



National Oceanic Atmospheric Administration



National Environmental Satellite, Data, and Information Service

User Fee Policy and Procedures

October 1, 2008



Table of Contents

PURPOSE AND SCOPE	3
BACKGROUND	3
LEGAL AUTHORIZATIONS AND APPLICABLE REFERENCES	3
SPECIFIC GUIDANCE AND RESPONSIBILITIES	5
BASIS OF FEE ASSESSMENT	5
PROCEDURES FOR COMPLETING COST COMPUTATION FORMS.....	6
ANNUAL REPORT OF USER FEES.....	6
FEDERAL REGISTER PROCESS	7
FREE DATA	7
DATA EXCHANGE.....	8
FREEDOM OF INFORMATION ACT (FOIA).....	8
DATA SALES AND DEPOSITS.....	9
COLLECTIONS FROM DATA SALES	9
DATA SALES COLLECTIONS – BUDGET EXECUTION PROCESS	10
CARRYOVER AMOUNTS.....	10
Appendix A: FY 2007 User Fee Review Report Recommendations	11
Appendix B: NESDIS User Fee Data Call Schedule	12
Appendix C: NESDIS User Fee List of Contacts	13
Appendix D: NOAA Data Center Cost Computation Preparation Guidelines	14

PURPOSE AND SCOPE

The National Environmental Satellite, Data, and Information Service (NESDIS) User Fee Policy and Procedures serve as supplemental clarification guidance to the *NOAA Finance Handbook*, Chapter 9, “Fees for Special Products or Services,” for internal processes as well as implementing the recommendations from the National Oceanic and Atmospheric Administration (NOAA), Financial Policy and Compliance Division (FPCD), Fiscal Year (FY) 2007 User Fee Review Report (Appendix A). The NESDIS User Fee Policy and Procedures assign responsibilities and provide specific direction for the NOAA Data Centers adherence to Federal policies and requirements for obtaining approval for product or service costs and annual reports. The policy and procedures are for internal use by NESDIS personnel.

BACKGROUND

NESDIS fulfills its mission by providing and ensuring timely access to global environmental data from satellites and other sources as well as providing information services and developing science products. NESDIS operates the three data centers: National Climatic Data Center (NCDC), National Geophysical Data Center (NGDC), and National Oceanographic Data Center (NODC) for climate, geophysics, oceans, and coasts. These centers archive, access, and assess valuable data and information products or services for the public.

NESDIS is authorized under 15 U.S.C. 1534 to assess fees for access to environmental data and information and products derived from, collected, and/or archived by NOAA. The Office of Management and Budget (OMB) established policies for agencies providing products and services to non-Federal recipients. The Department of Commerce (DOC) and NOAA Financial Policy and Compliance Division provide procedural guidance for implementing the assessment of user fees.

LEGAL AUTHORIZATIONS AND APPLICABLE REFERENCES

The following Federal policies provide the authorization for NESDIS to assess user fees. The agency procedures provide guidance on implementing the assessment of fees. The details of each statute and guideline are not repeated entirely but may be accessed at the cited links.

1. [15 U.S.C. 1534, Assessment of Fees for Access to Environmental Data](#)

NESDIS is authorized to assess fees, based on Fair Market Value (FMV) (up to FMV as clarified by NOAA’s Office of General Counsel [OGC]) for access to environmental data and information and products derived from, collected, and/or archived by NOAA. NESDIS shall provide this data, information, and products to Federal, State, and local government agencies, to universities, and to other nonprofit institutions at the cost of reproduction and transmission, if such data, information, and products are to be used for research and not for commercial purposes.

<http://www.law.cornell.edu/uscode/15/1534.html>

2. 15 U.S.C. 1525, Special Studies; Special Compilations, Lists, Bulletins, or Reports

The Secretary of Commerce is authorized, upon the request of any person, firm, organization, or others, public or private, to make special studies, reports, etc. on matters within the authority of the Department upon the payment of the actual or estimated cost of such special product or service.

