

**The
Department of Commerce
Budget in Brief**

Fiscal Year 2014

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Unless otherwise noted, all dollar amounts are in thousands

Departmental Overview

Supporting Economic Growth and Opportunity

The mission of the U.S. Department of Commerce is to help American businesses thrive so that they can grow and create jobs here at home while being competitive abroad. The Department accomplishes its mission through direct assistance to businesses and communities, targeted investments in world-class research, science, and technology, and through various programs that foster innovation, entrepreneurship and competitiveness. The Secretary of Commerce leads the Department and its 12 bureaus with a budget of about \$8.6 billion.

In today's challenging budget climate, Commerce is deeply committed to reducing its administrative costs by identifying savings and efficiencies. This helps us act as responsible stewards of taxpayer dollars and ensures that the important programs that support Commerce's primary mission will continue despite current and future budget reductions. The Department of Commerce helps American businesses drive economic growth and job creation in a number of critical areas:

- The International Trade Administration (ITA) leads the President's National Export Initiative, levels the playing field for American businesses by enforcing fair trade laws, and promotes new investment in the United States from foreign and domestic companies through SelectUSA.
- The National Institute of Standards and Technology (NIST) houses important programs to support research and development of cutting-edge technologies that promote innovation and industrial competitiveness. NIST is also working with industry to build a cybersecurity framework to protect our nation's infrastructure and economy from growing threats.
- The U.S. Patent and Trademark Office (USPTO) contributes directly to strengthening America's leadership in innovation and manufacturing through the protection of intellectual property. USPTO is currently implementing patent reform legislation that will help modernize and harmonize the U.S. patent system to ensure that American entrepreneurs and inventors can quickly and efficiently get their ideas to market.
- The Economic Development Administration (EDA) invests in competitive, job-creating, advanced manufacturing projects and regional innovation clusters.
- The Minority Business Development Agency (MBDA) provides assistance and resources that support the growth of minority-owned businesses.
- The Bureau of Industry and Security (BIS) strengthens our national security and economic strength through efforts to reform and enforce our export control laws.
- The National Telecommunications and Information Administration (NTIA) works to expand broadband Internet access across the Nation, coordinate the building of the nation's first national wireless broadband public security network, coordinate the use of radio spectrum, and ensure that the Internet remains an engine for innovation and economic growth.
- The Economics and Statistics Administration (ESA), including the Census Bureau and Bureau of Economic Analysis (BEA), provides the economic and demographic data to evaluate growth, understand markets, and help American businesses plan for the future.

- By providing data that supports accurate weather and climate forecasting, marine commerce and sustainable use of ocean resources, the National Oceanic and Atmospheric Administration (NOAA) supports sustainable coastal communities and economies and saves lives when severe weather events occur.

BUDGET IN CONTEXT

The U.S. Department of Commerce is requesting \$8.6 billion for FY 2014, which allows the Department to effectively execute its mission. This is an increase of \$1 billion over the FY 2012 enacted level. This budget makes critical investments in Administration priorities and modernization initiatives, while identifying reductions in lower priority programs to maximize the effective use of taxpayer dollars.

The budget supports Administration priorities to promote manufacturing and innovation, invest in export promotion and trade, strengthen science and stewardship, and maintain national security and public safety. Key investments are made in areas such as export promotion and enforcement activities, development of weather satellites, and research and development to support long-term economic growth.

Strengthening U.S. Manufacturing and Innovation

The Commerce Department's FY 2014 budget will continue the Department's strong commitment to expand manufacturing and innovation in the United States, which is critical to the country's economic growth. The past three years have seen the strongest job growth in the manufacturing sector in over a decade, with the creation of nearly half-a-million manufacturing jobs across the country.

There is a powerful link between America's ability to make things and America's ability to innovate, compete and create good jobs. In fact, manufacturing is responsible for 70 percent of our private sector research and development (R&D) and 60 percent of our exports. Among manufacturers, 70 percent rely on patents to protect their innovative ideas. Overall, the Department's budget provides \$1.6 billion for Research and Development.

The Department's FY 2014 budget provides \$1.5 billion to support specific manufacturing programs. More generally, the budget provides \$934 million for the National Institute of Standards and Technology (NIST) to continue its work with companies that support advanced manufacturing and research and development in cutting edge fields like flexible electronics, robotics, and bio-manufacturing. NIST will also continue to support technology transfer through multiple activities, such as participating in documentary standards development, hosting guest researchers at its labs and facilities, and publishing technical documents and standard reference materials. Within NIST, the budget provides a \$25 million increase over the FY 2012 enacted level for the Hollings Manufacturing Extension Partnership to establish Manufacturing Technology Acceleration Centers that will help manufacturers adopt advanced technologies and strengthen their supply chains. The budget also provides \$21 million for the Advanced Manufacturing Technology Consortia program, a public-private partnership that will support road maps and research to address common manufacturing challenges faced by American businesses.

The budget also provides full spending authority for the \$3.1 billion the U.S. Patent and Trademark Office (USPTO) expects to receive in fees in FY 2014 to continue supporting the innovation and intellectual property that is crucial to economic growth and facilitating the deployment of new goods and services to the marketplace.

In addition, the budget includes an increase of \$113 million for the new Investing in Manufacturing Communities Fund. This partnership is intended to help attract manufacturers and their supply chains to American communities, especially hard-hit manufacturing towns. It will provide targeted financial assistance to manufacturing communities while also leveraging non-federal funds to invest in infrastructure projects and research facilities that will promote long-term economic growth. This initiative will enable the Economic Development Administration to help strengthen communities' ability to attract inbound investment, which will lead to other community benefits – e.g. increased capacity for U.S. innovation and manufacturing, higher skills for the American workforce, attracting and retention of small businesses serving as suppliers, and expanded opportunity for U.S. exports. An additional increase of \$12 million is included for the

new Regional Export Challenge. This program will assist communities in the development of robust and sustainable export action plans that support jobs, international business and export expansion. Together, these two programs will assist distressed communities in better positioning themselves for long-term growth.

The budget includes \$1 billion in mandatory funding to launch up to 15 institutes to create a National Network for Manufacturing Innovation. Each institute would bring together businesses, universities and community colleges, and government to invest in cutting edge manufacturing technologies that will propel the competitiveness of U.S. manufacturing and support American workers.

Driving Exports, Trade Enforcement, and Investments

The Department of Commerce is deeply committed to ensuring that American businesses are able to compete on a level playing field and sell their goods around the world. While part of that commitment comes through the Department's support of manufacturing and innovation, we are also focused on investing in export growth and strengthening and expanding trade enforcement. The FY 2014 budget for the Department of Commerce reflects these priorities and continues to invest in export growth, trade enforcement, and promoting business investment.

The budget proposes \$520 million for the International Trade Administration (ITA), a 14 percent increase over the FY 2012 enacted level. ITA continues to support the National Export Initiative, a government-wide strategy to strengthen our economy, support additional American jobs and ensure long-term, sustainable growth through the promotion of exports.

Over the past five years, ITA has increased the number of instances in which it assisted clients in completing an export transaction by 12 percent. Among these instances, there has also been a 40 percent increase in the number of cases where U.S. exporters were able to successfully enter new foreign markets as a result of ITA assistance. One of the ways that ITA has provided exporter assistance is through its Market Development Cooperation Program (MDCP), which provides financial and technical support projects that enhance the global competitiveness of U.S. industries.

ITA represents and advocates, on behalf of U.S. industry interests, the exercise and enforcement of U.S. rights under bilateral and multilateral trade agreements. Through the Interagency Trade Enforcement Center (ITEC), in concert with the Office of the U.S. Trade Representative, ITA works to reduce or eliminate trade and investment barriers and other unfair trade practices to ensure that American businesses can compete on a level playing field abroad. The budget includes \$20 million for ITEC to expand its efforts to address unfair trade practices and barriers.

Foreign companies support more than five million jobs across the United States. Although many companies – at home and abroad know that America is the best place to grow a business, we can do more to promote the United States as the premier location for foreign investment. The SelectUSA program, housed in the Department of Commerce and funded at \$20 million, is designed to partner with regional partners to help bring in business investment from around the world. SelectUSA serves firms and economic development organizations by:

- Promoting the benefits of investing in the United States;
- Responding to inquiries about the U.S. business climate;
- Helping investors encountering confusion, delays, or obstacles in a federal regulatory process;
- Advocating on behalf of the U.S. government in a globally competitive business location decision;
- Offering guidance on rules, regulations, procedures and policy positions that impact American global competitiveness; and
- Offering aftercare to companies that have already invested in the United States.

As the Department encourages more foreign businesses to invest in the United States, we need to improve our measurements of this important activity. The FY 2014 Commerce budget provides \$3.9 million for the Bureau of Economic Analysis (BEA) to improve the state by state coverage of the measurement of FDI in the United States, which will support the National Export Initiative by providing frequent and detailed data to measure the trade in services.

Science and Stewardship

The Commerce Department is responsible for generating and disseminating timely data and analysis to support effective decision-making for the public and private sectors. For example, the U.S. Census Bureau provides quality data about the nation's people and economy, collected through a variety of surveys and censuses. Census measures and disseminates the information it collects, which is critical to informing decisions that promote the nation's economic growth. FY 2014 is a critical juncture for Census – it is the last year of research and testing for the 2020 Census, which will establish how best to improve the design and administration of the next Decennial Census. For that reason, the budget includes an increase of \$154.2 million to fund the final year of research and testing. Without this level of funding, the Department will not be able to consider the range of design alternatives that will allow Census to reach people through 21st century technologies while still controlling the cost of the 2020 Census and maintaining quality.

The budget provides \$5.4 billion for the National Oceanic and Atmospheric Administration (NOAA), which will help strengthen ocean and coastal science and stewardship while also investing in life-saving weather forecasting improvements. NOAA advances our ability to understand and anticipate changes in the Earth's environment, improves society's ability to make scientifically informed decisions, delivers vital services to the economy and public safety, and conserves and manages ocean and coastal ecosystems and resources.

Prudent management of our Nation's oceans, coasts, and fisheries will promote economic sustainability. The budget invests in NOAA's ocean and coastal research and observing programs and increases support for habitat and species conservation activities that are essential to restoring and maintaining healthy, sustainable fisheries. Increased funding for NOAA's research and development and Earth Observations activities will enhance the agency's ability to detect, understand, and forecast global and ecosystem-scale changes and provide sound, science-based information to support decision making and help communities prepare for the consequences of a changing climate. The budget also supports investments that promote well-coordinated ocean and coastal science and management activities. Overall, the budget provides \$929.3 million for the National Marine Fisheries Service, \$529.2 million for the National Ocean Service and \$472.4 million for the Office of Oceanic and Atmospheric Research.

National Security and Public Safety

The Bureau of Industry and Security (BIS) advances national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. The budget recognizes the important role of BIS programs and supports this national security mission with a request of \$112 million. This includes an increase of \$11 million from the FY 2012 enacted level and supports the bureau's expanded export licensing and export enforcement operations for controlled items that were shifted from the State Department to the Commerce Department's jurisdiction as part of the President's Export Control Reform initiative. This increase supports expanded enforcement capabilities by adding overseas posts in critical areas and strengthening our domestic capacity.

The budget maintains NOAA's essential missions to monitor and model the environment in order to forecast daily weather; warn the public of severe weather; inform communities of long-term trends affecting the coast; and support private enterprise with vital information to sustain economic growth. The FY 2014 budget provides \$2 billion to support the Geostationary Operational Environmental Satellite System - R Series (GOES-R), Deep Space Climate Observatory (DSCOVR), Jason-3 satellite, and Joint Polar Satellite System (JPSS) satellites. As compared to the FY 2012 Enacted budget, the two major increases are a \$339 million increase for GOES-R and a \$17 million increase for Jason-3. NOAA's satellites are critical to its ability to provide accurate weather forecasts and warnings that help to protect lives and property.

The Commerce budget for JPSS is \$824 million. This request reflects a number of changes to the JPSS program, including the technical transfer of \$62 million for the Free Flyer-1 mission to a separate budget line called the Polar Free Flyer. In addition, the request proposes a transfer of select climate sensors to NASA, refocuses the JPSS program on NOAA's weather mission, and adopts a number of program management and operations efficiencies.

These changes are intended to address feedback from Congress and the Independent Review Team (IRT) over the last year. The Department recognizes the need to find cost savings and efficiencies, while strengthening satellite management and likelihood of mission success. To support these decisions, we are currently in the process of completing an Independent Cost Estimate (ICE) for JPSS with options to reduce scope, risk, and life cycle cost. In an effort to simplify NOAA's mission, the Budget proposes to transfer to NASA climate sensors originally planned for follow-on missions to JPSS-1 and Free Flyer-1, including the Clouds and Earth Radiant Energy System (CERES), Ozone Mapping and Profiler Suite-Limb (OMPS-Limb) and the Total Solar Irradiance Sensor (TSIS).

Our FY 2014 budget includes \$1.1 billion for the National Weather Service (NWS) to continue its vital role in providing the life-saving weather forecasts and warnings that Americans rely on. Both the Department and NOAA have undertaken a critical review of the NWS over the past year. This budget provides funding for NWS to meet its operational needs, while restoring funds to those programs affected by the FY 2013 Reallocation for NWS. The budget includes an increase of \$16.9 million for labor and operations, and provides increases for weather research, weather modeling, and supercomputing capacity to accelerate advancements in weather forecasting. The budget also supports infrastructure investments to both the NWS Telecommunications Gateway and the Ground Readiness Project to ensure that NOAA is prepared to handle the expected increase in satellite data.

Commerce continues to invest in the National Institute of Standards and Technology's (NIST) broad research portfolio, including its important work in cybersecurity, by funding NIST laboratories and construction of research facilities at \$754 million. Through the Information Technology Laboratory (ITL), NIST is promoting U.S. innovation and industrial competitiveness by providing standards and technology to protect information systems against threats to the confidentiality, integrity, and availability of information and services. In particular, NIST is currently working with industry on a Cybersecurity Framework of standard and best practices and also continues important initiatives associated with cybersecurity automation, cybersecurity information, and the National Strategy for Trusted Identities in Cyberspace (NSTIC). NIST has also recently established a public-private partnership to operate a Cybersecurity Center of Excellence with the state of Maryland to foster the development and rapid adoption of cybersecurity platforms that support automated and trustworthy government and industry business operations and e-commerce.

In August 2012, Commerce appointed 12 of the nation's leading experts on public safety and wireless broadband communications to serve on the Board of the First Responder Network Authority (FirstNet). FirstNet is Congressionally mandated to establish a nationwide wireless broadband network that will enable police, firefighters, emergency services personnel, and others in public safety to keep communities safe and save lives using new technologies that will improve communications and response times. The Middle Class Tax Relief and Job Creation Act of 2012 (Act) allocated \$7 billion of spectrum auction proceeds and valuable spectrum bandwidth toward deployment of the nationwide network. Through the Act, Congress also provided \$135 million for a new State and Local Implementation Grant Program, administered by the National Telecommunications and Information Administration (NTIA), to support state, regional, tribal and local jurisdictions' planning work with FirstNet. This will help ensure the network meets state and local wireless public safety communications needs. FirstNet will also seek to leverage existing commercial and government infrastructure for the new network.

Modernization Initiatives

Commerce is in the process of modernizing its infrastructure to protect the safety of employees and provide quality service to citizens. Many of these efforts will ultimately result in future savings. Commerce is requesting \$14.8 million for the renovation and modernization of its headquarters, the Herbert C. Hoover Building (HCHB). This funding will support Phase 4 of an 8-phase project and the increase will complete the Department's portion of Phase 4 activities and Phase 5 planning. This renovation provides the solutions to replace major building systems (mechanical, electrical,

plumbing, heating, ventilation, air conditioning, and life safety systems) that are beyond their useful life and deteriorating. Systems being replaced will be more energy efficient and cost effective to run.

In the summer of 2009, Commerce began an analysis to assess the long-term viability of its legacy financial management system – the Commerce Business System (CBS) – and other legacy business systems. CBS is neither a Financial System Integration Office certified system nor is it Section 508 compliant. Additionally, system limitations require Commerce to undertake a highly manual and inefficient process that involves compiling multiple data sources to provide reports request by the Congressional Appropriations Committees. The stability and reliability of the system is questionable as the design is almost 25 years old. Therefore, Commerce is requesting \$16 million to conduct a Department-wide effort to adopt a solution that will result in an integrated suite of financial management and business applications. The funding will also allow Phase 1 of the implementation to include modernization of Census’ core financials, acquisitions, and property activities. The migration of Census in FY 2014 to a new financial system is crucial to ensuring that the delivery of and accounting for the 2020 Decennial Census is not impacted.

The FY 2014 budget includes \$5.5 million for the relocation and facility improvements of four weather forecasting offices to mitigate operational risks and maintain continuity of weather forecast and warning operations. These facility repairs and improvements are important to avert unacceptable working conditions that will place at risk daily operations and compliance with weather office standards. The budget also includes \$1 million in one-time funding for a study investigating options for back-up or follow-on observing and research platforms to the current Hurricane Hunter (P-3) aircrafts that are used for NOAA hurricane research and reconnaissance. Although these aircraft will receive service life extensions in 2015, they will reach the end of their operational lifetimes by 2030 and 2031 respectively.

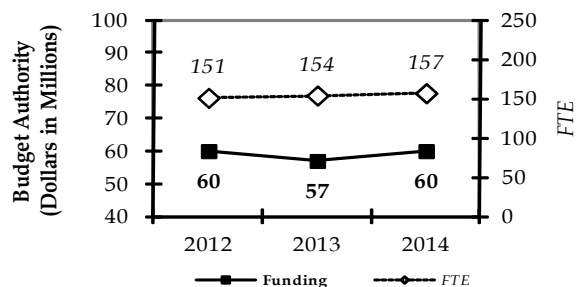
Organizational Efficiencies

The President’s Campaign to Cut Waste strives to use government assets more efficiently and to eliminate unnecessary spending. Consistent with this, the Department of Commerce has worked to find core organizational efficiencies across the Commerce. Department-wide, we have focused on finding administrative savings in acquisition reform, strategic sourcing, travel, human resources, facilities, and information technology. We have moved aggressively over the past three years in achieving our administrative costs goals: \$56.2 million in FY 2011, over \$143 million in FY 2012, on track in FY 2013 to achieve at least \$176 million, and a FY 2014 goal of \$194.8 million. We have also worked to create a smarter and more innovative government for the 21st Century by improving customer service for our employees and our stakeholders through replacing outdated systems and creating call centers.

Departmental Management

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

Salaries and Expenses



In FY 2014, DM is seeking an increase to begin implementation of the Business Application Solutions Modernization and Development effort to initiate configuration of the Department’s integrated suite of financial management and business applications. In addition, DM requests an increase to support the Department’s program evaluation function to develop a collaborative approach for conducting objective evaluation of programs, processes, administrative functions, initiatives, and other activities to identify opportunities for enhancing efficiency, effectiveness, and to ensure consistency with the objectives and goals established in the Department’s strategic plan. Further, DM is seeking an increase to support The Commerce Cost Reduction Project, an extremely effective strategic sourcing project. The increase to this project is necessary to maintain the cost reductions achieved to date and drive additional savings.

In FY 2014, the Department requests funding for three Department-wide projects that are critical to the mission of the Department. These projects are the Business Application Solutions, the Enterprise Security Operations Center and the Personal Identity Verification programs. The Business Application Solution funding will be used to conduct a Department of Commerce (DOC)-wide effort to adopt a solution that will result in an integrated suite of financial management and business applications. The Enterprise Security Operations Center funding will provide Department-wide, 24x7, near real-time security status information to enable timely decision-making. The Personal Identity Verification program funding will be used toward the accelerated planning, implementation, training and oversight of the Department-wide effort to meet 75 percent PIV card compliance by the end of FY 2014. These programs will operate through DM’s Working Capital Fund and Advances and Reimbursements accounts and will be funded in part by reinvestments found via strategic IT savings.

The Renovation and Modernization account will continue activities that focus on addressing major building infrastructure deficiencies and security weaknesses. The request is critical to complete the Department’s portion of the HCHB Phase 4 activities and reflects the Department’s continued focus to remain in sync with GSA’s funding and schedule to complete Phase 4.

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

Summary of Appropriations

Funding Levels

Appropriation	<u>2012 Actual</u>	<u>2013 CR (Annualized)</u>	<u>2014 Estimate</u>	<u>Increase (Decrease)</u>
Salaries and Expenses	\$57,000	\$57,349	\$59,595	\$2,246
HCHB Renovation and Modernization	5,000	5,031	14,803	9,772
Emergency Steel Guar. Loan Program	(700)	0	0	0
TOTAL APPROPRIATION	61,300	62,380	74,398	12,018

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

3,445

Budget Authority

Salaries and Expenses	60,445	57,349	59,595	2,246
Renovation and Modernization	5,000	5,031	14,803	9,772
Emergency Steel Guar. Loan Program	(700)	0	0	0
TOTAL DISCRETIONARY BUDGET AUTHORITY	64,745	62,380	74,398	12,018

Mandatory Appropriation

Gifts & Bequests Trust Fund	5,303	6,665	5,000	(1,665)
TOTAL MANDATORY	5,303	6,665	5,000	(1,665)

FTE

Salaries and Expenses	151	154	157	3
Reimbursable	57	56	57	1
Renovation and Modernization	5	5	5	0
Working Capital Fund	604	542	577	35
Franchise Fund	0	0	0	0
Total FTE	817	757	796	39

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			154	\$57,349
Adjustments to Base				
<u>Adjustments</u>				
Export.gov resource realignment				1,000
Non-recurring adjustment				(1,349)
<u>Other Changes</u>				
FY 2013 Pay raise		\$33		
FY 2014 Pay raise		204		
Working Capital Fund Pay Raise		62		
Civil Service Retirement System (CSRS)		(36)		
Federal Employees Retirement System (FERS)		100		
Thrift Savings Plan		21		
Federal Insurance Contributions Act (FICA) - OASDI		45		
Health insurance		55		
Employees' Compensation Fund		15		
Travel - Mileage		1		
Rent payments to GSA		855		
Printing and reproduction		2		
HCHB Electricity		(137)		
HCHB Water		40		
NARA		5		
Other services:				
Working Capital Fund		752		
Personal Identity Verification (PIV)		596		
General Pricing Level Adjustments:				
Communications and miscellaneous charges		8		
Other services		196		
Supplies and materials		5		
Equipment		10		
Subtotal, other cost changes			0	2,832
Less Amount Absorbed			0	(1,305)
TOTAL, ADJUSTMENTS TO BASE			0	1,178
2014 Base			154	58,527
Administrative Savings			0	(174)
Program Change			3	1,242
2014 APPROPRIATION			157	59,595

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Executive Direction	90	\$32,981	90	\$34,321	90	\$33,873	0	(\$448)
Departmental Staff Services	64	24,408	64	24,206	67	25,722	3	1,516
TOTAL DIRECT OBLIGATIONS	154	57,389	154	58,527	157	59,595	3	1,068
ADVANCES & REIMBURSEMENTS								
COMMITTS	0	990	0	0	0	0	0	0
Other	56	92,807	56	92,807	57	97,796	1	4,989
Total Reimbursable Obligations	56	93,797	56	92,807	57	97,796	1	4,989
TOTAL OBLIGATIONS	210	151,186	210	151,334	214	157,391	4	6,057
FINANCING								
Unobligated balance, start of year (Direct)		(40)						
Unobligated balance, start of year (Reimbursable)		(990)						
Offsetting collections from:								
Federal funds	(56)	(92,807)			(57)	(97,796)		
Subtotal, financing	(56)	(93,837)			(57)	(97,796)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	154	57,349			157	59,595		

Administrative Savings

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Administrative Savings	0	\$0	0	-\$174

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the Departmental Management’s administrative savings in FY 2012 (\$2.82 million) and FY 2013 (\$.66 million), an additional \$.17 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$3.7 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

Management Efficiencies	0	\$0	0	-\$387
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Departmental Management requests this decrease as part of the consolidated savings effort to reduce cost and increase efficiencies. In an effort to support the objective to reduce non-security discretionary spending, Departmental Management assessed the priorities and programs within the organization to identify areas for reduction over and above the administrative savings listed above. The reductions include reclassifying positions, further reducing travel, training and non-critical contracts such as administrative and technical support.

