher worker productivity.

In FY 2011, for the first time ever, the 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, the Census Bureau released nearly 400 economic reports, including 120 principal economic indicators. Responses to censuses and surveys provide information on a wide range of activities, industries, and outputs. All targeted current survey programs achieved their response rate targets for FY 2011. In April 2011, the Census Bureau introduced a new profile of U.S. importing companies to complement the existing profile of U.S. exporting companies. The profile provides information on the value of goods imported and number of importing companies, based on several company characteristics, for the years 2008 and 2009. This new report provides information never before available about the U.S. import trade market, and introduces new capabilities to analyze companies that participate in importing and exporting.

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. Economic indicators are now released on Twitter. ESA also launched a blog in an effort to improve economic literacy and help journalists and the public better understand data releases.

One of BEA's primary goals in 2011 was to maintain and improve the relevance and usefulness of its economic accounts. It successfully released the 2011 flexible annual revision, which included several important improvements to the National Income and Product Accounts. BEA also continued its multi-year efforts to improve its international economic accounts by aligning them with international standards. It released the annual revision of the U.S. International Transactions Accounts, which included improvements in classifications within services as well as the exclusion of expenditures of foreign nationals working at international organizations in the United States. BEA continues to develop significant improvements to economic measures of health care. It also launched an updated, more user-friendly Web site that includes new interactive tables and charts. The new Web site makes BEA's data products easier to access and provides greater transparency of U.S. economic statistics to customers.

In 2006, NOAA introduced the annual Arctic Report Card, establishing a baseline of conditions at the beginning of the 21st century to monitor the quickly changing conditions in the Arctic. This year's report, released on October 21, 2010, found that the Arctic region continues to heat up, affecting local populations and ecosystems as well as weather patterns in the most populated parts of the Northern Hemisphere. Greenland is experiencing record-setting high temperatures, ice melt, and glacier area loss; summer sea ice continues to decline; and sea ice thickness continues to thin.

In 2011, the National Climatic Data Center released the 1981-2010 Climate Normals, which serve as a point of reference for typical climate conditions at a given location. Normals are three-decade averages of numerous climatological variables, most notably temperature and precipitation, and are used by numerous stakeholders such as builders, insurers, and engineers for planning and risk management; energy companies to predict fuel demand; farmers to help make decisions on both crop selection and planting times; and agribusinesses to monitor departures from normal conditions throughout the growing season and to assess past and current crop yields. This once-a-decade release updates the Normals for more than 7,500 locations across the United States.

Environmental Stewardship

NOAA's major coastal goal is to enable the advancement of resilient coastal communities and economies. Given the current economic challenges, this strategic focus on coastal communities is critical. In FY 2011, NOAA's authoritative environmental and geospatial data advanced the marine transportation system, which is worth \$742 billion and employs 13 million people, with 2,515 square nautical miles of hydrographic surveys in navigationally significant areas, and with the launch of a new nautical chart system to significantly enhance maintenance and production of over 1,000 nautical charts when fully operational. NOAA's Lake Erie Experimental Harmful Algal Bloom forecasts protected public health in Ohio, and in the state of Washington minimized economic impacts that have a potential to reach \$22.0 million in losses when razor clam digging closures occur.

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 19 minutes before the tornado entered Joplin, which exceeded average warning lead times for all tornadoes by six minutes. While the early warnings saved countless lives, improvements in science and technology are required in order to see further improvements in warning lead times and build toward a more weather-ready Nation.

For each of the severe weather events in 2011, NWS forecasters relied upon proven operational and experimental models, which have been rapidly advancing forecasting capabilities and helping the United States become a more weather-ready Nation. More than nine hours before the Tuscaloosa tornado outbreak, NOAA Research's High-Resolution Rapid Refresh (HRRR) model accurately predicted the storms general location and severity. Hurricane Irene served as a real-world trial for the experimental global weather model FFIM (flow-following, finite-volume icosahedral model), which skillfully forecasted Hurricane Irene's track and heaviest precipitation three days before the storm made landfall over North Carolina's Outer Banks. Hurricane Irene also

demonstrated the accuracy and utility of the experimental Coastal and Inland Flooding Observation and Warning (CI-FLOW) system that improves forecasts of inland and coastal flooding events and helps users to better react, respond, and recover.

As a result of the Magnuson-Stevens Acts of 1976 and 2007, fisheries harvested in the United States today are scientifically monitored, regionally managed, and legally enforced under 10 national standards of sustainability. NOAA is on track to have annual catch limits and accountability measures in place for all 528 federally-managed fish stocks and complexes by the end of 2011. NOAA's annual *Status of Stocks Report to Congress* showed a 63 percent improvement from 2000-2010 in the Fish Stock Sustainability Index for the 230 most economically significant stocks, and also reported that three additional stocks have been rebuilt, bringing the total number of stocks rebuilt over the last 10 years to 21.

Customer Service and Organizational Excellence and Workforce Excellence

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.

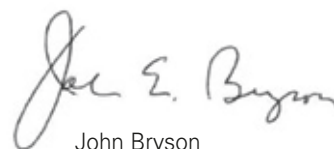
The Department's financial data and performance results for FY 2011 are provided together in this report in response to the Reports Consolidation Act of 2000. This information is crucial in helping us to effectively administer our programs, determine their success, and make adjustments that may be necessary to improve the quality of program operation and service delivery.

For the 13th year in a row, the independent auditors tasked with reviewing our financial statements have provided an unqualified opinion. Our financial management systems have been found to be in substantial compliance with the Federal Financial Management Improvement Act (FFMIA) of 1996, and, in accordance with Office of Management and Budget (OMB) Circulars A-136 and A-11, the financial and performance data published in this report are substantially complete and reliable.

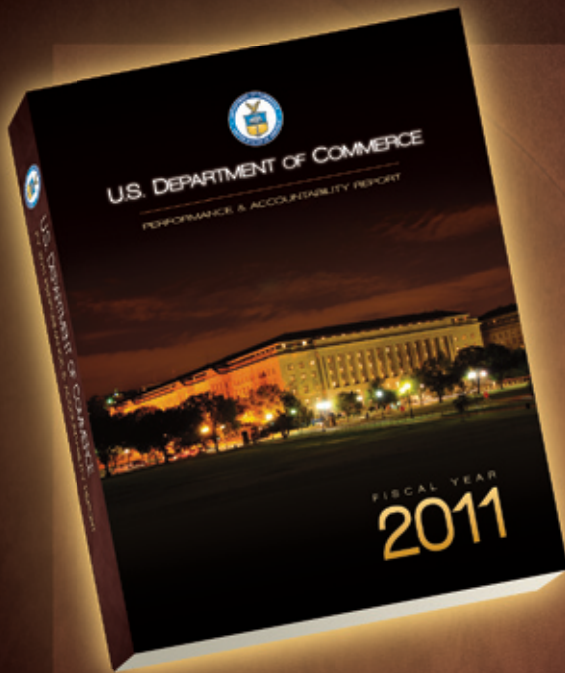
The Federal Managers' Financial Integrity Act of 1982 (FMFIA) and OMB Circular A-123 provide the framework within which Departmental and operating unit managers may determine whether adequate internal controls are in place and operating as they should. We rely on a wide range of studies conducted by programmatic and administrative managers, the Office of Inspector General (OIG), the Government Accountability Office (GAO), and others to assist in this effort. Based on activities undertaken during FY 2011, the Department's system of internal controls, taken as a whole, is consistent with FMFIA.

In Conclusion

Again, I am proud to submit this report on the FY 2011 performance of the Department, and hope it provides a useful summary of the results of the Department and its 48,000 employees.



John Bryson
Secretary of Commerce
November 15, 2011



HOW TO USE THIS REPORT

This Performance and Accountability Report (PAR) for FY 2011 provides the Department of Commerce's financial and performance information, enabling the President, Congress, and the American people to assess the Department's performance as provided by the requirements of the:

- Reports Consolidation Act of 2000 and other laws
- Government Management Reform Act of 1994
- Government Performance and Results Act (GPRA) of 1993
- Chief Financial Officers (CFO) Act of 1990
- Federal Managers' Financial Integrity Act (FMFIA) of 1982.

The assessment of the Department's performance contained in this report compares performance results to the Department's strategic goals and performance goals. The Department's Strategic Plan, Performance Plan, and annual PARs are available on the Department's Web site at http://www.osec.doc.gov/bmi/budget/budgetsub_perf_strategicplans.htm.

The Department welcomes feedback on the form and content of this report.

This report is organized into the following major components:

STATEMENT FROM THE SECRETARY OF COMMERCE

The Secretary's statement includes an assessment of the reliability and completeness of the financial and performance information presented in the report and a statement of assurance on the Department's management controls as required by the FMFIA.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section provides an overview of the financial and performance information contained in the Performance Section, Financial Section, and Appendices. The MD&A includes an overview of the Department's organization, a summary of the performance, full-time equivalents (FTE) and funding of the Department, summary of the performance process, current status of systems and internal control weaknesses, and summaries of the American Recovery and Reinvestment Act (ARRA) of 2009 funding as it applies to FY 2011 and Priority Goals.

PERFORMANCE SECTION

This section provides the annual performance information as required by Office of Management and Budget (OMB) Circular A-11 and GPRA. Included in this section is a detailed discussion and analysis of the Department's performance in FY 2011. For each service and major office, the results are presented by each of the six Secretarial themes, strategic goals within themes, and objectives within goals.

FINANCIAL SECTION

This section contains the details of the Department's finances in FY 2011. A message from the Department's Chief Financial Officer (CFO), is followed by the information on the Department's financial management, debt management, payments management, audited financial statements, other supplemental financial information, and the independent auditors' report.

APPENDICES

This section provides summary charts of performance information, a listing of key stakeholders, a discussion of management challenges including actions taken to address them as well as the FY 2012 management challenges, financial information, a discussion of undisbursed expired grant accounts, and a glossary of acronyms. The definitions and data sources of performance measures appears at the end of the Web site version of the PAR located at <http://www.osec.doc.gov/bmi/budget/>. The 2011 and 2012 Management Challenges sections were imported from an OIG report and therefore, unlike the rest of the PAR is not Section 508 compliant.

For additional copies of this report, please call the Department of Commerce, Office of Budget, at 202-482-4648 or email either Bill Tatter at BTatter@doc.gov or William Tootle at WTootle@doc.gov. A listing of Web addresses and email addresses of other Departmental and bureau staff appears on the inside front cover.



MANAGEMENT'S DISCUSSION AND ANALYSIS

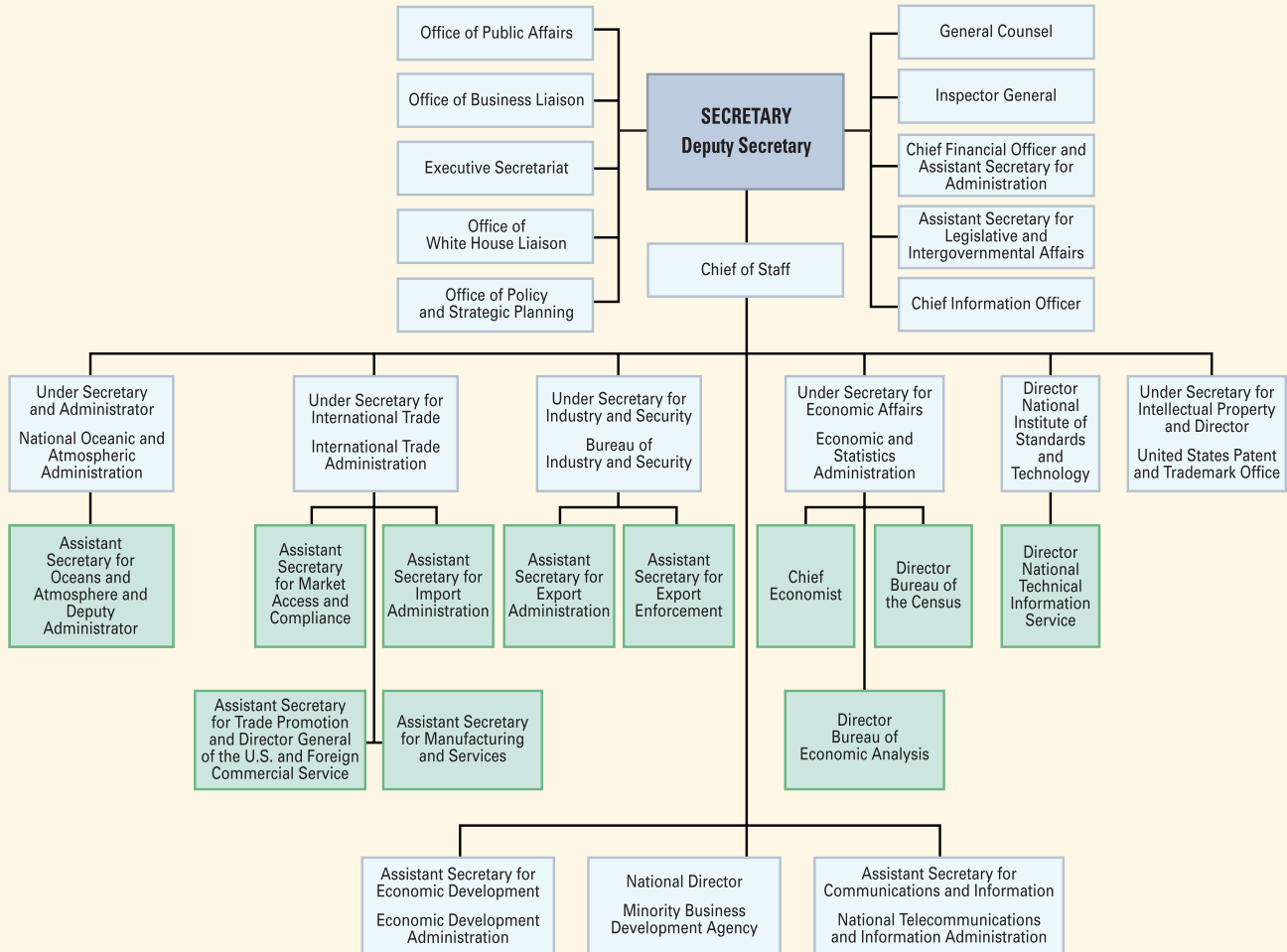


MISSION AND ORGANIZATION

MISSION

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

U.S. DEPARTMENT OF COMMERCE

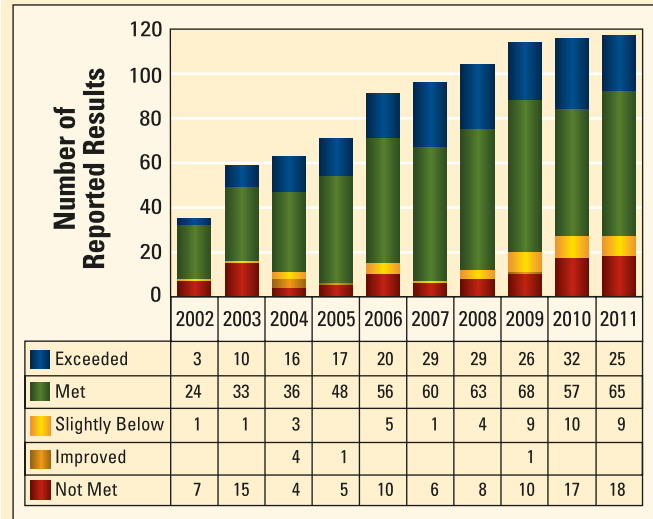


FY 2011 PERFORMANCE AND FINANCIAL HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

Overall performance results for the Department show that of the 117 performance targets, 77 percent were at or above target, eight percent slightly below target, and 15 percent not on target. Below are the funding and full-time equivalent (FTE) levels by strategic goal and financial highlights. It should be noted that FY 2010 was an unusual year in which the Department conducted the 2010 Decennial Census, resulting in a large increase in FTE and funding for FY 2010. Beginning on page 17 is a summary of the performance results by theme. This summary provides a snapshot of the targeted achievements. Discussions and highlights of successes can be found in the performance discussions of each theme.

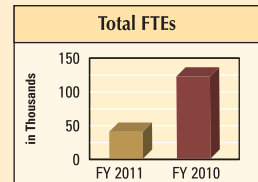
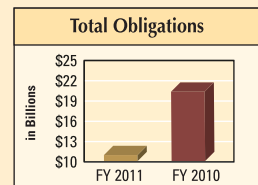
PERFORMANCE RESULTS



The total number of measures for each year may differ from the FY 2010 PAR, in part because of the new strategic plan. Past year measures that were discontinued or that do not apply to the new strategic plan are not included in these totals.

See Appendix A: Performance and Resources Tables for individual reported results.

(Dollars in Millions) ¹	Percentage Change	FY 2011	FY 2010
For the Years Ended September 30, 2011 and 2010			
Obligations by Themes:			
Theme 1: Economic Growth ²	-49.0%	\$ 4,227.4	\$ 8,295.6
Theme 2: Science and Information ²	-51.9%	\$ 4,655.6	\$ 9,683.0
Theme 3: Environmental Stewardship	-13.8%	\$ 1,939.7	\$ 2,249.3
Themes 4-6: Management Themes	-3.1%	\$ 91.2	\$ 94.1
TOTAL OBLIGATIONS	-46.3%	\$10,913.9	\$20,322.0
Full Time Equivalents (FTEs) by Strategic Goal:			
Theme 1: Economic Growth ²	+5.0%	15,703	14,959
Theme 2: Science and Information ²	-81.5%	18,768	101,419
Theme 3: Environmental Stewardship	0.0%	5,260	5,260
Themes 4-6: Management Themes	-4.3%	334	349
TOTAL FTEs	-67.2%	40,065	121,987

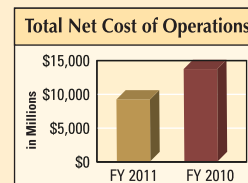
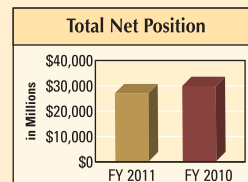
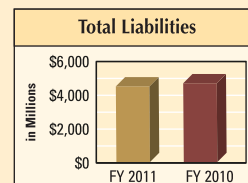
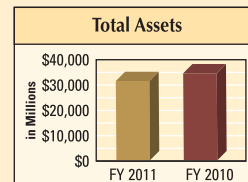


¹Performance funding may differ from funding shown in financial statements because the performance funds do not include one-time funds for unexpected events (e.g., Hurricane Katrina) or reimbursable work that cannot be planned. In these cases, the funding is not factored into bureau performance amounts. Also funding reflects obligations as opposed to costs. An example of the difference is the NTIA Broadband Technology Opportunities Program where over \$4 billion was obligated in FY 2010, however the costs incurred was significantly less.