<http://www4.law.cornell.edu/uscode/15/1525.html>

3. 44 U.S.C. 3506 (d) (4) (D), Paperwork Reduction Act

With respect to information dissemination, each agency shall not, except where specifically authorized by statute, establish user fees for public information that exceed the cost of dissemination.

[http://www.law.cornell.edu/uscode/44/3506%20\(d\).html](http://www.law.cornell.edu/uscode/44/3506%20(d).html)

4. OMB Circular A-130, Management of Federal Information Resources

Agencies will set user charges for information dissemination products at a level sufficient to recover the cost of dissemination but no higher.

<http://www.whitehouse.gov/omb/circulars/a130/a130trans4.pdf>

5. OMB Circular No. A-25 Revised, User Charges

OMB was given authority in (31 U.S.C. 9701) to establish Federal policy regarding fees assessed for Government services and for sale or use of Government goods or resources. The circular provides information on the scope and types of activities subject to user charges and on the basis upon which user charges are to be set. It also provides guidance for agency implementation of charges and the disposition of collections.

<http://www.whitehouse.gov/omb/circulars/a025/a025.html>

6. DOC Accounting Principles and Standards Handbook, Chapter 11, “Fees and Revenues”

DOC prescribed procedures to bureaus for establishing and imposing user fees for services or products. The requirements for user fees apply to any activity involving the provision of a service or thing of value to non-Federal recipients for which a fee, royalty, rent, or other charge is imposed.

http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_11_Acctg_Hdbk_2-15-08.doc

7. NOAA Finance Handbook, Chapter 9, “Fees for Special Products or Services”

The *NOAA Finance Handbook* provides guidelines to NOAA organizations on fiscal and accounting subjects for management and operating activities. Chapter 9 sets forth the financial and accounting policies, responsibilities, and procedures for determining fees for special products or services provided by NOAA to non-Federal recipients.

[http://www.rdc.noaa.gov/~finance/CHAPTER%209%20\(Final\).pdf](http://www.rdc.noaa.gov/~finance/CHAPTER%209%20(Final).pdf)

8. NOAA Finance Handbook, Chapter 10, “Reimbursables”

The NOAA Finance Office, Receivables Branch has categorized the [NOAA Data Centers] data sales in the Reimbursable Sales/Fixed Fee (RSFF) process. The procedural

guidelines for the RSFF process are outlined in Chapter 10 of the *NOAA Finance Handbook*.

<http://www.rdc.noaa.gov/~finance/CHAPTER%2010Reimbursables.pdf>

9. *NESDIS Procedures for Preparing and Approving Agreements*, Chapter 5, “Agreement Provisions and Format,” Section B 4, “Special Studies”

These procedures provide specific information on special studies and a model agreement in Appendix K.

http://www.nesdisia.noaa.gov/NESDIS_AgreementsManual_09-19-06_Final.pdf

SPECIFIC GUIDANCE AND RESPONSIBILITIES

The data centers are required to annually inform employees involved with data sales of the policies and procedures on the sale of products and services to non-Federal recipients. Each data center should cross-train at least one additional employee on the process to implement the recommendations from the FY 2007 User Fee Review Report. In addition, each center must provide an updated List of Contacts annually to the NESDIS Budget and Planning Office (BPO) by October 31.

BASIS OF FEE ASSESSMENT

Each NOAA Data Center Director will determine which type of fee assessment to use for the products and services of that center. The Director may choose to assess fees based on the marginal cost of dissemination, FMV, or full cost recovery for special studies according to the guidelines below. The data centers must submit a Cost Computation Form for all products and services for which a fee is assessed. BPO will approve the fee assessment if BPO concurs with the rationale provided by the data center.