Departmental Staff Services

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Business Application Solutions Modernization and Development	0	\$0	0	+\$1,000

Departmental Management requests this increase to conduct a Department of Commerce (DOC)-wide effort to adopt a solution that will result in an integrated suite of financial management and business applications. In addition, the Department will begin the Phase I implementation, which includes Census Core Financials, Acquisitions, and Property (Real, Personal, and Fleet) activities, with Grants Management activities in a future phase, for the BAS project to modernize the Department’s financial and business systems environment. This funding will support the Shared Service Provider initiation of system configuration activities, including the development of business process designs, business solution architecture, and data models.

Program Evaluation	0	\$0	+2	+\$431
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Departmental Management requests this increase to fund 2 FTEs to staff the program evaluation function and a contractor. This will allow Departmental Management to develop and oversee implementation of a collaborative approach for conducting objective evaluation of programs, processes, administrative functions, initiatives, and other activities to identify opportunities for enhancing efficiency and effectiveness, and to ensure consistency with the objectives and goals established in the Department's strategic plan.

Strategic Sourcing	0	\$0	+1	+\$198
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In March of 2011 Departmental Management established the Commerce Cost Reduction Project and identified several cost reduction initiatives which have surpassed the original targets by more than double. Departmental Management requests this increase to fund 1 FTE and contracting support to maintain the momentum of the Commerce Cost Reduction Project, sustain savings achieved to date, and implement new initiatives to drive additional efficiencies over time.

Appropriation: Renovation and Modernization

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)	5	\$5,031
Adjustments to Base		
Adjustment for Construction Project	0	(4,142)
2014 Base	<u>5</u>	<u>889</u>
Program Changes	0	13,914
2014 APPROPRIATION	<u>5</u>	<u>14,803</u>

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Renovation & Modernization	5	\$6,043	5	\$889	5	\$14,803	0	\$13,914
TOTAL DIRECT OBLIGATIONS	<u>5</u>	<u>6,043</u>	<u>5</u>	<u>889</u>	<u>5</u>	<u>14,803</u>	<u>0</u>	<u>13,914</u>
REIMBURSABLE OBLIGATIONS	0	0					0	0
TOTAL OBLIGATIONS	<u>5</u>	<u>6,043</u>	<u>5</u>	<u>889</u>	<u>5</u>	<u>14,803</u>	<u>0</u>	<u>13,914</u>
FINANCING								
Unobligated balance, start of year	0	(1,012)	0	0	0	0	0	0
Subtotal, financing	0	(1,012)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	<u>5</u>	<u>5,031</u>	<u>5</u>	<u>889</u>	<u>5</u>	<u>14,803</u>	<u>0</u>	<u>13,914</u>

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Renovation and Modernization Project	0	\$0	0	+\$13,914

The HCHB renovation and modernization plan combines Department of Commerce (DOC) and General Services Administration (GSA) solutions to address major building systems (mechanical, electrical, plumbing, heating, ventilation, air conditioning, and life safety systems) that are beyond their useful life and deteriorating. The GSA 8-phase modernization project provides a solution that will target new, more efficient mechanical, electrical, and plumbing systems; improved life safety systems; security improvements and historic restoration. Blast windows will continue to be installed through Phase 4 in addition to building door entrances. The FY 2014 request is critical to the Department's portion of the HCHB Phase 4 design and construction activities and the Department's continued focus to remain in sync with GSA's HCHB Systems Replacement Project.

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 Operating Level			542	\$160,131
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$100		
2014 Pay raise		562		
Civil Service Retirement System (CSRS)		(91)		
Federal Employees' Retirement System (FERS)		501		
Thrift Savings Plan		44		
Federal Insurance Contributions Act (FICA) - OASDI		183		
Health insurance		150		
Travel - Mileage		1		
Rent payments to GSA		124		
Printing and reproduction		3		
Postage		24		
Commerce Business System		222		
General Pricing Level Adjustment:				
Transportation of things		3		
Rental payments to others		1		
Communications and miscellaneous		22		
Other services		852		
Supplies and materials		55		
Equipment		126		
Subtotal, other cost changes			0	2,882
Less Amount Absorbed			0	(2,320)
TOTAL, ADJUSTMENTS TO BASE			0	562
2014 Base			542	160,693
Administrative Savings			0	(447)
Program Changes			35	27,834
2014 OPERATING LEVEL			577	188,080

Comparison by Activity

	2013 Operating Level		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
REIMBURSABLE OBLIGATIONS								
Executive Direction	240	\$65,428	240	\$65,691	241	\$68,722	1	3,031
Departmental Staff Services	302	94,703	302	95,002	336	119,358	34	24,356
TOTAL REIMBURSABLE OBLIGATIONS	542	160,131	542	160,693	577	188,080	35	27,387
FINANCING								
Unobligated balance, start of year		(13,337)						
Offsetting collections from:								
Federal funds	(542)	(146,794)			(577)	(188,080)		
Subtotal, financing	(542)	(160,131)			(577)	(188,080)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Administrative Savings

<u>Administrative Savings</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
	0	\$0	0	-\$447

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the Departmental Management’s Working Capital Fund administrative savings in FY 2012 (\$6.3 million) and planned for FY 2013 (\$2.6 million), an additional \$0.447 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$9.4 million.

Highlights of Program Changes

<u>Departmental Staff Services & Executive Direction</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Management Efficiencies	0	\$0	0	-\$1,050

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

Executive Direction

Enterprise Security Operations Center (ESOC)	0	\$0	+1	+\$4,243
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This increase is requested to provide Department-wide, 24x7, near real-time security status information to enable timely decision-making. The increase would improve the cybersecurity posture for the entire Department, provide near real-time Commerce-wide view of cybersecurity threats and significantly reduce the amount of time between threat detection and threat mitigation for enterprise-wide threats.

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Departmental Staff Services				
Business Application Solutions (BAS)	1	\$3,900	+29	+\$15,000

This increase is requested to conduct a Department of Commerce (DOC)-wide effort to adopt a solution that will result in an integrated suite of financial management and business applications. These funds will enable to Department to initiate the solution design and initiate Phase I implementation activities, which will ultimately result in the Department moving off existing antiquated legacy systems.

Human Resource Management System (HRMS)	0	\$7,215	0	+\$2,549
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This increase is requested to continue implementation of the Human Resources Management System (HRMS) that complies with the e-gov Human Resources Line of Business (HR LOB) blueprint developed by the Office of Personnel Management (OPM). The manually intensive and non-standardized HR processes that currently exist throughout the Department's various bureaus and offices result in increased costs, increased risk of loss of privacy data, and inefficient organizational management. The HRMS will provide an automated web-based HR management system that provides self-service functionality enabling managers and employees to easily manage personnel information and make strategic decisions.

Time and Attendance Migration	0	\$623	0	+\$2,120
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This increase in funding is requested for the migration of the Department's to a modern time and attendance system. The Department will transition from its current WebTA 3.x baseline to the new version WebTA 4.0. This transition would require certain standard activities, such as information technology-related labor hours to establish a new database, firmware, middleware, and a configured application layer. The request is based on a strategy that would move future operations to a different federal agency, which is a human resources shared services center, as designated by the Office of Personnel Management (OPM).

Building Management Division Fan Coil Units	0	\$780	0	+\$843
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This increase is requested to maintain the new fan coil units, blast windows, and newly refurbished operable historic windows in accordance with manufacturer and GSA recommended Preventive Maintenance tasking. This request funds a modified contract to maintain new fan coil units and windows. The preventative maintenance required is based on GSA standard time data and tasking for maintenance of historic double hung windows and the manufactures recommended preventative maintenance schedule for new blast windows.

Maintenance of New Emergency Generators & Underground Fuel Tanks	0	\$0	0	+\$169
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This increase is requested to purchase a maintenance contract to provide preventative maintenance and operation of three new Diesel Generators, one underground storage tank, three day tanks, associated pumps, motors, controls and emissions devices to provide emergency power to critical elements of the building. This equipment is new and is above the current operations and maintenance program. The Department is responsible for the maintenance in accordance with manufacturer and GSA instructions as well as environmental laws and regulations. Maintenance per the manufacturer and GSA instructions includes quarterly minor planned maintenance and annual major planned maintenance on the three diesel generators and associated components.

Herbert C. Hoover Building Maintenance & Repair	0	\$0	0	+\$850
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This increase is requested for additional maintenance and necessary repairs to the Herbert C. Hoover Building's deteriorating mechanical, electrical, and plumbing systems.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Federal Financial Assistance Program	0	\$0	0	+\$200

This increase in funding is requested to provide the expertise necessary to create an integrated program that focuses on financial tracking and ensuring that the Grants achieve the intended purpose of the programs. This request will expand the grants management function to include a fully integrated grants lifecycle approach which includes grants program management, performance monitoring, data quality assurance, risk management, audit tracking, policy updates and timely close-out.

Acquisition Workforce	0	\$0	0	+\$446
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This funding increase is to contract with various training vendors to provide formal training and education for the Department's acquisition workforce. This request will be used to ensure the acquisition workforce has the requisite knowledge, skills, competencies, and tools required to manage the Department's resources and meet the requirements of the Federal certification programs. In addition, funding will be used to maintain and update existing Departmental developed web-based courses.

Acquisition Program Risk Management	0	\$0	+1	+\$274
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This funding increase is requested to implement and support the acquisition framework policy and procedures for the Department. This funding will provide support for high profile program/ project reviews and enable acquisition program managers to conduct more outreach functions and be more proactive to reduce acquisition risk in the Department.

HCHB Guard Contract Escalation	0	\$0	0	+\$421
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This increase is requested to support prevailing wage increases associated with the Herbert C. Hoover Building Guard contract.

Mission Critical Threat Expansion	0	\$0	+4	+\$1,534
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This increase is requested to address the Department's existing backlog of mission-critical threat cases and enable the Department to continue analyzing, detecting, preventing, and/or mitigating persistent, evolving, and rapidly expanding mission-critical threats through a cross-cutting effort that protects all Commerce bureaus and operating units. With this requested increase, the Department's ability to effectively execute its mission, achieve important Administration objectives, and support the United States national security interest in the near, mid, and long term will be strengthened.

Enterprise Risk Management Information System	0	\$0	0	+\$60
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This increase is requested to develop a user friendly risk management information system for Department-wide access that will automate current paper-based Enterprise Risk Management (ERM) processes, provide enhanced capability for risk analysis, and provide collaboration and document sharing tools for the ERM practitioners. Creating a common information system for Department-wide ERM would improve quality and timeliness of data; enhance risk analysis and reporting, and facilitate risk-informed strategic decision making at the Department and Bureau-levels.

Freedom of Information Act (FOIA) Module	0	\$0	0	+\$175
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This increase is requested to enable the Department to continue its partnership with Environmental Protection Agency and the National Archives and Records Administration on deploying the FOIA Module. The FOIA Module will create efficiencies and consistency, which will reduce response time for FOIA requests.

Direct Costs by Office

Offices	2014 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	70	\$26,456
Civil Rights	11	2,640
Financial Management	65	36,201
Security	79	20,594
Administrative Services	76	24,223
Acquisition Management	29	7,436
Office of Privacy and Open Government	3	919
Office of Resource Management	3	889
Subtotal, Departmental Staff Services	336	119,358
Chief Information Officer	34	24,824
General Counsel	199	41,852
Public Affairs	8	2,046
Total Working Capital Fund	577	188,080

Distribution by Bureau

Bureaus	FY 2014
	<u>Amount</u>
Office of the Secretary	\$11,092
International Trade Administration	30,219
Economic Development Administration	3,469
National Telecommunications and Information Administration	5,954
National Technical Information Service	518
Bureau of the Census	38,779
Economic and Statistics Administration	2,634
National Oceanic and Atmospheric Administration	52,035
National Institute of Standards and Technology	18,206
U.S. Patent and Trademark Office	8,591
Minority Business Development Agency	3,037
Bureau of Industry and Security	11,015
Office of the Inspector General	2,363
Total Commerce Bureaus	187,912
Other Agencies	168
Total	188,080

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)	0	\$0
Adjustments to Base	0	0
2014 Base	<u>0</u>	<u>0</u>
Program Change	<u>0</u>	<u>0</u>
2014 APPROPRIATION	0	0

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guaranteed Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	0	0	0	0	0	0	0
SUBTOTAL DISCRETIONARY OBLIGATIONS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Mandatory, Credit Reestimate	0	0			0	0		
TOTAL, DIRECT OBLIGATIONS	<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		
FINANCING								
Unobligated balance, start of year		(289)				(289)		
Recoveries/ Refunds								
Unobligated balance, end of year		289				289		
Subtotal, financing	<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		
DISCRETIONARY BUDGET AUTHORITY/ APPROPRIATION	0	0			0	0		

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

DM performance measures appear in all three administrative themes (Customer Service, Organizational Excellence and Workforce Excellence), covering seven different objectives. The table below shows the objectives and their associated funding and performance measures. A more detailed description of these goals and measures is in the DM section of the Department of Commerce budget.

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 19: Provide streamlined services and single point of contact assistance to customers through better interaction and communication utilizing Commerce Connect, partnerships, branding, and other means of stakeholder involvement.	\$ 2.4	\$ 2.4	\$ 3.6
Objective 21: Provide a high level of customer service to our internal and external customers through effective and efficient Department functions with empowered employees.	\$ 6.8	\$ 6.8	\$ 6.7
Note: The following measures apply to both Objectives 19 and 21			
Contact Center – Customer Satisfaction per quarter	N/A	90% approval or better	90% approval or better
Website – Number of unique visitors with quarter over quarter increase	N/A	10%	10%
Website Customer satisfaction per quarter – “customer ability to complete purpose”	N/A	70% approval or better	70% approval or better
Website Customer satisfaction per quarter – “customer experience”	N/A	70% approval or better	70% approval or better
Website - Number of referrals to other sites with quarter over quarter increase	N/A	10%	10%
Objective 22: Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud and abuse of government resources.	\$ 24.6	\$ 25.5	\$ 26.9
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.	Did not eliminate Significant Deficiency	Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency.	Eliminate any Significant Deficiency within one year of the determination that there is a Significant Deficiency.
	Completed FY 2012 A-123 assessment of internal controls.	Complete FY 2013 A-123 assessment of internal controls.	Complete FY 2014 A-123 assessment of internal controls.
For each administrative / business system, reduction of the number of locations that house DOC's financial and acquisition systems	New	1	1
For each administrative / business system, reduce the number of data calls and consolidate efforts to streamline the data through one source	New	1	1
Unqualified Audit Opinion	New	Unqualified	Unqualified
For each administrative / business system, maintain compliance and alignment with OMB initiatives	New	Compliance maintained	Compliance maintained
Objective 23: Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness.	\$ 3.8	\$ 3.8	\$ 3.8
Percent of dollars awarded using high-risk contracting authorities	New	Maintain 10% reduction in the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities	Maintain 10% reduction in the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 24: Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including addressing cyber security threats.	\$13.7	\$13.9	\$13.7
75% of major IT investments within 10% of cost and schedule	IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%.	IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%.	IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%.
Completed 29 IT Security Assessments	Percentage of systems in production with valid Authority to Operate (ATOs) is 100%	Percentage of systems in production with valid Authority to Operate (ATOs) is 100%	Percentage of systems in production with valid Authority to Operate (ATOs) is 100%
Deliver effective management of information technology resources including cyber security	Achieved >85% of required security training for privileged users (role-based).	Perform IT Security Compliance review of all operating units and ten FISMA systems in CSAM	Perform IT Security Compliance review of all operating units and ten FISMA systems in CSAM
Deployed 50% of the required NCSD 3-10 communications capabilities.	Percentage of moderate / high impact systems with "top 5" security controls fully implemented is 100%	Percentage of moderate / high impact systems with "top 5" security controls fully implemented is 100%	Percentage of moderate / high impact systems with "top 5" security controls fully implemented is 100%
Objective 25: Recruit, develop and retain a high-performing, diverse workforce with the critical skills necessary for mission success including growing the next generation of scientists and engineers.	\$4.9	\$4.9	\$4.9
Average number of calendar days to complete hiring actions	84	80	80
Percentage of employees with approved individual Development Plans	New	TBD	TBD
Number of participants trained via Careers in Motion	711	300	TBD
2 year retention	New	New	TBD
Objective 26: Create an optimally-led Department by focusing on leadership development, accountability, and succession planning	Included in Objective 25	Included in Objective 25	Included in Objective 25
Number of participants trained via EEP, SES CDP, ELDP, and ALDP	New	65	TBD
Percentage of SES CDP, ELDP and ALDP graduates promoted or selected for leadership position	New	5	TBD
Results-oriented performance culture index	New	63	TBD
Number of Human Capital assessment and accountability framework audits conducted	New	5	TBD
Objective 27: Provide and environment that empowers employees and creates a productive and safe workplace	Included in Objective 25	Included in Objective 25	Included in Objective 25
Percentage of employees feeling personally empowered with work processes	New	54	TBD
Total injury case rate – number of work-related injuries and illnesses per 100 employees		2.3	TBD
Grand Total	\$56.2	\$57.3	\$59.6

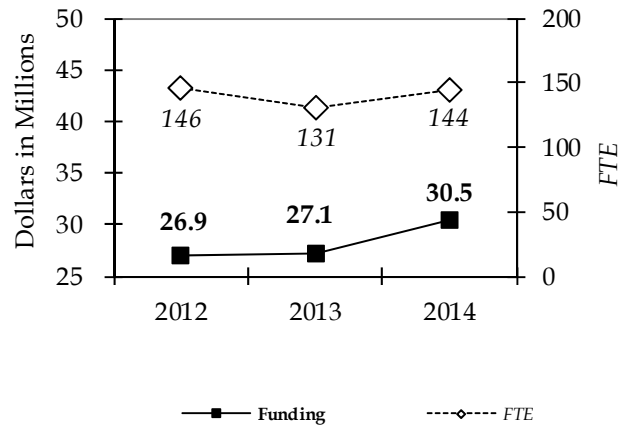
Office of the Inspector General

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

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

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

Budget Authority and FTE



Summary of Appropriations

<u>Funding Levels</u>	2012	2013 CR	2014	Increase
<u>Appropriation</u>	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Inspector General	\$26,946	\$27,111	\$30,490	\$3,379
Total	26,946	27,111	30,490	3,379
Transfer from Census	1,000	1,000	0	(1,000)
Transfer from NOAA	1,000	1,000	0	(1,000)
Transfer from USPTO	1,000	1,000	2,000	1,000
Total Budget Authority	29,946	30,111	32,490	2,379
FTE				
Inspector General Direct	146	131	144	13
Inspector General Reimbursable	1	6	14	8
Total	147	137	158	21

Highlights of Budget Changes

Appropriation: Office of the Inspector General

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			131	\$27,111
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$22		
2014 Pay raise		144		
Civil Service Retirement System (CSRS)		(27)		
Federal Employees' Retirement System (FERS)		75		
Thrift Savings Plan		7		
Federal Insurance Contributions Act (FICA) - OASDI		22		
Employees' Compensation Fund		23		
Health insurance		37		
Rent payments to GSA		30		
HCHB Water		11		
HCHB Electricity		(46)		
Other services:				
Working Capital Fund		431		
General Pricing Level Adjustment				
Other Services		34		
Supplies and materials		1		
Equipment		2		
Subtotal, other cost changes			0	766
TOTAL, ADJUSTMENTS TO BASE			0	766
2014 Base			131	27,877
Administrative Savings [non-add]				[445]
Program Changes			13	2,613
2014 APPROPRIATION			144	30,490

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Inspector General	131	\$37,262	131	\$27,877	144	\$30,490	13	\$2,613
TOTAL DIRECT OBLIGATIONS	131	37,262	131	27,877	144	30,490	13	2,613
REIMBURSABLE OBLIGATIONS	6	6,000	3	5,000	14	7,000	11	2,000
TOTAL OBLIGATIONS	137	43,262	134	32,877	158	37,490	24	4,613
FINANCING								
Unobligated balance, start of year (direct)		(7,151)				0		
Unobligated balance, start of year (reimb.)		0				0		
Offsetting Collections		(6,000)				(5,000)		
Subtotal, financing	0	(13,151)			0	(5,000)		
TOTAL BUDGET AUTHORITY	137	30,111			158	32,490		
Transfers from other accounts		(3,000)				(2,000)		
APPROPRIATION	137	27,111			158	30,490		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the OIG's administrative savings planned for FY 2013 (\$0.42 million), an additional \$0.03 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$0.45 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Acquisition and contract oversight	0	\$0	+9	+1,760

In FY 2014, OIG requests an increase of \$1.8 million and nine FTE to provide oversight for Departmental acquisitions and contracts. In FY 2012, the Department expected to spend approximately \$5.3 billion in acquisitions and contracts. OIG has identified high-risk areas in acquisitions and contracts, such as the National Oceanic and Atmospheric Administration's (NOAA) satellite programs. Two satellite programs alone were expected to account for \$1.7 billion in obligations in FY 2013. OIG will also examine the planning for the 2020 Census, which will involve large ongoing contracts. In order to provide adequate oversight of acquisitions and contracts, without reducing the level of oversight of other competing priorities and statutory mandates, OIG will establish audit teams to examine procurement activities across Department.

	<u>Base</u>		<u>Increase /Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Complaint Inquiry and Analysis	0	\$0	+4	+461

In FY 2014, OIG requests an increase of \$461,000 and four FTE for increased investigative support for Complaint Inquiry and Analysis. OIG receives critical and time-sensitive information on emerging issues across the Department from hotline complaints, and attempts to thoroughly review each complaint received to ensure all allegations and issues are handled promptly and appropriately. However, the number of complaints made to OIG from Commerce employees (including whistleblowers) and the public—involving issues of fraud, waste, abuse and mismanagement in the Department's programs and operations—has approximately doubled in the past year. At OIG's current staffing level, many substantive complaints cannot be appropriately investigated or otherwise resolved in a timely or sufficient way.

Council of the Inspectors General on Integrity and Efficiency	0	\$76	0	+\$392
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In FY 2014, OIG requests an increase of \$0.4 million for a total of \$0.5 million to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The Inspector General Reform Act of 2008 (P.L. 110-409) established CIGIE to address integrity, economy, and effectiveness issues that transcend individual government agencies. Its mission is to increase the professionalism and effectiveness of personnel by developing policies, standards and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General. The DOC OIG is a member of CIGIE, and the Act authorizes interagency funding of CIGIE and requires that any department, agency, or entity of the executive branch, which has a member on the Council, shall fund or participate in the funding of its activities. This funding will specifically support coordinated Government-wide activities that identify and review areas of weakness and vulnerability in Federal programs and operations with respect to fraud, waste and abuse.

Oversight of U.S. Patent and Trademark Office	[0]	[0]	[11]	[\$2,000]
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In FY 2014, OIG requests a transfer of \$2.0 million, an increase from its \$1.0 million request last year, to support 11 FTE to provide oversight for USPTO. From FY 2005 to FY 2013, USPTO's budget has increased from \$1.5 billion to \$2.8 billion, over the same period, its workforce has increased by approximately 5,000 employees to more than 12,000. In order to provide adequate oversight of USPTO, without reducing the level of oversight of other competing priorities and statutory mandates, OIG requires these additional resources to establish two teams of five auditors under one lead auditor.