² For Theme 1, the funding and FTE decreased significantly as a result of the NTIA Broadband Technology Opportunities Program being completed by the end of FY 2010. For Theme 2, the funding and FTE decreased significantly in FY 2011 as a result of the 2010 Decennial Census being completed in FY 2010.

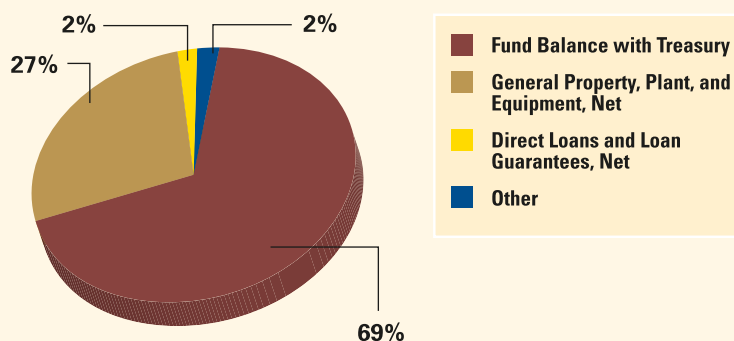
FINANCIAL HIGHLIGHTS

(Dollars in Thousands)	Percentage Change	FY 2011	FY 2010
As of September 30, 2011 and 2010			
Condensed Balance Sheets:			
ASSETS:			
Fund Balance with Treasury	-16%	\$ 21,661,030	\$ 25,785,547
General Property, Plant, and Equipment, Net	+13%	8,362,263	7,394,711
Direct Loans and Loan Guarantees, Net	+5%	566,250	540,147
Other	+14%	809,498	712,365
TOTAL ASSETS	-9%	\$ 31,399,041	\$ 34,432,770
LIABILITIES:			
Unearned Revenue	+3%	\$ 1,374,524	\$ 1,332,395
Spectrum Auction Proceeds Liability to Federal Communications Commission	-93%	2,436	33,838
Federal Employee Benefits	+5%	808,482	769,035
Accounts Payable	-7%	431,735	462,693
Accrued Grants	-22%	595,721	766,204
Debt to Treasury	+4%	540,001	517,930
Accrued Payroll and Annual Leave	+3%	578,952	561,154
Other	+9%	259,277	236,916
TOTAL LIABILITIES	-2%	\$ 4,591,128	\$ 4,680,165
NET POSITION:			
Unexpended Appropriations	-28%	\$ 9,219,657	\$ 12,882,192
Cumulative Results of Operations	+4%	17,588,256	16,870,413
TOTAL NET POSITION	-10%	\$ 26,807,913	\$ 29,752,605
TOTAL LIABILITIES AND NET POSITION	-9%	\$ 31,399,041	\$ 34,432,770
For the Years Ended September 30, 2011 and 2010			
Condensed Statements of Net Cost:			
<i>Theme 1: Economic Growth</i>		\$ 2,865,357	
<i>Theme 2: Science and Information</i>		3,955,362	
<i>Theme 3: Environmental Stewardship</i>		2,413,081	
<i>Strategic Goal 1: Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers, and Consumers</i>			\$ 7,878,604
<i>Strategic Goal 2: Promote U.S. Innovation and Industrial Competitiveness</i>			1,262,005
<i>Strategic Goal 3: Promote Environmental Stewardship</i>			4,523,471
TOTAL NET COST OF OPERATIONS	-32%	\$ 9,233,800	\$ 13,664,080
Total Gross Costs	-25%	\$ 12,419,854	\$ 16,527,409
Less: Total Earned Revenue	+11%	(3,186,054)	(2,863,329)
Total Net Cost Of Operations		\$ 9,233,800	\$ 13,664,080



REVIEW OF FINANCIAL POSITION AND RESULTS

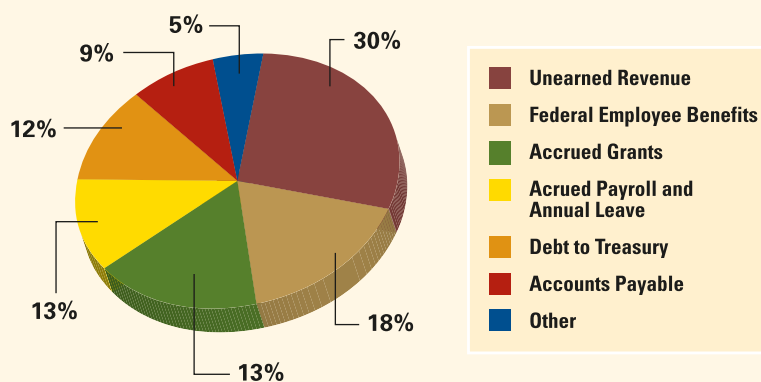
COMPOSITION OF THE DEPARTMENT'S FY 2011 ASSETS



ASSETS

The Department had total assets of \$31.4 billion as of September 30, 2011. This represents a decrease of \$3.0 billion or 9 percent over total assets of \$34.4 billion at September 30, 2010. The decrease of \$4.1 billion or 16 percent in Fund Balance with Treasury was primarily due to significantly decreased appropriations and significantly increased rescissions for Census Bureau as a result of the completion of the 2010 Decennial Census, and a significant increase in payments to grantees for NTIA's Broadband Technology Opportunities Program. General Property, Plant, and Equipment, Net (PP&E) increased \$968 million or 13 percent, mainly due to an increase in NOAA Construction-in-progress of \$1.2 billion, primarily for satellite programs. Other Assets increased by \$97 million or 14 percent, primarily due to an increase of \$73 million in NOAA Accounts Receivable with an oil company for restoration activities related to the 2010 Deepwater Horizon oil spill.

COMPOSITION OF THE DEPARTMENT'S FY 2011 LIABILITIES



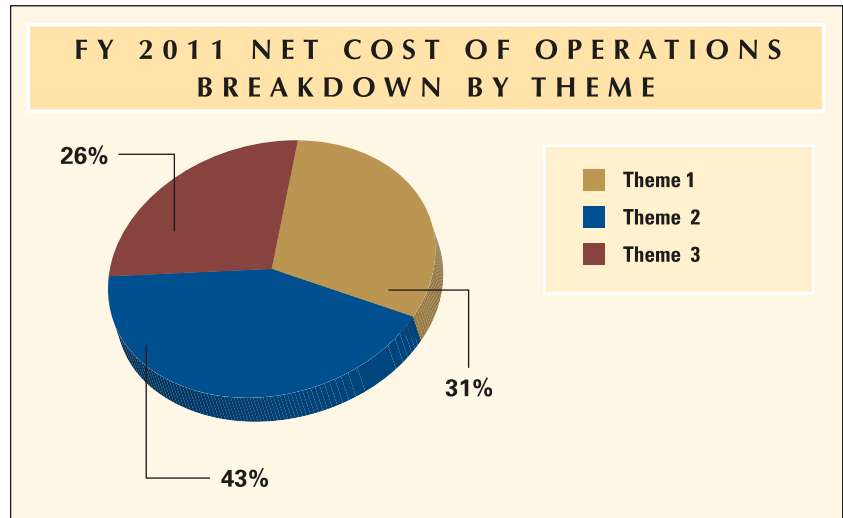
LIABILITIES

The Department had total liabilities of \$4.6 billion as of September 30, 2011. This represents a decrease of \$89 million or 2 percent as compared to total liabilities of \$4.7 billion at September 30, 2010. Accrued grants decreased by \$170 million or 22 percent, primarily resulting from a decrease of \$103 million in EDA's Accrued Grants, mainly due to reduced grantee expenditures related to previous funding received under the American Recovery and Reinvestment Act of 2009, and received under a FY 2010 supplemental appropriation for a major storms and flooding disaster that occurred in 2010. NTIA's Accrued Grants also decreased by \$79 million, mainly due to a refinement in the grant accrual methodology for the Broadband Technology Opportunities Program. Spectrum Auction Proceeds Liability to the Federal Communications Commission (FCC) decreased by \$32 million or 93 percent, due to the payment of FCC administrative fees for developing and implementing the auction program. Federal Employee Benefits increased by \$39 million or

5 percent, primarily due to an increase of \$21 million in the NOAA Corps Retirement System Liability, and from the effect of increased Decennial Census employees on the valuation of the Department's Actuarial FECA Liability.

NET COST OF OPERATIONS

In FY 2011, Net Cost of Operations amounted to \$9.2 billion, which consists of Gross Costs of \$12.4 billion less Earned Revenue of \$3.2 billion. Theme 1 includes Gross Costs of \$5.3 billion related to enabling economic growth through innovation and entrepreneurship, market development and commercialization, and trade promotion and compliance. Theme 2 includes Gross Costs of \$4.4 billion related to promoting science and information by generating and communicating new cutting-edge scientific understanding of technical, economic, social, and environmental systems. Theme 3 includes Gross Costs of \$2.7 billion related to promoting economically-sound environmental stewardship and science.



The Department is reporting the Net Cost of Operations according to the Department's new *FY 2011-2016 Strategic Plan*, which replaces strategic goals with themes, and modifies performance objectives and measures accordingly. Because the new themes and old strategic goals are not equivalent, a comparative analysis of FY 2011 themes and FY 2010 strategic goals is not feasible. Total Gross Costs decreased by \$4.1 billion or 25 percent, mainly due to the significant decrease in Gross Costs of \$5.0 billion in Census Bureau's Decennial and Periodic Censuses major program, which primarily reflects significant decreases in 2010 Decennial Census costs. Gross Costs for NTIA's Broadband Technology Opportunities Program increased by \$403 million as a result of significantly increased grantee expenditures.

Total Earned Revenue increased by \$323 million or 11 percent. There was an increase in Earned Revenue of \$118 million for USPTO's Patents major program, primarily resulting from an overall increase in transactions volume for the various types of Patents program fees. NOAA's Earned Revenue increased by \$108 million, primarily resulting from an increase of \$95 million in Earned Revenue for restoration activities related to the 2010 Deepwater Horizon oil spill. Census Bureau's Earned Revenue increased by \$63 million, primarily due to increased services performed for the Department of Housing and Urban Development in FY 2011, and due to Earned Revenue in FY 2011 from a new reimbursable agreement with the Department of Labor.

THE DEPARTMENT OF COMMERCE PROCESS FOR

STRATEGIC PLANNING AND PERFORMANCE REPORTING

MANAGEMENT STRATEGIC FRAMEWORK, PERFORMANCE PLANNING AND REPORTING AT A GLANCE

Beginning in FY 2010, in order to better manage its programs, the Department took a Balanced Scorecard approach to management, by not only emphasizing budget and finance, but also customer, internal business process, and learning and growth perspectives into management activities. This approach added an additional layer to the performance structure involving Secretarial themes that appears between the mission statement and the strategic goals. Secretarial themes focus on the priorities of the Secretary. In addition, the Department took a more integrated, crosscutting approach with regard to its programs. In the prior strategic plan, bureau programs were associated with only one strategic goal and often only objective (the lone exception being the National Institute of Standards and Technology (NIST) which had one program (Hollings Manufacturing Extension Partnership (MEP)) in goal 1 and the remainder of its programs in goal 2). While the National Oceanic and Atmospheric Administration (NOAA) encompassed an entire strategic goal, it did not cross into any of the other two strategic goals. In the current Departmental Balanced Scorecard and the new FY 2011 – FY 2016 Strategic Plan which follows the structure of the Balanced Scorecard, seven of the 13 bureaus cross themes, goals and/or objectives, giving a greater emphasis to the Secretary’s three programmatic themes of Economic Growth, Science and Information, and Environmental Stewardship, and the three management themes of Customer Service, Organizational Excellence, and Workforce Excellence along with a greater integration of programs. Individual bureau scorecards follow the structure of the Departmental scorecard while providing greater detail about their programs.



The FY 2011 – FY 2016 Strategic Plan put forth a set of three programmatic themes and three organizational themes to guide the Department in accomplishing its mission to create the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. Within these themes the Department has a set of goals and objectives that more clearly define the structure of accomplishing this mission. Strategic goals describe objectives that define the results that the bureaus aimed to achieve. These are long-term objectives that often involve the work of more than one Department bureau. Within each objective are associated indicators and targets to measure the Department’s impact on a continuous basis. The strategic plan can be found at http://www.osec.doc.gov/bmi/budget/DOCStrategicPlan_June_6_signed_final.pdf.

In addition, the FY 2012 Congressional Budget submission reflected this new structure, shown in the bureaus’ Annual Performance Plans (APP) that appear as Exhibit 3A in the FY 2012 Congressional Budget submission. In that submission, the Department’s bureau-specific performance goals and measures align with the Department’s new strategic themes, goals, and objectives. The performance goals in the APPs link with the resource requirements for the past, current, and

upcoming fiscal years. Each plan is integrated with the President's Budget submission to Congress, at the bureau level. The FY 2012 Budget submission and its associated APPs can be found at <http://www.osec.doc.gov/bmi/budget/>.

This FY 2011 PAR also aligns with the new strategic plan and provides a public accounting of the Department's FY 2011 performance results thus completing the Department's performance management process for the fiscal year. The Web address of the FY 2011 PAR is <http://www.osec.doc.gov/bmi/budget/>. Appendix A of the FY 2011 PAR provides historical results of the Department's performance, matching targets against actuals going as far back as FY 2002 and funding and FTE to FY 2007.

How the Department Selects Its Performance Outcomes and Measures

Performance objectives articulated in the introductory material for each strategic goal in the strategic plan and APP convey a sense of how the Department creates value for the U.S. public. Performance measures depict tangible progress by Department program activities toward these goals. The Department has tailored performance measures to be more outcome-oriented (described in the next section). When considered along with external factors and information provided in program evaluations, these measurements give valuable insight into the performance of Department programs, and are meant to broadly illustrate how the Department adds value to the U.S. economy. The FY 2011 PAR depicts a top-level, integrated system for managing for results within the Department, but is not an exhaustive treatment of all Department programs and activities. This report should also be read with each Department bureau's own performance results to gain a comprehensive picture of the Department's accomplishments in FY 2011. More in-depth performance results for FY 2011 and prior years are available in Appendix A, and other information about the bureaus can be found on individual bureau Web sites. The directory of Web sites is located on the inside front cover of this report and provides a good foundation for researching additional information. Descriptions of any changes between FY 2010 and FY 2011 as well as descriptions including validation and verification information of each measure can be found on the Department's Web site at <http://www.osec.doc.gov/bmi/budget/>. This Web site provides all measure descriptions for each bureau as part of the FY 2012 annual budgets for each bureau incorporated as Exhibit 3A (APP) of each bureau's budget submission and the soon to be released FY 2013 Congressional Budget submission.

Performance Validation and Verification

The Department uses a broad range of performance outcomes and measures to make reporting useful and reliable. It is imperative to demonstrate that performance measures are backed by accurate and reliable data; valid data are important to support management decisions on a day-to-day basis. The data and the means to validate and verify the measures are also diverse. As in the measures descriptions above, validation and verification tables appear in the APPs of each bureau's FY 2011 budget submissions. These tables identify each measure, and the following information: (1) data source, (2) frequency, (3) data storage, (4) internal control procedures, (5) data limitations, and (6) any actions to be taken. This information is available at <http://www.osec.doc.gov/bmi/budget/>.

The Department reviews its performance validation and verification processes to ensure that the performance data are accurate. The Department maintains a quarterly monitoring process of performance based upon each bureau's individual balanced scorecards, expanding the Department's scorecard into bureau-specific activities that feed into the Department's scorecard. Performance measures are associated with the bureaus' scorecards, flowing into the Department's scorecard and into the Performance and Accountability Report (PAR).

Performance Controls and Procedures

Leadership: In the past, the Department has conducted quarterly performance reviews, during which bureau heads report to the Deputy Secretary on the current status of bureau performance. These reviews are continuing in various forms

with the new administration. Progress towards Government Performance and Results Act (GPRA) measures appear in this report.

Performance Data: The Department's performance measurement data are collected by its 13 bureaus, each with systems to manage their data validation and verification processes. Some of these are automated systems and others are manual processes. Data can be divided into three types: financial data, data management methods, and data from manual processes. Some examples include: jobs created or retained (Economic Development Administration (EDA)), lead time of tornado warnings (NOAA), and trademark applications filed electronically (U.S. Patent and Trademark Office (USPTO)).

Financial Data: As stated above, the Department has a high degree of confidence in its financial data. Normal audit and other financial management controls maintain the integrity of these data elements. During the FY 2011 Consolidated Financial Statement audit, tests and review of the core accounting system and internal controls were conducted as required by the Chief Financial Officers (CFO) Act. Further, the Department conducted its assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of the Office of Management and Budget (OMB) Circular A-123, and based on the results of this evaluation, the Department provided reasonable assurance that its internal control over financial reporting was operating effectively.

Departmental Performance Structure

In the past, the Department focused on three different, yet inter-related aspects of economic growth and opportunity—growth, innovation, and environment—with each aspect reflected in each of the Department's strategic goals. A fourth goal—management integration—was linked to all three goals, focusing on various aspects of improving the management of the Department. Appendix B shows a crosscut of how the old strategic plan and its three program goals track to the new FY 2011 – FY 2016 Strategic Plan with its six themes, eight goals, and 27 objectives.

The programmatic themes are the realm of the bureaus while the management themes (Customer Service, Organizational Excellence, and Workforce Excellence) focus on Departmental Management and the Office of Inspector General (OIG) though the management themes do have elements from other bureaus. Nearly all of the funding occurred in the three programmatic themes, though no theme dominated the other with occasional fluctuations occurring that changed the respective percentages.

Because the Department significantly revised the Strategic Plan structure for the FY 2011 PAR, it is difficult, if not impossible, to track discontinued measures the Department used in previous years for historical comparison purposes. Furthermore, since one of the primary purposes of the PAR is to examine the Department's performance in FY 2011, a comparison using past discontinued measures does not provide a true reflection of historical trends through FY 2011, particularly in those cases in which bureaus discontinued certain measures because they didn't accurately reflect the work of the bureau. Therefore, performance historical tables reflect past trends using the measures that the Department reports on in FY 2011.