- **Marginal Cost of Dissemination**
A data center may charge up to the marginal cost of dissemination for a data product in accordance with 44 U.S.C. 3506 (d) and OMB Circular A-130. Costs associated with the marginal cost of dissemination may include, but are not limited to, reproduction, infrastructure, shipping, handling, and consultation costs.
- **FMV**
A data center may charge FMV for a data product or service if that center determines the product is unique or requires special handling or processing. To obtain approval to use FMV, the data center must include a written justification with the Cost Computation Form. This justification must document the rationale behind the decision to charge FMV and demonstrate and document how the FMV was determined.
- **Full Cost Recovery**
When a data center prepares special studies from its records for unique compilations, lists, bulletins, or reports that are authorized by 15 U.S.C. 1525, the user charge should be sufficient to recover both the indirect and direct costs to the center of providing the service, resource, or good.

PROCEDURES FOR COMPLETING COST COMPUTATION FORMS

NOAA organizations must submit Product/Service Cost Computation Forms, Exhibit 9-1 in the *NOAA Finance Handbook* (www.rdc.noaa.gov/~finance/EXHIBIT%209-1.xls), for all products and services for which a fee is assessed that are available offline, online, and through the NESDIS e-Commerce System (NeS). A Product/Service Cost Computation Form must be reviewed and approved by BPO before a new product or service is made available or any sale is offered. BPO will ensure compliance with all OMB, DOC, and NOAA direction for completing the forms and serve as the point of reference for questions and responses to audit inquiries. BPO will also maintain files of the signed Cost Computation Forms with the supporting documents.

According to FPCD, all Cost Computation Forms must be revised and submitted to BPO for review at least once every two years. Each data center will prepare Cost Computation Forms for products and services specific to their data center. For products and services that are standard across all of the data centers, a NESDIS Cost Computation Form will be prepared by one of the data centers as mutually agreed upon by all of the data centers. When a data center submits a Cost Computation Form outside of the biennial review, BPO will provide a written approval response within ten working days of receiving the new Cost Computation Form. Each form must include all supporting documents to ensure the figures are accurate and the correct costs are considered for each product or service.

The process for this biennial review is as follows:

1. A data call will be sent from BPO asking the data centers to submit all Product/Service Cost Computation Forms for the biennial review. The NESDIS User Fee Data Call Schedule is outlined in Appendix B.
2. The data centers will prepare all forms using Exhibit 9-1 in accordance with the guidelines established in Appendix D and will submit the forms to BPO.
3. BPO will review each form, complete the review section of the form, and ask the centers to make corrections if necessary.
4. The centers will make the corrections, the Data Center Directors will review and sign the form(s), and the centers will forward the revised documents to BPO for the Budget Officer's signature.
5. BPO will notify the appropriate center(s) when the forms have been signed by the Budget Officer. BPO will then forward copies of the approved forms to the appropriate center point(s) of contact. BPO will retain the original forms with the original signatures.
6. BPO will forward copies of all approved NESDIS forms to the appropriate center point of contact for each data center.
7. BPO will coordinate the publication of the new fee schedule in the Federal Register with the data centers.

ANNUAL REPORT OF USER FEES

The *NOAA Finance Handbook* details the requirements for the Annual Report of User Fees, Exhibit 9-2 (<http://www.corporateservices.noaa.gov/~finance/Exhibit%209-2.pdf>).

This report is required for the Performance and Accountability Report and represents sales made during the first nine months of the fiscal year.

The Annual Report of User Fees will be prepared by the data centers and submitted to BPO in July of each year. An approved Cost Computation Form must be on file with BPO for each item where a sale is reported on the Annual Report. BPO will review and certify the Annual Report submitted by the centers and ensure compliance with all OMB, DOC, and NOAA direction for completing the Annual Report.

In August of each year, BPO will submit the Annual Report of User Fees to FPCD in response to FPCD's annual data call for the report. BPO's submission is subject to review by NOAA internal auditors or DOC contract auditors. BPO will maintain files of the certified Annual Report of User Fees.