Performance Objective and Measures

(Dollars Reflect Obligations in Millions and Include Reimbursable Funding)

The OIG performance measures appear in the administrative theme - Organizational Excellence, under the objective to strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statute and regulation, and prevent waste, fraud, and abuse of government resources. As the Department works to accomplish its mission, OIG provides a unique, independent voice to the Secretary and other senior DOC managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness, and to prevent and detect waste, fraud, and abuse in Department programs and operations. This work is primarily accomplished through audits, inspections, evaluations, and investigations and related activities. In FY 2014, OIG will continue its efforts to help the Department achieve organizational and management excellence by:

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

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

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
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.	\$31.0	\$36.3	\$30.5
% of audit recommendations that were issued three years prior, which have been implemented by Departmental and bureau management.	96%	90%	90%
Dollar value of financial benefits identified by OIG.	\$175.8M	\$39.00	\$39.00
% of investigative cases for which investigation is complete within 12 months.	58%	70%	70%

Economic Development Administration

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

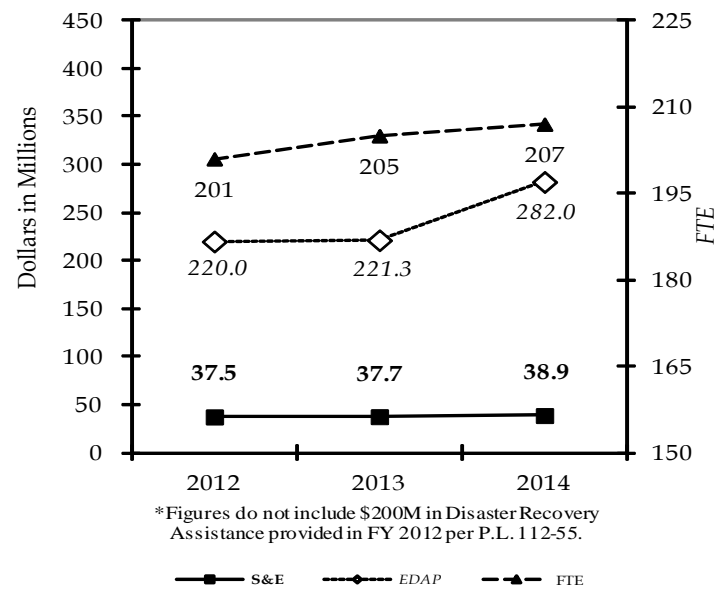
As the only Federal government agency focused exclusively on economic development, EDA plays a critical role in fostering regional economic development efforts in communities across the nation. Through the agency's diverse programs, EDA can provide a wide array of construction, technical assistance, financing, and strategic planning tools that local and regional entities utilize to support their communities' unique economic development goals.

The Bureau's model for awarding grant co-investments that build on and advance strong regional economic development strategies makes it critical for communities across the nation: unlike most government programs that provide formulaic assistance to states and communities based on given thresholds, EDA provides assistance directly to distressed communities based on the merit of their proposals and their capacity to achieve the proposed objectives. This direct relationship enables EDA to make strategic investments in partnership with local entities that maximize regional opportunities as they arise to drive regional economic development objectives, support job creation, and enhance regional prosperity.

EDA's FY 2014 budget request is designed to provide a portfolio of resources that advance catalytic investments in regions across the country. In FY 2014 EDA will continue focusing staff resources on outreach and technical assistance to distressed communities by helping communities analyze and understand socioeconomic and demographic data from a wide variety of sources, and how that data can be used to develop strategies to increase competitiveness. EDA staff will help communities cultivate relationships with key business, civic community, academia, and local government partners to pursue regional economic development opportunities, foster innovation, and support entrepreneurship and connect with the global marketplace.

Specifically, in FY 2014, EDA will direct resources to help distressed communities revitalize, expand, and upgrade their hard and soft infrastructure through the Public Works, Economic Adjustment Assistance, Technical Assistance, Partnership Planning, and Trade Adjustment Assistance Programs; and will foster cutting-edge tools and data to help policymakers and practitioners better understand and capitalize on economic opportunities through the Research and Evaluation program. Additionally, over the past several years, EDA has conducted many coordinated interagency competitions funded under the Economic Adjustment Assistance program designed to strengthen regional prosperity across the nation. These competitions have helped break down silos in the federal government and foster greater collaboration in regions across the country. In FY 2014, EDA proposes the creation of two new programs, the Regional Export Challenge and the Investing in Manufacturing Communities Fund, to advance these efforts and achieve greater impact on regional economic prosperity and job creation. Lastly, EDA proposes to continue the successful inter-agency i6 Challenge through the Economic Adjustment Assistance Program.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	<u>2012 Actual</u>	<u>2013 CR (Annualized)</u>	<u>2014 Estimate</u>	<u>Increase (Decrease)</u>
Salaries and Expenses	\$37,500	\$37,730	\$38,913	\$1,183
EDAP	220,000	221,345	282,000	60,655
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	200,000	0	0	0
TOTAL APPROPRIATION	457,500	259,075	320,913	61,838
Transfers from EDAP to S&E	[(3,290)]	[(350)]	[(350)]	0
Budget Authority	457,500	259,075	320,913	61,838
Salaries and Expenses	37,500	37,730	38,913	1,183
EDAP	220,000	221,345	282,000	60,655
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	200,000	0	0	0
EDA Revolving Fund	0	0	0	0
TOTAL BUDGET AUTHORITY	457,500	259,075	320,913	61,838
FTE				
Salaries and Expenses	201	205	207	2
Reimbursable	1	1	1	0
Total FTE	202	206	208	2

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			205	\$37,730
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$28		
2014 Pay raise		167		
Payment to Working Capital Fund		11		
Civil Service Retirement System (CSRS)		(37)		
Federal Employees' Retirement System (FERS)		94		
Thrift Savings Plan		10		
Employees' Compensation Fund		(16)		
Federal Insurance Contributions Act (FICA) - OASDI		(19)		
Health insurance		42		
Postage		2		
Travel - Mileage		29		
Rent payments to GSA		40		
Printing and Reproduction		1		
HCHB Electricity		(40)		
HCHB Water		9		
NARA		7		
Other services				
Personal Identiy Verification		154		
Working Capital Fund		354		
General Pricing Level Adjustment:				
Rental payments to others		4		
Other services		74		
Supplies and materials		4		
Equipment		15		
Subtotal, other changes			0	933
Total amount absorbed				(50)
TOTAL, ADJUSTMENTS TO BASE			0	883
2014 Base			205	38,613
Administrative Savings [non-add]				[22]
Program Changes			2	300
2014 APPROPRIATION			207	38,913

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Salaries and Expenses	205	\$42,519	205	\$38,613	207	\$38,913	2	\$300
TOTAL DIRECT OBLIGATIONS	205	42,519	205	38,613	207	38,913	2	300
REIMBURSABLE OBLIGATIONS	1	719	1	719	1	719	0	0
TOTAL OBLIGATIONS	206	43,238	206	39,332	208	39,632	2	300
FINANCING								
Unobligated balance, start of year (Direct)		(4,070)						
Unobligated balance, start of year (Reimb.)		(719)						
Offsetting coll. from Federal funds	(1)	(719)			(1)	(719)		
Subtotal, financing	(1)	(5,508)			(1)	(719)		
TOTAL BUDGET AUTHORITY/TOTAL APPROPRIATION	205	37,730			207	38,913		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the EDA’s administrative savings in FY 2012 (\$361thousand), and planned for FY 2013 (445thousand), an additional \$22 thousand in savings is targeted for FY 2014 for a total savings in FY 2014 of \$467 thousand. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Salaries and Expenses</u>	205	\$38,613	+2	+\$300

EDA requests an increase to its Salaries and Expenses program to establish a Federal ombudsman and technical assistance staff to support the Strong Cities, Strong Communities (SC2) initiative. With these funds EDA would be able to hire experienced staff who are knowledgeable about EDA and other Federal economic development programs to be part of a multi-agency federal Community Solutions Team (CST) that will provide on-site support to communities selected in the next round of SC2.

Appropriation: Economic Development Assistance Programs

Summary of Requirements

	Summary	
	FTE	Amount
2013 CR Annualized	0	\$221,345
Non-recurring Category B Funding	0	0
2014 Base	0	221,345
Program Changes	0	60,655
2014 APPROPRIATION	0	282,000

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Public Works	0	\$149,059	0	\$142,323	0	\$70,500	0	(\$71,823)
Partnership Planning	0	29,414	0	29,177	0	27,000	0	(2,177)
Technical Assistance	0	12,112	0	12,073	0	12,000	0	(73)
Research and Evaluation	0	1,563	0	1,509	0	1,500	0	(9)
Trade Adjustment Assistance	0	15,897	0	15,897	0	10,000	0	(5,897)
Economic Adjustment Assistance	0	60,585	0	60,366	0	76,000	0	15,634
Investing in Manufacturing Communities Fund	0	0	0	0		113,000	0	113,000
Regional Export Challenge	0	0	0	0	0	12,000	0	12,000
Category B Appropriations	0	2,528	0	0	0	0	0	0
Disaster Recovery Assistance (Category B - New; P.L. 112-55)	0	154,505	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	425,662	0	261,345	0	322,000	0	60,655
REIMBURSABLE OBLIGATIONS		30,000				30,000		
TOTAL OBLIGATIONS	0	455,662			0	352,000		
FINANCING								
Unobligated balance, start of year (Direct)		(184,317)				(20,000)		
Unobligated balance, end of year (Direct) /1		20,000				20,000		
Recoveries of prior year obligations		(40,000)				(40,000)		
Offsetting collections from:								
Federal funds		(30,000)				(30,000)		
Subtotal, financing	0	(234,317)			0	(70,000)		
TOTAL BUDGET AUTHORITY	0	221,345			0	282,000		
Unobligated balance rescission	0	0			0	0		
TOTAL APPROPRIATION	0	221,345			0	282,000		

1/ Unobligated balance, end of year for FY 2013 and FY 2014, and Unobligated balance, start of year for FY 2014 are estimates based on carrying forward loan guarantee funds into FY 2015, when EDA anticipates initial execution of loan guarantees under the authorities provided in Section 26 and Section 27 of the COMPETES Act.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Public Works</u>	0	\$111,640	0	-\$71,140

EDA requests a reduction in funding for the Public Works Program so that scarce funding resources can also be allocated to advance the Economic Adjustment Assistance, Investing in Manufacturing Communities Fund, and Regional Export Challenge programs. While the decrease in funding will mean that EDA will be able to support fewer construction projects across the nation, the funding reduction will be offset by greater support for programs that advance the recent success of the interagency competitions, as well as an increase in the Economic Adjustment Assistance Program. These programs will include the opportunity for regions to compete for infrastructure funding and also will include resources that will provide other critical non-infrastructure support, such as technical assistance, needed for businesses to successfully compete in global markets. EDA's request is part of the Agency's overall effort to ensure a balanced portfolio best suited to help distressed communities access the diverse tools that can support the construction of hard and soft infrastructure inputs that drive regional growth. The Public Works Program remains a critical component of the Agency's portfolio providing support for "asset poor" communities in the development of basic public assets that can lead to long term economic growth, such as water and sewer system improvements, fiber optic cable, industrial parks, business incubators, expansion of ports and harbors, workforce development facilities, and multi-tenant manufacturing facilities. These investments help distressed communities become more competitive.

<u>Partnership Planning</u>	0	\$29,000	0	-\$2,000
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EDA requests a reduction in funding for EDA's Partnership Planning Program which brings the program to its statutorily required level. The Partnership Planning Program provides a foundation for EDA's infrastructure investments, which are designed to stimulate economic growth in distressed regions. The planning process supports an assessment of the region's economic conditions and the development of a Comprehensive Economic Development Strategy (CEDS) to guide resource allocation and project development. The proposed funding cut will eliminate funding for EDA's short-term planning program, which is utilized to support planning efforts in areas where an EDA-approved Economic Development District is not present and resources to develop and advance regional planning is severely limited. Additionally, the short-term planning program provides funding to support innovative local and regional planning efforts, including the development of State-wide CEDS, the development of city development plans, and the development of innovative ways to solicit and capture input from diverse stakeholders.

<u>Trade Adjustment Assistance</u>	0	\$15,800	0	-\$5,800
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The TAA for Firms programs provides direct technical assistance to firms negatively impacted by global trade. EDA is conducting a thorough review of the program to determine best strategies for implementing operational efficiencies which could potentially be made to enhance the economic benefits afforded by the program, including: alignment with the service areas of EDA's six regional offices to better integrate the full suite of EDA's economic development and competitiveness-enhancing resources and services available to trade-impacted communities and companies; a decreased number of TAACs, with a greater amount of funding for each, to align with decreased funding proposed within the FY 2014 budget; increased performance by current TAACs that receive an award under the competition, as a competition for funding under the TAAF program will remove the current perception by some TAACs that they are institutional grantees; and, new, higher-performing TAACs that are motivated to perform at high levels by the very nature of being awarded new funds that provide an opportunity to assist trade-impacted companies in their region.

<u>Economic Adjustment Assistance</u>	0	\$50,060	0	+\$15,940
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EDA requests an increase to its Economic Adjustment Assistance (EAA) Program. As EDA's most flexible program, the EAA Program plays a critical role in supporting the Bureau's efforts to foster regional innovation ecosystems, promote the

export potential of American regions, and encourage development and enhancement of critical infrastructure. EDA provides technical assistance and implementation investments that include critical innovation infrastructure such as business incubators, proof of concept centers, wet labs, and Research and Development commercialization programs.

<u>Investing in Manufacturing Communities Fund</u>	0	\$0	0	+\$113,000
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EDA requests an increase to establish the Investing in Manufacturing Communities Fund. This new program is designed to strengthen communities' ability to attract inbound investment, which will lead to other community benefits- increased capacity for U.S. innovation and manufacturing, higher skills for the American workforce, attracting and retention of small businesses serving as suppliers, and expanded opportunity for U.S. exports. By attracting 21st century technology and business, this effort will facilitate the growth in good, middle-class jobs.

<u>Regional Export Challenge</u>	0	\$0	0	+\$12,000
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EDA requests an increase to fund the new Regional Export Challenge Program to assist communities in the development of robust and sustainable export action plans that support jobs, international business and export expansion. This program will build upon the understanding that robust regional innovation ecosystem strategies create a blueprint for improving the conditions or "ecosystem" in which innovation companies and entrepreneurs can accelerate the development of new businesses, products or services. By focusing specifically on exports, the export action plans created through this program will support jobs, international business and export expansion.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

EDA's program activities support the theme of Economic Growth, two corresponding goals (Innovation and Entrepreneurship and Market Development and Commercialization), and three objectives – Stimulate high growth business formation and entrepreneurship through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization (Objective 3); Promote the advancement of sustainable technologies, industries and infrastructure (Objective 6); and, Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas (Objective 7). EDA's GPRA performance measures capture the impact of EDA's investments in terms of job creation and private sector leverage and help EDA assess its performance against its goal of cultivating economic development in communities across the country. A more detailed description of these objectives and measures is in the EDA section of the Department of Commerce budget.

	2012 Estimate / Target	2013 Estimate / Targets	2014 Estimate / Targets
Objective 3: Stimulate high growth business formation and entrepreneurship, through investments in high-risk, high-reward technologies and removing impediments to accelerating technologies	\$ 62.8	\$ 66.0	\$ 128.8
Objective 6: Promote and support the advancement of green and blue technologies and industries	\$ 58.2	\$ 65.0	\$ 30.2
Objective 7: Promote competitiveness of disadvantaged and distressed communities and businesses ¹	\$ 336.5	\$ 126.5	\$ 161.9
Private sector dollars invested in distressed communities as a result of EDA investments ²	\$ 210 M by 2015 \$ 525 M by 2018 \$ 1,051 M by 2021	\$ 207 M by 2016 \$ 518 M by 2019 \$ 1,036 M by 2022	\$ 233 M by 2017 \$ 581 M by 2020 \$ 1,163 M by 2023
Jobs created or retained in distressed communities as a result of EDA investments ²	4,939 by 2015 12,348 by 2018 24,697 by 2021	4,813 by 2016 12,032 by 2019 24,064 by 2022	5,397 by 2017 13,492 by 2020 26,985 by 2023
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	95%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	89%	89%	89%
% of University Center (UC) clients taking action as a result of University Center assistance	75%	75%	75%
% of those actions taken by UC clients that achieve the expected results	80%	80%	80%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	90%	90%	90%
% of those actions taken by TAAC clients that achieved the expected results	95%	95%	95%
Total ³	\$ 457.5	\$ 257.5	\$ 320.9

¹ All of EDA's performance measures support DOC Objectives 3, 6 and 7. While \$200 M in Disaster Recovery Assistance funds in FY 2012 support DOC Objective 7, they are not included as part of EDA's FY 2012 target calculations.

² Long-term outcome results are reported by investment recipients over a period of nine years at three year intervals.

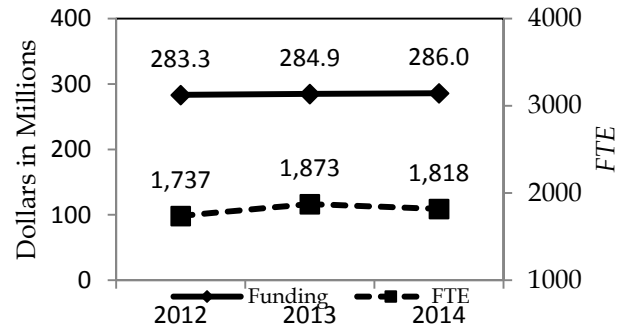
³ FY targets are directly dependent on appropriated funding levels for S&E and EDAP. Funding amounts exclude reimbursable, one-time costs and legislative proposal programs since these vary widely from year to year.

Bureau of the Census

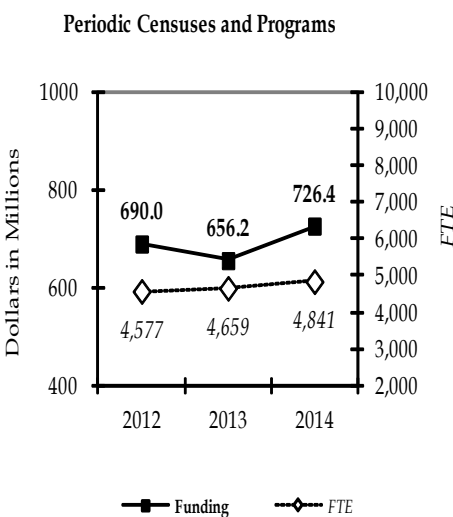
The mission of the Bureau of the Census (Census), within the Economics and Statistics Administration, is to serve as the leading source of quality data about the Nation’s people and economy. To accomplish this mission, Census measures and disseminates information about the Nation’s ever-changing economy,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

The President’s FY 2014 budget request enables the Department of Commerce to achieve its goal of generating jobs, increasing trade, and advancing scientific understanding by providing timely, relevant, trusted, and accurate data, standards and services needed by policymakers and public and private decision makers. Census’s cyclical programs include the Economic Census and the Census of Governments, conducted every five years, and the Decennial Census, conducted every ten years. In addition, the Census Bureau will continue to produce socio-economic estimates for over 700,000 geographic areas from the American Community Survey. Census also conducts a number of vital current demographic and economic surveys, produces population estimates between decennial censuses, and selects new survey samples for Federal statistical programs.

Salaries and Expenses



Census continually re-evaluates each of its programs to ensure they best meet the needs of policymakers, businesses, and the public. As part of this ongoing evaluation, the FY 2014 budget includes funding for program enhancements for the 2020 Census, as well as cyclical program decreases for the Economic Census, Census of Governments, and the 2010 Census. It also includes targeted increases in the Census Bureau’s Current Economic Statistics programs to enhance program analysis capabilities at the Census Bureau, as well as strengthening its Research Data Centers. Additionally, the request includes an increase to support development of a supplemental poverty measure using data from the Current Population Survey. To minimize the requested increases in FY 2014, the Census Bureau prioritized functions and revised plans to fund the cyclical increase in the 2020 Census Program and proposes targeted reductions in the Survey of Income and Program Participation and the Geographic Support program. Further details are provided under the “Highlights of Budget Changes” section.



Census is funded through the following appropriations:

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

The Periodic Censuses and Programs appropriation funds the Decennial Census which is conducted every ten years, and the Economic Census, and the Census of Governments, which are conducted every five years. It also funds other programs, including the American Community Survey (ACS), which produces annual, detailed community-level demographic socio-economic estimates, permitting the Decennial Census to collect only minimal demographic information. Other programs include Intercensal Demographic Estimates and Geographic Support. All of these

programs are a valuable resource for both Federal and local decision-makers. Finally, two programs, Demographic Surveys Sample Redesign and Data Processing Systems, provide critical infrastructure to Census Bureau surveys and censuses.

The Personal Responsibility and Work Opportunity Reconciliation Act of FY 1996, also known as the Welfare Reform Act (P.L. 112-9, Extended) established and funded (through mandatory appropriations) the Survey of Program Dynamics (SPD). The SPD provides policy makers with socioeconomic data to evaluate the impact of the welfare reforms on state welfare program recipients. The FY 2014 budget assumes that the SPD is reauthorized at the full funding level by FY 2014.

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

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

Summary of Appropriations

Funding Levels

	2012	2013 CR	2014	Increase
	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Discretionary Appropriations				
Salaries and Expenses	\$253,336	\$254,887	\$256,048	\$1,161
Periodic Censuses and Programs ¹	635,000	639,223	726,436	87,213
Total Discretionary Appropriation ¹	888,336	894,110	982,484	88,374
Permanent Appropriation				
Survey of Program Dynamics	10,000	10,000	10,000	0
State Children's Health Insurance Program	20,000	20,000	20,000	0
Rescission from S&E	0	0	0	0
Rescission from PC&P	0	0	0	0
Transfers from PC&P to Other Accounts ¹	(1,000)	(1,000)	0	1,000
Transfers to PC&P from Other Accounts ¹	55,000	17,000	0	(17,000)
Budget Authority				
Salaries and Expenses	283,336	284,887	286,048	1,161
Periodic Censuses and Programs	689,000	655,223	726,436	71,213
TOTAL BUDGET AUTHORITY	972,336	940,110	1,012,484	72,374
FTE				
Salaries and Expenses	1,737	1,873	1,818	(55)
Periodic Censuses and Programs	4,577	4,659	4,841	182
Total Discretionary FTE	6,314	6,532	6,659	127
Mandatory	258	163	163	0
Working Capital Fund	2,983	3,412	2,866	(546)
Total FTE	9,555	10,107	9,688	(419)

¹ In FY 2012, the Periodic Censuses and Programs appropriation included a \$55 million transfer from the Census Working Capital Fund and a \$1 million transfer to the Office of Inspector General. As a result, the Census Bureau's total FY 2013 discretionary appropriation request is \$28 million higher than the FY 2012 funding level (FY2012 = \$942 million to FY2013 = \$970 million). Under the full year continuing resolution, the budget assumes that the transfer from the Working Capital Fund is \$17 million and that the transfer to the Office of Inspector General continues in FY 2013.