SUMMARY DESCRIPTION OF BUREAUS

The following are summary descriptions of each bureau in budget appropriation order with applicable strategic goals and objectives listed at the end of each description.

The **Departmental Management (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. Executive Direction develops and implements Departmental policies and coordinates bureau program activities to accomplish the Department's mission while Departmental Staff Services develops and implements the Department's internal policies, procedures, and other administrative guidelines. **CUSTOMER SERVICE, ORGANIZATIONAL EXCELLENCE, AND WORKFORCE EXCELLENCE**

The **Office of Inspector General (OIG)** ensures that the Department's employees and others managing federal resources comply with applicable laws and regulations, and actively work to prevent fraud, waste, and abuse in program operations. The OIG monitors and tracks the use of taxpayer dollars in federally-funded programs with its purpose being to keep Departmental officials and Congress fully and currently informed about issues, problems, and deficiencies relating to the administration of programs and operations and the need for corrective action. **ORGANIZATIONAL EXCELLENCE**

The **Economic Development Administration (EDA)** directly supports the Department's goal to maximize U.S. competitiveness and enable economic growth for U.S. industries, workers, and consumers with the objective to foster domestic economic development as well as export opportunities. To achieve this objective, EDA promotes a favorable business environment through strategic investments in public infrastructure. These investments help attract private capital investment and jobs that address problems of high unemployment, low per capita income, and sudden, severe economic challenges. **ECONOMIC GROWTH**

The **Census Bureau** is the leading source of quality data about the Nation's people and economy. The Census Bureau measures those trends and segments of the U.S. population and economy most critical to continued U.S. success and prosperity. The Census Bureau provides benchmark measures of the U.S. population, economy, and governments, and provides current measures of the U.S. population, economy, and governments. The Census Bureau's cyclical programs include the Economic Census and the Census of Governments, conducted every five years, and the Decennial Census program, conducted every 10 years. **SCIENCE AND INFORMATION**

The **Bureau of Economic Analysis (BEA)** produces some of the Nation's most important economic statistics, including GDP and the balance of payments. BEA promotes 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 a relatively small agency, BEA's economic statistics are among the Nation's most closely watched. BEA's statistics influence critical decisions made by policymakers, business leaders, households, and individuals affecting interest and exchange rates, tax and budget projections, business investment plans, and the allocation of over \$200 billion in federal funds. **SCIENCE AND INFORMATION**

The **International Trade Administration (ITA)** works 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. Within ITA, the *Manufacturing and Services (MAS)* unit analyzes the domestic and international aspects of U.S. competitiveness by working with U.S. industries to evaluate the needs of the MAS sectors, conducting economic and regulatory studies aimed at strengthening U.S. industry, obtaining input and advice from U.S. industries for trade policy setting, and participating, as appropriate, with ITA trade policy and negotiation advancement initiatives. The *Market Access and Compliance (MAC)* unit 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 and identifies compliance problems and other market access obstacles. The *Import Administration (IA)* helps ensure fair trade by administering the U.S. antidumping and countervailing duty (AD/CVD) laws in a manner consistent with U.S. international obligations. IA works extensively with U.S. businesses on a regular basis to educate them about U.S. trade laws related

to dumping and foreign government subsidies and how to act if they are injured by those practices. *Trade Promotion and The U.S. and Foreign Commercial Service (US&FCS)* broadens and deepens the base of U.S. exports by providing U.S. companies with reliable advice on the range of public and private assistance available, and knowledgeably supports all other federal trade promotion services. **ECONOMIC GROWTH**

The **Bureau of Industry and Security (BIS)** advances U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership. BIS (1) regulates the export of sensitive "dual use" goods and technologies in an effective and efficient manner; (2) enforces export control, antiboycott, and public safety laws; (3) cooperates with and assists other countries on export control and strategic trade issues; (4) assists U.S. industry in complying with international arms agreements; (5) monitors the viability of the U.S. defense industrial base; (6) evaluates the effects on national security of foreign investments in U.S. companies; and (7) supports continued U.S. technology leadership in industries that are essential to national security. **ECONOMIC GROWTH**

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. **SCIENCE AND INFORMATION, ENVIRONMENTAL STEWARDSHIP**

The **National Oceanic and Atmospheric Administration (NOAA)** promotes environmental stewardship. NOAA encompasses part of the Science and Information Theme and all of the Environmental Stewardship Theme. **SCIENCE AND INFORMATION, ENVIRONMENTAL STEWARDSHIP**

NOAA is divided into two primary appropriation accounts, Operations, Research, and Facilities; and Procurement, Acquisition, and Construction for both of which the following six programs apply:

- The **National Ocean Service (NOS)** provides scientific, technical, and management expertise to promote safe navigation; protects and restores coastal and marine resources damaged by natural or human-induced threats; and manages and preserves coastal and ocean environments.
- The **National Marine Fisheries Service (NMFS)** manages and conserves the living marine resources within the 200-mile U.S. Exclusive Economic Zone. NMFS is dedicated to the stewardship of living marine resources through science-based conservation and management.
- The **Office of Oceanic and Atmospheric Research (OAR)** provides the research and technology development necessary to improve NOAA climate, weather, coastal, and ocean services. OAR supplies the scientific information to advise national policy decisions in such areas as climate change, air quality, coastal resource management, and stratospheric ozone depletion.
- The **National Weather Service (NWS)** provides weather, hydrologic, and climate forecasts and warnings for the United States, its territories, adjacent waters, and ocean areas, for the protection of life and property and the enhancement of the national economy.

- The **National Environmental Satellite, Data and Information Service (NESDIS)** operates the polar-orbiting and geostationary operational environmental satellites, develops the converged polar-orbiting satellite series with the Department of Defense (DOD) and the National Aeronautics and Space Administration (NASA), and manages NOAA's environmental data collections for use in studying long-term environmental change.
- **Program Support** provides overall NOAA management, planning, and administrative support for NOAA. Program Support promotes environmental literacy and develops and sustains a world-class workforce. Program Support provides for repair, restoration, and other construction efforts, along with NOAA-wide environmental compliance and safety issues. With Program Support, the Office of Marine and Aviation Operations operates and maintains NOAA's ships and aircraft and uses them to collect data to support NOAA's mission.

The **U.S. Patent and Trademark Office (USPTO)** fosters innovation and competitiveness 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. Two distinct business lines, Patents and Trademarks, administer the patent and trademark laws which provide protection to inventors and businesses for their inventions and corporate and product identifications, and encourage innovation and scientific and technical advancement of U.S. industry through the preservation, classification, and dissemination of patent and trademark information. **ECONOMIC GROWTH**

The **National Institute of Standards and Technology (NIST)** promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that improve economic security and quality of life. NIST develops and disseminates measurement techniques, reference data, test methods, standards, and other technologies and services needed by U.S. industry to compete in the 21st century. The *NIST laboratories* provide the measurement science and physical standards that are essential components of the technology infrastructure underpinning U.S. innovation. NIST's *Technology Innovation Program (TIP)* supports innovative, high-risk, high-reward research in areas of critical national need where the government has a clear interest due to the magnitude of the problems and their importance to society. Through federal-state-local and private sector partnerships, NIST's *Hollings Manufacturing Extension Partnership (MEP)* provides technical and business assistance to manufacturers through a nationwide network of centers in all 50 states and Puerto Rico. The *Baldrige National Quality Program* promotes proven quality and performance management practices to strengthen U.S. companies, educational organizations, and health care providers. Recognized worldwide, the program furthers organizational excellence through education, outreach, and annual awards. **ECONOMIC GROWTH**

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 U.S. business and industrial research community. **SCIENCE AND INFORMATION**

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; and performs state-of-the-art telecommunications research, engineering, and planning. **ECONOMIC GROWTH, SCIENCE AND INFORMATION**

On the following pages is a listing of the key measures of each of the bureaus in the Department. This list is not all-inclusive. Further information concerning these and other performance measures can be found in Appendix A. The status of a given measure is either exceeded (more than 125 percent of the target), met (100 to 125 percent of target), slightly below (95 to 99 percent of the target), or not met (below 95 percent of target).

KEY PERFORMANCE MEASURES				
THEME	PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Theme 1: Economic Growth	Final rejection allowance compliance rate (USPTO)	95.6% - 96.5%	95.6%	Met
	Patent total pendency (months) (USPTO)	34.8	33.7	Met
	Trademark final compliance rate (USPTO)	97.0%	97.0%	Met
	Trademark average total pendency (months), excluding suspended and inter partes proceedings (USPTO)	12.5	10.5	Met
	Private investment leveraged (nine year totals) (EDA)	\$1,940M	\$3,960M	Exceeded
	Jobs created/retained (nine year totals) (EDA)	57,800	56,058	Slightly Below
	Dollar value of contract awards obtained (MBDA)	\$1.10B	\$1.40B	Exceeded
	Dollar value of financial awards obtained (MBDA)	\$0.90B	\$2.10B	Exceeded
	Cumulative number of TIP projects funded (NIST)	38	38	Met
	Miles of broadband networks deployed (NTIA)	10,000	18,545 ¹	Exceeded
	New and upgraded computer workstations (NTIA)	10,000	16,060 ¹	Exceeded
	New household and business subscribers to broadband (NTIA)	25,000	111,829 ¹	Exceeded
	Qualitative assessment and review of technical quality and merit using peer review (NIST)	Complete annual peer review	Completed	Met
	Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis (ITA)	\$350M	\$1.8B	Exceeded
	Increased sales attributed to Hollings MEP centers receiving federal funding (NIST)	\$2,500M from FY 2010 funding	\$2,770M from FY 2010 funding ²	Met
	Cost savings attributed to Hollings MEP centers receiving federal funding (NIST)	\$1,200M from FY 2010 funding	\$1,420M from FY 2010 funding ²	Met
	Percentage of advocacy bids won (ITA)	18%	9.9%	Not Met
	Commercial diplomacy success (cases) (annual) (ITA)	172	243	Exceeded
	Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge (BIS)	850	1,073	Exceeded
	Percent of industry-specific trade barriers addressed that were removed or prevented (ITA)	30%	35%	Met
Number of compliance and market access cases resolved successfully (ITA)	50%	51%	Met	
Value of compliance and market access cases resolved successfully (ITA)	\$2.5B	\$0.23B	Not Met	

¹ As of June 30, 2011.

² Estimate as of June 30, 2011. Once final numbers are in, the status may change to "Exceeded."

(continued)

KEY PERFORMANCE MEASURES <i>(continued)</i>				
THEME	PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Theme 2: Science and Information	Number of information products disseminated (NTIS)	47,800,000	48,958,993	Met
	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 (ESA/CENSUS)	At least 90% of key activities completed on schedule	At least 90% of key activities completed on schedule	Met
	Achieve pre-determined collection rates for Census Bureau censuses and surveys to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public (ESA/CENSUS)	At least 90% of key censuses and surveys meet/exceed collection rates/levels of reliability	Met Percentages	Met
	Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public (ESA/CENSUS)	<ul style="list-style-type: none"> ● 100% of Economic Indicators released on time ● At least 90% of key prep activities completed on time 	<ul style="list-style-type: none"> ● 100% of Economic Indicators released on time ● At least 90% of key prep activities completed on time 	Met
	Timeliness: Reliability of delivery of economic data (number of scheduled releases issued on time) (ESA/BEA)	62	62	Met
	Accuracy: Percent of GDP estimates correct (ESA/BEA)	> 85%	89%	Met
	Severe weather warnings for tornadoes – Lead time (minutes) (NOAA)	12	15	Exceeded
	Severe weather warnings for tornadoes (storm-based) – Accuracy (%) (NOAA)	70%	76%	Met
	Hurricane forecast track error (48 hours) (nautical miles) (NOAA)	106	89	Exceeded
	Hurricane forecast intensity error (48 hours) (difference in knots) (NOAA)	13	15	Not Met
	Theme 3: Environmental Stewardship	Error in global measurement of sea surface temperature (NOAA)	0.50°C	0.51°C
Fish stock sustainability index (FSSI) (NOAA)		586	587	Met
Percentage of fish stocks with adequate population assessments and forecasts (NOAA)		60.4% (139/230)	55.7% (128/230)	Not Met
Number of habitat acres restored (annual) (NOAA)		8,888	15,420	Exceeded
Annual number of coastal, marine, and Great Lakes habitat acres acquired or designated for long-term protection (NOAA)		19,219	17,274	Not Met
Percentage of U.S. coastal states and territories demonstrating 20% or more annual improvement in resilience capacity to weather and climate hazards (%/year) (NOAA)		36%	43%	Exceeded

(continued)

KEY PERFORMANCE MEASURES <i>(continued)</i>				
THEME	PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Theme 3: Environmental Stewardship <i>(continued)</i>	Hydrographic survey backlog within navigationally significant areas (square nautical miles surveyed per year) (NOAA)	2,400	2,278	Not Met
	Percentage of U.S. counties rated as fully enabled or substantially enabled with accurate positioning capacity (NOAA)	83.0%	84.3%	Met
Theme 4: Customer Service	There are not any performance measures yet for Theme 4. Measures for this theme will appear in the FY 2012 PAR.			
Theme 5: Organizational Excellence	Improve the management of information technology (DM)	<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 10 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"> ● All IT investments within 10% of cost and schedule ● Reviews completed ● 89% completion rate ● NCSD 3-10 did not receive funding 	Met
	Dollar value of financial benefits identified by the OIG (OIG)	\$39.0M	\$33.6M	Not Met

(continued)

KEY PERFORMANCE MEASURES <i>(continued)</i>				
THEME	PERFORMANCE MEASURE	TARGET	ACTUAL	STATUS
Theme 5: Organizational Excellence <i>(continued)</i>	Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management (DM)	<ul style="list-style-type: none"> Eliminate any significant deficiency within 1 year of determination that there is a significant deficiency Complete FY 2011 A-123 assessment of internal controls 	<ul style="list-style-type: none"> Eliminated significant deficiency Completed A-123 assessments 	Met
Theme 6: Workforce Excellence	Acquire and maintain diverse and highly qualified staff in mission-critical occupations (DM)	<ul style="list-style-type: none"> Have new competency models in place for three mission-critical occupations for use in workforce recruitment, training, and development activities Meet or exceed the 80-day hiring goals mandated by OPM Train 100-200 participants on leadership development programs via ALDP, ELDP, and APCP Train 180-200 participants via Careers in Motion 	<ul style="list-style-type: none"> Four occupations 83 days 103 participants 382 participants 	Exceeded

PERFORMANCE, FTE, AND FUNDING SUMMARY

THEME 1: ECONOMIC GROWTH

PERFORMANCE SUMMARY

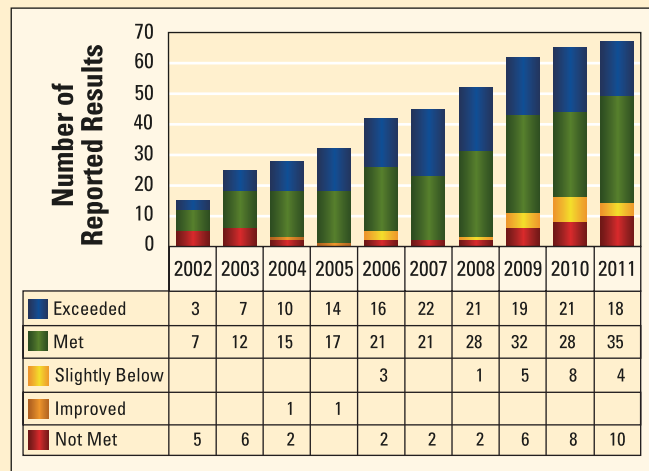
For this theme, in FY 2011, the Department met or exceeded 79 percent of the targets it had set for the year. As a general rule, the Department has increased its performance slightly from FY 2002 through FY 2011 in terms of having met/exceeded 76 percent of the targets in 2002.

The following three strategic goals (and their applicable bureaus) apply to this theme.

- Strategic Goal – Innovation and Entrepreneurship:** Develop the tools, systems, policies, and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses (USPTO, EDA, NIST, and NTIA)
- Strategic Goal – Market Development and Commercialization:** Foster market opportunities that equip businesses and communities with the tools they need to expand, creating quality jobs with special emphasis on unserved and underserved groups (EDA, MBDA, ITA, and NIST)
- Strategic Goal – Trade Promotion and Compliance:** Improve our global competitiveness and foster domestic job growth while protecting American security (ITA and BIS)

Of all the themes within the Department, the Economic Growth theme accounted for 39 percent of the total funding, and 39 percent of the full-time equivalent (FTE). Within the Economic Growth theme, the Innovation and Entrepreneurship goal accounted for 84 percent of the FTE and 78 percent of the theme funding. This goal includes all of the U.S. Patent and Trademark Office (USPTO) and portions of the Economic Development Administration (EDA), the National Institute of Standards and Technology (NIST), and the National Telecommunications and Information Administration (NTIA). Market Development, the smallest of the three goals in terms of FTE and funding, accounted for 3 percent of FTE and 9 percent of the theme funding. This goal includes all of the Minority Business Development Agency (MBDA), and portions of EDA, the International Trade Administration (ITA), and NIST. The Trade Promotion goal accounted for 13 percent of FTE and 13 percent of the theme funding. This goal includes all of the Bureau of Industry and Security (BIS), and portions of ITA.

ECONOMIC GROWTH PERFORMANCE RESULTS

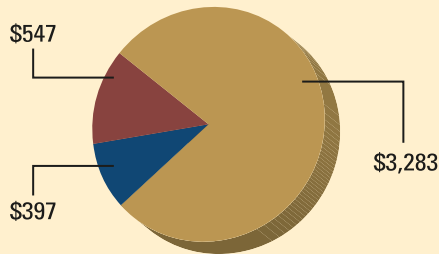


See Appendix A: Performance and Resource Tables for individual reported results.