FEDERAL REGISTER PROCESS

15 U.S.C. 1534 Section (c) states that any subsequent amendment to the initial fee schedule shall be published in the Federal Register at least 30 days before such fees will take effect. NESDIS will update the fee schedule published in the Federal Register at least once every two years. BPO will initiate and lead this process. Every two years, to coincide with the biennial submission of all data center Cost Computation Forms, BPO will plan to publish the new fee schedule in August in an effort to attain an effective date in October for implementation of new pricing.

FREE DATA

The authority 15 U.S.C 1534 Section (b) (1-3) provides the guidance on fee assessment for eligible recipients as well as the waiver of fees to foreign governments and international organizations.

The data centers will retain copies of all documentation detailing Data Center Directors' approvals of provision of free data or data/information exchanges. BPO will ask the centers to prepare annual summaries of the recipients along with a list of the free data provided and data/information products exchanged during each fiscal year. These summaries are due by October 15 each year. The format for this report will be provided by BPO. BPO will review the summaries submitted by the centers to ensure consistency.

The guidelines for distributing free data are:

1. Data may be offered at no cost to the following federal entities:
 - Any NOAA office if the order cost does not exceed \$2,500. If the order cost is greater than \$2,500, the data center must obtain approval from the NESDIS Deputy Assistant Administrator. The request must be in writing and explain the intended use of the data.
 - U.S. Congress, Executive Office of the President, and Office of Secretary of Commerce.
 - Federal Emergency Management Agency and National Transportation Safety Board investigating national disasters.

- Federal Agency (FBI, Federal Marshal, etc.) investigation of violation of laws, regulations, etc.
 - Defense of the U.S. Government or Government prosecution of Federal crimes (U.S. Attorneys, etc).
2. Data may be offered at no cost to assist DOC education (school packets to assist teachers and students), outreach, and marketing efforts (DOC attendance at conferences, meetings, etc.). School packets and Internet access to data center information will be provided to teachers and students to achieve DOC education goals.
 3. Online data are FREE of charge for all .gov, .edu, .k12, .us, and .mil domains.
 4. Data may be offered at no cost to replace data to correct an erroneous order or legitimate customer service complaint.

DATA EXCHANGE

The guidelines for exchanging data are as follows:

1. A valid data exchange agreement must be in place and signed by both parties. Such exchanges must be certified as fair and reasonable by the Data Center Director or a designee. In addition, specific agreements shall be referenced when documenting the information products and/or data. Data exchange does not have to be limited to providing data contributors with a copy of their own data if they request it.
2. To exchange data with the World Meteorological Organization (WMO), NOAA's Data Centers must have a valid agreement in place in accordance with the WMO's Resolution 40. <http://www.nndc.noaa.gov/phase3/freedata.pdf>
3. To exchange solar, geophysical, and environmental data internationally through the World Data Centers, NOAA's Data Centers must have a valid agreement as outlined in the International Council for Science *Guide to the World Data Center System*, Chapter 2, Part A, "Principles and Responsibilities of ICSU World Data Centers." <http://www.wdc.rl.ac.uk/wdcmain/guide/gdsystema.html>

FREEDOM OF INFORMATION ACT (FOIA)

FOIA guarantees the public access to records of U.S. Government agencies that are not otherwise exempt from disclosure under FOIA. NOAA's Data Centers routinely make all their data available to the public in a full and open manner as part of a regular Department activity. Therefore, in handling requests for archived data, NOAA's Data Centers are not required to follow Department of Commerce FOIA regulations. *See* 15 C.F.R. § 4.1(a).

DATA SALES AND DEPOSITS

NOAA Data Centers' sales require advance payment (credit card, check, Automated Clearing House [ACH], and wire). 56N3ANE is the initial collection account. Based on calculations by NCDC, the NOAA Finance Office, Accounting Operations Division (AOD), will make monthly distributions from this account to the seven data center accounts via a task adjustment.