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			1,873	\$254,887
IT Savings			0	(225)
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$201		
2014 Pay raise		1,194		
Working Capital Fund Pay Raise		106		
Federal Employees' Retirement System (FERS)		234		
Thrift Savings Plan		467		
Federal Insurance Contributions Act (FICA) - OASDI		45		
Health insurance		461		
Employees' Compensation Fund		169		
Travel - Per Diem		29		
Travel - Mileage		185		
Rent payments to GSA		161		
Postage		61		
Printing and reproduction		8		
Other services:				
Working Capital Fund		1,514		
Personal Identity Verification (PIV)		71		
Commerce Business System		152		
General Pricing Level Adjustment:				
Transportation of things		7		
Communications, utilities, and misc. charges		26		
Other services		776		
Supplies and materials		29		
Equipment		38		
Subtotal, other cost changes			0	5,934
Subtotal, adjustments to base			0	5,934
Less Amount Absorbed			0	(4,906)
TOTAL, ADJUSTMENTS TO BASE			0	803
2014 Base			1,873	255,690
Administrative Savings [non-add]			[0]	[515]
Administrative Savings Reflected in Program Change [non add]			[-6]	[-1,452]
Program Changes			(55)	358
2014 APPROPRIATION			1,818	256,048

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Current surveys and statistics								
Current economic statistics	1,198	\$178,846	1,198	\$179,409	1,213	\$182,701	15	\$3,292
Current demographic statistics	659	73,442	659	73,673	589	70,745	(70)	(2,928)
Survey development and data services	16	2,599	16	2,608	16	2,602	0	(6)
Subtotal, Discretionary Obligations	1,873	254,887	1,873	255,690	1,818	256,048	(55)	358
Survey of Program Dynamics	32	10,000	32	10,000	32	10,000	0	0
State Children's Health Insurance Program	131	21,797	131	20,000	131	20,000	0	0
TOTAL DIRECT OBLIGATIONS	2,036	286,684	2,036	285,690	1,981	286,048	(55)	358
FINANCING								
Unobligated balance start of year, SCHIP	0	(1,797)	0	0	0	0	0	0
Less Permanent Appropriation	0	0	0	0	0	0	0	0
TOTAL DISCRETIONARY BUDGET AUTHORITY / APPROPRIATION	2,036	284,887	2,036	285,690	1,981	286,048	(55)	358

Note: The FY 2014 Budget assumes that the Survey of Program Dynamics is reauthorized at the full funding level by FY 2014.

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

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the nearly \$25 million in administrative savings that the Census Bureau's has either committed to finding or has realized in FY 2012 and FY 2013, an additional, \$2.0 million is targeted in FY 2014, of which \$0.5 million is reinvested and \$1.5 million is a requested reduction in budget authority. For additional information, see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Current Economic Statistics</u>	1,198	\$179,409	+15	+\$3,292
Expanding Research Opportunities related to Federal Programs			+15	+3,500
This increase will be used to enhance the Census Bureau's Research Data Center Network to support the evaluation of federal government programs. The project will acquire and improve new program data and provide infrastructural support for related research.				
Improving Analyses of Federal Programs through Better Measures of Outcomes			+2	+300
The increase will be used to analyze federal programs designed to assist U.S. businesses using rigorous statistical and econometric methods and microdata from the Census Bureau combined with data from other agencies.				
Administrative Savings			-2	-508
This reduction reflects program's share of the Administrative Savings described previously.				
<u>Current Demographic Statistics</u>	659	\$73,673	-70	-\$2,928
Current Population Survey	129	\$11,130	+37	+\$5,000
The Census Bureau proposes an increase of \$5 million to support the development of a supplemental statistical poverty measure from the Current Population Survey to complement the current official measure.				
Survey of Income and Program Participation	453	\$50,706	-103	-\$6,990
The Census Bureau request includes a planned reduction of \$2 million to reflect completion of the FY 2013 Event History Calendar field test as part of the SIPP improvements initiated in FY 2008, as well as a \$5 million reduction to administrative savings based on the re-designed SIPP being in the field in FY 2014 and the reduction of headquarters staffing related to household surveys.				
Administrative Savings			-4	-\$938
This reduction reflects program's share of the Administrative Savings described previously.				
<u>Survey Development and Data Services</u>	16	\$2,608	0	-\$6
Administrative Savings			0	-\$6
This reduction reflects program's share of the Administrative Savings described previously.				

Appropriation: Periodic Censuses and Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			4,659	\$655,223
FTE Reduction			(9)	
IT Savings			0	(2,275)
Adjustments to Base				
FTE Realignment			463	
Transfer				
2010 Decennial Census Program			(2,393)	(241,786)
2020 Decennial Census Program			2,393	241,786
Other Changes				
2013 Pay raise		\$350		
2014 Pay raise		2,095		
Civil Service Retirement System (CSRS)		0		
Federal Employees' Retirement System (FERS)		389		
Thrift Savings Plan		778		
Federal Insurance Contributions Act (FICA) - OASDI		80		
Health insurance		759		
Employees' Compensation Fund		5,812		
Travel - Per Diem		85		
Travel - Mileage		730		
Rent payments to GSA		299		
Postage		725		
Printing and reproduction		68		
Other services:				
Working Capital Fund		6,261		
Personal Identity Verification (PIV)		721		
General Pricing Level Adjustment:				
Transportation of things		15		
Communications, utilities, and misc. charges		60		
Other services		1,887		
Supplies and materials		59		
Equipment		173		
Subtotal, other cost changes			0	21,346
Subtotal, adjustments to base			0	19,071
Less Amount Absorbed			0	(12,955)
TOTAL, ADJUSTMENTS TO BASE			0	6,116
2014 Base			5,113	661,339
Administrative Savings [non-add]			[0]	[1,078]
Administrative Savings Reflected in Program Change [Non-Add]			[-10]	[-8,148]
Program Changes			(272)	65,097
2014 APPROPRIATION			4,841	726,436

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Economic statistics programs:								
Economic censuses	961	\$138,695	961	\$138,730	677	\$117,860	(284)	(\$20,870)
Census of governments	74	11,436	74	11,467	69	9,724	(5)	(1,743)
Subtotal, Economic statistics	1,035	150,131	1,035	150,197	746	127,584	(289)	(22,613)
Demographic statistics programs:								
Intercensal demographics estimates	63	10,150	63	10,126	62	9,926	(1)	(200)
2010 Decennial census program	2,684	298,007	291	55,476	0	0	(291)	(55,476)
2020 Decennial census	479	93,279	3,265	332,329	3,647	486,572	382	154,243
Subtotal, Demographic statistics	3,226	401,436	3,619	397,931	3,709	496,498	90	98,567
Demographic surveys sample redesign	63	10,914	57	9,865	56	9,602	(1)	(263)
Geographic support	335	72,827	402	66,207	330	55,613	(72)	(10,594)
Data processing system	0	32,473	0	37,139	0	37,139	0	0
TOTAL DIRECT OBLIGATIONS	4,659	667,781	5,113	661,339	4,841	726,436	(272)	65,097
FINANCING								
Unobligated balance, start of year		(12,558)					0	0
Unobligated balance, expiring							0	0
Unobligated balance, end of year							0	0
Transfers to other accounts		1,000						
Transfers from other accounts		(17,000)						
TOTAL BUDGET AUTHORITY/ APPROPRIATION	4,659	639,223	5,113	661,339	4,841	726,436	(272)	65,097

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

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the nearly \$25 million in administrative savings that the Census Bureau's has either committed to finding or has realized in FY 2012 and FY 2013, an additional, \$9.2 million is targeted in FY 2014, of which \$1.0 million is reinvested and \$8.2 million is a requested reduction in budget authority. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Economic Censuses</u>	961	\$138,730	-284	-\$20,870
Economic Census Cyclical Program Change	961	\$138,730	-283	-\$18,548

The Census Bureau conducts the economic census every five years. It is integral to the Bureau of Economic Analysis (BEA) estimates of Gross Domestic Product (GDP) and industry inputs and outputs. It provides decision-makers with comprehensive, detailed, and authoritative facts about the structure and functioning of the U.S. economy. It is the foundation of the Nation's economic statistics programs, providing core information on virtually all non-farm businesses and related data on business expenditures, commodity flows, minority and women-owned businesses, and other topics. Fiscal Year 2014 is the fifth year of the six-year 2012 Economic Census funding cycle. The focus of activity for FY 2014 is completing data collection, industry analytical review, and review and publication of the advance report and 70% of the industry reports. Data collection and review will continue for the Survey of Business Owners (SBO).

Administrative Savings			-1	-\$2,322
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This reduction reflects program's share of the Administrative Savings described previously.

<u>Census of Governments</u>	74	\$11,467	-5	-\$1,743
Census of Governments Cyclical Program Change	74	\$11,467	-5	-\$1,722

The Census Bureau conducts a census of governments every five years. Like the Economic Census, it is integral to BEA's estimates of GDP. It is the only source of comprehensive and uniformly classified data on the economic activities of more than 90,000 state and local governments, which account for about 12 percent of GDP and 15 percent of the civilian labor force population. Fiscal Year 2014 is the final year in the five-year cycle of the 2012 Census of Governments. Key objectives of the FY 2014 work include developing and disseminating the state descriptions; preparing and delivering data products from the employment component, including a summary publication and data tables disseminated electronically; and, preparing and delivering data products from the finance component including retirement system and school district finances data tables and data files for BEA.

Administrative Savings			0	-\$21
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<u>Intercensal Demographic Estimates</u>	63	\$10,126	-1	-\$200
Administrative Savings			-1	-\$200

This reduction reflects program's share of the Administrative Savings described previously.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>2010 Decennial Census Program</u>	291	\$55,476	-291	-\$55,476

This program change reflects the completion of the 2010 Census.

<u>2020 Decennial Census Program</u>	3,265	\$332,329	382	\$154,243
2020 Census Cyclical Program Change	476	\$89,838	388	\$158,991

Fiscal Year 2014 is the third year of a three-year research and testing phase of the 2020 Census. The FY 2014 budget request expands and supports the research and testing phase for the 2020 Decennial Census Program. The focus of FY 2014 activities will be to support the research and testing infrastructure, allowing us to effectively test (1) new enumeration methods, (2) new processes to support field operations, (3) more cost-effective IT systems, and (4) address and spatial frame-related methods needed for the 2020 Census to supplement research being carried out in the geographic support program. By the end of FY 2014, preliminary design decision(s) for the 2020 Census will be made in preparation for acquisitions beginning in FY 2015. Additionally, focus will be on continued implementation of program management and systems engineering activities to ensure effective management and technical/operational cohesion of research and testing projects. Consequently, the research and testing agenda (supported by strong program and risk management and systems engineering) addresses the major cost and quality drivers in the census, critical to achieving the strategic vision and goals.

Administrative Savings			-6	-\$4,748
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This reduction reflects program's share of the Administrative Savings described previously.

<u>Demographic Sample Survey Redesign</u>	57	\$9,865	-1	-\$263
Administrative Savings			-1	-\$263

This reduction reflects program's share of the Administrative Savings described previously.

<u>Geographic Support</u>	402	\$66,207	-72	-\$10,594
Geographic Support	402	\$66,207	-71	-\$10,000

The Census Bureau requests a decrease that limits two major geographic partnership programs: the Boundary and Annexation Survey (BAS) and the evaluation of partner supplied files as part of the Geographic Support System. This FY 2014 budget request is the result of a review of both ongoing and cyclical programs necessary to achieve the Department of Commerce and Census Bureau goals. Difficult choices were made in balancing program needs and fiscal constraints in order to fund higher priority programs.

Administrative Savings			-1	-\$594
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This reduction reflects program's share of the Administrative Savings described previously.

Performance Objective and Measures

(Dollars reflect obligations in Millions and Include Reimbursable Funding)

All of Census's program activities support the theme of Science and Information while appearing within one objective – 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. (Objective 14). A more detailed description of these measures can be found in the Census section of the Department of Commerce budget.

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 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.	\$1,294.1	\$1,288.5	\$1,281.2
Produce timely, relevant, and accurate measures showing the dynamics of local job markets and identifying the changing structure of the U.S. economy and its effect on jobs.	For states that provide wage records on schedule, Census will produce Quarterly Workforce Indicators for at least 90 percent of those states on time every quarter	For states that provide wage records on schedule, Census will produce Quarterly Workforce Indicators for at least 90 percent of those states on time every quarter	For states that provide wage records on schedule, Census will produce Quarterly Workforce Indicators for at least 90 percent of those states on time every quarter.
Release monthly export statistics on schedule	100%	100%	100%
Achieve pre-determined collection rates for Census Bureau surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public. (American Community Survey (ACS) and Boundary and Annexation Survey)	NA	(1) The American Community Survey will meet or exceed a 92% overall weighted response rate using three modes of data collection. (2) The Boundary and Annexation Survey will meet or exceed an 85% response rate.	(1) The American Community Survey will meet or exceed a 92% overall weighted response rate using three modes of data collection.
Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public (ACS).	NA	Core ACS tables released by 9/30/2013.	Core ACS tables released by 9/30/2014.
Achieve pre-determined collection rates for Census Bureau surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public (Other Surveys).	At least 80% of key surveys met or exceeded pre-determined collection rates at planned levels of reliability.	At least 90% of key surveys met or exceeded pre-determined collection rates at planned levels of reliability.	At least 90% of key surveys met or exceeded pre-determined collection rates at planned levels of reliability.
Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public.	(1) 100% of economic indicators were released on schedule. (2) At least 90% of other data products from key censuses and surveys were released on schedule.	(1) 100% of economic indicators released on schedule. (2) At least 90% of other data products from key censuses and surveys released on schedule.	1) 100% of economic indicators released on schedule. (2) At least 90% of other data products from key censuses and surveys released on schedule.
Improve satisfaction with the Census Bureau's Website. (Prior to FY 2012, the measure was "Meet or exceed overall Federal score of customer satisfaction on the E-Government American Customer Satisfaction Index.")	62% (Did not meet or exceed overall federal score of 74%)	74% of respondents indicate that they would recommend the site to others.	75% of respondents indicate that they would recommend the site to others.
Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public and meet constitutional and legislative mandates.	At least 90% of key activities were completed on time	At least 90% of key activities completed on schedule.	At least 90% of key activities completed on schedule

Economic and Statistical Analysis

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

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

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

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

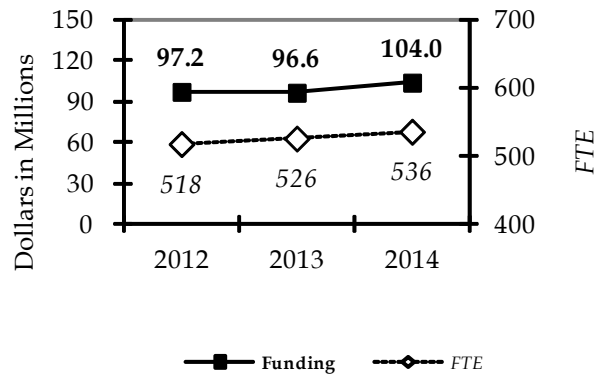
Bureau of Economic Analysis (BEA). Funding requested in FY 2014 will help BEA achieve its mission to promote a better understanding of the U.S. economy by providing timely, relevant and accurate economic accounts data in an objective and cost-effective manner. Although BEA is a relatively small agency, it produces economic statistics that are among the nation's most closely watched. These statistics influence critical decisions made by policy-makers, business leaders, households, and individuals that affect interest and exchange rates, tax and budget projections, business investment plans, and the allocation of over \$300 billion in federal funds to states and local communities.

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

The FY 2014 budget allows BEA to maintain the relevance of all of its economic accounts, as outlined in its five-year Strategic Plan, which provides a detailed outline for improving the quality and accuracy of BEA economic statistics. The BEA Strategic Plan, which is reviewed and provided to stakeholders annually, calls for a number of ambitious undertakings to improve its measures in FY 2014 to better meet its mission.

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

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$96,000	\$96,588	\$104,048	\$7,460
TOTAL, BUDGET AUTHORITY	96,000	96,588	104,048	7,460

FTE

Salaries and Expenses	483	491	505	14
Reimbursable	35	35	31	(4)
TOTAL	518	526	536	10

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			491	\$96,588
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$77		
2014 Pay raise		448		
Payment to Working Capital Fund		9		
Civil Service Retirement System (CSRS)		(85)		
Federal Employees' Retirement System (FERS)		231		
Thrift Savings Plan		56		
Federal Insurance Contributions Act (FICA) - OASDI		113		
Health insurance		138		
Employees' Compensation Fund		(7)		
Rent payments to GSA		110		
Printing and reproduction		4		
Postage		3		
HCHB Electricity		(32)		
HCHB Water		6		
NARA		1		
Other services:				
Working Capital Fund		(3)		
Personal Identiy Information		389		
Costs associated with BEA's expiring lease		2,866		
General Pricing Level Adjustments				
Rental payments to others		1		
Communications, utilities, and miscellaneous charges		5		
Other services / Rental payments to others / trans of things		329		
Supplies		23		
Equipment		15		
Subtotal, other cost changes			0	4,697
Total, Adjustments to Base			0	4,697
2014 Base			491	101,285
Administrative Savings [non-add]			0	[800]
Program Changes			14	2,763
2014 APPROPRIATION			505	104,048

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Bureau of Economic Analysis	478	\$92,790	478	\$97,414	492	\$100,177	14	\$2,763
Policy Support	13	3,798	13	3,871	13	3,871	0	0
TOTAL DIRECT OBLIGATIONS	491	96,588	491	101,285	505	104,048	14	2,763
REIMBURSABLE OBLIGATIONS	35	7,798	31	6,439	31	6,439	0	0
TOTAL OBLIGATIONS	526	104,386	522	107,724	536	110,487	14	2,763
FINANCING								
Offsetting collections from:								
Federal funds	(32)	(7,288)			(28)	(6,039)		
Non-Federal sources	(3)	(510)			(3)	(400)		
Subtotal, financing	(35)	(7,798)			(31)	(6,439)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	491	96,588			505	104,048		

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

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on ESA’s administrative savings in FY 2012 (\$0.83 million) and a FY 2013 plan of (\$0.76 million), an additional \$0.80 million in savings is targeted for FY 2014. For additional information, see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

Measurement of “Build it here, Sell it everywhere”	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
	182	\$33,955	21	\$3,892

Foreign direct investment in the United States is an important goal of the Commerce Department as more investment equals more jobs. To address business concerns about navigating local, state, and federal bureaucracies, the Commerce Department launched SelectUSA to aggressively pursue and win new business investment in the United States from foreign and domestic companies.

To improve the effectiveness of SelectUSA, BEA proposes to improve measures of foreign direct investment and direct investment by U.S. companies abroad. This information will support SelectUSA by identifying areas of the country with stronger and weaker foreign direct investment and by identifying and measuring foreign direct investment in newly emerging businesses.

BEA would improve overall coverage and measurement of foreign direct investment by:

Developing a new survey of new foreign direct investment in the U.S. - This survey would identify and quantify new investment in the U.S. by foreign investors. BEA would better capture greenfield investment— investment in new enterprises, such as through the construction of new plants. These data are essential to SelectUSA, state and local economic development officials, and economic researchers.

Adding state-level data on fixed assets, property, and manufacturing employment - BEA would return to collecting and reporting the previous level of detail, including the state-by-state data on the fixed assets, commercial property, and manufacturing employment of foreign-owned U.S. companies. SelectUSA and state governments would use this data to assess the impact of foreign direct investment.

Reducing reporting thresholds to include more newly emerging businesses - BEA would lower reporting thresholds to ensure that the information collected better meets current needs without imposing undue burden on respondents.

The data collected under these new initiatives along with ongoing BEA surveys will not only be used by SelectUSA but will also be used by the Office of the U.S. Trade Representative, the Departments of Treasury and State, the Council of Economic Advisers, and the Federal Reserve Board to support U.S. international economic policy.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Eliminate Advance GDP by Industry	7	\$1,129	-7	-\$1,129

BEA will eliminate this base program since steep and unavoidable cost increases from BEA's expiring lease require offsets from program areas.

The advance GDP by industry statistics provide a first look at the industry breakout of GDP within four months after the year's end. They evaluate U.S. industry competitiveness in a near real-time basis. These statistics are used to assess the relative contributions of industries to overall economic growth, industries' impact on inflation, and whether industries are expanding or contracting.

BEA's currently produced quarterly GDP by industry statistics, which offers far greater detail than the advance GDP by industry statistics, is an acceptable substitute to the users of this data. The overall quality of BEA's products is not compromised with this proposed elimination.

Performance Objective and Measures

(Dollars reflect obligations in Millions)

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

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 14: Improve understanding of the U.S. economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions	\$103.7	\$104.4	\$110.5
Reliability of delivery of economic data (number of scheduled releases issued on time)	62 of 62	62 of 62	TBD ¹
Customer satisfaction with quality of products and services (mean rating on a 5 point scale)	4.3	Greater than 4.0	Greater than 4.0
Percent of GDP estimates correct	87%	Greater than 85%	Greater than 85%
Improvement of GDP and the economic accounts	Completed Strategic Plan milestones	Successful completion of Strategic Plan	Successful completion of Strategic Plan milestones

1. FY 2014 targets will be added when the schedule is made available to OMB and published in the *Survey of Current Business* in the fall of the preceding year.

International Trade Administration

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

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

Industry and Analysis (I&A) The mission of Industry and Analysis (I&A) is to advance the international competitiveness of U.S. industries by leveraging its in-depth sector and analytical expertise in the development and execution of trade policy and export promotion strategies.

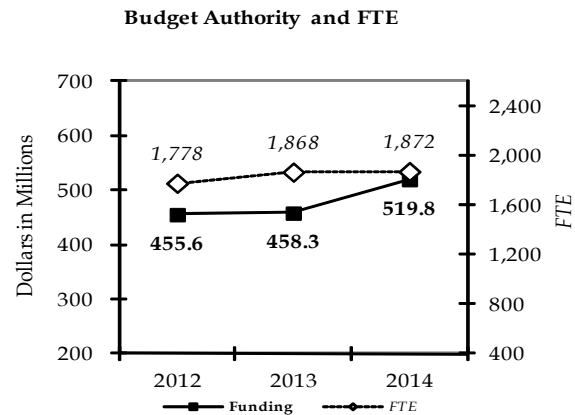
I&A combines trade and economic capabilities, in-depth international trade and industry knowledge, and trade promotion capabilities to advance the international competitiveness of U.S. manufacturing and service industries. I&A develops critical economic and policy analyses and information that is used to improve market access for U.S. industry globally and to design and implement innovative trade programs that advance the global competitiveness of U.S. industry. The unit ensures appropriate industry and other stakeholder input into trade policy development, negotiations and implementation through an extensive network of industry advisory groups and public-private partnerships, including technical and matching grants assistance to U.S. exporters. I&A also evaluates industry and other stakeholder perspectives in the development, assessment, and implementation of policies impacting the global competitiveness of U.S. industry. I&A links data-based decision making with industry input and knowledge of global competitive dynamics to offer comprehensive export expansion strategies that are strongly connected to industry-client needs.

Enforcement and Compliance (E&C) The mission of Enforcement and Compliance (E&C) is to take prompt and aggressive action against unfair foreign trade practices and foreign trade barriers by enforcing the U.S. trade laws and monitoring compliance with trade agreements negotiated to address trade-impeding and trade-distorting practices.

The EC unit defends U.S. manufacturers, exporters, workers, and farmers against injurious dumped and unfairly subsidized imports by administering the U.S. antidumping duty (AD) and countervailing duty (CVD) laws, and develops and executes other programs and policies designed to reduce the prevalence of market distortions in foreign government activities that can lead to such unfair trade practices. Although E&C's primary function is to administer AD and CVD cases, the unit also assists U.S. exporters subject to foreign government actions and foreign market barriers to address alleged subsidization and other allegations of unfair trade practices or infractions of trade agreement obligations.