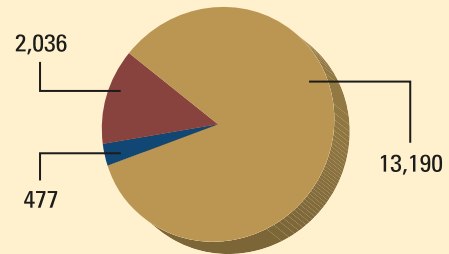
SUMMARY OF FUNDING, FTE, AND PERFORMANCE RESULTS

ECONOMIC GROWTH TOTAL RESOURCES

FUNDING (Dollars in Millions)



FTE



■ Innovation/Entrepreneurship ■ Market Development ■ Trade Promotion

STRATEGIC GOAL – INNOVATION AND ENTREPRENEURSHIP: *Develop the tools, systems, policies, and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses*

OBJECTIVE NUMBER	OBJECTIVE	FUNDING (Dollars in Millions)	FTE	TARGETS MET OR EXCEEDED
1	Improve intellectual property protection by reducing patent pendency, maintaining trademark pendency, and increasing the quality of issued patents and trademarks (USPTO)	\$2,111.7	9,842	9 of 10
2	Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights (USPTO)	\$49.2	150	1 of 1
3	Stimulate high-growth business formation and entrepreneurship, through investing in high-risk, high-reward technologies and by removing impediments to accelerate technology commercialization (EDA, NIST)	\$231.9	180	7 of 11
4	Drive innovation by supporting an open global Internet and through communications and broadband policies that enable robust infrastructure, ensure integrity of the system, and support e-commerce (NTIA)	\$118.7	168	5 of 5
5	Provide measurement tools and standards to strengthen manufacturing, enable innovation and enhance efficiency (NIST)	\$771.6	2,850	4 of 6

STRATEGIC GOAL – MARKET DEVELOPMENT AND COMMERCIALIZATION: *Foster market opportunities that equip businesses and communities with the tools they need to expand, creating quality jobs with special emphasis on unserved and underserved groups*

OBJECTIVE NUMBER	OBJECTIVE	FUNDING (Dollars in Millions)	FTE	TARGETS MET OR EXCEEDED
6 ¹	Promote the advancement of sustainable technologies, industries, and infrastructure (EDA)	\$20.5	16	N/A
7	Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas (EDA, MBDA)	\$201.1	187	3 of 5
8	Improve the competitiveness of small and medium-sized firms in manufacturing and service industries (ITA, NIST)	\$175.6	274	5 of 5

¹ The measures that apply to this objective also apply to Objective 3 and are reflected in the status of that objective.

STRATEGIC GOAL – TRADE PROMOTION AND COMPLIANCE: *Improve our global competitiveness and foster domestic job growth while protecting American security*

OBJECTIVE NUMBER	OBJECTIVE	FUNDING (Dollars in Millions)	FTE	TARGETS MET OR EXCEEDED
9	Increase U.S. export value through trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises) (ITA)	\$336.5	1,176	3 of 6
10	Implement an effective export control reform program to advance national security and overall economic competitiveness (BIS)	\$102.9	351	8 of 9
11	Develop and influence international standards and policies to support the full and fair competitiveness of the U.S. information and communications technology sector (NTIA)	\$2.3	8	1 of 1
12	Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and fuller compliance with antidumping/countervailing duty remedies (ITA)	\$99.1	501	7 of 8

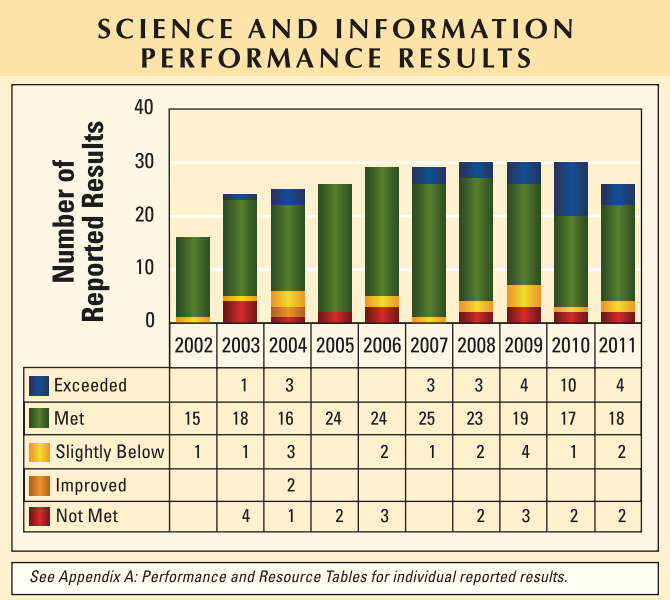
THEME 2: SCIENCE AND INFORMATION

PERFORMANCE SUMMARY

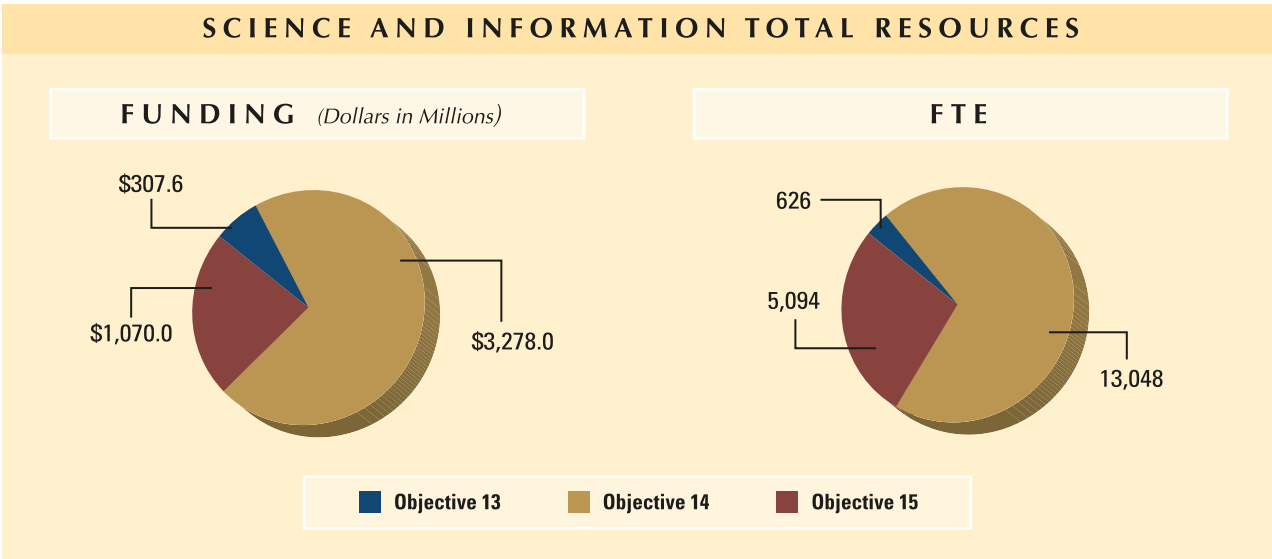
For this theme, in FY 2011, the Department met or exceeded 85 percent of the targets it had set for the year. The Department has decreased its performance from FY 2002 through FY 2011 in terms of having met/exceeded 94 percent of the targets in 2002.

This theme has only one strategic goal, that being, "Generate and communicate new, cutting-edge scientific understanding of technical, economic, social, and environmental systems." The Economics and Statistics Administration' (ESA) Census Bureau and Bureau of Economic Analysis (BEA), the National Oceanic and Atmospheric Administration (NOAA), the National Technical Information Service (NTIS), and NTIA all contribute to this goal and theme.

Off all the themes within the Department, the Science and Information theme accounted for 42 percent of the total funding, and 47 percent of the FTE.



SUMMARY OF FUNDING, FTE, AND PERFORMANCE RESULTS



STRATEGIC GOAL: *Generate and communicate new, cutting-edge scientific understanding of technical, economic, social, and environmental systems*

OBJECTIVE NUMBER	OBJECTIVE	FUNDING (Dollars in Millions)	FTE	TARGETS MET OR EXCEEDED
13	Increase scientific knowledge and provide information to stakeholders to support economic growth and to improve innovation, technology, and public safety (NTIS, NTIA)	\$307.6	626	4 of 4
14	Enable informed decision-making through an expanded understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted, and accurate data, standards, and services (ESA/CENSUS, ESA/BEA, NOAA)	\$3,278.0	13,048	7 of 8
15	Improve weather, water, and climate reporting and forecasting (NOAA)	\$1,070.0	5,094 ¹	11 of 14

¹ Estimate.

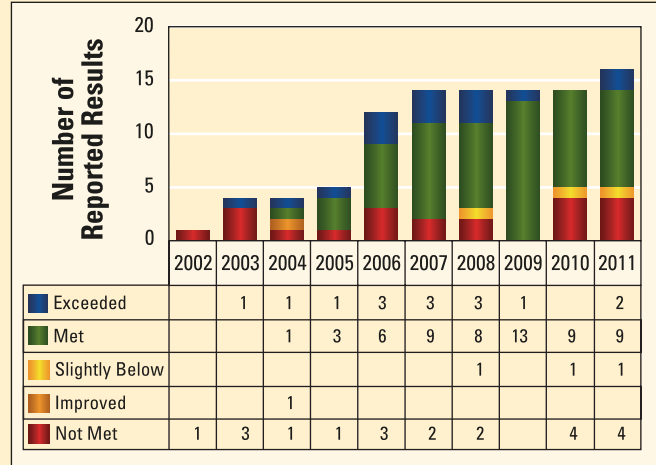
THEME 3: ENVIRONMENTAL STEWARDSHIP

PERFORMANCE SUMMARY

For this theme, in FY 2011, the Department met or exceeded 69 percent of the targets it had set for the year. As a general rule, the Department has substantially increased its performance from FY 2002 through FY 2011 in terms of having met/exceeded zero percent of the targets in 2002. However, it should be noted that only one measure that the Department tracked in FY 2011 appeared in FY 2002. Regarding this theme, nearly all the measures that initially appeared in FY 2002 have since been discontinued, replaced by measures that better reflected the activities of the programs involved. Thus, a comparison with FY 2002 provides little, if any, benefit to tracking performance trends.

This theme has only one strategic goal, that being, "Promote economically-sound environmental stewardship and science." NOAA is the only bureau that contributes to this theme. Environmental Stewardship accounted for 18 percent of funding and 13 percent of FTE.

ENVIRONMENTAL STEWARDSHIP PERFORMANCE RESULTS

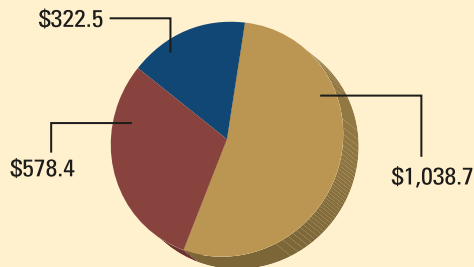


See Appendix A: Performance and Resource Tables for individual reported results.

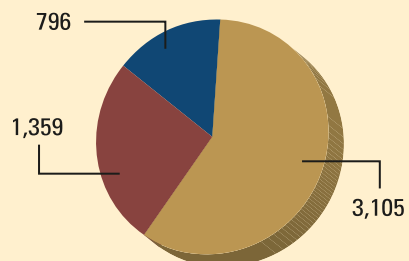
SUMMARY OF FUNDING, FTE, AND PERFORMANCE RESULTS

ENVIRONMENTAL STEWARDSHIP TOTAL RESOURCES

FUNDING (Dollars in Millions)



FTE¹



■ Objective 16 ■ Objective 17 ■ Objective 18

¹ Estimates.

STRATEGIC GOAL: <i>Promote economically-sound environmental stewardship and science</i>				
OBJECTIVE NUMBER	OBJECTIVE	FUNDING <i>(Dollars in Millions)</i>	FTE¹	TARGETS MET OR EXCEEDED
16	Support climate adaptation and mitigation (NOAA)	\$322.5	796	3 of 4
17	Develop sustainable and resilient fisheries, habitats, and species (NOAA)	\$1,038.7	3,105	3 of 5
18	Support coastal communities that are environmentally and economically sustainable (NOAA)	\$578.4	1,359	5 of 7

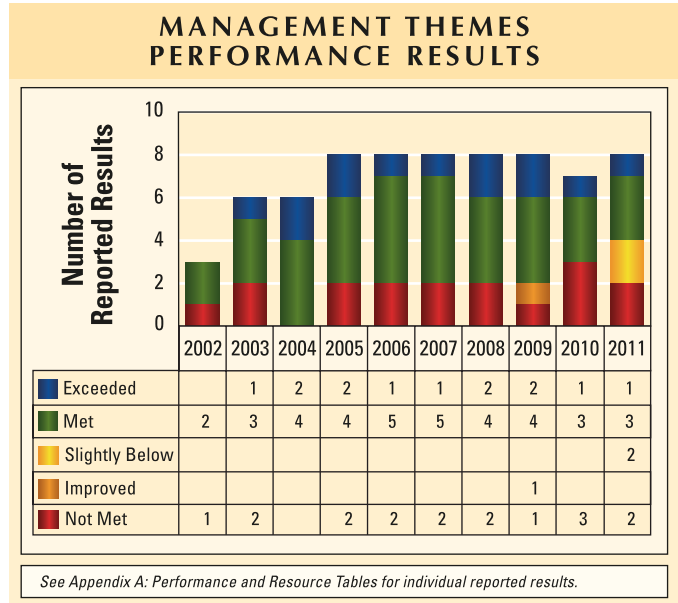
¹ Estimates.

MANAGEMENT THEMES (THEMES 4, 5, AND 6)

The following three management themes have been grouped together since their combined activities reflect that of only two bureaus: Departmental Management (DM) and the Office of the Inspector General (OIG).

- Customer Service
- Organizational Excellence
- Workforce Excellence

In addition, since the Department did not implement the new FY 2011 – FY 2016 Strategic Plan until FY 2011, the Department has not yet developed FY 2011 performance targets for Objectives 19-21, 26, and 27. The Department will show measures and targets for these objectives beginning in FY 2012.



PERFORMANCE SUMMARY

For these themes, in FY 2011, the Department met or exceeded 50 percent of the targets it had set for the year. The Department has decreased its performance slightly from FY 2002 through FY 2011 in terms of having met/exceeded 67 percent of the targets in 2002. The following strategic goals and objectives apply to these themes.

THEME 4: CUSTOMER SERVICE

STRATEGIC GOAL: Create a culture of outstanding communication and services to our internal and external customers

- **Objective 19:** Provide streamlined services and a single point of contact assistance for customers, improving interaction and communication through CommerceConnect, partnerships, and other means of stakeholder involvement (DM)
- **Objective 20:** Promote information access and transparency through the use of technology, fuller understanding customer requirements, and new data products and services that add value to customers (DM)
- **Objective 21:** Provide a high level of customer service to our internal and external customers through effective and efficient functions implemented by empowered employees (DM)

THEME 5: ORGANIZATIONAL EXCELLENCE

STRATEGIC GOAL: Create a high-performing organization with integrated, efficient, and effective service delivery

- **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 (DM, OIG)
- **Objective 23:** Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness (DM)
- **Objective 24:** Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats (DM)

THEME 6: WORKFORCE EXCELLENCE

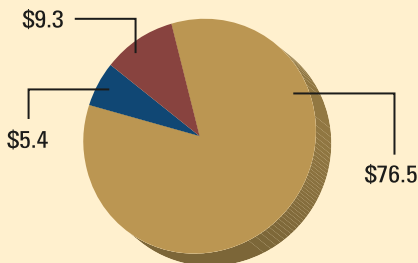
STRATEGIC GOAL: Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission

- **Objective 25:** Recruit, grow, develop, and retain a high-performing, diverse workforce with the critical skills necessary for mission success, including the next generation of scientists and engineers (DM)
- **Objective 26:** Create an optimally-led Department by focusing on leadership development, accountability, and succession planning (DM)
- **Objective 27:** Provide an environment that empowers employees and creates a productive and safe workplace (DM)

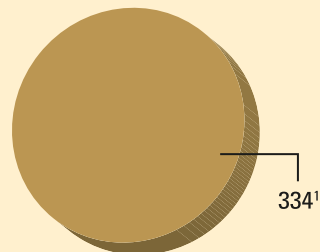
SUMMARY OF FUNDING, FTE, AND PERFORMANCE RESULTS

MANAGEMENT THEMES TOTAL RESOURCES

FUNDING (Dollars in Millions)



FTE



■ Customer Service ■ Organizational Excellence ■ Workforce Excellence

¹ For the FY 2011 PAR, DM has placed all of its FTE in the Organizational Excellence theme. In future reports, DM will allocate its FTE among the three themes. All of DM's FTE appear in Organizational Excellence.

The tables below show the strategic goals and objectives for the Customer Service, Organizational Excellence, and Workforce Excellence themes that have FY 2011 funding, FTE, and performance results. Note that the Department has provided funding and FTE for Objective 21, but did not yet develop performance measures for FY 2011.

THEME 4: CUSTOMER SERVICE				
STRATEGIC GOAL: <i>Create a culture of outstanding communication and services to our internal and external customers</i>				
OBJECTIVE NUMBER	OBJECTIVE	FUNDING <i>(Dollars in Millions)</i>	FTE	TARGETS MET OR EXCEEDED
19	Provide streamlined services and a single point of contact assistance for customers, improving interaction and communication through CommerceConnect, partnerships, and other means of stakeholder involvement (DM)	\$0.9	0	N/A
21	Provide a high level of customer service to our internal and external customers through effective and efficient functions implemented by empowered employees (DM)	\$8.4	0	N/A

THEME 5: ORGANIZATIONAL EXCELLENCE				
STRATEGIC GOAL: <i>Create a high-performing organization with integrated, efficient, and effective service delivery</i>				
OBJECTIVE NUMBER	OBJECTIVE	FUNDING <i>(Dollars in Millions)</i>	FTE	TARGETS MET OR EXCEEDED
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 (DM, OIG)	\$59.2	334	2 of 5
23	Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness (DM)	\$3.9	0	0 of 1
24	Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats (DM)	\$13.4	0	1 of 1

THEME 6: WORKFORCE EXCELLENCE				
STRATEGIC GOAL: <i>Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission</i>				
OBJECTIVE NUMBER	OBJECTIVE	FUNDING <i>(Dollars in Millions)</i>	FTE	TARGETS MET OR EXCEEDED
25	Recruit, grow, develop, and retain a high-performing diverse workforce with the critical skills necessary for mission success, including the next generation of scientists and engineers (DM)	\$5.4	0	1 of 1

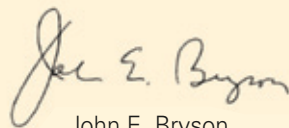
MANAGEMENT CONTROLS

The Department's management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). During FY 2011, the Department assessed its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*. As a result, the Department is able to provide an unqualified statement of assurance that its internal controls and financial management systems meet the objectives of FMFIA for FY 2011.