1. NOAA Data Center user fees are earned through three ordering processes: a) online sales; b) off-line sales; and c) subscriptions. All orders are paid in advance (fixed fee). For online orders, the customer's payment is recorded instantly using an internal order-tracking system. For off-line and subscription renewal orders, the payment is recorded when the order is shipped. Data center revenue is earned upon verification the service is rendered. The actual payments for NeS are received at one of the Treasury's designated bank accounts. NOAA's Finance Office, AOD, distributes all bank collections to the data centers on a monthly basis.
2. NCDC performs quality assurance on a bi-weekly basis to ensure record counts match. Any differences in account credits and debits are researched to resolve the reason (e.g., refunds). Monthly reconciliation is performed to ensure the amount in sales (as tracked internally) agrees with the collections reported by the NOAA Finance Office. Documentation is retained. Senior management analysts perform the quality assurance, and their work is reviewed by the Chief of the Financial Management Branch at NCDC.
3. NOAA Data Center user fees are not deferred with the minor exception of sales made at the end of September. Payments received at the banks that post on the October statements will be entered by the NOAA Finance Office, AOD, as prior year collections. The NOAA Finance Office, AOD, also performs any rollover needed to distribute these end-of-year collections to the data centers. Purchases sponsored under reimbursable work authority are tracked by individual project accounting codes within the internal order tracking system. These project codes have been established by the NOAA Finance Office, AOD, based upon individual reimbursable agreements. Billing for these collections is performed quarterly by the NOAA Finance Office, AOD.
4. Monthly graphs are prepared and reviewed for trends both by financial management staff and customer services management.
5. The NOAA Finance Office, AOD, manages the Commerce Business System (CBS) reimbursable modules used by NOAA. Collection reports (AR540D) are available. NESDIS coordinates with the NOAA Finance Office, AOD, to ensure accuracy of project type and associated revenue.

COLLECTIONS FROM DATA SALES

The NESDIS specific authority 15 U.S.C. 1534 (e) states that fees collected for archived data shall be available for expenses incurred in the operation of the data archive centers. Fees collected under 15 U.S.C. 1525 for special products/services should be used to pay for the costs of such products or services.

The collected fees should be applied to costs at least quarterly, thereby reducing the collection balance. To comply with the NOAA Finance Office policies and procedures, NESDIS has implemented the following procedures to account for the fees collected:

- Project codes are established to capture all fees and track total collections.
- Allotment estimates are established to allow obligation authority of the fees.
- Collections are reviewed to adjust allotment estimates and to verify costs.

DATA SALES COLLECTIONS – BUDGET EXECUTION PROCESS

Allotment Requests

- a. Each July, NOAA Budget will ask NESDIS to provide estimated reimbursements for each of the seven data center accounts for the next fiscal year. These estimates should be based on prior year collections plus any anticipated change in the volume of collections. The data centers should ensure this information is coordinated between their budget analysts and those responsible for data sales.
- b. The data centers will submit this information to BPO who will forward the information to NOAA Budget.
- c. NOAA Budget will request an update to this information in late August.
- d. NOAA Budget will enter an allotment in CBS by the end of October.

Review of Collections

- a. Every quarter, NOAA's Data Centers will review collections and recorded costs relative to the products and services sold. The centers should ensure the timeliness of costs applied to collections and attempt to spend the collections through the end of August.
- b. At the end of the third quarter, the data centers will review allotments vs. collections and submit a Reimbursable Project Allotment/Unfilled Customer Order (UCO) Request to BPO to increase or decrease the allotment if necessary. BPO will review, approve, and forward the UCO form to NOAA Finance for approval. Once approved, NOAA Finance will forward the form to NOAA Budget to enter into CBS.

CARRYOVER AMOUNTS

The carryover amounts are the cash advance balances remaining at the end of the current fiscal year to be used during next fiscal year.