Global Markets (GM) Global Markets (GM) combines ITA's country/regional experts, overseas and domestic field staff, and certain trade promotion programs to provide a comprehensive suite of export promotion services and market access advocacy to U.S. firms, alongside promoting the United States as a prime investment destination. The Global Markets unit:

- Advances U.S. commercial interests by engaging foreign governments and businesses, identifying and resolving country-specific market barriers, and leading interagency efforts to advocate for U.S. firms;
- Expands U.S. exports by developing and implementing policies and programs to increase U.S. access to foreign markets and provides market contacts, knowledge, opportunities, and customized, client-driven solutions to U.S. firms;
- Develops innovative policies and programs that leverage in-depth country and regional expertise, as well as relationships with customers; and



- Increases foreign direct investment in the United States by promoting the United States as a prime investment destination through the SelectUSA program.

GM is an integral part of the U.S. Government's interagency effort to develop and implement market access strategies and remove foreign trade barriers. In addition to its international footprint, GM includes domestic operations, an investment promotion function under the SelectUSA program, and additional trade promotion programs that help expand exports, such as the Advocacy Center and Global Knowledge Center that serves as an information resource for the U.S. exporting community. GM also promotes collaboration with other ITA units to enforce trade agreements and promote U.S. business growth in global markets.

Executive Direction and Administration (ExAd) The mission of the Executive Direction and Administration (ExAd) unit is to achieve U.S. trade expansion and economic growth through executive leadership; well-conceived policy guidance; and efficient and effective management of ITA resources. ExAd plans, determines, and coordinates policy; directs the programs; and is responsible for all activities of ITA. ExAd coordinates all issues concerning trade promotion, commercial policy, market access, trade agreements, and domestic and international competitiveness. ExAd oversees the agency's resources, measures program performance, and provides shared services solutions to ITA programs. ExAd manages the budgetary, financial, and administrative aspects of ITA. ExAd also provides the management of information technology (IT) resources; maximizes information control and IT security on a global basis, and oversees the administration of ITA's portals, which supports the President's National Export Initiative (NEI) through ITA's public web presence of Trade.gov.

Summary of Appropriations

Funding Levels

	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Appropriation				
Operations and Administration	\$455,561	\$458,349	\$519,757	\$61,408
Total, Discretionary Appropriation	455,561	458,349	519,757	61,408
Mandatory Appropriation				
Grants to Manufacturers of worsted wool fabrics	5,332	5,332	0	(5,332)
TOTAL BUDGET AUTHORITY	460,893	463,681	519,757	56,076
FTE				
Operations and Administration	1,837	1,837	1,841	4
Reimbursable	33	31	31	0
Total	1,870	1,868	1,872	4

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			1,837	\$458,349
FY 2013 Fee Collections				9,439
FY 2013 Gross Appropriation			1,837	467,788
Adjustments to Base				
<u>Adjustments</u>				
Savings from VERA/VSIP Activities				(8,355)
<u>Other Changes</u>				
FY 2013 Pay raise		\$303		
FY 2014 Pay raise		1,878		
Civil Service Retirement System(CSRS)		(314)		
Federal Employees' Retirement System(FERS)		807		
Thrift Savings Plan		90		
Federal Insurance Contributions Act (FICA) - OASDI		344		
Health insurance		418		
Employees' Compensation Fund		5		
Travel - Mileage		35		
Rent payments to GSA		3,740		
HCHB Electricity		(458)		
HCHB Water		108		
Postage		1		
Printing and reproduction		11		
NARA		4		
Other services:				
Working Capital Fund (WCF)		215		
Personal Identity Verification (PIV)		918		
Commerce Business System		26		
Capital Security Cost Sharing Program		(7,023)		
International Cooperative Admin. Support Services (ICASS)		1,488		
Non ICASS local guard service		22		
Military pouch		13		
General Pricing Level Adjustment:				
Transportation of things		12		
Rental payments to others		8		
Communications, utilities, and miscellaneous charges		14		
Other Services		996		
Supplies		25		
Equipment		88		
MDCP Grants		34		
Overseas price increases		317		
Subtotal, other cost changes			0	4,125
Less Amount Absorbed				(1,849)
TOTAL, ADJUSTMENTS TO BASE			0	(6,079)
2014 Base			1,837	461,709
Administrative Savings [non-add]				[12,944]
Program Changes			9	67,487
2014 GROSS APPROPRIATION			1,846	529,196
FY 2014 Fee Collections				(9,439)
2014 NET APPROPRIATION			1,846	519,757

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Manufacturing and Services	187	\$47,911					0	\$0
Market Access and Compliance	206	\$47,465						
Import Administration	315	\$70,660						
Trade Promotion and U.S. & Foreign Commercial Service	1,021	\$275,132						
Industry and Analysis			256	\$58,989	244	\$56,664	(12)	(\$2,325)
Enforcement and Compliance			315	70,868	334	90,715	19	19,847
Global Markets			1,158	295,408	1,160	346,467	2	51,059
Executive Direction / Administration	108	28,710	108	27,005	108	25,911	0	(1,094)
TOTAL DIRECT OBLIGATIONS	1,837	469,878	1,837	452,270	1,846	519,757	9	67,487
REIMBURSABLE OBLIGATIONS	31	23,000	31	23,000	31	23,000	0	0
TOTAL OBLIGATIONS	1,868	492,878	1,868	475,270	1,877	542,757	9	67,487
FINANCING								
Unobligated balance, start of year (direct)		(8,747)						
Unobligated balance, start of year (transferred)		(2,782)						
Offsetting collections from:								
Federal funds		(12,000)				(12,000)		
Non-Federal sources		(11,000)				(11,000)		
Subtotal, financing	0	(34,529)			0	(23,000)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	1,868	458,349			1,877	519,757		

Note: Table reflects shift to new Program titles based on consolidation plan approved in FY 2013.

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the International Trade Administration's administrative savings in FY 2012 (\$10.0 million) and planned in FY 2013 (\$2.3 million for a total of \$12.3 million), an additional \$0.6 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$12.9 million.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Expand overseas presence in priority markets	1,160	\$295,408	+21	+\$40,000

ITA is requesting an increase of 21 FTE and \$40.0 million to place Foreign Commercial Service Officers and the equivalent of 146 locally engaged staff in high-growth, NEI priority markets. The expansion will support the Administration's Asia Rebalance and U.S. Strategy towards Sub-Saharan Africa and enable identification of more export opportunities for U.S. companies, more rapid and timely business counseling, and enhanced commercial diplomacy and advocacy support.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
SelectUSA	3	\$750	+31	+\$20,000

ITA is requesting an increase of 31 FTE and \$20.0 million to support implementation of the SelectUSA program, established by Presidential Executive Order on June 15, 2011. SelectUSA will encourage, facilitate, and accelerate foreign direct investment in the United States to create jobs and spur economic growth.

Interagency Trade Enforcement Center	0	0	+20	+\$20,075
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ITA is requesting an increase of 20 FTE and \$20.1 million to support the Interagency Trade Enforcement Center, led by the U.S. Trade Representative (USTR) and the DOC. The Interagency Trade Enforcement Center will strengthen the U.S. Government's capacity to monitor and enforce U.S. trade rights under international agreements and other domestic and international trade enforcement authorities. The Center will also serve as a conduit for the exchange of information with other federal agencies related to potential violations of international trade agreements by our foreign trading partners; and conduct outreach to U.S. workers, businesses, and other interested persons to foster greater coordination and participation in the identification and reduction of foreign trade barriers.

Trade Promotion Coordinating Committee	4	\$955	0	\$0
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ITA proposes to reassign responsibility for the Trade Promotion Coordinating Committee (TPCC) Secretariat from the Global Markets to ExAd and move \$1.0 million and 4 FTE between the two organizations to support this action.

Commercial Law Development Program (CLDP)	0	\$0	+4	+\$2,000
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CLDP's technical assistance to developing countries helps create transparent legal systems and fair business regulations that enable host countries to comply with international and bilateral trade obligations and promote commercial rule of law. This increase provides direct funding in addition to funding provided by the State Department and further enhances this longstanding and successful program.

ITA Organizational Optimization	1,837	\$452,270	-22	-\$6,588
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ITA has closely examined its organization to optimize its program structure to meet the Administration's deficit reduction goals, while still supporting the National Export Initiative (NEI) efficiently and effectively. ITA is requesting a decrease of 22 FTE and \$6.6 million. As part of this effort, ITA will:

- Reduce I&A activities related to Organization for Economic Cooperation and Development (OECD), Asia/Pacific Economic Cooperation (APEC), and standards;
- I&A will also reduce or eliminate its industry outreach activities including organizing conferences, business roundtables, and seminars unrelated to NEI sector strategy implementation;
- E&C will adapt lower priority activities in favor of supporting higher priority activities, including involving statutorily-driven AD/CVD casework and ITEC;
- Decrease GM specialists in headquarters that combat non-tariff barriers in customs, standards, and transparency in markets that are not priorities or have a limited return on investment;
- Consolidate GM staff to cover priority markets such as FTA partners, emerging markets such as China and India, and next tier markets such as Turkey and Indonesia that have significant trade barriers, but are poised to offer significant opportunities for U.S. firms in the near future; and
- Streamline ExAd operations in areas such as IT-related services, human capital, general administrative support, and reengineering business processes to be more efficient and effective.

	<u>FTE</u>	<u>Base</u> <u>Amount</u>	<u>Increase / Decrease</u>	
			<u>FTE</u>	<u>Amount</u>
Consolidation of Organizational Structure	1,158	\$295,408	-45	-\$8,000

Since 2010, ITA has worked diligently to realign resources with the President's NEI priorities, including: redirecting resources to key export promotion programs; optimizing our support to export-ready industries; targeting high-growth, emerging markets, including the removal of trade barriers and expanding market access; and vigorously enforcing trade rules. Going forward, we are committed to sustaining and growing these efforts and have recognized the opportunity to further modernize and transform our trade programs through the development of a streamlined and consolidated organization by FY 2014. In FY 2013, ITA proposed to realign and consolidate its organizational structure to redirect \$8.0 million in funding to the NEI and other Presidential priorities. This proposed consolidation includes the reduction of the number of ITA business units from four to three, reducing management oversight and administrative overhead while still supporting the NEI and other Presidential priorities more efficiently and effectively.

Performance Objectives and Measures

(Dollars reflect obligations in millions)

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

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 8: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$51.5	\$55.1	\$50.5
Exports generated annually from public-private partnerships	\$1.5B	\$467M	\$389M
Annual cost savings resulting from the adoption of IAA recommendations contained in IAA studies and analysis	\$0M	\$250M	\$250M
Percentage reduction in the per unit cost of data distribution	0.90%	1.4%	1.4%
Objective 9: Increase U.S. export value through an emphasis on trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises)	\$330.4	\$331.0	\$366.7
Percentage of clients highly likely to recommend GM assistance	N/A	66%	69%
Number of clients assisted by GM	18,945	20,800	22,150
Number of Commercial Diplomacy Cases Successfully Closed (annual)	N/A	N/A	225
Number of inward investment wins and cases successfully closed	N/A	N/A	26
Number of export transactions that U.S. exporters achieve with GM assistance	N/A	N/A	14,600
Objective 12: Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with antidumping/countervailing duty remedies	\$87.4	\$89.1	\$107.8
Percent of antidumping (AD)/countervailing duty (CVD) petition counseling involving small and medium-sized enterprises (SMEs)	N/A	N/A	55%
Percent of industry-specific trade barriers addressed that were removed or prevented	37%	20%	35%
Percent of industry-specific trade barrier milestones completed	72%	55%	70%
Percent of trade agreement milestones completed	N/A	90%	90%
Total Funding	\$469.3	\$475.2	\$525.0

Bureau of Industry and Security

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

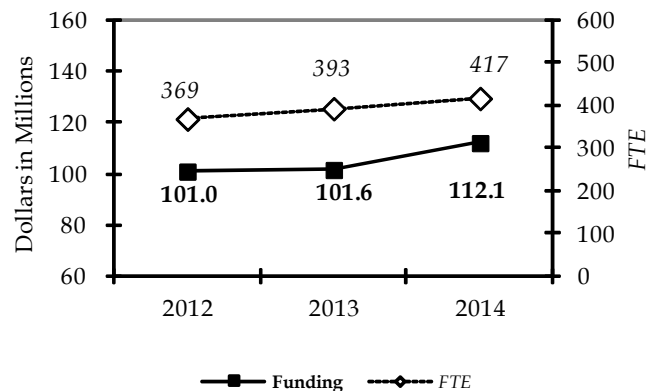
BIS accomplishes this mission through the following activities:

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

BIS’s mission priorities are to:

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

Budget Authority and FTE



Summary of Appropriations

<u>Funding Levels</u>	2012	2013 CR	2014	Increase
Appropriation	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations and Administration	\$101,000	\$101,618	\$112,095	\$10,477
Total Appropriation	101,000	101,618	112,095	10,477
TOTAL, BUDGET AUTHORITY	101,000	101,618	112,095	10,477
FTE				
Operations and Administration	366	390	414	24
Reimbursable	3	3	3	0
Total	369	393	417	24

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			390	\$101,618
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$61		
2014 Pay raise		395		
Working Capital Fund Pay Raise		40		
Civil Service Retirement System (CSRS)		(19)		
Federal Employees' Retirement System (FERS)		165		
Thrift Savings Plan		6		
Federal Insurance Contributions Act (FICA/OASDI)		62		
Health insurance		69		
Employee Compensation Fund		(65)		
Travel - Mileage		13		
Rent payments to GSA		92		
Postage		15		
Printing and reproduction		5		
HCHB Electricity		(117)		
HCHB Water		29		
NARA		4		
Other services:				
Working Capital Fund		806		
Personal Identity Verification (PIV)		254		
Fuel		(61)		
General Pricing Level Adjustment				
Transportation of things		3		
Communications, utilities, and miscellaneous		16		
Other services		237		
Supplies		22		
Equipment		89		
Subtotal, other cost changes			0	2,121
Less amount absorbed			0	(322)
TOTAL, ADJUSTMENTS TO BASE			0	1,799
2014 Base			390	103,417
Administrative Savings			0	(123)
Program Changes			24	8,801
2014 APPROPRIATION			414	112,095

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Management & Policy Coordination	11	\$5,635	11	\$5,904	11	\$5,897	0	(\$7)
Export Administration	212	58,512	212	59,038	214	59,432	2	394
Export Enforcement	167	37,475	167	38,475	189	46,766	22	8,291
TOTAL DIRECT OBLIGATIONS	390	101,622	390	103,417	414	112,095	24	8,678
REIMBURSABLE OBLIGATIONS	3	8,773	3	2,900	3	2,900	0	0
TOTAL OBLIGATIONS	393	110,395	393	106,317	417	114,995	24	8,678
FINANCING								
Unobligated balance, start of year (Direct)		(4)						
Unobligated balance, start of year (Reimbursable)		(5,873)						
Offsetting collections from:								
Federal funds	(3)	(1,508)			(3)	(1,508)		
Non-Federal sources		(1,392)				(1,392)		
Subtotal, financing	(3)	(8,777)			(3)	(2,900)		
TOTAL BUDGET AUTHORITY /	390	101,618			414	112,095		
APPROPRIATION								

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on BIS's planned administrative savings in FY 2012 (\$2.0 million) and planned for FY 2013 (\$0.466 million), an additional \$0.123 million in savings is targeted for FY 2014 for total savings during FY 2014 of \$2.589 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Management and Policy Coordination (MPC)</u>	11	\$5,904	0	-\$7

BIS requests a decrease of \$0.007 million and 0 FTE for MPC. The decrease includes \$0.007 million from cross-cutting program reductions and will be captured by managing on-going administrative savings.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Export Administration (EA)</u>	212	\$59,038	+2	+\$394

BIS requests an increase of \$0.394 million, and 2 FTE for EA. The increase includes \$0.464 million for satellites and related expertise, and a decrease of \$0.070 million in administrative savings. The increase will be used to support the Presidential, Secretarial and Administration priority to: Implement an effective export control reform program to advance national

security and overall economic competitiveness by utilizing the more flexible Commerce dual-use system to control military items of less significance.

The recently enacted National Defense Authorization Act (NDAA) authorizes the President to return control over export of satellites and related items from the State Department to the Department of Commerce. Enactment of the NDAA will contribute significantly to manufacturing jobs and revenues within the satellite industry (as reported by the Aerospace Industries Association). BIS will need an increase of \$0.464 million for the technical staff required to address the transfer of satellites and related items to Commerce.

The U.S. Export Control System

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

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

Export Control Reform

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

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

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Export Enforcement (EE)</u>	167	\$38,475	+22	+\$8,291

BIS requests an increase of \$8.291 million, and 22 FTE for EE. The increase includes \$8.337 million for an Export Enforcement initiative and a decrease of \$0.046 million in administrative savings. The increase will be used for additional resources for EE to support the Presidential priority to implement an effective export control reform (ECR) program to

advance national security and overall economic competitiveness. This is the essential next step to ensure that ECR fulfills its promise to keep the most sensitive goods out the most dangerous hands. Failing to fund the enforcement aspect of ECR will leave this Presidential Initiative incomplete and could undermine the current effectiveness of BIS's Export Enforcement efforts.

It is estimated that approximately 43,000 of the license applications that the State Department's Directorate of Defense Trade Controls (DDTC) processes annually will become the responsibility of the Commerce Department's BIS, either as Commerce licenses (30,000) or exports under License Exception Strategic Trade Authorization (STA (13,000)). With the increase in licensing/STA workload, the associated compliance and enforcement load for Commerce also will rise. Our enforcement capabilities must keep up with, and be able to support, the progress the reform effort has already achieved on licensing and outreach to the export community. These new resources will expand current Export Control Officer (ECO) operations, enhance current Intelligence efforts, and expand the Bureau's national enforcement and analytical capabilities. This will ensure enforcement of the President's ECR Initiative, and it will enhance EE's capability to support our Nation's national security objectives.

Export Control Officer (ECO) Expansion - There are currently seven ECOs that are located in China (2 ECOs), Hong Kong, India, Russia, Singapore, and the United Arab Emirates (UAE). These ECOs and their associated analytical staff are only able to provide partial worldwide coverage against diversions or transshipments of critical dual-use items that are used to support activities counter to our national security and foreign policy objectives.

BIS evaluated four factors to support the need to expand ECOs overseas to effectively enforce ECR: controlled U.S. dual-use exports; controlled U.S. munitions exports; foreign trading relationships with Iran; and related national security concerns, including the potential for establishment of front companies in countries that will benefit most from flexible license authorizations.

The factors pinpointed three regions requiring additional export control officer assets: (1) Frankfurt, Germany, which serves as a regional hub for other key European destinations; (2) Istanbul, Turkey, which is the major port in Turkey, with regional responsibilities for, inter alia, Malta, Cyprus, Syria, Jordan, Egypt, Lebanon and Israel; and (3) Dubai, UAE, which is the location of the majority of trade through the UAE, with regional responsibilities for, inter alia, Pakistan, Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and Yemen.

Information Triage Unit (ITU) and Export Enforcement Coordination Center (E2C2) - ECR established an ITU, housed in EE, to assemble and disseminate relevant all-source information, including intelligence, from which to base informed decisions on proposed exports requiring a U.S. Government license. Export Enforcement's Office of Enforcement Analysis (OEA) is currently funded at \$2 million annually to provide intelligence support to the dual-use process. Based on a tool developed by the interagency to focus BIS's resources on the most significant items and destinations, its current group of intelligence analysts is able to provide bona fides information reports on 15% of foreign entities identified on license applications, which is considered minimally acceptable to interagency licensing officers. However, the transfer of munitions items to the Commerce Control List and resulting doubling of licenses, while maintaining the same level of FTEs will significantly degrade the number of intelligence reviews that BIS is able to complete to less than 8% of transaction parties to licenses of interest, creating potential intelligence gaps in license reviews.

On November 9, 2010, the President signed Executive Order 13558 establishing the Export Enforcement Coordination Center (E2C2). The E2C2 was established to coordinate and de-conflict criminal, administrative, and related export enforcement activities and, thereby, to protect national security through enhanced export enforcement and intelligence exchange. The various executive departments and agencies must coordinate their efforts to detect, prevent, disrupt, investigate, and prosecute violations of U.S. export control laws, and they must share intelligence and law enforcement information related to these efforts. The E2C2 also coordinates law enforcement public outreach activities related to export controls. The Department of Commerce is charged with providing a Deputy Director for Programs to the E2C2 who is responsible for licensing agency liaison coordination, outreach coordination, and tracking statistics for U.S. criminal and administrative export control enforcement activities. The Deputy Director for Programs position is currently being filled from an existing Special Agent

position, thereby taking a valuable investigative resource from casework and field operations. Additionally, an OEA analyst is dedicated to supporting the E2C2 on a fulltime basis. A fully funded Deputy Director for Programs and two analysts are required to ensure this investment in de-conflicting across federal law enforcement in support of export control reform occurs.

National Level Enforcement and Analytical Expansion - The additional complement of Special Agents and analysts to pursue investigations and operations affecting our national security is critical in light of the doubling in license applications processed by the Department of Commerce under ECR plus STA (13,000). Doing so is necessary to enable BIS to execute its critical mission of ensuring that sensitive U.S. goods and technologies are not misused by proliferators, terrorists, and other working contrary to the national security interests of the United States. This will significantly enhance outreach and education effort directed at promoting and encouraging compliant exports.

Effective enforcement requires intensive investigative and analytical capability. BIS Special Agents and Analysts responding to the new threat and the overwhelming challenge of enforcing the President's ECR Initiative must possess a clear understanding of the objectives of foreign adversaries engaged in export activities contrary to U.S. interests, their requirements, specific technologies they seek, and their potential U.S. sources. They must understand specific domestic industry and academic activities that present export control concerns, as well as the regulatory framework governing export enforcement operations. The expanded presence of investigative and analytical personnel will result in better access to industries and technologies with associated proliferation concerns, which have thus far been difficult to reach due to the limited investigative staffing numbers across the country. BIS also seeks to increase the number of analytical positions to support increased coordination and liaison with the intelligence community in support of counter proliferation, and counterterrorism and other security-related programs and to prevent the proliferation of goods and technology contrary to the national security interests of the United States.

Performance Objective and Measures

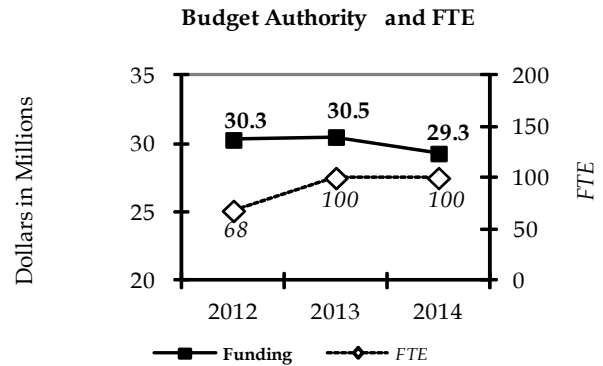
(Dollars reflect obligations in Millions)

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

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 10: Implement an effective export control reform program to advance national security and overall economic competitiveness	\$105.2	\$101.6	\$112.1
Percent of licenses requiring interagency referral referred within nine days	97%	98%	98%
Median processing time for new regime regulations (months)	2	2	2
Percent of attendees rating seminars highly	93%	93%	93%
Percent of declarations received from U.S. industry in accordance with CWC Regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations	100%	100%	100%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	1,162	850	1,100
Percent of Shipped Transactions in Compliance with the Licensing Requirements of the Export Administration Regulations (EAR)	99%	99%	99%
Percentage of Post-Shipment Verifications completed and categorized above the "Unfavorable" classification	343 PSVs / 87%	315 PSVs / 90%	315 PSVs / 90%
Number of end-use checks completed	983	850	1,030
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%	100%
Percent of licenses requiring ITU report referred by EE within ten Executive Order (EO) days	NA	NA	90%

Minority Business Development Agency

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



In FY 2014, MBDA will continue to support the national growth and expansion of U.S. businesses that are minority-owned, with a specific focus on minority firms operating in high growth industries such as green technology and clean energy. A key component to our economic recovery, under the auspices of President Obama’s National Export Initiative, export promotion and the globalization of the minority business community will continue to be a substantial focus of Agency activities in FY 2014. MBDA’s target clients have unique competitive advantages in the global markets including language skills, cultural knowledge, knowledge of local business practices and familial and other relationships. These competitive advantages have resulted in minority-owned firms being twice as likely to export as nonminority-owned firms.