The supplemental funding received under the American Recovery and Reinvestment Act (ARRA) of 2009 continued to receive comprehensive programmatic and administrative attention throughout the Department in order to achieve the legislative goals attributable to it. Funds have been awarded and expended for authorized purposes in as prompt and efficient a manner as possible while safeguarding against fraud, waste, and abuse. Reporting associated with this funding has been performed clearly, transparently, and comprehensively. Monitoring has been and will continue to be conducted to insure that recipients are meeting the goals stated in their application and as incorporated into award documents, and will also focus on the results of these activities.

In addition, the Department assessed the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, the Department can provide reasonable assurance that its internal control over financial reporting as of June 30, 2011, was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting. Further, no material weaknesses related to internal control over financial reporting were identified between July 1, 2011 and September 30, 2011.

Based on reviews conducted by the Department, it has been able to determine that its financial systems are in conformance with government-wide requirements.



John E. Bryson
Secretary of Commerce
November 15, 2011

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT (FMFIA) OF 1982

The objective of the Department's management control system is to provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;
- assets are safeguarded against waste, loss, and unauthorized use of appropriations;
- revenues and expenditures applicable to Agency operations are properly recorded and accounted for, permitting accurate accounts, reliable financial reports, and full accountability for assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

During FY 2011, the Department reviewed its management control system in accordance with the requirements of FMFIA, OMB, and Departmental guidelines.

SECTION 2 OF FMFIA – INTERNAL MANAGEMENT CONTROLS

Section 2 of FMFIA requires that federal agencies report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. The efficiency of the Department's operations is continually evaluated using information obtained from reviews conducted by the Government Accountability Office (GAO) and the Office of Inspector General (OIG), evaluations conducted by other federal agencies such as the Office of Personnel Management, and other specifically requested studies. The diverse reviews that took place during FY 2011 relative to non-financial controls provide assurance that Department systems and management controls comply with standards established under FMFIA.

Information technology (IT) security continued to receive considerable focus throughout the year. Beginning in FY 2001, the Department had reported IT security as a material weakness every year until FY 2010 due to serious concerns relating to certification and accreditation (C&A) processes and documentation for non-financial IT systems. Last year's determination that this area no longer merited designation as a material weakness was possible as a result of the implementation of a two-year strategy that had been jointly developed by the Office of the Chief Information Officer (OCIO) and the OIG. This included activities such as establishing a Department-wide tracking tool for security reporting and monitoring to improve the quality and consistency of the C&A process; developing and implementing a Cyber Security Strategic Plan in collaboration with the bureaus; instituting a Cyber Security Development Program, a Department-wide, risk-based training program; and employing an IT Audit Working Group through which the OCIO and the Office of Financial Management worked to develop enterprise-wide solutions for prior findings.

As reliance on electronic systems and the Internet to conduct business of all types has continued to grow, cyber attacks on the business community and public sector agencies have also increased. Such threats are evolving in sophistication and increasingly difficult to deter. As such, IT security received concentrated effort across the Department in FY 2011 and will continue to do so in the foreseeable future. Because of the importance of IT security, both within the Department and across government, it merits a high level of on-going attention and internal monitoring, but does not represent a material weakness.

The following table reflects the number of material weaknesses reported under Section 2 of FMFIA in recent years by the Department. It shows the elimination of one material weakness, i.e., non-financial system IT security, in FY 2010.

NUMBER OF MATERIAL WEAKNESSES UNDER SECTION 2				
	NUMBER AT BEGINNING OF FISCAL YEAR	NUMBER CORRECTED	NUMBER ADDED	NUMBER REMAINING AT END OF FISCAL YEAR
FY 2008	1	0	0	1
FY 2009	1	0	0	1
FY 2010	1	1	0	0
FY 2011	0	0	0	0

IT Security Receives Continued Focus

The OCIO conducts reviews of IT investments to ensure their efficiency and effectiveness in supporting the Department's mission. The Department, following OMB policies and guidelines and complying with Federal Information Security Management Act (FISMA) requirements, oversees and manages IT resources by establishing and implementing policies and controls to mitigate IT risks.

As mentioned above, in FY 2009, the Department developed and adopted a two-year strategy to comprehensively respond to the material weakness in IT security that had been reported for several years. This comprehensive strategy was designed to improve C&A processes and documentation, which incorporated realistic milestones, identified measurable steps, and established consistent and repeatable C&A practices. One of the most significant impacts was Department-wide leverage of a tracking tool for security reporting and monitoring to improve the quality of the C&A process. Additional efforts included developing a Cyber Security Strategic Plan with input from the bureaus, implementing a Cyber Security Development Program, establishing a role-based, Department-wide training program, and employing the IT Audit Working Group—a joint effort between the OCIO and the Office of Financial Management—to resolve prior year findings and design enterprise-wide solutions.

While progress has been made in establishing and maintaining a strong IT security posture, additional work remains. The OIG has noted IT security control deficiencies in the areas of continuous monitoring, corrective action management, and contingency plan testing in its FY 2010 FISMA report as well as in Web security in its FY 2011 Web Applications Security Audit. As a result of its findings, the OIG has recommended that the IT security program be considered as a significant deficiency.

The OCIO has worked to develop a Cyber Security Strategic Plan to further strengthen the Department's IT security posture and operations, and continues to conduct rigorous IT security compliance reviews based on FISMA requirements, OMB policy, National Institute of Standards and Technology (NIST) standards and guidelines, and previous recommendations made by the OIG regarding C&A processes and documentation. Other efforts during FY 2011 included:

OCIO Balanced Scorecard and Top Security Controls. The Department developed and reviewed quarterly an OCIO Balanced Scorecard, which measures progress involving "authority to operate" requirements for information systems, plan of action and milestones (POA&M) management, IT security workforce, continuous monitoring, and enterprise-wide initiatives. This included implementing and tracking progress for the top three security controls (i.e., configuration, vulnerability, and patch management) and monitoring progress on additional controls selected by bureaus.

IT Risk Management Framework. An intra-agency team worked to overhaul the Department's IT Risk Management Framework, moving from a compliance and documentation-based approach to one that emphasizes automated testing of security controls and a shift toward near real-time situational awareness through continuous monitoring and planning for Department-wide migration to the Risk Management Framework.

Enterprise Initiatives. Among its other activities, the Department completed selection of a Managed Trusted Internet Protocol Service vendor to support the Hoover Building network in accordance with the Trusted Internet Connection initiative from OMB. Implementation is expected to be completed during the first quarter of FY 2012. It also (1) developed and distributed the Commerce Identity, Credential and Access Management (ICAM) baseline, target and roadmap in accordance with federal ICAM guidance issued by the federal CIO Council; (2) launched Commerce Continuous Monitoring Working Group and developed a Department-wide strategy to meet the automated CyberScope reporting requirements from OMB; and (3) established a Department-wide standard for automated FISMA reporting and working toward a standard for endpoint protection.

IT Security Policy. The Department provided policy guidance for wireless encryption and contingency plan testing and exercise activities; for further implementation of Homeland Security Presidential Directive-12 (HSPD-12) regarding personal identity verification for Commerce information systems; and for Bluetooth, configuration management, and Risk Management Framework transition.

IT Security Training. In FY 2011, the Department (1) launched an automated training module on personally identifiable information as a companion to general IT security awareness training; (2) hosted the first annual Commerce IT Security Conference with 31 sessions for general management and technical information system security staff that covered such topics as continuous monitoring, mobile device security, social networking, cloud computing, and managing remote workforces; (3) completed the second cycle of the Cyber Security Development Program with 19 individuals graduating from the program and 33 IT security personnel obtaining professional certifications; and (4) developed an informational brochure discussing the Department's IT Security Program and best practices employed by the bureaus.

Compliance. The Department continued bi-weekly IT Audit Working Group meetings to track, manage, and validate progress in closing IT audit findings identified in the FY 2010 financial statements IT audit report. Focused efforts by the IT Audit Working Group resulted in the bureaus reporting that the vast majority of findings were closed. The Department also conducted 20 security assessments of programs, applications, and systems as part of FY 2011 internal control reviews; and performed monthly reviews of information systems utilizing the Cyber Security Assessment and Management tool. These reviews tracked "authority to operate" status and POA&M implementation, and have assisted bureau management in making progress in both of these areas.

IT Investment Review Process

Since IT expenditures represent a significant portion of the Department's annual budget—major IT investments totaled approximately \$2.4 billion in FY 2011—it is critically important that they receive close management attention. This is accomplished through an OCIO-led capital planning and investment control process that continues to be strengthened to provide broader and deeper analysis of proposed IT investments, projects under development, and projects that are in operation as well as of the overall performance of the portfolio.

This process is based on OMB Circular A-11, Exhibit 300, *Capital Asset Plan and Business Case Summary*, and Exhibit 53, *Agency IT Investment Portfolio*, and is linked to all IT planning processes and documents within the Department.

In a cooperative effort with the Office of Budget and the Office of Acquisition, the OCIO established OMB's Exhibit 300 as the document to use in summarizing the business case for each IT project, and as the foundation for budget justifications, acquisition approvals, and major system reviews. This provides the Department with a consistent foundation for monitoring the selection, control, and evaluation of major IT investments, thereby helping to verify that proposed investments contribute to the Department's strategic vision, mission requirements, and performance goals. It also helps ensure that the bureaus employ sound IT investment methodologies, comply with Departmental and federal architectures, and provide the highest return on the investment at acceptable project risk.

The OCIO continues to work closely with the Office of Budget to establish a framework and schedule for linking the IT investment review of proposed initiatives with the budget process. As initiatives are developed by the bureaus for submission to the Department, those initiatives that have a significant IT component are reviewed by the OCIO. Major proposals are reviewed by the Commerce IT Review Board (CITRB), which is co-chaired by the CIO and the Chief Financial Officer/Assistant Secretary for Administration (CFO/ASA), and includes the Department's Budget Officer, Procurement Executive, Director for Financial Management, and selected bureau CIOs. The CITRB evaluates proposals relative to their contribution to mission, performance measures, IT security and privacy management, funding, risk management, acquisition strategy, viability and appropriateness, conformance to Departmental and federal architectures, and overall project management. Guidance for improving project proposals is provided by the CITRB and the OCIO, as appropriate. As a result of this extensive Departmental review, all IT-intensive budget initiatives forwarded to OMB have the best possible IT management plan associated with them.

The CITRB continues to place emphasis on the link between proposed IT investments and top level program performance measures, IT security and privacy, and the qualifications of IT project managers and Contracting Officers who manage IT programs. The CITRB ensures that high quality C&A packages, which are critical to the confidentiality, integrity, and availability of IT investments, are in place. By ensuring that qualified managers are available for these programs, the risk associated with large-scale IT investments is significantly reduced. The OCIO leads a continuing training process for IT project managers, working together with the Office of Human Resources Management, to ensure that the Department has a pool of well-qualified IT project managers for new and ongoing projects.

To assist with this effort, the OCIO has adopted the OMB-mandated "TechStat" process which is a risk-based review by Departmental senior management that identifies any need for corrective action for major IT investments that are underperforming and not providing value to the taxpayer. Further, to provide even more rigorous cost, schedule, and performance analyses, the Department systematically uses Earned Value Management for its IT investments. This provides a mechanism for regularly monitoring the performance of IT projects and early warning signals when they may not be meeting cost, schedule, or performance goals. Additionally, bureau CIOs are required to conduct operational analyses to certify that steady-state investments also adhere to cost, schedule, and performance goals. Bureau reviews of IT projects are also supplemented with formal evaluation or post-implementation reviews by the CITRB. This comprehensive approach helps ensure all project managers are able to benefit from lessons learned from other implementation efforts.

These efforts help to ensure that the Department's IT projects are developed and implemented as planned. On average, major IT investments undergoing development or enhancement operated within five percent of their cost, schedule, and performance targets during FY 2011.

Future Efforts in IT Security

The Department is continually working to adapt to an ever changing IT security environment. It has developed an effective IT strategic plan to help ensure that it achieves its goals of implementing a Risk Management Framework and Trusted Internet Connections, increasing operational security with the continued development of the Security Operations Center, expanding assessments of technical controls as part of the OCIO's annual review of the bureaus, and deploying additional role-based training under its Cyber Security Development Program in FY 2012. The Department will also continue to update and issue policy guidelines as appropriate. These steps will continue to strengthen the Department's overall IT security posture and protection of its IT systems and information.

SECTION 4 OF FMFIA – INTERNAL CONTROLS OVER FINANCIAL MANAGEMENT SYSTEMS

As reflected in the following table, the Department has reported no material weaknesses under FMFIA Section 4 in recent years.

NUMBER OF MATERIAL WEAKNESSES UNDER SECTION 4				
	NUMBER AT BEGINNING OF FISCAL YEAR	NUMBER CORRECTED	NUMBER ADDED	NUMBER REMAINING AT END OF FISCAL YEAR
FY 2008	0	0	0	0
FY 2009	0	0	0	0
FY 2010	0	0	0	0
FY 2011	0	0	0	0

Based on reviews conducted by the Department and its bureaus for FY 2011, the financial systems in the Department are compliant with GAO principles and standards, the requirements of the CFO Act, and OMB requirements.

No material weaknesses relative to financial controls were identified for the period July 1, 2010 through June 30, 2011, the reporting period established by OMB Circular A-123. Further, with limited review and inquiries, no material weaknesses related to internal control over financial reporting were identified between July 1, 2011 and September 30, 2011.

Other Internal Control Enhancement Activities Continue

During FY 2011, the Department's comprehensive effort to enhance management of internal controls under OMB Circular A-123 continued. Progress made in implementing Appendix A to the circular, which relates to financial internal controls, included:

- The Department continued to lead this annual process, utilizing a three-year rotational testing plan that incorporates a risk-based approach based on assessments of key processes and the results of previous audits. Under this approach, high-risk cycles are selected for annual testing and low to moderate-risk cycles are tested every three years. Selected test procedures at specific locations or on specific sub-processes are performed as often as needed based on specifically identified risks, and limited controls review assessment surveys are utilized for cycles that are not being tested in any given year.

- The Department's Senior Management Council implemented, directed and oversaw the assessment process, and a working-level Senior Assessment Team (SAT) developed A-123 planning documentation, administered internal control test plans, and monitored and reviewed test work as it progressed.
- The Departmental sampling plan and Department-wide testing templates for selected key processes and sub-processes were updated as necessary.
- Each of the Department's bureaus completed an entity-level controls assessment as required by OMB Circular A-123, Appendix A.
- Through the SAT, the Department initiated a comprehensive internal control assessment that will continue into FY 2012 and will involve all grant-making bureaus and service providers. The assessment will include grants program process mapping, risk identification, development and completion of a grants program and grants administration internal control risk assessment questionnaire, evaluation and scoring of risk categories, and eventual testing of grant internal controls.
- The SAT performed quarterly validation and verification of the Department-wide effort to achieve acquisition savings. This included selecting samples and reviewing supporting documentation, developing guidance and definitions to help standardize the identification and classification of savings, and strengthening the process for documenting savings under this initiative.

FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT (FFMIA) OF 1996

Under FFMIA, the Department is required to have financial management systems that comply with federal financial management system requirements, federal accounting standards, and the U.S. Government Standard General Ledger (USSGL) at the transaction level. In FY 2011, the Department remained in compliance with FFMIA.

REPORT ON AUDIT FOLLOW-UP

The Inspector General Act, as amended, requires that the Secretary report to Congress on the final action taken for Inspector General audits. This report covers Commerce Department audit follow-up activities for the period June 1, 2010, through May 31, 2011.

**SUMMARY OF ACTIVITY ON AUDIT REPORTS
JUNE 1, 2010 THROUGH MAY 31, 2011**

	DISALLOWED COSTS ¹		FUNDS TO BE PUT TO BETTER USE ²		NONMONETARY REPORTS ³	TOTAL
	NUMBER OF REPORTS	DOLLARS	NUMBER OF REPORTS	DOLLARS	NUMBER OF REPORTS	REPORTS
Beginning Balance	21	\$ 7,245,434	10	\$ 42,177,562	18	49
New Reports	7	2,585,728	2	766,757	17	26
Total Reports	28	9,831,162	12	42,944,319	35	75
Reports Closed	(10)	(2,772,176)	(8)	(40,933,590)	(13)	(31)
Ending Balance	18	\$ 7,058,986	4	\$ 2,010,729	22	44

1. Disallowed costs are questioned costs that management has sustained or agreed should not be charged to the government.
2. "Funds to be put to better use" refers to any management action to implement recommendations where funds should be applied to a more efficient use.
3. Includes management, contract, grant, loan, and financial statement audits with nonmonetary recommendations.

BIENNIAL REVIEW OF FEES

OMB Circular A-25, *User Charges*, requires the biennial review of agency programs to determine whether fees should be charged for government goods or services, and to ascertain that existing charges are adjusted to reflect unanticipated changes in costs or market values.

The Department conducts a review of its programs biennially, with some bureaus conducting annual reviews. In the current review, it was noted that the Department is in compliance with the requirement to adjust its fees to meet the Circular A-25 requirement of full-cost recovery for user charges.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009 PROGRAMS

In FY 2009, Congress passed ARRA, providing funds for several agencies including the following within the Department: OIG, EDA, NOAA, NIST, and NTIA. The following section provides tables for each of the agencies that received funds that had results appearing in FY 2011 and beyond. The tables include: program name, funding amount, brief description of what the funds are provided for, performance measures/results, and comments if provided by the agencies.