NOAA Data Center carryover amounts will be limited to one quarter of the data sales revenue for the current year or estimated software and hardware replacement/maintenance costs for the upcoming fiscal year unless a waiver is granted by the NESDIS Chief Financial Officer. The data centers are responsible for including replacement costs for hardware and software each year in the user fee collection budget. Carryover amounts will be monitored by BPO.

APPENDIX A: FY 2007 USER FEE REVIEW REPORT RECOMMENDATIONS

The review team has evaluated the effectiveness of NOAA Line/Staff offices internal controls over user fees for products/services they provide. We have some recommendations regarding the improvement of internal controls over user fees.

Ensuring more Line/Staff office employees are familiar with special products/services

It is important that NESDIS ensures Product/Service Cost Computation forms and supporting documentation be available when needed. We recommend that management ensure that more employees are knowledgeable about products or services subject to user fees and the location of cost computation forms. Good internal control practices include being able to locate important documents at any given time.

Keeping records needs some improvement

We noted that some preparers of the costs computation forms were unable to provide us with source documents showing how the figures they computed were obtained. This was the case with four of the products selected from NESDIS. Without supporting documentation for costs sources, the Finance Office is not in a position to ensure that the figures on the costs computation form are correct. Also, without such documentation, the Finance Office is not assured the user fees are in compliance with Federal policies. We recommend that Line/Staff offices management ensure compliance with Chapter 9 of the NOAA Finance Handbook

Thorough, adequate and documented final reviews ensure accurate computation of user fees

NOAA places a high level of significance on the final review of the Product/Service Cost Computation forms. This is evident from the user fee responsibilities assigned to the officials in NOS, NWS, NESDIS and NMFS. These responsibilities are clearly stated in the NOAA Finance Handbook. Without a thorough review as described in the handbook, there are risks of approving user charges that are not based on full cost recovery or properly documented to support costs. There are also risks of not uncovering potential mistakes that occur during the transfer of figures from the source documentation to the costs computation form and, consequently, to the user fee certification document.

Therefore, we recommend that the management of each of the four Line/Staff offices in our review improves internal controls over the review of user fees costs computation forms by requiring that supporting documentation be submitted together with costs computation for products or services final price approval. We also recommend that managers review the supporting documentation to ensure that figures on the costs computation forms are accurate and the correct costs are considered for each product or service.

APPENDIX B: NESDIS USER FEE DATA CALL SCHEDULE

<u>Month</u>	<u>Data Request</u>
Mid May	BPO will remind NOAA's Data Centers of the current year user fee requirements.
Early June	By the first week in June of each year, BPO will provide to the data centers all relevant information (such as proposed pay increases, leave surcharge, employer's contribution surcharge, NOAA support, rent, and accounting data) for preparing Cost Computation Forms for the following fiscal year. Cost Computation Forms for current products/services must be submitted at least once every two years.
Early July	Every two years, the data centers will submit unsigned NOAA Product/Service Cost Computation Forms (Exhibit 9-1) to BPO for the preliminary review, approval, and certification of products and services. The Cost Computation Forms should include copies of all supporting documents referenced on Worksheet 3 as recommended in the "FY 2007 User Fee Review Report." The Estimated Annual Volume (Worksheet 2, column G) will be based on average sales made during the most recent three-year period.
Mid July	<p>The data centers will prepare and submit the Draft Annual Report of User Fees (Exhibit 9-2) to BPO.</p> <p>BPO will provide comments to the data centers on the Cost Computation Forms.</p>
Late July	BPO will provide comments to the data centers on the Draft Annual Report of User Fees.
Early August	By no later than the first Friday in August, the data centers will submit Cost Computation Forms signed by the Data Center Directors and the final Annual Report of User Fees to be certified by BPO.
Late August	<p>BPO will send signed copies of approved Cost Computation Forms to the data centers for the next fiscal year and a signed copy of the certified Annual Report of User Fees.</p> <p>BPO will finalize a notice to publish the new fee schedule in the Federal Register.</p>
Mid October	<p>The data centers will prepare summaries of free data and data/information products exchanged during the previous fiscal year and submit to BPO by October 15.</p> <p>The new fee schedule will be implemented.</p>
Late October	The data centers will provide an updated List of Contacts to BPO by October 31.