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

Summary of Appropriations

Funding Levels

Appropriation	2012 <u>Actual</u>	2013 <u>Estimate</u>	2014 <u>Estimate</u>	Increase (Decrease)
Minority Business Development	\$30,339	\$30,525	\$29,286	(\$1,239)

FTE

Minority Business Development	68	100	100	0
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Highlights of Budget Changes

Appropriation: Minority Business Development

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 Estimate			100	\$30,525
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$13		
2014 Pay raise		87		
Civil Service Retirement System (CSRS)		(39)		
Federal Employees' Retirement System (FERS)		77		
Thrift Savings Plan		11		
Federal Insurance Contributions Act (FICA/OASDI)		35		
Health insurance		6		
Employees' Compensation Fund		100		
Rent payments to GSA		38		
HCHB Electricity		(28)		
HCHB Water		7		
Other services:				
Working Capital Fund		187		
Personal Identity Verification (PIV)		54		
General Pricing Level Adjustment				
Rental payments to others		2		
Communications, utilities, and miscellaneous		2		
Other services		45		
Equipment		7		
Subtotal, Other Cost Changes			0	604
TOTAL, ADJUSTMENTS TO BASE			0	604
2014 Base			100	31,129
Administrative Savings [non add]				[15]
Program Changes			0	(1,843)
2014 APPROPRIATION			100	29,286

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Minority Business Development	100	\$30,525	100	\$31,129	100	\$29,286	0	(\$1,843)
TOTAL DIRECT OBLIGATIONS	100	30,525	100	31,129	100	29,286	0	(\$1,843)
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	100	30,525	100	31,129	100	29,286	0	(1,843)
FINANCING								
Unobligated balance, start of year (Direct)								
Offsetting collections from:								
Federal funds		0				0		
Subtotal, financing	0	0			0	0		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	100	30,525			100	29,286		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on MBDA’s administrative savings in FY 2012 (\$0.25 million) and planned in FY 2013 (\$0.308 million), an additional \$0.015 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$0.323 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Base Reductions	100	\$31,129	0	-\$1,843

MBDA plans to reduce all base program activities for a total of \$1.8 million in FY 2014. In order to be good stewards of taxpayer money, the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, MBDA’s FY 2014 request reflects reduced costs associated with the closure of its 5 regional offices, reassignment of its Federal regional staff to Washington, DC, and an overall streamlining of operations. In FY 2012-13, MBDA closed its 5 regional locations in support of an effort to reduce overhead costs and centralize operations in Washington, DC.

Performance Objective and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

MBDA's program activities support the theme of Economic Growth and corresponding goal of Market Development and Commercialization while appearing within one objective - Promote competitiveness of disadvantaged and distressed communities and businesses (Objective 7). The following table shows the measures that MBDA uses to gauge its performance. A more detailed description of this objective and these measures may be found in the MBDA section of the Department of Commerce budget.

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 7 Promote competitiveness of disadvantaged and distressed communities and businesses	\$30.3	\$30.5	\$29.3
Dollar value of contract awards to minority business enterprises	\$2.2B	\$1.1B	\$1.1B
Dollar value of financial awards obtained	\$1.4B	\$0.9B	\$0.9B
Number of new job opportunities created	6,500	5,000	5,000

National Oceanic and Atmospheric Administration

The National Oceanic and Atmospheric Administration (NOAA) budget is divided into two primary accounts: Operations, Research and Facilities (ORF) and Procurement, Acquisition and Construction (PAC). These two accounts make up over 98 percent of the total FY 2014 NOAA appropriation. Other accounts include Pacific Coastal Salmon Recovery Fund, Coastal Impact Assistance Fund, Fishermen's Contingency Fund, Foreign Fishing Observer Fund, Fisheries Finance Program Account, Promote and Develop American Fishery Products and Research Pertaining to American Fisheries Fund, Damage Assessment and Restoration Revolving Fund, Coastal Zone Management Fund, Federal Ship Financing Fund, Limited Access System Administration Fund, Marine Mammal Unusual Mortality Event Fund, Medicare-Eligible Retiree Healthcare Fund, NOAA Corps Commissioned Officers Retirement, Western Pacific Sustainable Fisheries Fund, Fisheries Enforcement Asset Forfeiture Fund, Sanctuaries Enforcement Asset Forfeiture Fund and the North Pacific Observer Fund.

For Fiscal Year (FY) 2014, the National Oceanic and Atmospheric Administration (NOAA) requests a total appropriation of \$5,447.7 million.

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

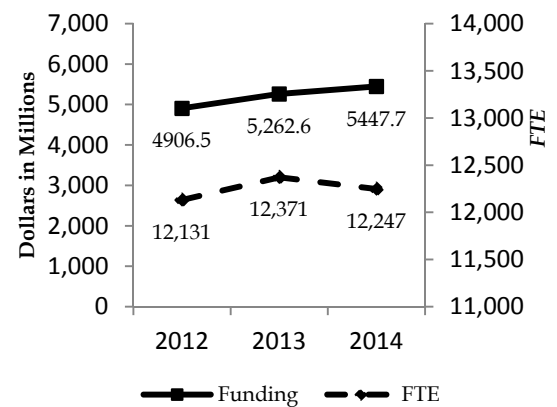
The President's budget requests a total of \$3,277.8 million for ORF and \$2,117.6 million for PAC. These two accounts fund the following NOAA elements that provide nearly all of NOAA's services.

National Ocean Service (NOS): NOS delivers a range of nationwide coastal and Great Lakes scientific, technical, and resource management services in support of safe, healthy, resilient coastal communities; sustainable, robust coastal economies; and productive oceans and coasts. In carrying out its diverse programs and services, NOS forges partnerships to integrate expertise and efforts across all levels of government and with other nongovernmental organizations. This coordinated approach is an essential component of NOS's national effort to protect, maintain, and sustain the viability of healthy, resilient and productive coastal communities, economies, and ecosystems. NOS also manages the Papahānaumokuākea Marine National Monument, marine sanctuaries, and, through partnerships with coastal states, the nationally significant estuarine research reserves. The President's FY 2014 Budget requests \$503.2 million for NOS.

National Marine Fisheries Service (NMFS): NMFS is responsible for the management and conservation of living marine resources within the 200-mile U.S. Exclusive Economic Zone (EEZ). NMFS is dedicated to the stewardship of living marine resources through science-based conservation and management. NMFS conserves, protects, and manages living marine resources in a way that ensures their continuation as functioning components of marine ecosystems, affords economic opportunities, and enhances the quality of life for the American public. NMFS also provides critical support and scientific and policy leadership in the international arena, and plays a key role in the management of living marine resources in coastal areas under state jurisdiction. The President's FY 2014 Budget requests \$896.5 million for NMFS (including the Pacific Coastal Salmon Recovery Fund).

Oceanic and Atmospheric Research (OAR): OAR is NOAA's centralized research and development (R&D) line office and it is the engine of innovation that strengthens the scientific underpinnings necessary to improve NOAA climate, weather, coastal and ocean services. Through its network of over fifty Federal laboratories and university-based research programs, OAR supplies the scientific information to advise national policy decisions in areas such as climate change, mitigation of severe weather impacts, coastal resource management and stratospheric ozone depletion. OAR promotes the development of environmental observation technologies; extreme weather preparedness; the sustainable use of coastal, marine, and Great Lakes resources; and the application of innovative techniques, such as in marine biotechnology. The President's FY 2014 Budget requests \$472.4 million for OAR.

Budget Authority and FTE



National Weather Service (NWS): NWS provides weather, water, 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. NWS data and products form a national information database and infrastructure which can be used by other government agencies, the private sector, the public, and the global community. The President's FY 2014 Budget requests \$1,050.1 million for NWS.

National Environmental Satellite, Data, and Information Service (NESDIS): NESDIS is responsible for the procurement, launch, and operation of the Nation's civil operational environmental satellites. NESDIS provides the Nation with specialized expertise and computing systems that process, analyze, and distribute satellite-derived products and services using data from NOAA, DoD, and NASA environmental satellites, as well as foreign and commercial spacecraft. These products and services are provided to the National Weather Service and other national and international users 24 hours per day, 7 days per week and are used to accurately track the location, extent, and duration of severe weather; support development of flash flood warnings; track volcanic ash clouds and severe winds that threaten aviation safety; detect remote wild land fires; monitor coastal ecosystem health such as coral bleaching; identify and monitor maritime hazards from sea ice; and assist the U.S. Coast Guard in search and rescue activities. Through its Data Centers, NESDIS also provides users with a long-term archive of and access to past, present, and future environmental observations, products, and services from data recorded across the U.S. and around the world. The President's FY 2014 Budget requests \$2,186.0 million for NESDIS.

Program Support (PS): Program Support includes Corporate Services, the NOAA Education Program, Facilities, and the Office of Marine and Aviation Operations (OMAO). Through Corporate Services, NOAA provides overall management, planning and administrative support for NOAA, including acquisition and grants, budget, accounting, and human resources. The Education Program focuses on NOAA's strategic cross-cutting priorities of promoting environmental literacy and developing, valuing, and sustaining a world-class workforce. The Facilities program provides for repair, restoration and other construction efforts, along with NOAA-wide environmental compliance and safety issues. OMAO operates and maintains NOAA's ships and aircraft and uses them to collect data to support NOAA's mission. OMAO also provides technical and management support through the NOAA Commissioned Corps, assists other line offices with outsourcing for ship and aircraft support, plans and implements the modernization of the NOAA fleet, and provides centralized guidance for NOAA's small-boat safety program. OMAO also operates the NOAA Dive program. The President's FY 2014 Budget requests \$503.5 million for PS (including estimates for the Medicare-Eligible Retiree Healthcare Fund and NOAA Corps Retirement Pay).

Other NOAA Accounts

The Pacific Coastal Salmon Recovery Fund was established in FY 2000 to fund State, Tribal and local conservation initiatives to help recover threatened and endangered Pacific salmon populations in the states of California, Washington, Oregon, Idaho, and Alaska. Nevada was included in FY 2009. The FY 2014 President's Request includes \$50 million for the Pacific Coastal Salmon Recovery Fund.

NOAA uses the Fishermen's Contingency Fund to compensate domestic fishermen for the damage or loss of fishing gear and resulting economic loss due to obstructions related to oil and gas exploration, development or production in the Outer Continental Shelf. The funds come from fees collected annually by the Secretary of the Interior from the holders of leases, explorations, permits, easements, and rights of way. The FY 2014 President's Request includes \$0.4 million for the Fisherman's Contingency Fund.

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

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

of the construction, reconstruction, reconditioning, and in some cases, the purchasing of fishing vessels, shoreside processing, aquaculture, and mariculture facilities. These loans provide stability to at least one aspect of an otherwise volatile industry.

The Promote and Develop American Fishery Products & Research Pertaining to American Fisheries Fund receives 30 percent of the import duties the Department of Agriculture collects on fishery-related products. NOAA will use a portion of these funds to offset the NMFS ORF appropriation in FY 2014. NOAA uses the remaining funds to promote industry development through competitively-awarded external grants for innovative research and development of projects in the fishing industry.

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

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

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

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

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

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

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

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

marine conservation plan developed for the region by the appropriate governor and the Western Pacific Regional Fishery Management Council.

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

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

The North Pacific Observer Fund was created to provide observer coverage for the North Pacific Groundfish Observer Program (NPGOP). On January 1, 2013, the restructured North Pacific Groundfish Observer Program went into effect and made important changes to how observers are deployed, how observer coverage is funded, and the vessels and processors that must have some or all of their operations observed. The new observer program places all vessels and processors in the groundfish and halibut fisheries off Alaska into one of two observer coverage categories: (1) a full coverage category, and (2) a partial coverage category. Fees collected will be used to pay for observer coverage on vessels and processors in the partial coverage category in the following year.

Summary of FTE

	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	11,935	12,185	12,068	(117)
ORF Reimbursable	676	706	706	0
Procurement, Acquisition & Construction (PAC)	196	186	179	(7)
Pacific Coastal Salmon Recovery Fund	0	0	0	0
Limited Access System Administration Fund	40	0	0	0
Damage Assessment & Restoration Revolving Fund	62	62	62	0
Promote & Develop American Fishery Products	0	0	0	0
Coastal Impact Assistance Fund	0	0	0	0
Fishermen's Contingency Fund	0	0	0	0
TOTAL	12,909	13,139	13,015	(124)

Note: The Limited Access System Administration Fund and Damage Assessment & Restoration Revolving Fund are largely dependent on collections; thus actual FTE vary greatly from budget estimates.

Summary of Appropriations

(Dollars in Thousands)

<u>Appropriation</u>	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	\$3,022,231	\$3,040,727	\$3,277,833	\$237,106
ORF Disaster Relief Appropriation Act	0	140,000	0	(140,000)
Procurement, Acquisition & Construction (PAC)	1,817,094	1,828,215	2,117,555	289,340
PAC Disaster Relief Appropriation Act	0	186,000	0	(186,000)
Coastal Zone Management Fund	0	0	0	0
Fishermen's Contingency Fund	350	352	350	(2)
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	65,000	65,398	50,000	(15,398)
Medicare-Eligible Retiree Healthcare Fund	1,802	1,948	1,936	(12)
TOTAL APPROPRIATION	4,906,477	5,262,640	5,447,674	185,034
Transfers:				
<u>Operations, Research & Facilities</u>				
FROM: Promote & Develop Fishery Products	109,098	109,098	123,164	14,066
Coastal Zone Management Fund	0	0	0	0
Pacific Coastal Salmon Recovery	65	0	0	0
Procurement, Acquisition and Construction	17,869	16,069	0	(16,069)
Fisheries Finance Program Account	0	0	0	0
Subtotal, ORF	127,032	125,167	123,164	(2,003)
<u>Coastal Zone Management Fund</u>				
TO: ORF	0	0	0	0
<u>Pacific Coastal Salmon Recovery</u>				
TO: ORF	(65)	0	0	0
<u>Procurement, Acquisition & Construction (PAC)</u>				
TO: ORF	(17,869)	(16,069)	0	16,069
<u>Fisheries Finance Program Account (FFPA)</u>				
TO: ORF	0	0	0	0
<u>Sanctuaries Asset Forfeiture Fund</u>				
TO: ORF	0	0	0	0
<u>Fisheries Asset Forfeiture Fund</u>				
FROM: Reimbursable Offsetting collections	0	0	0	0
<u>Promote & Develop American Fishery Products (P&D)</u>				
TO: ORF	(109,098)	(109,098)	(123,164)	(14,066)
FROM: Department of Agriculture (mandatory funds)	109,098	131,372	131,372	0
Subtotal, P&D	0	22,274	8,208	(14,066)
TOTAL TRANSFERS	109,098	131,372	131,372	0

<u>Appropriation</u>	<u>2012 Actual</u>	<u>2013 CR (Annualized)</u>	<u>2014 Estimate</u>	<u>Increase (Decrease)</u>
Unobligated balances, rescission				
Operations, Research & Facilities (ORF)	0	0	0	0
Procurement, Acquisition & Construction (PAC)	0	0	0	0
Coastal and Ocean Activities	0	0	0	0
Fishermen's Contingency Fund	0	0	0	0
Foreign Fishing Observer Fund	(350)	0	0	0
TOTAL UNOBLIGATED BALANCES, RESCISSION	(350)	0	0	0
Mandatory Accounts				
Damage Assessment & Restoration Revolving Fund	\$7,279	\$8,000	\$8,000	\$0
Fisheries Finance Program Account	5,788	0	0	0
Environmental Improvement and Restoration Fund	9,737	1,414	1,802	388
CZMF mandatory offsetting collections	0	0	0	0
Federal Ship Financing Fund	(257)	0	0	0
NOAA Corps Retirement Pay	28,269	28,269	28,269	0
Western Pacific Sustainable Fisheries	1,145	1,000	1,000	0
Limited Access System Administration Fund	9,992	14,591	9,164	(5,427)
Santuaries Asset Forfeiture Fund	491	1,000	1,000	0
Fisheries Asset Forfeiture Fund	14,164	5,000	5,000	0
North Pacific Observer Fund	0	0	4,800	4,800
TOTAL BUDGET AUTHORITY	5,091,833	5,453,286	5,633,281	179,995
Mandatory Funds	185,706	190,646	190,407	(5,039)
Discretionary Budget Authority				
Operations, Research & Facilities (ORF)	3,149,263	3,165,894	3,400,997	235,103
Disaster Relief Appropriations Act (ORF)	0	140,000	0	(140,000)
P&D Transfer	(109,098)	(109,098)	(123,164)	(14,066)
Procurement, Acquisition & Construction (PAC)	1,799,225	1,812,146	2,117,555	305,409
Disaster Relief Appropriations Act (PAC)	0	186,000	0	(186,000)
Medicare-Eligible Retiree Healthcare Fund	1,802	1,948	1,936	(12)
Fishermen's Contingency Fund	350	352	350	(2)
Foreign Fishing Observer Fund	0	0	0	0
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	64,935	65,398	50,000	(15,398)
TOTAL DISCRETIONARY	4,906,477	5,262,640	5,447,674	185,034
BUDGET AUTHORITY				
OFFSETTING RECEIPTS:				
Fisheries Finance Negative Subsidy Receipt Account	0	(3,521)	(6,277)	(2,756)
Adjustment to reflect reestimates				0
Total, Negative Subsidy	0	(3,521)	(6,277)	(2,756)

Highlights of Budget Changes

Appropriation: Operations, Research and Facilities

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			12,185	\$3,040,727
Disaster Relief Appropriations Act				140,000
Total Appropriation			<u>12,185</u>	<u>3,180,727</u>
<u>Transfers</u>				
From Promote and Develop American Fisheries				109,098
<u>One-time Adjustment</u>				
Disaster Relief Appropriations Act				(140,000)
Adjustments to Base:				
<u>Adjustments</u>				
Restoration of FY 2013 deobligations		\$8,000		
Transfer PAC to ORF		16,069		
IT Savings		(4,500)		
Adjustment due to reallocation of FY 2013 President's Budget		(418)		
Subtotal, Adjustments			0	19,151
<u>Other Cost Changes</u>				
2013 Pay raise		1,765		
2014 Pay raise		10,426		
Civil Service Retirement System(CSRS)		(1,528)		
Federal Employees' Retirement System(FERS)		4,477		
Thrift Savings Plan		437		
Federal Insurance Contributions Act (FICA) - OASDI		2,374		
Health insurance		3,457		
Employees Compensation Fund		(189)		
Travel Mileage		242		
Rent payments to GSA		1,275		
Printing and reproduction		86		
Electricity		(80)		
Water		19		
NARA Storage & maintenance costs		29		
Other services:				
Working Capital Fund		12,133		
Personal Identity Verification (PIV)		711		
Postage		3		
Commerce Business System		215		

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
General Pricing Level Adjustment (FY2014):				
Transportation of things		\$249		
Rental payments to others		531		
Communications, utilities and miscellaneous charges		1,114		
Other services		11,172		
Supplies & Materials		2,115		
Equipment		426		
Grants		1,080		
Fuel Cost - OMAO		(2,713)		
Subtotal, other cost changes			0	\$49,826
Less FY 2014 Absorption				(1,553)
TOTAL, ADJUSTMENTS TO BASE			0	67,424
Other FTE Changes			5	
2014 Base			12,190	3,217,249
Program Changes			(117)	189,748
TOTAL REQUIREMENTS			12,073	3,406,997
Recoveries from prior year obligations in FY 2014				(6,000)
Transfers:				
From Promote and Develop American Fishery Products and Research				(123,164)
2014 APPROPRIATION			12,073	3,277,833

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
National Ocean Service	1,225	\$466,033	1,224	\$465,296	1,231	\$496,509	7	\$31,213
National Marine Fisheries Service	2,864	820,631	2,865	821,574	2,835	846,498	(30)	24,924
Oceanic & Atmospheric Research	755	380,529	755	379,611	769	462,056	14	82,445
National Weather Service	4,618	924,231	4,623	916,319	4,522	932,786	(101)	16,467
National Environmental Satellite Service	678	181,767	678	183,575	676	207,561	(2)	23,986
Program Support	2,045	446,873	2,045	450,874	2,040	461,587	(5)	10,713
Disaster Relief Appropriations Act	0	140,000	0	0	0	0	0	0
DIRECT OBLIGATIONS	12,185	3,360,064	12,190	3,217,249	12,073	3,406,997	(117)	189,748
NOAA Corp Retirement (mandatory)	0	28,269	0	28,269	0	28,269	0	0
TOTAL DIRECT OBLIGATIONS	12,185	3,388,333	12,190	3,245,518	12,073	3,435,266	(117)	189,748
REIMBURSABLE OBLIGATIONS								
From Offsetting Collections	706	242,000	706	242,000	706	242,000	0	0
TOTAL OBLIGATIONS	12,891	3,630,333	12,896	3,487,518	12,779	3,677,266	(117)	189,748
FINANCING								
Unobligated balance, start of year	0	(46,170)	0	0	0	0	0	0
Transfer of unobligated P&D balance	0	0	0	0	0	0	0	0
Offsetting Collections	(706)	(242,000)	(706)	(242,000)	(706)	(242,000)	0	0
Deobligations	0	(8,000)	0	(6,000)	0	(6,000)	0	0
Subtotal, Financing	(706)	(296,170)	(706)	(248,000)	(706)	(248,000)	0	0
TOTAL BUDGET AUTHORITY	12,185	3,334,163	12,190	3,239,518	12,073	3,429,266	(117)	189,748
Transfers / Mandatory	0	(153,436)	0	(151,433)	0	(151,433)	0	0
APPROPRIATION, ORF	12,185	3,180,727	12,190	3,088,085	12,073	3,277,833	(117)	189,748

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

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NOAA's administrative savings for FY 2012 (\$67.8 million) and planned for FY 2013 (\$83.5 million), an additional \$4.2 million in savings is targeted for FY 2014 for a cumulative three-year savings of \$87.7 million.

Information Technology Savings

Pursuant to the OMB Memorandum M-12-13, the Department of Commerce is proposing a number of IT reductions to ensure a more efficient use of IT dollars. Some reductions are proposed to be reinvested into next generation IT projects that support an enterprise model. For additional information, please refer to the IT reductions proposed in each NOAA Line Office.

Highlights of Major Program Changes

Program Changes are summarized by line office at the sub-activity level below.