BUREAU	OFFICE OF INSPECTOR GENERAL (OIG)			
PROGRAM	OFFICE OF INSPECTOR GENERAL			
Amount	\$16.0M (includes \$10 million for oversight of NTIA's Broadband Technology Opportunity Program)			
Description	These funds are for general oversight of the Department's ARRA activity. Early OIG uses include emphasis on training of grants and contract officers to alert them to the signs of potentially fraudulent or wasteful activity by grantees or contractors. The OIG audit work has included a review of the Department's pre-award process, the recipient reporting procedures required by ARRA, and the Department's implementation of the various grant programs. The OIG has put many of its resources into its oversight of NTIA's monitoring of its Broadband Technology Opportunities Program (BTOP) program because it was a new program with many first-time recipients of federal funds.			
Performance Measures/Results	MEASURES	FY	TARGET	ACTUAL
	Complaints - received	2010		16
		2011		17
	Whistleblower reprisal allegations:			
	● Received	2010		1
		2011		0
	● Accepted	2010		1
		2011		0
	Investigations:			
	● Closed without action	2010		2
		2011		10
	● Accepted for prosecution	2010		0
		2011		0
	● Prosecution denied	2010		0
		2011		0
	● Referred for alternative resolution	2010		0
		2011		0
	Audits/Inspections/Evaluations/Reviews:			
	● Final published work products	2010		7
		2011		4
	● Interim published work products	2010		3
		2011		1
● Unpublished work products	2010		0	
	2011		0	
Training/Outreach:				
● Training sessions provided	2010		24	
	2011		13	
● Individuals trained	2010		1,068	
	2011		1,459	
● Hours of training provided	2010		1,171	
	2011		1,629	
● Outreach sessions conducted	2010		7	
	2011		0	

BUREAU	ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)				
PROGRAM	ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS (EDAP)				
Amount	\$150.0M				
Description	<p>EDA will direct funding through its existing program structures. Since EDA has always engaged in the activities described in the ARRA, EDA will utilize the funding to accomplish the ARRA's purposes, which are consistent with its existing mission. Of the \$147 million allocated to EDAP (\$3 million was allocated to salaries and expenses (S&E)), EDA funded \$141.3 million in "brick and mortar" infrastructure investments. EDA gave preference to projects that have the potential to quickly stimulate job creation and promote regional economic development, such as investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation. Since ARRA calls on EDA to "give priority consideration to areas of the Nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring," EDA allocated funding to the regional offices using a hybrid of its traditional allocation formula. Given the changing economic conditions, EDA utilized an allocation method that minimized the use of lagging indicators. The Agency utilized three-month unemployment¹ figures, as this represented the most contemporary data on unemployment that was available, and allowed EDA to ensure resources were being directed to the areas with the greatest need.</p>				
Performance Measures/ Results	NAME	EXPLANATION	FY	TARGET	ACTUAL
	Percentage of ARRA construction grants investments that have been completed	A proxy measure for ensuring a high percentage of projects are expeditiously executed.	2011	10%	33%
	Percentage of ARRA award files audited meeting all compliance criteria	File must demonstrate ALL of the following for compliance: (1) recipient submitted ARRA-required jobs report on time OR the regional office notified recipient of a late report within 30 days; (2) recipient submitted all performance and financial reports on time OR the regional office notified recipient of a late report within 30 days; (3) all terms and conditions of the grant were fulfilled and documented OR the regional office took appropriate action; (4) all appropriate terms and conditions were included in the grant documents; and (5) the award file demonstrates that the regional office reviewed all recipient audits, as required by A-133, for findings and took appropriate action.	2011	90%	TBD
Comments	<p>EDA is working closely with ARRA grantees to ensure full compliance with the requirements of the act. EDA has held face-to-face meetings, conference calls, and Webinars as well as developed lessons-learned reports to educate ARRA grantees on recipient reporting requirements and deadlines.</p>				
<p>¹ When this measure was developed, OMB directed grantees to report cumulatively. However, subsequent OMB guidance directs grantees to provide FTE values on a quarterly basis, rather than cumulatively, and has directed agencies not to aggregate these values. Quarterly data are available at Recovery.gov.</p>					

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)			
PROGRAM	OPERATIONS, RESEARCH, AND FACILITIES			
Amount	\$230.0M			
Description	<p>Hydrographic Survey Backlog – \$40 million to reduce the critical hydrographic survey backlog by approximately 1,700 square nautical miles. The critical areas to be addressed have high commercial traffic or hazardous material transport, compelling requests from navigation services users, or seafloor areas that have not been surveyed to modern standards.</p> <p>Marine and Coastal Habitat Restoration – \$167 million to support mid and large-scale restoration projects addressing coral reef conservation, restoration of fish habitats that benefit commercial and recreational fisheries, recovery of endangered species such as salmon and sea turtles, and improvement of coastal resiliency in response to sea level rise and natural hazards.</p> <p>Environmental Reviews and Consultations – \$3 million to address the current backlog of Endangered Species Act (ESA) Section 7 consultations and, if required, environmental reviews and consultations associated with projects funded by ARRA.</p> <p>Vessel Maintenance and Repair – \$20 million to address critical repairs and replacements to NOAA's fleet of research and exploration vessels.</p>			
Performance Measures/ Results	MEASURE	FY	TARGET	ACTUAL
	Acres of habitat restored for ocean, coastal, and Great Lakes resources (GPRA)	2011	4,888	10,318
		2012	2,007	TBD
	Stream miles made accessible for ocean, coastal, and Great Lakes resources	2011	275	184
		2012	4	TBD
	ARRA cumulative number of FTE/quarter supported	2010	2,300	1,502
		2011	none set	TBD
	Hydrographic survey backlog within navigationally significant areas (square nautical miles surveyed per year)	2010	3,000	377
		2011	2,400	2,278
		2012	300	TBD
	Percentage of ARRA-related consultations conducted on time	2010	70	86
	Number of received ARRA-related requests for consultations versus the number of ARRA-related consultations completed	2010	100	TBD
	Percentage of planned milestones met for vessel maintenance and repairs	2010	80	51
		2011	100	100
Shoreline compilation completed	2010	3,757	456	
	2011	3,876	TBD	

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>
Program	OPERATIONS, RESEARCH, AND FACILITIES <i>(continued)</i>
Comments	<p>Habitat Restoration – NOAA is using GPRA, Corporate, and ARRA-specific measures to track program performance. Those are <i>Acre restored</i> (GPRA), <i>Stream miles opened</i> (Corporate), and the <i>Number of jobs created/sustained</i> (ARRA-specific). Since project selection, NOAA developed outcome-based ecological metrics by project type to measure the impact of groups of projects on coastal ecosystems.</p> <p>Hydrographic Survey Backlog – NOAA conducts hydrographic surveys to determine the depths and configurations of the bottoms of water bodies, primarily for U.S. waters significant for navigation. This activity includes the detection, location, and identification of wrecks and obstructions with side scan and multi-beam sonar technology and the global positioning system (GPS). NOAA uses the data to produce traditional paper, raster, and electronic navigational charts for safe and efficient navigation, and in addition to the commercial shipping industry, other user communities that benefit include recreational boaters, the commercial fishing industry, port authorities, coastal zone managers, and emergency response planners.</p> <p>Environmental Reviews and Consultations – NOAA focuses on the number of ARRA-related projects that NOAA has timely reviewed for environmental impacts so that action agencies may minimize and mitigate the impacts of these projects on the environment. Based on historical trend rates and available resources, NOAA expects to complete 70 percent of them on time. External federal agencies require consultations from the National Marine Fisheries Service on Endangered Species Act and essential fish habitat per the Endangered Species Act and Magnuson-Stevens Reauthorization Act.</p> <p>Vessel Maintenance and Repair – There has been an 89 percent increase in the number of significant mechanical/electronic failures on NOAA's ships and a 62 percent increase in lost days-at-sea for NOAA programs—from 184 days-at-sea in FY 2005 to 299 days-at-sea in FY 2008. It is critical to maintain NOAA's aging ships, while meeting increasingly restrictive maritime standards. There are a total of 45 milestones for all of the ships projects.</p>

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION
Amount	\$600.0M
Description	<p>NOAA Climate Computing and Modeling – \$170 million to accelerate and enhance NOAA’s High Performance Computing (HPC) capabilities.</p> <p>NEXRAD Dual Polarization Modification Acceleration – \$7.4 million to accelerate the NEXRAD Dual Polarization effort.</p> <p>Weather Forecast Office (WFO) Construction – \$9 million to accelerate WFO upgrade and modernization projects in Barrow and Nome, AK, as well as upgrades to the HVAC systems of other WFOs.</p> <p>Accelerate Satellite Development – \$74 million to accelerate funding for the National Polar-orbiting Operational Environmental Satellite System (NPOESS) and climate sensors on NOAA’s critical polar-orbiting satellites.</p> <p>Pacific Regional Center – \$154 million to complete the construction of the entire Pacific Regional Center on Ford Island in Honolulu, HI.</p> <p>Southwest Fisheries Science Center (SWFSC) – \$81.2 million to complete the design, construction, and occupancy of the replacement SWFSC facility in La Jolla, CA.</p> <p>Fairbanks Satellite Facility Construction – \$9 million to continue the replacement of the at-risk Fairbanks Operations Building in Fairbanks, AK.</p> <p>Facility Maintenance and Repair – \$15.6 million to fund facility maintenance and repair issues. NOAA will use this funding to address critical facility repair issues in order to ensure the health and safety of its employees.</p> <p>Fishery Survey Vessel Construction – \$79.8 million to complete the construction of a fisheries survey vessel (FSV6), an OSCAR DYSON class vessel, will replace the San Diego-based DAVID STARR JORDAN and is intended to serve the SWFSC. The ship will not be fully operational until FY 2014.</p>
Performance Measures/ Results	<p>NOAA Procurement, Acquisition, and Construction obligations for ARRA were \$580.6 million or 97 percent of the Congressional approved spend of \$600 million. Of the remaining funds, approximately \$16.7 million is classified as “lapsed obligations.” The lapsed obligations are from funds transferred to the U.S. Army Corps of Engineers for repair to NOAA’s Norfolk facility seawall, and the Department of Navy’s Naval Facilities Engineering Command for construction-related services required to construct the new Pacific Regional Center at Ford Island Hawaii that resulted in contract awards less than the money provided. The \$16.7 million to be returned as lapsed obligations resulted from acquisitions accomplished between September 1 and 24, 2010, too late for NOAA to reprogram to other ARRA projects. The following are the performance measures and outcomes:</p>

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>				
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION <i>(continued)</i>				
Performance Measures/ Results <i>(continued)</i>	MEASURE	FY	TARGET	ACTUAL	
	Severe weather warnings for tornados – Lead time	2010	12	14	
		2011	12	12 (target)	
		2012	13	TBD	
	Severe weather warnings for tornados – Accuracy	2010	70	72	
		2011	70	70 (target)	
		2012	72	TBD	
	Severe weather warnings for tornados – False alarm rate	2010	72	74	
		2011	72	72 (target)	
		2012	71	TBD	
	Severe weather warnings for flash floods – Lead time	2010	38	71	
		2011	38	38 (target)	
		2012	40	TBD	
	Severe weather warnings for flash floods – Accuracy	2010	72	79	
		2011	72	72 (target)	
		2012	74	TBD	
	Percentage of safety and conditions indices improvements for NOAA's facility maintenance and repair projects	2010	TBD		
		2011			
		2012			
	Percentage of planned milestones met for NPOESS program	2010	83%	83%	
Percentage of planned milestones met for climate instruments	2010	32	32		
	2011	37	TBD		
	2012	31			
Amount of megawatts saved from HVAC systems renovations	2010	120	90		
	2011	200	200 (target)		
	2012	200			
Increase number of fish stocks with fishery-independent data needed to support adequate assessments	2012	174			
	2013	184			
Increase the number of high priority protected species with fishery-independent data to support adequate population assessments	2013	13			
Increase number of program mission days-at-sea available to the Southwest Fisheries Science Center	2014	220			
Comments	<p>NEXRAD Radar Systems and Dual Polarization – These funds will accelerate the dual polarization effort of the next generation Doppler weather radar system (NEXRAD) that will allow signals to be transmitted and received in two dimensions, resulting in a significant improvement in precipitation estimation; improved ability to discriminate rain, snow, and hail; and a general improvement in data quality. The new system will improve flash flood warnings, improve precipitation estimates and severe weather detection, including snow storms and icing conditions for air and ground transportation. These funds will not impact this target until at least FY 2013. This is because forecasters need at least one full year of data before they can verify and adjust outyear targets; and, the kits will not be installed until early FY 2011.</p>				

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION <i>(continued)</i>
<p>Comments <i>(continued)</i></p>	<p>Percentage Safety and Conditions Indices Improvement at NOAA's Pacific Regional Center – NOAA will improve the safety and condition indices at NOAA's facilities through the collocation of NOAA employees on the island of Oahu at the Pacific Regional Center. This collocation will also support improved efficiency and effectiveness for employees in operations and mission performance by creating greater opportunity for program collaboration and synergy.</p> <p>Percentage Safety and Conditions Indices Improvement at NOAA's Fairbanks Satellite Operations Facility – NOAA will improve the safety and condition indices at NOAA's facilities through improving the health and safety of employees at the Fairbanks Satellite Operations Facility by providing a new building that mitigates the hazards of working within a seismic zone.</p> <p>Percentage Safety and Conditions Indices Improvement at NOAA's Regional Facilities – NOAA will improve the safety and condition indices at NOAA's facilities through mitigating the risks from facility deficiencies and health hazards, such as asbestos, the Galveston Laboratory, Geophysical Fluid Dynamics Laboratory, Marine Operations Center–Atlantic, Milford Laboratory, Panama City Laboratory, and SWFSC–Pacific Grove.</p> <p>Percentage Safety and Conditions Indices Improvement at NOAA's Southwest Fisheries Science Center – NOAA will improve the safety and condition indices at NOAA's facilities through replacing the SWFSC in La Jolla, CA, with a new, modern facility that will expand NOAA's ability to develop and apply advanced technologies for surveys of fisheries resources and their associated ecosystems and foster collaboration on fisheries management issues through the construction of a large sea and fresh-water test tank.</p> <p>Vessel Construction – The construction of a FSV6 vessel improves NOAA's ability to more accurately manage fisheries stocks. FSV6 will be designed and constructed with state-of-the-art technologies and specialized survey equipment, which will produce significantly higher quality at-sea data, improved quality-of-life outfitting and mission productivity. The enhanced FSV6 capabilities will deliver more precise and accurate NOAA stock assessments for more effective management of living marine resources.</p> <p>Cumulative Number of New Decadal Prototype Forecasts and Predictions Made with High-resolution Coupled Climate Model – Decadal prediction was initially targeted to be attacked with an intergovernmental panel on climate change—fourth assessment report class model with relatively low resolution. The ARRA computing has allowed the use of a coupled climate model with approximately four times the resolution. Research into decadal predictability will inform prototype forecasts incorporating new data assimilation schemes using this high-resolution model. This will provide, for the first time, scientifically credible, regional scale climate information, with estimates of uncertainty, to decisionmakers for improved management of water resources, the coasts, transportation infrastructure, agriculture, and other sectors impacted by climate, and to provide the Nation with early warnings of climate “surprises” resulting from climate variations on decadal timescales.</p>

(continued)

BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) <i>(continued)</i>
PROGRAM	PROCUREMENT, ACQUISITION, AND CONSTRUCTION <i>(continued)</i>
Comments <i>(continued)</i>	<p>Number of Regional Scale Projections for Assessments and Decision Support – Enhanced computing will enable regional scale projections and will contribute to international assessments (e.g., IPCC AR5, scheduled for 2013), national assessments under the U.S. Global Climate Research Program, and other assessments as requested. The number of meaningful regional projections possible will increase as NOAA’s earth system model increases in realism and complexity. Examples of regional scale projections include: regional sea level rise projections that require explicit representation of the global eddy field in the ocean models; projections of parameters essential to ocean and coastal ecosystem forecasting; assessment of regional carbon budgets; and projections of climate change in the Arctic region that require improved sea ice models. Better information in these areas will improve decisions in transportation, fisheries and other marine ecosystems, and emergency managers responsible for safety and infrastructure along the coasts.</p> <p>Percentage Uncertainty in Possible 21st Century Sea Level Rise (0-1m = 100% uncertainty) – This metric is calculated using the IPCC 4th Assessment Report estimates for the range of 21st century global-mean sea level rise. Completion of the proposed effort will reduce the uncertainties by almost half as a result of modeling that better captures the more accurate measurements of ice-sheet discharge, thermal expansion, and regional anomalies due to ocean circulation and heat storage. These model improvements are a direct result of ARRA-funded computing. Reducing the uncertainty in sea level rise will allow government and industry to have better information on projected sea level rise and therefore tailor their planning and actions to address the impacts.</p> <p>Cumulative Number of New Functionalities Incorporated into Earth System Model to Improve Realism of Climate Simulation – Improve the realism of the NOAA earth system models by closing the nitrogen and phosphorus cycles and improving the simulation of impacts of quality air on plant growth. Enhanced computing permits the implementation of mechanistic models of biospheric processes in a comprehensive earth system model which will reduce the uncertainty of future climate projections and provide more scientifically-credible information to managers of land and marine ecosystems and better estimates of carbon sources and sinks.</p> <p>Cumulative Number of Assessments of Carbon, Trace Gas and Aerosol Budgets and Feedbacks – Assessments are one of the principal means by which credible scientific information is communicated to policymakers and other stakeholders. Enhanced computing permits additional biogeochemical cycles to be included in NOAA earth system models and so assessments of impacts of these additional processes improve the scope and credibility of this information.</p> <p>Improved Treatment of Key Physical Processes in Climate Models Aimed at Improving: Model Performance, Understanding of Uncertainties, and Confidence in Climate Change Projection and Predictions – This performance measure will reflect more confident projections of key climate change impacts. Better scientific understanding of the key processes of clouds, aerosols, and water vapor in the earth system will lead to research advances built into climate models that will then produce better predictions and projections to address climate change impacts.</p> <p>Accelerate Satellite Observations</p> <p>Percentage of Planned Milestones Met for NPOESS program – NPOESS will conduct electrical payload critical path reduction in calendar year 2009 and calendar year 2010.</p> <p>Percentage of Planned Milestones for Climate Instruments – NOAA will accelerate the development of two climate sensors, TSIS and CERES. These climate sensors will improve the Nation’s ability to collect and distribute higher-resolution data and products to improve forecasts and climate monitoring. Corporate performance measures will be evaluated by monitoring the percent of planned contract milestones accomplished within 60 days of target. Nineteen major milestones are associated with these activities.</p>

BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST)
PROGRAM	SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES (STRS)
Amount	\$220.0M
Description	The ARRA includes \$220 million in STRS funding for “research, competitive grants, additional research fellowships and advanced research and measurement equipment and supplies,” as stipulated in the conference report to PL 111-5. The ARRA also provides for NIST \$20 million from the Department of Health and Human Services (HHS) for health information technology (IT), and \$12 million from the Department of Energy (DOE) for Smart Grid.
Performance Measures/ Results	<p>Use of NIST ARRA funding is targeted to have maximum impact on meeting the goals of the ARRA, including: creating jobs; promoting economic recovery; providing investments needed to increase economic efficiency by spurring technological advances in science; and making investments in areas of research that will provide long-term economic benefits.</p> <p>Advanced scientific equipment purchases from the STRS ARRA funding will have immediate and specific impacts on NIST’s technological capabilities and abilities to work in new areas and address more complex scientific challenges. To document these impacts, NIST is providing a series of examples in its ARRA reporting that illustrate the overall impact and outcomes of the NIST STRS ARRA equipment purchases. Illustrative impacts from these equipment purchases include:</p> <p>Biometrics Research Lab High-End Compute Nodes and 1b Memory Upgrade – The new High-End Compute nodes provided increased processing capacity for a biometrics research system at NIST which allowed the use of larger biometric sample sizes for larger scale testing in the Biometric Research Lab (BRL). BRL’s compute capacity was doubled resulting in twice the previous throughput in its biometric testing. The 1b memory upgrade permitted significantly larger biometric sample sizes for evaluations that will result in increased statistical confidence in measured results. The High-End Compute nodes and additional memory has allowed NIST to remain a leader in biometrics research as well as meet its Patriot Act mandates.</p> <p>Refrigerators and Freezers for SRM Cold Storage – The increase in cold storage units will allow the Standard Reference Materials (SRM) program to meet the growing needs of NIST to deliver temperature sensitive reference materials worldwide. SRMs are the definitive artifact-based source of measurement traceability in the United States and are certified in the NIST laboratories for their specific chemical and material properties. Customers use SRMs to achieve measurement quality and conformance to process requirements that address both national and international needs for commerce and trade and public safety and health.</p> <p>The table below reflects performance measures that were reported in Recovery.gov on May 15, 2009 for NIST’s STRS ARRA appropriations. NIST has been collecting ARRA performance data on a quarterly basis. Data is included in the table for each measure.</p>

(continued)

BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) <i>(continued)</i>			
PROGRAM	SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES (STRS) <i>(continued)</i>			
Performance Measures/ Results <i>(continued)</i>	MEASURES	FY	TARGET	ACTUAL
	Advanced Scientific Equipment:			
	● Dollars obligated	2009	\$20,000,000	\$22,458,461*
		2010	\$88,000,000	\$88,161,408*
		2011	0	\$(468,923)
	● Number of equipment purchased	2009	15	17
		2010	45	45
		2011	0	0
	Measurement Science and Engineering Grants program:			
	● Dollars obligated	2010	\$34,125,000	\$34,448,939
		2011	0	0
	● Number of awards	2010	20	27
		2011	0	0
	● Number of patent applications (lagging/outyear measure)	2009	0	0
		2010	0	1
		2011	0	11
	● Number of peer-reviewed technical publications (lagging/outyear measure)	2009	0	0
		2010	0	13
		2011	0	92
	● Number of licenses (lagging/outyear measure)	2009	0	0
		2010	0	0
		2011	0	0
	Postdoctoral Fellowships:			
	● Number of Postdoctoral Fellows	2009	48	52
		2010	35	38
		2011	13	17
	● Number of Postdoctoral Fellows retained after completion of tenure	2009	23	19
		2010	18	46
	2011	0	0	
Measurement Science and Engineering Fellowship program:				
● Dollars obligated	2010	\$19,500,000	\$19,500,000	
	2011	0	0	
Research Contracts:				
● Dollars obligated	2009	\$10,500,000	\$9,825,985**	
	2010	\$4,500,000	\$18,669,205**	
	2011	0	\$202	
● Number of contracts awarded (SBIR, Smart Grid, Cyber Security)	2009	34	33	
	2010	1	9	
	2011	0	0	
Information Technology Research Contracts:				
● Dollars obligated	2009	\$9,000,000	\$7,588,530	
	2010	0	\$1,195,138	
	2011	0	\$(1,676)	
<p>* Actual obligations were approximately \$2.6 million above cumulative planned Target levels as a result of lower expenses from management and oversight funds that were redirected toward more funding for equipment.</p> <p>**Approximately \$13.5 million was spent above cumulative Target levels as a result of additional funding provided to this activity from the mandated SBIR assessments on the ARRA Measurement Science and Engineering Grants (MSG&E) and Fellowships, Postdoctoral Research Fellowships, and Research Contracts amounts—and \$12 million in reimbursable funding received from the Department of Energy for Smart Grid.</p> <p>Further results are available on the NIST ARRA Web site at http://www.nist.gov/recovery/.</p>				

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BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) <i>(continued)</i>
PROGRAM	SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES (STRS) <i>(continued)</i>
Comments	The measurements, standards, and technologies that are the essence of the work done by NIST's laboratories help U.S. industry and science to invent and manufacture superior products and to provide services reliably. NIST's programs are driven by six investment priority areas that address national priorities: Energy, Environment, Manufacturing, Health Care, Physical Infrastructure, and Information Technology. Funds provided by the ARRA will enhance NIST's efforts on the six investment priority areas by providing the "tools" and knowledge base needed to make progress.

BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST)
PROGRAM	CONSTRUCTION OF RESEARCH FACILITIES
Amount	\$360.0M
Description	The ARRA includes \$360 million for NIST activities funded in the Construction of Research Facilities appropriation. Of this amount, \$180 million supports NIST Construction Projects and the remaining \$180 million funds competitive construction grants awarded to U.S. universities, colleges, and not-for-profit research organizations.
Performance Measures/ Results	Use of NIST ARRA funding was targeted to have maximal impact on meeting the goals of ARRA, including creating jobs, promoting economic recovery, providing investments needed to increase economic efficiency by spurring technological advances in science, and making investments in areas of research that will provide long-term economic benefits. The table below reflects performance measures that were reported in Recovery.gov on May 15, 2009 for NIST's Construction of Research Facilities ARRA appropriations. NIST has been collecting ARRA performance data on a quarterly basis. Data is included in the table for each measure.

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BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) <i>(continued)</i>			
PROGRAM	CONSTRUCTION OF RESEARCH FACILITIES <i>(continued)</i>			
Performance Measures/ Results <i>(continued)</i>	MEASURES	FY	TARGET	ACTUAL
	NIST construction projects:			
	● Dollars obligated	2009	\$26,300,000	\$10,956,133
		2010	\$153,700,000	\$164,362,072
		2011	0	\$1,099
	● Number of facilities renovated	2009	0	0
		2010	0	0
		2011	1	1
	● Number of facilities constructed	2009	0	0
		2010	0	0
		2011	0	0
	Construction Grants (approximately \$60M):			
	● Dollars obligated	2009	\$60,000,000	\$55,536,981
		2010	0	0
		2011	0	0
	● Number of grants awarded	2009	5	4
		2010	0	0
		2011	0	0
	● Number of research science facilities completed	2009	0	0
		2010	0	0
	2011	1	1	
Construction Grants (approximately \$120M):				
● Dollars obligated	2009	0	0	
	2010	\$120,000,000	\$123,517,167*	
	2011	0	0	
● Number of grants awarded	2009	0	0	
	2010	10	12	
	2011	0	0	
● Number of research science facilities completed	2009	0	0	
	2010	0	0	
	2011	1	1	
	* FY 2010 Actual obligations are approximately \$3.5 million above the cumulative Target levels as a result of redirecting excess funding from the first round Construction Grants competition (\$60M) into the second round competition (\$120M).			
Comments	<p>The measurements, standards, and technologies that are the essence of the work done by NIST's laboratories help U.S. industry and science to invent and manufacture superior products and to provide services reliably. NIST manages some of the world's most specialized measurement facilities where cutting-edge research is done in areas such as new and improved materials, advanced fuel cells, and biotechnology. Critically needed research facilities will help keep the Nation at the forefront of cutting-edge research and ensure that U.S. industry has the tools it needs to continually improve products and services. The investment now in these advanced research facilities will be recouped many times over in increased U.S. innovation, a critical ingredient for improved productivity and job creation. The construction projects will use green technologies where possible, and will improve energy efficiency and environmental performance of NIST facilities.</p>			

BUREAU	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA)
PROGRAM	BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)
Amount	\$4,700.0M
Description	<p>ARRA provided \$4.7 billion to NTIA to establish BTOP to increase broadband access and adoption; provide broadband training and support to schools, libraries, healthcare providers, and other organizations; improve broadband access to public safety agencies; and stimulate demand for broadband. ARRA further provided funding to NTIA to develop and maintain a comprehensive nationwide inventory map of broadband service capability and availability, and to implement the State Broadband Data and Development Act and the Broadband Data Improvement Act.</p> <p>Following a rigorous application and review process documented in previous quarterly reports, NTIA invested approximately \$4 billion in 233 BTOP projects benefitting every state, territory, and the District of Columbia. This BTOP portfolio of projects initially included:</p> <ul style="list-style-type: none"> ● 123 infrastructure projects totaling \$3.5 billion in federal grant funds to construct broadband networks; ● 66 public computer center (PCC) projects totaling \$201 million in federal grant funds to provide access to broadband, computer equipment, computer training, job training, and educational resources to the public and specific vulnerable populations; and ● 44 sustainable broadband adoption (SBA) projects totaling \$250.7 million in federal grant funds to support innovative projects that promote broadband adoption, especially among vulnerable population groups where broadband technology traditionally has been underutilized. <p>The infrastructure projects include seven grants totaling approximately \$382 million for projects to deploy public safety wireless broadband networks.</p> <p>Additionally, through the State Broadband Initiative (SBI), NTIA granted approximately \$293 million BTOP funds to 56 recipients, one each from the 50 states, five territories, and the District of Columbia, or their designees. With this funding, states are gathering data biannually on the availability, speed, and location of broadband services, as well as the broadband services used by community institutions such as schools, libraries, and hospitals. NTIA is using the data to update the publicly searchable, interactive National Broadband Map, which was launched on February 17, 2011, in accordance with the ARRA's requirements. These grants also support state efforts to foster the efficient and creative use of broadband technology to better compete in the digital economy. These state-led efforts vary depending on local needs but include programs to assist small businesses and community institutions in using technology more effectively, research to investigate barriers to broadband adoption, innovative applications that increase access to government services and information, and state and local task forces to expand broadband access and adoption.</p>

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BUREAU	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA) <i>(continued)</i>				
PROGRAM	BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP) <i>(continued)</i>				
Performance Measures/ Results	Current and planned performance measures include:				
		FY 2011 TARGET	FY 2011 ACTUAL	FY 2012 TARGET	FY 2013 TARGET
	New broadband network miles deployed	10,000	18,545 ¹	30,000	50,000
	Community anchor institutions with new or improved access to broadband services	3,000	1,322 ¹	10,000	15,000
	New public computer center workstations installed and available to the public	10,000	16,060 ¹	20,000	25,000
	New sustainable broadband adoption subscribers (households, businesses, and/or institutions)	100,000	111,829	250,000	350,000
¹ As of June 30, 2011.					

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. The 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 2011 Budget. The Priority Goals 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).

GOAL	2010 DECENNIAL CENSUS: 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.)		
BUREAU	CENSUS BUREAU		
Performance Measures	Achieve an accuracy level of an overall net coverage error at the national level of less than one-half of one percent.		
Description	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	Fiscal Year	Target	Actual
	1991		1.61%
	2003		-0.49%
	2012	+/-0.5%	Results expected in FY 2012
Milestones	Deliver 2010 Census Questionnaires: Completed by April 9, 2010. Delivered 2010 Census questionnaires which consisted of the mailing of advance letters, initial questionnaires, reminder postcards, and replacement mailings.		
	Update Leave and Update Enumerate: Completed by June 1, 2010. Conducted update leave and update enumerate operations in which enumerators deliver census questionnaires or conduct interviews in communities that may not have a house number and street name address.		
	Group Quarters Enumeration: Completed enumeration of group quarters. The operation consists of the field enumeration of individuals in group quarters, such as college dormitories, correctional facilities, military vessels, and nursing facilities.		
	Nonresponse Follow-up: Completed by July 10, 2010. Conducted nonresponse follow-up operation which includes follow-up visits and phone calls to all housing units that did not respond to the mailout questionnaires.		

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GOAL	2010 DECENNIAL CENSUS: Effectively execute the 2010 Census, and provide the states with accurate and timely redistricting data. (continued)
BUREAU	CENSUS BUREAU (continued)
Milestones (continued)	<p>Coverage Follow-up: Completed coverage follow-up operation which resolves erroneous information in initial census operations.</p> <p>Vacant Delete Check: Completed vacant delete check operation by confirming vacant or nonexistent housing unit statuses identified during nonresponse follow-up.</p> <p>Census Coverage Measurement: Operations for census coverage measurement. These are independent of the other census operations. They are designed to provide estimates of net coverage error and erroneous enumerations for persons in housing units and for the housing units themselves.</p>

GOAL	INTELLECTUAL PROPERTY (IP) PROTECTION: Reduce patent pendency for first action and for final actions from the end of 2009 levels of 25.8 and 34.6 months respectively by the end of 2011, as well as the patent backlog.							
BUREAU	U.S. PATENT AND TRADEMARK OFFICE (USPTO)							
Performance Measures	First Action Patent Pendency		Final Action Patent Pendency		Patent Backlog			
Description	This 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 mailing the first office actions.		This 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.		This measure tracks the number of patent applications awaiting first action review by an examiner.			
Results	Fiscal Year	Target	Actual	Target	Actual	Target	Actual	
	2003	18.4	18.3	27.7	26.7	484,700	457,274	
	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	25.7			34.1		635,700	
	2012	19.3			34.7		556,800	
	2013	14.9			28.3		477,800	
	2014	10.9			23.9		410,300	
2015	10.2			19.9		377,000		

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GOAL	INTELLECTUAL PROPERTY (IP) PROTECTION: Reduce patent pendency for first action and for final actions from the end of 2009 levels of 25.8 and 34.6 months respectively by the end of 2011, as well as the patent backlog. (continued)
BUREAU	U.S. PATENT AND TRADEMARK OFFICE (USPTO) (continued)
Milestones	<p>Re-engineer the Examiner Count System: During this fiscal year, the USPTO worked to re-engineer the entire patent examination system to improve workload prioritization, decrease duplicative work, and streamline reviews in collaboration with applicants. Establishing and improving mechanisms that would result in accelerated examination were critical to this effort. Accelerating the patent process and boosting patent quality are essential in translating inventors' ideas into job-creating businesses that spur economic growth and ensure U.S. competitiveness in the global market. In recognizing that applicants' needs vary in patent prosecution time as well as in application costs, this has resulted in the development and implementation of new programs aimed at meeting these varied needs of stakeholders.</p> <p>Project Exchange: The Project Exchange program allows advancement of applications out of turn in exchange for express abandonment of another application. The Project Exchange enables applicants to determine and prioritize their applications, thus freeing examiners from reviewing applications that are no longer of value to their owners while also stimulating a reduction of the backlog of unexamined patent applications pending before USPTO. The program was intended for use by small entities, but was expanded to include any and all applications.</p> <p>Measurement and Tracking of Patent Quality: USPTO has adopted new, more comprehensive procedures for measuring the quality of patent examination. These new measurement procedures were crafted by a joint USPTO-Patent Public Advisory Committee (PPAC) Task Force after extensive consultation with the intellectual property community and the public. The new procedures measure seven diverse aspects of the examination process to form a more comprehensive composite quality metric. To present, a balanced approach to measurement of examination quality, these new procedures include new measures that assess the degree to which the examiner's action complies with best practices in conducting the search and initial examination. This approach does not attempt to alter any of the standards for examination or patentability, but to better educate and enable participants in the patent process to comply with existing standards.</p> <p>Improve and Provide More Effective Training: Training both patent managers and examiners continues to be an important element for achieving quality patent examination. Particular focus was given to providing Supervisory Patent Examiners (SPE) with a Leadership Development Program. Patent managers and supervisors participated in a newly developed, state-of-the-art leadership development program to enhance their supervisory skill set. The Office of Patent Training's (OPT) New Examiner Training program continues to evolve in order to meet the changing needs of USPTO. The program has been re-engineered to serve two different groups of new hires. An Experienced IP Program is a four-week, accelerated training program for examiners who have prior IP experience. Also, a two-phase, 12-month program that consists of a four-month training curriculum integrated with examination followed by an eight-month advanced examination training program after the examiners transition to the Technology Centers.</p> <p>The OPT also provided training for new SPEs. This program provided training for SPEs at time of their selections. The program also encompasses more advanced topics during a second phase of training offered approximately four months later.</p> <p>The OPT provided Refresher Training on various examination specific topics from the application of regulations and statutes and other topics that aid an examiner in their examination efficiencies. The Refresher Training was designed to improve examiner communication and examination skills and encouraged examiners to hold interviews throughout prosecution to prevent unnecessary Requests for Continued Examinations. The OPT will continue to enhance and expand the courses being offered.</p>

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GOAL	INTELLECTUAL PROPERTY (IP) PROTECTION: Reduce patent pendency for first action and for final actions from the end of 2009 levels of 25.8 and 34.6 months respectively by the end of 2011, as well as the patent backlog. (continued)
BUREAU	U.S. PATENT AND TRADEMARK OFFICE (USPTO) (continued)
Milestones (continued)	<p>Ombudsman Pilot Program: The USPTO Ombudsman program is intended to provide patent applicants, attorneys, and agents assistance with application-specific issues including concerns related to prosecution advancement. The objective is to quickly resolve issues, and thereby to decrease pendency. Early last year, we launched our Patents Ombudsman Pilot Program as part of our strategic priorities to increase patent processing effectiveness, provide new channels to help resolve issues, and improve relations with the USPTO stakeholder community.</p> <p>Develop and Implement the Patent End-to-End Processing System: USPTO legacy patent systems are based on obsolete technologies that are difficult to maintain, leaving USPTO highly vulnerable to disruptions in patent operations. Patents databases are among the world's largest, and continue to grow at multiple terabytes per year, further raising the possibility of failure. Automation of many manual business functions has been deferred because of the limitations of legacy systems. A new generation of patent systems is needed, built upon modern data formats to provide end-to-end electronic processing. A first deliverable will be the delivery prototype core patent processing infrastructure.</p> <p>Prioritize Work – Green Technology Acceleration: Green technology acceleration allows inventors to accelerate applications in certain technologies. Pending patent applications in green technologies are eligible to be accorded special status and given expedited examination; the Green Technology Pilot Program will accelerate the development and deployment of green technology, create green jobs, and promote U.S. competitiveness in this vital sector. Patent applications are normally taken up for examination in the order that they are filed. Under the pilot program, for the first 3,000 applications related to green technologies in which a proper petition is granted, the Agency will examine the applications on an accelerated basis. Upon granting 3,000 petitions, USPTO may reevaluate the workload and resources needed to extend the pilot program.</p> <p>Hire Patent Examiners: USPTO has launched a targeted hiring program which focuses on recruiting experienced former examiners and IP professionals who can get up to speed examining patent applications with a minimal amount of training time.</p> <p>Target Overtime to High Backlog Areas: Strategically target overtime to Technology Center units with highest backlogs and permit other examiners to work overtime in the targeted areas. Overtime is a critical element of USPTO's plan to reduce the backlog of pending patent applications and to achieve its pendency goals. Over the years, overtime has proven to be more efficient on a per hour basis than equivalent regular time hour, since each overtime hour worked is directly tied to production output. Overtime also allows USPTO to manage its workload without adding additional new hires. Its inherent flexibility allows the Agency to further expand its production capacity while maintaining optimal staffing levels. Based on funding availability, USPTO plans to prioritize the use of overtime and target areas with highest backlogs first, then other areas as resources permit.</p> <p>Institute a "Nationwide Workforce": USPTO will develop a nationwide workforce using telework which will allow it to hire experienced IP professionals interested in joining USPTO, but who do not want to relocate to the Washington, D.C. region. It is expected that this different hiring demographic will provide a more productive and balanced workforce, lower attrition, and faster transition to productivity for new hires. USPTO is forecasting to hire 25 examiners per quarter.</p> <p>Reformulate Performance Appraisal Plans: Senior executive service performance appraisal plans will continually be revised to ensure that they are more aligned with the strategic plan goals and objectives, and flexible enough to adapt to changing conditions.</p>