APPENDIX C: NESDIS USER FEE LIST OF CONTACTS

NESDIS CFO/CAO

Michael Abreu Chief Financial Officer/ 301-713-9476
Michael.Abreu@noaa.gov Chief Administrative Officer

Budget and Planning Office (BPO)

John Phillips Chief, Budget 301-713-9226
John.R.Phillips@noaa.gov and Planning Office

Linda Neely Financial Management 301-713-9230 ext.157
Linda.Neely@noaa.gov Specialist

National Climatic Data Center (NCDC)

Thomas R. Karl Director 828-271-4476
Thomas.R.Karl@noaa.gov

Vernell Woldu Chief, Customer 828-271-4248
Vernell.M.Woldu@noaa.gov Services Branch

Milton Samuel McCown Meteorologist 828-271-4800 ext. 3174
Sam.Mccown@noaa.gov

Axel Graumann Meteorologist 828-271-4850 ext. 3183
Axel.Graumann@noaa.gov

Neal Lott Physical Scientist 828-271-4996
Neal.Lott@noaa.gov

National Oceanographic Data Center (NODC)

Dr. Margarita Gregg Director 301-713-3270
Margarita.Gregg@noaa.gov

Mary Hollinger Oceanographer 301-713-3277 ext. 153
Mary.B.Hollinger@noaa.gov

Andy Allegra Oceanographer 301-713-3277 ext. 152
Andy.Allegra@noaa.gov

National Geophysical Data Center (NGDC)

Christopher Fox Director 303-497-6215
Christopher.G.Fox@noaa.gov

Connie Slusser Technical Information 303-497-6826
Constance.Slusser@noaa.gov Specialist

APPENDIX D: NOAA DATA CENTER COST COMPUTATION PREPARATION GUIDELINES

For costs to include in price computation (Yes/No)

Standard Products (15 U.S.C. 1534, 44 U.S.C. 3506 (d) and OMB Circular A-130)	Charge (\$) or Free (F)	Infrastructure (2)	Shipping (3)	Handling (4)	Consultation (5)
Offline	\$	Y	Y	Y	Y
Online (Commercial Customer)	\$ (some products)	Y	N	N	N
Online (Non-Commercial Customer)	F	N	N	N	N
NESDIS e-Commerce System (NeS) Online store	\$	Y	Y	Y	N
Special Products (15 U.S.C. 1525)	Charge (\$) or Free (F)	Infrastructure	Shipping	Handling	Consultation
Commercial Customer MOU	\$ (full cost)	Y	Y	Y	Y
Non-Commercial Customer MOU	\$ (full or partial cost-- defined in MOU)	TBD	Y	Y	Y

AUTHORITY:

NESDIS User Fee Assessment is governed by United State Codes, 15 U.S.C. 1534, 15 U.S.C. 1525, 44 U.S.C. 3506 (d) and OMB Circular A-130:

15 U.S.C. 1534 - NESDIS is authorized to assess fees, based on fair market value (up to FMV as clarified by NOAA OGC) for access to environmental data and information and products derived from, collected, and/or archived by NOAA. NESDIS shall provide this data, information, and products to Federal, State, and local government agencies, to universities, and to other nonprofit institutions at the cost of reproduction and transmission, if such data, information, and products are to be used for research and not for commercial purposes.

15 U.S.C. 1525 - The Secretary of Commerce is authorized, upon the request of any person, firm, organization, or others, public or private, to make special studies on matters within the authority of the Department of Commerce; to prepare from its records special compilations, lists, bulletins, or reports; to perform the functions authorized by section 1152 of this title; and to furnish transcripts or copies of its studies, compilations, and other records; upon the payment of the actual or estimated cost of such special work.