National Ocean Service (NOS)

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Navigation Observations and Positioning	575	\$180,138	+2	+\$27,180

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,710 to improve the accuracy of nautical charts for safe navigation and to deliver mapping data for coastal hazards and resilience decision-support.
- An increase of 2 FTE and \$7,993 to participate in an integrated, government-wide LiDAR data collection effort in high priority coastal regions.
- An increase of 0 FTE and \$3,159 to improve elevation and height information as part of the Gravity for the Redefinition of the American Vertical Datum (GRAV-D) initiative.
- An increase of 0 FTE and \$3,963 to ensure the availability of accurate and reliable current and water level products.
- An increase of 0 FTE and \$10,000 to develop and improve marine sensors for ocean, chemical, biological, and physical parameters at multiple spatial and temporal scales to monitor changing conditions in the oceans, coasts and Great Lakes.
- An increase of 0 FTE and \$2,425 to support regional IOOS ocean and coastal observing efforts.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$635 for IT efficiencies (Mapping and Charting: \$267; Geodesy: \$224; Tide and Current Data: \$144).
- A decrease of 0 FTE and \$362 for Hydrographic Research and Technology Development.
- A decrease of 0 FTE and \$17 for electronic navigational charts.
- A decrease of 0 FTE and \$98 for hydrographic survey contract activities.
- A decrease of 0 FTE and \$7 for National Height Modernization activities.
- A decrease of 0 FTE and \$1,000 for sensor verification and validation activities. NOAA will transition existing and future sensor evaluation and validation activities as part of its broader proposal to develop and improve new marine sensor technologies.

Coastal Science and Assessment	312	\$72,282	+5	+\$9,403
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NOAA requests the following increases for this sub-activity:

- An increase of 4 FTE and \$2,000 to improve NOAA's capacity to carry-out natural resource damage assessments and to expedite the restoration process.
- An increase of 0 FTE and \$634 to improve NOAA's capacity to prepare for and respond to coastal environmental hazards, including two simultaneous large environmental hazard events in different regions.
- An increase of 1 FTE and \$1,000 to address priority areas in marine debris research and development.
- An increase of 0 FTE and \$354 to enhance regional marine debris coordination in the Gulf of Mexico, the Southeast, and Northeast as outlined in the Marine Debris Act.
- An increase of 0 FTE and \$5,913 to support competitive grants for coastal ocean issues across NOAA's mission responsibilities, including harmful algal blooms, hypoxia, and coastal ecosystem research.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$393 for IT efficiencies (Response and Restoration: \$123; NCCOS: \$270).
- A decrease of 0 FTE and \$105 for the National Centers for Coastal Ocean Science to reflect savings from a realignment of NCCOS intramural research activities.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Ocean and Coastal Management and Services	337	\$212,876	0	-\$5,370

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$833 for implementation of coastal climate adaptation strategies to allow coastal communities to prepare for the impacts of a changing climate, specifically the sea level rise and the related effects of coastal inundation.
- An increase of 0 FTE and \$1,490 to expand a targeted competitive grant program to advance regional ocean partnerships.
- An increase of 0 FTE and \$85 for the Coral Reef Program.
- An increase of 0 FTE and \$135 for the National Estuarine Research Reserve System.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$318 for IT efficiencies (Coastal Services Center: \$157; National Marine Sanctuaries Base: \$161).
- A decrease of 0 FTE and \$1,199 as a result of consolidation of NOAA's Coastal Zone Management and Services activities.
- A decrease of 0 FTE and \$8 for the Coastal Storms Program.
- A decrease of 0 FTE and \$2,861 to terminate funding for the Regional Geospatial Modeling Grants program.
- A decrease of 0 FTE and \$190 for Coastal Zone Management Grants.
- A decrease of 0 FTE and \$2,736 for the National Marine Sanctuaries and Marine Protected Areas consolidated program.
- A decrease of 0 FTE and \$601 to terminate funding for the Nancy Foster Scholarship program as part of the Administration's STEM education reorganization plan.

National Marine Fisheries Service (NMFS)

Protected Species Research and Management	812	\$178,527	-21	+\$7,442
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,904 to support activities that conserve and recover species threatened or endangered with extinction.
- An increase of 0 FTE and \$15,003 for the conservation and recovery of marine and anadromous species under NMFS's jurisdiction and listed under the Endangered Species Act (ESA) through the Species Recovery Grant Program.
- An increase of 0 FTE and \$568 to augment existing capability to support required Endangered Species Act (ESA) listing activities.
- An increase of 0 FTE and \$406 for the conservation and recovery of Atlantic salmon.

NOAA requests the following decrease for this sub-activity:

- A decrease of 19 FTE and \$3,082 to reconfigure NMFS's Southwest and Northwest Regional Offices into a single West Coast Regional Office.
- A decrease of 2 FTE and \$3,999 to terminate funding for the John H. Prescott Marine Mammal Rescue Assistance Grant program.
- A decrease of 0 FTE and \$1,142 for Marine Mammals.
- A decrease of 0 FTE and \$1,869 for Marine Turtles.
- A decrease of 0 FTE and \$347 for Pacific salmon activities.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Fisheries Research and Management	1,384	\$434,314	-5	+\$3,387

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$4,911 to increase the number of assessments and enhance capability to conduct improved and new fishery-independent surveys.
- An increase of 0 FTE and \$86 for Economics & Social Sciences Research.
- An increase of 0 FTE and \$206 for Fisheries Statistics.
- An increase of 0 FTE and \$20 for Fish Information Networks.
- An increase of 0 FTE and \$2,580 to provide funding for fishery independent surveying and monitoring activities.
- An increase of 0 FTE and \$1,739 to restore real-time, in-season management in the Alaska Bering Sea and Aleutian Islands groundfish fishery.
- An increase of 0 FTE and \$2,500 to reinstate funding for the Interjurisdictional Fisheries Grants program.
- An increase of 0 FTE and \$11 for National Standard 8.
- An increase of 0 FTE and \$1,053 to support bycatch reduction engineering efforts including development of new fishing techniques and gear modifications.
- An increase of 0 FTE and \$359 to provide support for seafood product quality and safety.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$450 to terminate the Teacher at Sea Program as part of a government-wide plan to consolidate NOAA STEM programs.
- A decrease of 0 FTE and \$663 in Fisheries Research and Management Programs spread across all of the NMFS Regional Offices and Science Centers.
- A decrease of 5 FTE and \$1,468 to reconfigure NMFS' Southwest and Northwest Regional Offices into a single West Coast Regional Office.
- A decrease of 0 FTE and \$106 to the National Catch Share Program.
- A decrease of 0 FTE and \$6,641 for Salmon Management Activities, including hatchery reforms.
- A decrease of 0 FTE and \$731 for the Regional Fishery Management Councils and Atlantic States Marine Fishery Commission.
- A decrease of 0 FTE and \$19 to Fisheries Oceanography.

Enforcement and Observers/Training	385	\$107,192	0	+\$4,143
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,048 to provide funding to expand the Office of Law Enforcement's (OLE) compliance assistance program.
- An increase of 0 FTE and \$3,095 for Observers and Training to provide accurate and timely information and analyses on the biological, ecological, economic, and social aspects of the Nation's fisheries resources.

Habitat Conservation and Restoration	150	\$42,910	0	+\$4,121
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NOAA requests the following increase for this sub-activity:

- An increase of 0 FTE and \$4,121 to implement larger-scale habitat restoration in more targeted areas that help recover protected species and rebuild fisheries, and leverage substantial investments from local partners.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Other Activities Supporting Fisheries	134	\$58,631	-4	+\$5,831

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,423 to allow NOAA to meet the mandates of the U.S. AMLR Convention Act and support ecosystem based management of krill and finfish fisheries in the Southern Ocean.
- An increase of 0 FTE and \$1,061 for aquaculture research and development to increase the supply of sustainable domestic seafood.
- An increase of 0 FTE and \$2,052 to expand surveys, and improve ecosystem assessments and forecasts of climate-related impacts.
- An increase of 0 FTE and \$40 for Computer Hardware and Software.
- An increase of 0 FTE and \$1,029 to leverage cooperative partnerships and maximize agency investments in science and management nationwide.
- An increase of 0 FTE and \$1,097 to increase support for scientific information management systems and information dissemination activities.
- An increase of 0 FTE and \$337 to provide additional grant funding for cooperative fisheries activities with the South Carolina Marine Resources Research Institute (MRRRI) and NMFS.
- An increase of 0 FTE and \$72 for National Environmental Policy Act activities.
- An increase of 0 FTE and \$88 for NMFS Facilities Maintenance.

NOAA requests the following decreases for this sub-activity:

- A decrease of 3 FTE and \$450 to reconfigure NMFS's Southwest and Northwest Regional Offices into a single West Coast Regional Office.
- A decrease of 1 FTE and \$918 in the NOAA Chesapeake Bay Office.

Oceanic and Atmospheric Research (OAR)

Climate Research	317	\$143,503	16	+\$45,337
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$5,285 for Climate Laboratories and Cooperative Institutes to fund external (grant and contract-based) climate research with its Cooperative Institutes partners.
- An increase of 2 FTE and \$9,000 for research in support of the U.S. Global Change Research Program to improve understanding of carbon, extremes, and marine ecosystem tipping points.
- An increase of 0 FTE and \$1,500 for the National Integrated Drought Information System's Regional Drought Early Warning Information Systems.
- An increase of 0 FTE and \$2,354 for Regional Climate Data and Information Assessment Services to support climate assessment activities and the development of regional model and scenarios resources from new Global Climate Model output.
- An increase of 0 FTE and \$1,586 for the climate Model Data Archive to generate and safely store model-based data records, and support an adequate operational archive and access capability.
- An increase of 2 FTE and \$542 for NOAA Climate Portal development to facilitate public online access to NOAA's climate data, information, and services.
- An increase of 1 FTE and \$3,000 for Regional Integrated Sciences and Assessments to expand capability for regional research and information services.
- An increase of 0 FTE and \$6,521 for climate science on the global carbon cycle, aerosols, oceans, and atmospheric chemistry to improve climate models and predictions.
- An increase of 10 FTE and \$7,000 for Earth System Modeling for urgent climate issues.

- An increase of 1 FTE and \$10,000 to fund research on the impacts of climate on fisheries, with a focus on New England groundfish.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$756 for IT efficiencies.
- A decrease of 0 FTE and \$695 for Climate Operations to maintain support for the transition of regional information applications to operational production and dissemination capabilities.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Weather & Air Chemistry Research	217	\$69,725	0	+\$11,899

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$4,376 to fund grant opportunities for Cooperative Institutes to conduct research to better understand severe weather events and to make technological advancements in weather modeling and observing.
- An increase of 0 FTE and \$2,855 for wind boundary layer research to advance weather forecast quality and accuracy in support of clean energy generation.
- An increase of 0 FTE and \$2,000 for Unmanned Aircraft Systems to accelerate next generation weather observing platforms.
- An increase of 0 FTE and \$2,920 to continue research to demonstrate the potential for Multi-Function Phased Array Radar technology to replace existing operational weather and aircraft tracking radars.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$189 for IT efficiencies.
- A decrease of 0 FTE and \$63 to the U.S. Weather Research Program.

Ocean, Coastal and Great Lakes Research	208	\$157,291	-2	+\$22,515
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,505 to fund grant opportunities for Cooperative Institutes to identify new methods of addressing scientific questions that define NOAA's mission goals in Oceans, Coasts, Weather, and Climate.
- An increase of 0 FTE and \$200 to support the activities of the Ocean Research Advisory Panel (ORAP).
- An increase of 0 FTE and \$4,495 to support competitive research specifically in alignment with one of the National Sea Grant College Program's focus areas - to develop more resilient coastal communities.
- An increase of 1 FTE and \$10,000 to sponsor a Grand Challenge in the field of ocean mapping and observing.
- An increase of 0 FTE and \$221 for the Marine Aquaculture Program.
- An increase of 4 FTE and \$10,070 for NOAA's Ocean Exploration program to map and explore the extended continental shelf.
- An increase of 1 FTE and \$2,101 to advance research to improve our understanding of enhanced coastal acidification and the impacts to coastal marine resources, and to develop tools and adaptive strategies for affected industries and stakeholders.
- An increase of 1 FTE and \$4,002 to make progress in critical ocean observations and analyses, Arctic monitoring, and more comprehensive deep ocean monitoring with new full ocean depth profiling floats (Argo) within the Global Ocean Observing System.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$189 for IT efficiencies.

- A decrease of 0 FTE and \$4,000 to terminate Sea Grant STEM education funding as part of the Administration’s STEM education reorganization plan.
- A decrease of 3 FTE and \$1,005 to terminate the Aquatic Invasive Species program.
- A decrease of 6 FTE and \$3,985 to terminate National Undersea Research Program.
- A decrease of 0 FTE and \$900 to Ocean Exploration education funding as part of the Administration’s STEM education reorganization plan.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Innovative Research & Technology	13	\$9,092	0	+\$2,694

NOAA requests the following increase for this sub-activity:

- An increase of 0 FTE and \$3,294 to for the Information Technology, R&D, & Science Education program to acquire additional supercomputing computational hours.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$600 for IT efficiencies.

National Weather Service (NWS)

Operations and Research	4,435	\$813,842	-101	+\$17,187
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$22,868 to provide the NWS additional resources to meet its labor and related costs. This funding maintains current level of services and ongoing operations necessary to issue warnings and forecasts to protect life and property.
- An increase of 0 FTE and \$2,400 to increase the operations and maintenance of Tropical Atmosphere Ocean (TAO) buoys to achieve an 80 percent data availability standard. Funding will assure optimal observations are provided for forecasts and predictions related to El Niño and La Niña phenomena.
- An increase of 0 FTE and \$3,804 to expand NOAA’s partner funding for education and awareness programs to the National Tsunami Hazard Mitigation Program (NTHMP) within the Strengthen U.S. Tsunami Warning Program (SUSTWP) and provide sustainment of the Deep-ocean Assessment and Reporting of Tsunamis (DART) buoy network.
- An increase of 0 FTE and \$50 to the Pacific Island Compact.
- An increase of 0 FTE and \$5,500 to establish the National Mesonet Program.
- An increase of 0 FTE and \$14,807 in Central Forecast Guidance to expand and accelerate critical weather forecasting research and development to improve models and assimilation techniques, and computing platforms.

NOAA requests the following decreases for this sub-activity:

- A decrease of 98 FTE and \$9,781 to reflect the significant efficiencies that can be achieved by transition to a new information technology (IT) service delivery model for the NWS forecast offices. NWS proposes to consolidate 122 IT Officer (ITO) FTEs (one from each Weather Forecast Office (WFO)) to a regional approach consisting of 24 ITO FTEs allocated at the six NWS Regional Headquarters and the National Headquarters through the establishment of Regional Enterprise Application Development and Integration (READI) teams.
- A decrease of 0 FTE and \$2,000 to reduce the Coastal Data Buoy sustainment program within the National Data Buoy Center, including Coastal Weather Data Buoys and Coastal-Marine Automated Network stations.

- A decrease of 0 FTE and \$3,132 to discontinue the National Air Quality Forecasting Capability (NAQFC). Remaining funding will sustain on-demand dispersion forecasts of volcanic ash, transport of smoke, and forecast of emergency releases, supporting aviation affected by volcanic activity.
- A decrease of 0 FTE and \$5 for Alaska Data Buoys.
- A decrease of 0 FTE and \$873 to Sustain the Cooperative Observer Network.
- A decrease of 3 FTE and \$2,443 to the NOAA Profiler Network (NPN) Program to maintain operations and support of three remaining profilers located in Alaska.
- A decrease of 0 FTE and \$11,032 for the congressionally directed use of funds for the National Mesonet Network.
- A decrease of 0 FTE and \$2,014 for the congressionally directed use of funds for the Advanced Hydrologic Prediction Service (AHPS) program.
- A decrease of 0 FTE and \$89 to Aviation Weather.
- A decrease of 0 FTE and \$867 to the NWS WFO Maintenance program.
- A decrease of 0 FTE and \$6 to the Weather Radio Transmitters Base.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Systems Operation and Maintenance	188	\$102,477	0	-\$720

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$119 for the continued operations and maintenance (O&M) of NEXRAD.
- An increase of 0 FTE and \$24 for the continued operations and maintenance (O&M) of ASOS.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and -\$848 to redirect funding to the Advanced Weather Interactive Processing System (AWIPS) Future Forecast Office Initiative, which will lead to improved data management and processing capabilities. To achieve this efficiency, NOAA will extend cyclical replacement of hardware.
- A decrease of 0 FTE and \$15 for NWSTG Backup-CIP.

National Environmental Satellite, Data and Information Service (NESDIS)

Environmental Satellite Observing Systems	409	\$113,822	0	+\$7,755
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$42 for NSOF Operations.
- An increase of 0 FTE and \$9,570 for Product, Processing and Distribution (PPD) to process and distribute Suomi National Polar-orbiting Partnership (Suomi NPP) environmental products on a 24X7 basis.
- An increase of 0 FTE and \$331 for Product Development, Readiness & Application to continue funding for application-focused research.
- An increase of 0 FTE and \$24 for Product Development, Readiness & Application (Ocean Remote Sensing).
- An increase of 0 FTE and \$17 for Joint Center for Satellite Data Assimilation.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$2,229 in legacy satellite IT systems(Satellite Command & Control: \$1,002; PPD, Search and Rescue Satellite-Aided Tracking System: \$226; PPD, Environmental Satellite Processing Center: \$1,001), which is to be reinvested in the Enterprise Ground System (EGS).

	<u>FTE</u>	<u>Base</u> <u>Amount</u>	<u>Increase / Decrease</u> <u>FTE</u>	<u>Amount</u>
Data Centers & Information Services	269	\$69,753	-2	+\$16,231

NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$4,289 for Archive, Access, and Assessment (AAA) to fund Data Center Operations, which will allow NOAA to maintain the long-term preservation and access of environmental data.
- An increase of 4 FTE and \$10,000 for AAA to support the Climate Data Records program, increasing the number of high priority climate data records that are transitioned to operational quality standards.
- An increase of 0 FTE and \$9,000 for AAA to support the Big Earth Data Initiative, which will increase the accessibility and interoperability of NOAA's observations.
- An increase of 0 FTE and \$746 for Environmental Data Systems Modernization to continue funding for the Satellite Active Archive.

NOAA requests the following decreases for this sub-activity:

- A decrease of 6 FTE and \$2,108 for AAA to consolidate operations at the National Oceanographic Data Center (NODC).
- A decrease of 3 FTE and \$578 for AAA to discontinue specific sea-ice products and reducing staffing at the National Geophysical Data Center (NGDC).
- A decrease of 0 FTE and \$2,000 for AAA to terminate the Climate Database Modernization Program.
- A decrease of 0 FTE and \$529 for Coastal Data Development to reduce regional product development at the National Coastal Data Development Center (NCDDC).
- A decrease of 0 FTE and \$1,089 for Regional Climate Services to reduce contract support and travel.
- A decrease of 0 FTE and \$1,500 in IT efficiencies and reductions to IT contract support within AAA (National Climatic Data Center: \$900; NODC: \$504; NGDC: \$96), which is to be reinvested in the EGS program.

Program Support

Corporate Services	949	\$216,755	-2	-\$4,306
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$646 to support acquisition and grants services for NOAA.
- An increase of 0 FTE and \$510 to address a shortfall in the Commerce Business System, which supports NOAA financial management.

NOAA requests the following decrease for this activity:

- A decrease of 2 FTE and \$420 from on-going efforts to identify efficiencies and savings in the Under Secretary and Associate Offices.
- A decrease of 0 FTE and \$1,980 for Corporate Services.
- A decrease of 0 FTE and \$772 for cost savings in support of a NOAA-wide IT Efficiency initiative.
- A decrease of 0 FTE and \$1,300 to eliminate warehouse support for NOAA in the Washington, DC metro area.
- A decrease of 0 FTE and \$990 for IT Security through cost reduction activities including the consolidated purchase of contract labor and hardware and delaying the component used in the near "real time" monitoring of security events.

Education	21	\$25,402	-3	-\$9,131
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,682 for the Educational Partnership Program for Minority Serving Institutions (EPP/MSI) to increase the agency’s ability to recruit, train, graduate and employ highly qualified student in NOAA mission-related STEM fields.

NOAA requests the following decreases for this sub-activity:

- A decrease of 3 FTE and \$3,100 for the termination of NOAA’s Competitive Education Grants Program as part of the Administration’s STEM education reorganization plan.
- A decrease of 0 FTE and \$168 to reduce the Education Initiative’s administration of education programs across NOAA and discontinue STEM teacher training efforts as part of the Administration’s STEM education reorganization plan.
- A decrease of 0 FTE and \$5,533 for the Bay Watershed Education and Training (BWET) Regional Program for competitive funding to local and state education offices, government agencies, academic institutions and non-profit organizations as part of the Administration’s STEM education reorganization plan.
- A decrease of 0 FTE and \$1,006 for the congressionally directed Ocean Education Partnerships for competitive grants to support ocean literacy and related topics relevant to NOAA’s mission.
- A decrease of 0 FTE and \$1,006 for congressionally directed Geographic Literacy for competitive grants to support the integration of NOAA assets into geography education.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Facilities	45	\$24,879	0	-\$32

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$32 for NOAA Facilities Management & Construction.

Marine Operations & Maintenance	926	\$155,244	0	+\$21,314
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- An increase of 0 FTE and \$21,000 for additional Days at Sea for fishery, hydrographic and marine ecosystems surveys.
- An increase of 0 FTE and \$1,017 for bringing the NOAA Fleet into compliance with Environmental Protection Agency and United States Coast Guard regulations.

NOAA requests the following decreases for this activity:

- A decrease of 0 FTE and \$200 for the Charleston Homeport closure.
- A decrease of 0 FTE and \$353 for the consolidation of IT support systems and the reduction of IT support during ship transitions.
- A decrease of 0 FTE and \$150 for the termination of the Teacher at Sea program as part of the Administration’s STEM education reorganization plan.

Aviation Operations	104	\$28,594	0	+\$2,868
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NOAA requests the following increases for this activity:

- An increase of 0 FTE and \$1,000 to conduct a study of options for backup or follow-on capabilities to current WP-3 aircraft used for NOAA research.
- An increase of 0 FTE and \$1,868 for additional flight hours in support of hurricane surveillance, high impact weather, and satellite calibration and validation.