GOAL	COASTAL AND OCEAN RESOURCE MANAGEMENT: Ensure environmentally and economically resilient oceans, coasts, and Great Lakes communities, with healthy and productive ecosystems.						
BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)						
Performance Measures	Ensure that all 46 federal fishery management plans have required catch limits to end overfishing in place by the end of 2011.			Reduce the number of stocks subject to overfishing to zero by the end of 2011.		Improve the Fish Stock Sustainability Index (FSSI) to 586 by the end of 2011.	
Description	This measure tracks the number of federal fishery management plans in place that require annual catch limits and accountability measures to end overfishing by the end of 2011. NOAA staff track the status of annual catch limits implementation using information from the eight regional Fishery Management Councils and NOAA Fisheries regional offices. Fishery management processes were established by Congress, which has established the role of the Fishery Management Councils in developing fishery management plans.			This is the number of non-exempt overfishing stocks not being fished under an annual catch limit. Assessments in future years will confirm that overfishing has ended.		The FSSI is a measure of stock status, including overfishing and overfished. The target represents a four percent increase above the FSSI score at the end of 2009. (Because the FSSI does not score a stock as "not subject to overfishing" until such status has been confirmed through a stock assessment, the improvements made to end overfishing will not be fully reflected in the FSSI score until the stock has been assessed.)	
Results	Fiscal Year	Target	Actual	Target	Actual	Target	Actual
	2003		N/A		34		N/A
	2004		N/A		36		N/A
	2005		N/A		36		481.5
	2006		N/A		39	507	501
	2007		0		35	505	516
	2008		0		31	530.5	535
	2009		1		24	548.5	565.5
	2010	5	5	15	14	580	582.5
	2011	23		0		586	
Milestones	Ensure all 46 Federal Fishery Management Plans Have Required Catch Limits to End Overfishing: As of June 30, 2011, 14 fishery management plans had annual catch limits in place: Fish Resources of the Arctic; Consolidated Atlantic Highly Migratory Species; Northeast Skate; Bering Sea and Aleutian Islands Groundfish; Gulf of Alaska Groundfish; Pacific Coast Groundfish; Atlantic Herring; Atlantic Salmon; Monkfish; Hawaii Archipelago; American Samoa; Mariana Archipelago; Pacific Remote Island Areas; and Western Pacific Pelagic Fisheries.						

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GOAL	COASTAL AND OCEAN RESOURCE MANAGEMENT: Ensure environmentally and economically resilient oceans, coasts, and Great Lakes communities, with healthy and productive ecosystems. (continued)
BUREAU	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) (continued)
Milestones (continued)	<p>Reduce the Number of Stocks Subject to Overfishing to Zero by the End of 2011: As of June 30, 2011, all non-exempt stocks subject to overfishing have management measures in place to end overfishing. There are still five overfishing stocks without annual catch limits in place, due to a delay in conducting an ESA Section 7 biological opinion on the action; however, the council has taken final action to recommend these annual catch limits. Eight additional stocks are subject to overfishing due to international fishing efforts, but are exempt from the requirement for annual catch limits because U.S. fishing management measures cannot independently end overfishing on these stocks.</p> <p>Increase the FSSI to 586 by the End of 2011: The index is a measure of fish stock status that includes fishing rates and population levels. As of June 30, 2011, the index was at 585.5 out of a possible 920, up from 582.5 in 2010 and 481.5 in 2005. The National Marine Fisheries Service is targeting the index to increase to 586 by the end of FY 2011. Progress in NOAA's efforts to end overfishing and to rebuild overfished stocks to healthy population levels continue to increase the FSSI score. During FY 2011, red hake in the Gulf of Maine and Pacific Cod (which were newly assessed) were found not to be subject to overfishing. In the Northeast region, Gulf of Maine Haddock is now rebuilt. These and other improvements in stock status increased the FSSI by three points during the year, advancing the Agency toward its goal of reaching a score of 586 by the end of 2011, which it reached with a 587.</p> <p>Provide Updated Fishery Stock Assessment Reports to Regional and International Management Agencies: The National Marine Fisheries Service Fisheries Science Centers annually collect, analyze, and interpret information on the status of managed fish stocks to meet requirements of the Magnuson-Stevens Act and international agreements. Approximately 80 individual assessments are conducted and peer-reviewed through region-specific processes and priorities based on national guidelines. Assessment results are used to implement updates to fishery quotas and other management measures, determine the status of fish stocks with respect to overfishing criteria, and track rebuilding of previously overfished stocks. These assessments also provide information for calculating the FSSI and the scientific basis for implementing annual catch limits.</p>

GOAL	BROADBAND ACCESS: Efficiently and effectively implement the Broadband Technology Opportunities Program (BTOP), to expand service to communities in a cost-effective manner that maximizes impacts on economic growth, education, health care, and public safety.									
BUREAU	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA)									
Performance Measures	Miles of broadband networks deployed (Infrastructure Projects)			Community anchor institutions connected (Infrastructure Projects)			New and upgraded public computer workstations (Public Computer Centers Projects)		New household and business subscribers to broadband (Sustainable Broadband Adoption Projects)	
Description	<p>BTOP is funding projects that provide broadband service in unserved areas and enhance broadband service in underserved areas of the United States. The BTOP portfolio of projects initially included 123 infrastructure projects totaling \$3.5 billion in federal grant funds to construct broadband networks and to connect "community anchor institutions" such as schools, libraries, hospitals, and public safety facilities. BTOP infrastructure projects are deploying a variety of technologies and approaches to enhance the Nation's broadband capabilities. This measure's target is the number of miles of network (e.g., fiber, microwave) deployed using BTOP funding. The American Recovery and Reinvestment Act (ARRA) provided all of BTOP's grants funding.</p>			<p>ARRA places a high priority on deploying and enhancing broadband capabilities for community anchor institutions such as libraries, hospitals, schools, and public safety entities. The BTOP portfolio of projects initially included 123 infrastructure projects totaling \$3.5 billion in federal grant funds to construct broadband networks and to connect "community anchor institutions" such as schools, libraries, hospitals, and public safety facilities. This measure's target is the number of anchor institutions connected with new or improved broadband capabilities. ARRA provided all of BTOP's grants funding.</p>			<p>BTOP grants are funding expansion of public computer center (PCC) capacity. The BTOP portfolio of projects initially included 66 PCC projects totaling \$201 million in federal grant funds to provide access to broadband, computer equipment, computer training, job training, and educational resources to the public and specific vulnerable populations. This measure's target is the number of new and improved computer workstations funded through the BTOP PCC category of funding. ARRA provided all of BTOP's grants funding.</p>		<p>The BTOP portfolio of projects initially included 44 sustainable broadband adoption (SBA) projects totaling \$250.7 million in federal grant funds to support innovative projects that promote broadband adoption, especially among vulnerable population groups where broadband technology traditionally has been underutilized. This measure's target is the number of new household and business subscribers to broadband generated by projects funded through the BTOP SBA category of funding, as reported by awardees.</p>	
Results	Fiscal Year	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
	2010	New	N/A	New	N/A	New	N/A	New	N/A	
	2011	10,000	18,545 ¹	3,000	1,322 ¹	10,000	16,060 ¹	100,000		
¹ As of June 30, 2011.										

GOAL	EXPORT OPPORTUNITIES: Increase the annual number of small and medium-sized enterprises (SME) the Commercial Service successfully assists in exporting to a second or additional country by 40 percent from 2009 to 2011.		
BUREAU	INTERNATIONAL TRADE ADMINISTRATION (ITA)		
Performance Measures	Increase the annual number of small and medium-sized enterprises (SME) the Commercial Service successfully assists in exporting to a second or additional country by 40 percent from 2009 to 2011.		
Description	This metric demonstrates ITA's effectiveness at helping companies, particularly SMEs, export to a country for the first time. It counts the number of SMEs, which are defined as U.S. companies with less than 500 employees, that achieve an export to a country they have not exported to in 12 months due in part to Commercial Service assistance. This assistance includes but is not limited to in-depth market entry counseling, business-to-business matchmaking, market research and intelligence, trade show support, and due diligence on foreign buyers and partners. Although data was collected for this metric starting in FY 2001, it was not formally adopted as a performance measure until FY 2009 following an analysis of historical data that showed declining results starting in FY 2006. In response to this trend, the Commercial Service adopted this performance measure in FY 2009 with aggressive targets for FY 2009 and FY 2010 set to exceed historical performance. Since that time, the Commercial Service has reupped its commitment to helping companies enter new markets by setting an even more ambitious target for FY 2011.		
Results	Fiscal Year	Target	Actual
	2003		
	2004		2,828
	2005		2,943
	2006		2,569
	2007		2,453
	2008		2,197
	2009	3,130	2,876
	2010	3,176	2,813
	2011	3,700	3,186
Milestones	National Export Marketing Campaign Plan: Completed by March 19, 2010. Drafted a new national data-mining, lead-generation, and marketing plan that leverages the Commercial Service strategic partnerships to help U.S. companies expand exports from one to multiple markets.		
	National Export Marketing Campaign Phase 1: Refined contact lists of SME exporters provided by strategic partners to just high potential leads. Designed marketing materials and created online content. Trained the Commercial Service and strategic partner staff on the program.		
	National Export Marketing Campaign Phase 2: Initial marketing push to a subset of the contact list. Tracked results and adjusted process as needed.		
	National Export Marketing Campaign Phase 3: Rolled out marketing campaign and tracked results.		
	International Buyer Program Expansion Plan: Completed by March 19, 2010. Drafted a plan to increase the dollar value of exports resulting from foreign buyer attendance at U.S. trade shows.		
	International Buyer Program Expansion Phase 1: Conducted targeted outreach to trade show organizers, industry associations, and the international business community.		

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GOAL	EXPORT OPPORTUNITIES: Increase the annual number of small and medium-sized enterprises (SME) the Commercial Service successfully assists in exporting to a second or additional country by 40 percent from 2009 to 2011. (continued)
BUREAU	INTERNATIONAL TRADE ADMINISTRATION (ITA) (continued)
Milestones (continued)	<p>International Buyer Program Expansion Phase 2: Worked with trade show organizers to develop customized programs to fit the needs and interests of companies in the industry. Coordinated with domestic and international Commercial Service field staff and other U.S. government agencies to provide hands-on assistance including export counseling, marketing analysis, and matchmaking services on-site at U.S. trade shows.</p> <p>MDCP Plan: Completed by March 19, 2010. Developed a plan to increase the Market Development Cooperator Program (MDCP)-related exports and expedite the timeline to award MDCP recipients in FY 2010.</p> <p>MDCP Phase 1: Completed by April 19, 2010. Expedited application deadline for FY 2010 (ITA received 50 MDCP applications).</p> <p>MDCP Phase 2: Announced MDCP award recipients in mid-July and developed export action plans.</p> <p>Services Industry Export Expansion Plan: Completed by March 19, 2010. Developed services export expansion plan to identify and focus on key growth industries in targeted markets, including travel and tourism. Also, leveraged financial services and supply chain/infrastructure services to facilitate goods exports.</p> <p>Services Industry Export Expansion – Supply Chain/Infrastructure Outreach: Expanded supply chain/infrastructure outreach focus groups in Atlanta, Chicago, New Orleans (subject to oil spill resource limitations locally), and Seattle.</p> <p>Services Industry Export Expansion – Services Trade Data: Expanded the Services Trade Data conference to bring together the results of the preceding focus groups and define larger objectives for data issues going forward.</p> <p>Services Industry Export Expansion – Trade Finance Seminars: Expanded trade finance seminars in Miami, FL, Cleveland, OH, Philadelphia, PA, Pittsburgh, PA, and Southern California to bring together exporters with regional and community lenders to facilitate financing of U.S. exports. Engaged tourism policy counterparts to expand high growth export markets.</p> <p>Services Industry Export Expansion – Tourism: Secretary Locke chaired the first meeting of the interagency Tourism Policy Council (TPC) on April 27. The working group on implementing the Travel Promotion Act met on May 13 and participants discussed progress on the fee that will fund the Corporation for Travel Promotion. The second TPC Working Group Meeting on was held on June 29. Subsequent TPC meetings are being scheduled.</p> <p>Green Exporter Outreach Plan: Completed by March 19, 2010. Developed a plan to identify and target U.S. companies with green technology solutions, and improve coordination and delivery of U.S. government services to the clean energy sector.</p> <p>Green Exporter Outreach Phase 1: Conducted targeted trade promotion and policy events. Developed a Competitive Assessment to (1) establish a baseline of U.S. green technology exports; and (2) articulate a common U.S. government understanding of the current competitiveness of the U.S. clean energy industry.</p> <p>Green Exporter Outreach Phase 2: Launched the Renewable Energy and Energy Efficiency (REEE) Export Strategy to double U.S. REEE exports in five years.</p>

GOAL	SUSTAINABLE MANUFACTURING AND BUILDING PRACTICES: Raise the number of firms adopting sustainable manufacturing processes through the NIST Manufacturing Extension Partnership (MEP) by 250 by the end of 2011. Raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or a comparable third-party certification program to 12 percent.				
BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) AND ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)				
Performance Measures	Raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or a comparable third-party certification program to 12 percent.		Raise the number of firms adopting sustainable manufacturing processes through the NIST Manufacturing Extension Partnership by 250 by the end of 2011.		
Description	FY 2011 targets are based on FY 2011 Global Climate Change Mitigation Incentive Fund (GCCMIF) funding being similar to that of FY 2010. Data and targets are cumulative toward the end of FY 2010 fourth quarter and resets in FY 2011 first quarter to be cumulative toward FY 2011 fourth quarter. EDA may be modifying its grant application process, including the establishment of quarterly deadlines for the submittal and review of applications. As such, there may be an opportunity to set more "level" targets for the Priority Goals in FY 2011. However, as the largest program contributor to the Priority Goals, the GCCMIF—and its associated late-fiscal year Congressional approvals/requirements—will prevent a complete leveling of targets.		This measure tracks the number of firms adopting economically and environmentally sustainable practices and products through the NIST Hollings MEP program.		
Results	Fiscal Year	Target	Actual	Target	Actual
	2008		7%		
	2009		9%		46
	2010	12%	12%	173	266
	2011	12%		296	724
	* As with any new service, MEP's piloted efforts focused on providing environmentally sustainable services to U.S. manufacturers. During the pilot phase, the service offerings were more successful than planned. Due to the expanded partnering efforts of resources from the Department with the Department of Energy and the Environmental Protection Agency, MEP was extremely successful in engaging with a broader number of manufacturing firms than originally estimated. In addition, the E3 community approach to pull together local resources with federal resources to address specific environmental concerns expanded more quickly across multiple regions of the country than envisioned.				

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GOAL	SUSTAINABLE MANUFACTURING AND BUILDING PRACTICES: Raise the number of firms adopting sustainable manufacturing processes through the NIST Manufacturing Extension Partnership (MEP) by 250 by the end of 2011. Raise the percentage of construction projects involving buildings or structures funded by Economic Development Assistance Programs that are certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or a comparable third-party certification program to 12 percent. <i>(continued)</i>
BUREAU	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST) AND ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) <i>(continued)</i>
Milestones	<p>Manufacturing Extension Partnership (MEP): To raise the number of firms adopting sustainable manufacturing processes through the NIST MEP by 250 by the end of 2011, MEP is working to expand the capacity of the existing and partner resources to support additional Economy, Energy and Environment (E3) Initiative (www.e3.gov) community activities and the Green Suppliers Network (GSN) program (www.greensuppliers.gov).</p> <p>While NIST achieved its Priority Goal of raising the number of firms adopting sustainable manufacturing processes with over 700 firms beginning the journey towards adoption of these practices by the end of the fourth fiscal year quarter of 2011. MEP will continue to focus on actively expanding partnerships and focus on providing manufacturers with tools and services to help companies and communities adopt sustainable practices. As part of this effort, MEP is engaged in expanding the capacity of the existing and partner resources to support additional E3 efforts as well as increase awareness of synergies with the GSN. In parallel, MEP is establishing a sustainability growth model for engagements with small and medium-sized enterprises (SME) to serve as a framework for companies to respond to both sustainability-related cost reduction and business growth opportunities. In addition to the active and pilot E3 project locations in Alabama, Michigan, North Carolina, Ohio, South Carolina, Texas, West Virginia, and Wisconsin, a number of other states are working with MEP to develop E3 projects.</p> <p>Leadership in Energy and Environmental Design (LEED) Construction Projects: EDA will monitor progress on a quarterly basis by tracking the number of projects that are LEED certified and aim to meet the 12 percent threshold by the end of the fiscal year. EDA has already implemented Environmentally Sustainable Development as one of its six core funding priorities. Accordingly, EDA will give priority to projects that build the green economy in its evaluation of all project proposals (not just GCCMIF). EDA also contemplates including a measure related to this in its balanced scorecard metrics.</p>