In the case of nonprofit organizations, research organizations, or public organizations or agencies, the Secretary may engage in joint projects, or perform services, on matters of mutual interest, the cost of which shall be apportioned equitably, as determined by the Secretary, who may, however, waive payment of any portion of such costs by others, when authorized to do so under regulations approved by the Office of Management and Budget.

NESDIS Procedures for Preparing and Approving Agreements requires a Memorandum of Understanding (MOU) for special products. Refer to Appendix K for the Special Studies Authority Agreement Model. http://www.nesdisia.noaa.gov/NESDIS_AgreementsManual_09-19-06_Final.pdf

44 U.S.C. 3506 (d) - Paperwork Reduction Act - With respect to information dissemination, each agency shall not, except where specifically authorized by statute, establish user fees for public information that exceed the cost of dissemination.

OMB Circular A-130 - Agencies can set user charges for information dissemination products at a level sufficient to recover the cost of dissemination but no higher.

44 U.S.C. 3506 (d) and OMB Circular A-130 limit fees an agency can charge for information dissemination unless an agency has a statute that states it can charge more. 15 U.S.C.1534 is such a statute.

NESDIS Internal Policy - Data centers may choose to charge no more than the marginal cost of dissemination, FMV or full cost recovery for data products. If a data center chooses to charge FMV for any of its data products, the data center must be able to (1) show the product is unique or a special situation, (2) document the rationale behind the decision, and (3) demonstrate how FMV was determined.

NOTES:

- 1) Shipping, handling, and consultation costs will each have a separate Cost Computation Form.
- 2) Infrastructure = development (if applicable) + media + hardware maintenance (depreciated over 3 years) + software maintenance (depreciated over 3 years). Note: NeS and Online Store maintenance and security costs are borne by NCDC.
- 3) Shipping = mail / shipment cost. This includes standard postage, express carriers and foreign surcharges. 1 Cost Computation Form for all data centers to be prepared by NCDC. Note: In NeS, this is shown as the service/handling charge.
- 4) Handling = packaging material(s) + preparation of the order (if applicable). 1 Cost Computation Form per data center. Rush fees will have 1 Cost Computation Form that will apply to all data centers and will be prepared by NCDC.
- 5) Consultation = phone and e-mail time with customers. 1 Cost Computation Form per data center--this cost mainly applies to NCDC.
- 6) Carryover funds from data sales will be used to cover hardware and software replacement/maintenance costs each year.
- 7) To the greatest extent possible, costs for each category (e.g., handling) will be averaged across all products for each data center.

DEFINITIONS:

Standard products (15 U.S.C. 1534, 44 U.S.C. 3506 (d) and OMB Circular A-130):

- Fully available to the general public.
- Some require payment by the customer, based on cost of distribution.
- In many cases, the product is available online, often generated dynamically.
- No additional software development is required to produce the product, whether online or for an off-line order; only the ongoing software maintenance.
- Includes both digital data/products and hard-copy publications.
- Utilizes software already developed and available at the data center.

Commercial Customers: Users not identified as non-commercial

Non-Commercial Customers: Users identified as Federal, State, and local government agencies, universities, and other nonprofit institutions

Offline: A request for products/services by e-mail, fax, telephone, or walk-in

Online: Products/services available on a data center website for a fee to commercial users and free to non-commercial users with specified domains (e.g., .mil, .gov, .edu)

NESDIS e-Commerce System (NeS) Online Store - <http://ols.nndc.noaa.gov>; product ordered online but delivered offline (e.g., DVD ordered online, delivered by mail)

Special products (15 U.S.C. 1525):

- Do not use software currently available at the data center.
- Require software development at the data center (e.g., for a new special product).
- Require funding from the requesting agency or company, based on cost of development.
- When completed, the product is normally available to all customers.
- Often become "standard products" after a period of time.