Detailed Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
NATIONAL OCEAN SERVICE								
Navigation, Observations and Positioning:								
Navigation, Observations and Positioning	560	\$129,933	560	\$129,999	562	\$145,852	2	\$15,853
Hydrographic Survey Priorities/Contracts	10	27,438	10	27,044	10	26,946	0	(98)
IOOS Regional Observations	5	23,111	5	23,095	5	34,520	0	11,425
Total, Navigation, Observations and Positioning	575	180,482	575	180,138	577	207,318	2	27,180
Coastal Science and Assessment:								
Coastal Science, Assessment, Response and Restoration	313	63,490	312	63,195	317	66,685	5	3,490
Competitive Research	0	9,101	0	9,087	0	15,000	0	5,913
Total, Coastal Science and Assessment	313	72,591	312	72,282	317	81,685	5	9,403
Services:								
Coastal Zone Management and Services	141	44,492	141	44,580	141	41,188	0	(3,392)
Coastal Zone Grants	1	69,854	1	69,846	1	71,146	0	1,300
Coral Reef Program	4	26,870	4	26,690	4	26,775	0	85
System	0	21,844	0	21,844	0	21,979	0	135
Ocean Management (Marine Sanctuary Program)	191	49,900	191	49,916	191	46,418	0	(3,498)
Total, Ocean & Coastal Management and Services	337	212,960	337	212,876	337	207,506	0	(5,370)
TOTAL, NOS	1,225	466,033	1,224	465,296	1,231	496,509	7	31,213
NATIONAL MARINE FISHERIES SERVICE								
Protected Species Research & Management	812	176,524	812	178,527	791	185,969	(21)	7,442
Fisheries Research and Management	1,384	431,168	1,384	434,314	1,379	437,701	(5)	3,387
Enforcement & Observers/Training	385	112,339	385	107,192	385	111,335	0	4,143
Habitat Conservation & Restoration	149	42,295	150	42,910	150	47,031	0	4,121
Other Activities Supporting Fisheries	134	58,305	134	58,631	130	64,462	(4)	5,831
TOTAL, NMFS	2,864	820,631	2,865	821,574	2,835	846,498	(30)	24,924
OCEANIC & ATMOSPHERIC RESEARCH								
Climate Research:								
Laboratories & Cooperative Institutes	249	52,995	242	51,569	244	65,098	2	13,529
Regional Climate Data & Information	13	40,474	13	41,720	16	50,007	3	8,287
Competitive Research Program	62	48,067	62	50,214	73	73,735	11	23,521
Climate Operations	0	1,300	0	0	0	0	0	0
Total, Climate Research	324	142,836	317	143,503	333	188,840	16	45,337
Weather and Air Chemistry Research:								
Laboratories & Cooperative Institutes	189	54,517	208	55,317	208	64,359	0	9,042
Programs	21	14,310	9	14,408	9	17,265	0	2,857
Total, Weather and Air Chemistry Res.	210	68,827	217	69,725	217	81,624	0	11,899

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Ocean, Coastal and Great Lakes Research:								
Laboratories & Cooperative Institutes	119	\$24,283	119	\$22,926	119	\$24,442	0	\$1,516
National Sea Grant College Program	27	62,940	27	63,037	25	72,748	(2)	9,711
Ocean Exploration and Research	17	25,432	17	23,915	15	29,100	(2)	5,185
Other Ecosystems Programs	3	6,261	3	6,310	4	8,411	1	2,101
Sustained Ocean Observations and Monitoring	42	40,750	42	41,103	43	45,105	1	4,002
Total, Ocean, Coastal and Great Lakes Research	208	159,666	208	157,291	206	179,806	(2)	22,515
Innovative Research & Technology	13	9,200	13	9,092	13	11,786	0	2,694
TOTAL, OAR	755	380,529	755	379,611	769	462,056	14	82,445
NATIONAL WEATHER SERVICE								
Operations & Research:								
Local Warnings & Forecasts	4,123	745,627	4,128	733,909	4,027	736,289	(101)	2,380
Central Forecast Guidance	307	78,784	307	79,933	307	94,740	0	14,807
Total, Operations & Research	4,430	824,411	4,435	813,842	4,334	831,029	(101)	17,187
Systems Operation and Maintenance	188	99,820	188	102,477	188	101,757	0	(720)
TOTAL, NWS	4,618	924,231	4,623	916,319	4,522	932,786	(101)	16,467
NATIONAL ENVIRONMENTAL SATELLITE, DATA AND INFORMATION SERVICE								
Environmental Satellite Observing Systems:								
Satellite command and control	174	40,125	174	40,608	174	39,606	0	(1,002)
NSOF Operations	0	7,981	0	7,967	0	8,009	0	42
Product processing and distribution	123	35,823	123	36,294	123	44,637	0	8,343
Product develop, readiness & appl.	102	19,674	102	19,248	102	19,579	0	331
Product develop, readiness & appl. (Ocean)	0	4,042	0	4,034	0	4,058	0	24
Joint Center for Satellite Data Assimilation	0	3,376	0	3,367	0	3,384	0	17
Commercial Remote Sensing Lic. & Enf.	5	1,286	5	1,129	5	1,129	0	0
Office of Space Commercialization	5	678	5	669	5	669	0	0
Group on Earth Observations (GEO)	0	506	0	506	0	506	0	0
Total, Environmental Satellite Observing Systems	409	113,491	409	113,822	409	121,577	0	7,755
NOAA Data Centers & Information Services:								
Archive, access & assessment	230	47,860	230	49,379	228	66,482	(2)	17,103
Coastal data development	16	4,542	16	4,567	16	4,038	0	(529)
Regional Climate Services	0	6,863	0	6,841	0	5,752	0	(1,089)
Environmental data systems modern.	23	9,011	23	8,966	23	9,712	0	746
Tot., NOAA Data Centers & Info. Serv.	269	68,276	269	69,753	267	85,984	(2)	16,231
TOTAL, NESDIS	678	181,767	678	183,575	676	207,561	(2)	23,986
PROGRAM SUPPORT								
Corporate Services:								
Under Secretary & Assoc. Office	154	28,058	154	27,586	152	27,166	(2)	(420)
NOAA-wide Corporate Services	795	171,586	795	179,858	795	176,962	0	(2,896)
Office of Chief Info. Officer	0	11,467	0	9,311	0	8,321	0	(990)
Sub-total, Corporate Services	949	211,111	949	216,755	947	212,449	(2)	(4,306)
NOAA Education Program	21	25,546	21	25,402	18	16,271	(3)	(9,131)
Facilities Mgmt, Construct & Maint.	45	25,381	45	24,879	45	24,847	0	(32)
Total, Corporate/Education/Facilities	1,015	262,038	1,015	267,036	1,010	253,567	(5)	(13,469)

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Marine and Aviation Operations (OMAO)								
Marine Operations								
Marine Services	923	\$130,079	926	\$155,244	926	\$176,558	0	\$21,314
Fleet planning & maintenance	3	27,376	0	0	0	0	0	0
Sub-total, Marine Ops & Maint.	926	157,455	926	155,244	926	176,558	0	21,314
Aviation Operations	104	27,380	104	28,594	104	31,462	0	2,868
NOAA Corps pension & health benefits	0	0	0	0	0	0	0	0
Total, OMAO	1,030	184,835	1,030	183,838	1,030	208,020	0	24,182
TOTAL, PROGRAM SUPPORT	2,045	446,873	2,045	450,874	2,040	461,587	(5)	10,713
Diaster Relief Appropriations Act								
	0	140,000	0	0	0	0	0	0
DIRECT OBLIGATIONS	12,185	3,360,064	12,190	3,217,249	12,073	3,406,997	(117)	189,748
NOAA Corps retirement pay (mand.)	0	28,269	0	28,269	0	28,269	0	0
TOTAL DIRECT OBLIGATIONS	12,185	3,388,333	12,190	3,245,518	12,073	3,435,266	(117)	189,748
REIMBURSABLE OBLIGATIONS								
From Offsetting collections	706	242,000	706	242,000	706	242,000	0	0
TOTAL OBLIGATIONS, ORF	12,891	3,630,333	12,896	3,487,518	12,779	3,677,266	(117)	189,748
FINANCING								
Unobligated balance, start of year	0	(46,170)	0	0	0	0	0	0
Transfer of unobligated P&D balance	0	0	0	0	0	0	0	0
Offsetting Collections	(706)	(242,000)	(706)	(242,000)	(706)	(242,000)	0	0
De-obligations (direct)	0	(8,000)	0	(6,000)	0	(6,000)	0	0
Subtotal, Financing	(706)	(296,170)	(706)	(248,000)	(706)	(248,000)	0	0
TOTAL BUDGET AUTHORITY, ORF	12,185	3,334,163	12,190	3,239,518	12,073	3,429,266	(117)	189,748
FINANCING FROM:								
NOAA Corps retirement pay (mandatory)	0	(28,269)	0	(28,269)	0	(28,269)	0	0
From Promote and Develop	0	(109,098)	0	(123,164)	0	(123,164)	0	0
From PAC	0	(16,069)					0	0
From FPPA	0	0					0	0
From Coastal Zone Management	0	0	0	0	0	0	0	0
Subtotal, Transfers / Mandatory	0	(153,436)	0	(151,433)	0	(151,433)	0	0
APPROPRIATION, ORF	12,185	3,180,727	12,190	3,088,085	12,073	3,277,833	(117)	189,748

Appropriation: Procurement, Acquisition and Construction

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			186	\$1,828,215
Disaster Relief Appropriations Act				186,000
Total Appropriation			186	2,014,215
<u>Transfer</u>				
FY 2013 Transfer to OIG				(1,000)
<u>One-time Adjustment</u>				
Disaster Relief Appropriations Act				(186,000)
Adjustments to Base				
<u>Adjustments</u>				
Restoration of FY 2013 deobligations		\$8,000		
Restoration of FY 2013 Transfer to ORF		(\$16,069)		
Restoration of FY 2012 Reprogramming	0	418		
Subtotal, adjustments			0	(7,651)
TOTAL, ADJUSTMENTS TO BASE			0	(7,651)
Other FTE Changes			(5)	0
2014 Base			181	1,819,564
Program Changes			(7)	304,991
TOTAL REQUIREMENTS			174	2,124,555
Recoveries from prior year obligations in FY 2012				(7,000)
2014 APPROPRIATION			174	2,117,555

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
National Ocean Service								
Construction / Acquisition								
Coastal and Estuarine Land Conserv. Prg.	1	\$3,021	1	\$3,016	1	\$3,000	0	(\$16)
NERRS	0	1,192	0	1,005	0	1,700	0	695
Marine Sanctuaries	0	4,174	0	4,021	0	2,000	0	(2,021)
Other NOS Construction/ Acquisition	0	1,011	0	0	0	0	0	0
Total, NOS PAC	1	9,398	1	8,042	1	6,700	0	(1,342)
National Marine Fisheries Service								
Systems Acquisition / Construction								
Total, NMFS PAC	0	91	0	0	0	0	0	0
Oceanic and Atmospheric Research								
Systems Acquisition								
Construction	0	10,354	0	10,350	0	10,379	0	29
Total, OAR PAC	0	0	0	0	0	0	0	0
National Weather Service								
Systems Acquisition								
Construction	26	91,794	26	88,433	24	108,665	(2)	20,232
Total, NWS PAC	0	3,883	0	3,159	0	8,650	0	5,491
Total, NWS PAC	26	95,677	26	91,592	24	117,315	(2)	25,723
National Environmental Satellite, Data & Information Service:								
Systems Acquisition								
Geostationary Satellites - N	20	\$33,280	20	\$32,640	20	\$26,321	0	(\$6,319)
Geostationary Satellites - R	46	619,470	46	618,899	46	954,761	0	335,862
Polar-Orbiting Systems - POES	22	32,458	22	32,413	22	28,788	0	(3,625)
Jason-3	0	19,823	0	19,805	0	37,000	0	17,195
Joint Polar Satellite System (JPSS)	61	944,549	61	892,951	61	824,000	0	(68,951)
Polar Free Flyer	0	0	0	62,000	0	62,000	0	0
DSCOVR	0	29,991	0	29,959	0	23,675	0	(6,284)
EOS data processing & archiving	0	996	0	995	0	990	0	(5)
CIP - single pt. of failure	0	2,792	0	2,787	0	2,772	0	(15)
CLASS	0	6,510	0	6,510	0	6,476	0	(34)
NPOESS Data Exploitation	0	4,497	0	4,479	0	3,455	0	(1,024)
Climate Sensors (transferred to JPSS)	0	26,060	0	0	0	0	0	0
Enterprise Ground Systems	0	0	0	0	0	5,983	0	5,983
Subtotal	149	1,720,426	149	1,703,438	149	1,976,221	0	272,783
Construction		2,240		2,240		2,228	0	(12)
Total, NESDIS PAC	149	1,722,666	149	1,705,678	149	1,978,449	0	272,771
Program Support / Construction								
NOAA Construction								
Subtotal	0	924	0	0	0	0	0	0
Subtotal	0	924	0	0	0	0	0	0

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Program Support / Office of Marine & Aviation Operations								
Fleet Replacement	5	\$4,169	5	\$3,902	0	\$11,712	(5)	\$7,810
Aircraft Replacement	0	165	0	0	0	0	0	0
Subtotal	5	4,334	5	3,902	0	11,712	(5)	7,810
Total, Program Support, PAC	5	5,258	5	3,902	0	11,712	(5)	7,810
Disaster Relief Appropriations Act	0	186,000	0	0	0	0	0	0
TOTAL OBLIGATIONS, PAC	181	2,029,444	181	1,819,564	174	2,124,555	(7)	304,991
Unobligated balance, start of year	0	(24,298)	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
De-obligations	0	(8,000)	0	(7,000)	0	(7,000)	0	0
TOTAL BUDGET AUTHORITY, PAC	181	1,997,146	181	1,812,564	174	2,117,555	(7)	304,991
FINANCING FROM:								
TO ORF	0	16,069	0	0	0	0	0	0
TO OIG	0	1,000	0	0	0	0	0	0
Subtotal, Transfers / Mandatory	0	17,069	0	0	0	0	0	0
APPROPRIATION, PAC	181	2,014,215	181	1,812,564	174	2,117,555	(7)	304,991

Highlights of Program Changes

National Ocean Service (NOS)

	Base		Increase/Decrease	
	FTE	Amount	FTE	Amount
Acquisition	1	\$3,016	0	-\$16

NOAA requests the following decrease for the following activity:

- A decrease of 0 FTE and \$16 for the Coastal and Estuarine Land Conservation Program (CELCP).

Construction	0	\$5,026	0	-\$1,326
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NOAA requests the following increase for the following activity:

- An increase of 0 FTE and \$695 for National Estuarine Research Reserve System (NERRS) construction, repair, and land acquisition activities.

NOAA requests the following decrease for the following activity:

- A decrease of 0 FTE and \$2,021 for the Marine Sanctuaries Construction program.

Office of Oceanic & Atmospheric Research (OAR)

Systems Acquisition	0	\$10,350	0	+\$29
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NOAA requests the following increase for the following activity:

- An increase of 0 FTE and \$29 for Research Supercomputing/CCRI.

National Weather Service (NWS)

	<u>Base</u>		<u>Increase/Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Systems Acquisition	26	\$88,433	-2	+\$20,232

NOAA requests the following increases for the following activities:

- An increase of 0 FTE and \$15,014 to design and implement a re-architected NWS Telecommunications Gateway (NWSTG) and its backup to ensure a modern, scalable, extensible, and reliable system for the collection and distribution of weather data and products.
- An increase of 0 FTE and \$3,787 to enable the NOAA operational weather supercomputer located at the National Centers for Environmental Prediction (NCEP) to become a competitive, world class system leading to enhanced accuracy of NOAA's operational environmental prediction suite.
- An increase of 0 FTE and \$15,446 for the Ground Readiness Project to ensure utilization of the substantial increase in environmental satellite, radar, and model data that will improve weather warnings and forecasts.

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$9 for ASOS.
- A decrease of 0 FTE and \$2,639 to slow the implementation of new tools and capabilities in order to re-prioritize resources to invest in the Advanced Weather Interactive Processing System (AWIPS) Future Forecast Office Initiative. This initiative will improve situational awareness during weather events and allow forecasters to issue more timely and efficient forecasts, warnings, and outlooks to the Nation.
- A decrease of 0 FTE and \$5,900 for the planned completion of the NEXRAD Product Improvement Program (NPI).
- A decrease of 0 FTE and \$21 for Radiosonde Network Replacement.
- A decrease of 2 FTE and \$3,708 to terminate the U.S. Historical Climatology Network – Modernization (USHCN-M). NOAA will continue to pursue improvements to hydrologic and climate observations through other programs.
- A decrease of 0 FTE and \$29 for Complete and Sustain NOAA Weather Radio.
- A decrease of 0 FTE and \$1,709 to terminate the NOAA Profiler Conversion Program (NPN).

Construction	0	\$3,159	0	+\$5,491
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NOAA requests the following increases for the following activities:

- An increase of 0 FTE and \$5,491 to provide tenant improvements (TI) and move costs associated with Weather Forecast Office (WFO) and River Forecast Center (RFC) relocations due to unacceptable conditions at leased facilities that will impact operations.

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

Systems Acquisition	149	\$1,703,438	0	+\$272,783
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NOAA requests the following increases for this activity:

- An increase of 0 FTE and \$335,862 for the Geostationary Operational Environmental Satellite (GOES)-R program to continue development of the GOES-R series of satellites.
- An increase of 0 FTE and \$17,195 to continue development of the Jason- 3 satellite altimetry mission that will monitor global sea-level rise, a key indicator of climate change.
- An increase of 0 FTE and \$5,983 for the Enterprise Ground System (EGS), funded by redirecting funds from legacy satellite IT systems, to lay the ground work for establishing an enterprise ground capability within NESDIS.

NOAA requests the following decreases for this activity:

- A decrease of 0 FTE and \$5,692 for the Geostationary Operational Environmental Satellite (GOES)-N program to delay IT upgrades for the GOES-N ground system.
- A decrease of 0 FTE and \$2,998 for the Polar-Orbiting Operational Environmental Satellite (POES) to delay IT upgrades to the POES ground system.
- A decrease of 0 FTE and \$68,951 to re-phase the development and content of the Joint Polar Satellite System (JPSS) afternoon orbit satellite to support a 2017 launch readiness date. In addition, NOAA requests two technical transfers: \$26,060 from the Restoration of Climate Sensors PPA to JPSS, and \$62,000 from JPSS to a new PPA called the Polar Free Flyer, which includes the Free Flyer-1 mission and the accommodation for the Advanced Data Collection System-2.
- A decrease of 0 FTE and \$6,284 for the refurbishment of the Deep Space Climate Observatory (DSCOVR) satellite to continue to provide the Nation with space weather observations.
- A decrease of 0 FTE and \$5 for EOS & Advanced Polar Data Processing, Distribution & Archiving Systems.
- A decrease of 0 FTE and \$15 for CIP-Single Point of Failure.
- A decrease of 0 FTE and \$34 for the Comprehensive Large Array Data Stewardship System (CLASS).
- A decrease of 0 FTE and \$24 for NPOESS Preparatory Data Exploitation.
- A decrease of 0 FTE and \$2,254 in IT efficiencies (GOES-N: \$627; POES: \$627; NPOESS Preparatory Data Exploitation: \$1,000), which is to be reinvested in the EGS program.

	<u>Base</u>		<u>Increase/Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Construction	0	\$2,240	0	-\$12

NOAA requests the following decrease for this activity:

- A decrease of 0 FTE and \$12 for the Satellite CDA Facility.

Program Support / Office of Marine and Aviation Operations

<u>Fleet Replacement</u>	5	\$3,902	-5	+\$7,810
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NOAA requests the following increase for this activity:

- An increase of 0 FTE and \$10,707 for the establishment of a new Progressive Lifecycle Maintenance program for NOAA's ship fleet.

NOAA requests the following decrease for this activity:

- A decrease of 5 FTE and \$2,897 representing the completion of FSV6 Reuben Lasker acquisition and associated post delivery ship testing and program management activities.

Appropriation: Pacific Coastal Salmon Recovery

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)		\$65,398
Less Terminations		\$0
Adjustments to Base	0	\$0
2014 Base	0	65,398
Program Changes		(15,398)
2014 Appropriation	0	50,000

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$65,400	0	\$65,398	0	\$50,000	0	(\$15,398)
FINANCING								
Unobligated balance, start of year		(2)		0		0		0
Unobligated balance, end of year		0		0		0		0
TOTAL APPROPRIATION	0	65,398	0	65,398	0	50,000	0	(15,398)

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

Appropriation: Limited Access System Administration Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Estimate		\$14,591
Adjustments		(\$5,427)
2014 Base	0	9,164
Program Changes	0	0
2014 Mandatory Appropriation	0	9,164

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$9,390	0	\$12,072	0	\$12,072	0	\$0
TOTAL OBLIGATIONS	0	9,390	0	12,072	0	12,072	0	0
FINANCING								
Unobligated balance, start of year		(13,865)		(19,066)		(19,066)		0
Unobligated balance, end of year		19,066		16,158		16,158		0
TOTAL APPROPRIATION	0	14,591	0	9,164	0	9,164	0	0

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

Appropriation: Fishermen's Contingency Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)		\$352
Adjustments	0	0
2014 Base	0	352
Program Changes	0	(2)
2014 Appropriation	0	350

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Administrative Expenses		\$366		\$352		\$350	0	(\$2)
Payment of Claims & Other Services							0	0
TOTAL OBLIGATIONS	0	366	0	352	0	350	0	(2)
FINANCING								
Unobligated balance, start of year		(14)		0		0		0
Unobligated balance, end of year		0		0		0		0
TOTAL APPROPRIATION	0	352	0	352	0	350	0	0

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

Appropriation: Foreign Fishing Observer Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Appropriation	0	\$0
Adjustments	0	0
2014 Base	0	0
Program Changes	0	0
2014 Appropriation	0	0

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	0	0	0	0	0	0	0
FINANCING								
Unobligated balance, soy		(172)		0		0		0
Unobligated balance, eoy		172		0		0		0
TOTAL BUDGET AUTHORITY		0		0		0		0
Rescission of unobligated balance		0						0
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

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

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

Appropriation: Fisheries Finance Program Account

Summary of Requirements

	Summary	
	FTE	Amount
2013 Mandatory Appropriation	0	\$9,800
Adjustments	0	(9,800)
2014 Base	0	0
Program Changes	0	0
2014 Appropriation	0	0

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Credit Reestimates	0	\$9,827	0	\$0	0	\$0	0	\$0
Cost of Loan Subsidy	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	0	9,827	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		(2,779)		(2,752)		(2,752)	0	0
Unobligated balance, end of year		2,752		2,752		2,752	0	0
Transfer to ORF		0		0		0		0
Less Permanent Indefinite Authority		0						0
TOTAL APPROPRIATION	0	9,800	0	0	0	0	0	0

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

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

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)				\$0
<u>Transfers</u>				
From Department of Agriculture		\$131,372		\$0
To NOAA ORF		(109,098)		
Total, Transfers			0	22,274
Adjustments to Base			0	(14,066)
2014 Base			0	8,208
Program Changes				0
TOTAL REQUIREMENTS			0	8,208
Transfers				(131,372)
From Department of Agriculture				(131,372)
To NOAA ORF				123,164
2014 Appropriation			0	\$0

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$22,693	0	\$8,208	0	\$8,208	0	\$0
TOTAL OBLIGATIONS	0	22,693	0	8,208	0	8,208	0	0
FINANCING								
Unobligated balance, start of year		(419)		0		0		0
Transfer of unobligated balance to ORF		0		0		0		0
Unobligated balance, end of year		0		0		0		0
TOTAL BUDGET AUTHORITY		22,274		8,208		8,208		0
TRANSFERS								
Transfer to P&D Discretionary								0
Transfer from USDA		(131,372)		(131,372)		(131,372)		0
To NOAA ORF		109,098		123,164		123,164		0
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

The American Fisheries Promotion Act of 1980 authorized a grants program for fisheries research and development projects to be carried out with Saltonstall-Kennedy (S-K) funds. S-K funds are derived from duties on imported fisheries products; 30 percent of these duties are transferred from the Department of Agriculture to the Department of Commerce. The FY 2014 budget estimate of the transfer is \$131.3 million. Of this amount, \$8.2 million will be used for the grants program and the remaining \$123.1 million will be transferred to offset the ORF appropriation. This program supports the NOAA strategic plan goal to build sustainable fisheries.

Appropriation: Damage Assessment and Restoration Revolving Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Estimate	16	\$0
Adjustments	0	0
2014 Base	<u>16</u>	<u>0</u>
Program Changes	0	0
2014 Mandatory Appropriation	<u>16</u>	<u>0</u>

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	16	\$114,173	16	\$16,000	16	\$16,000	0	\$0
REIMBURSABLE OBLIGATIONS	0	9,000	0	9,000	0	9,000	0	0
TOTAL OBLIGATIONS	<u>16</u>	<u>123,173</u>	<u>16</u>	<u>25,000</u>	<u>16</u>	<u>25,000</u>	<u>0</u>	<u>0</u>
FINANCING								
Estimated collections		(9,000)		(9,000)		(9,000)		0
Unobligated balance, start of year		(98,173)		0		0		0
Transfer of budget authority from DOI		(8,000)		(8,000)		(8,000)		0
Transfer of unobligated balances from DOI		(8,000)		(8,000)		(8,000)		0
TOTAL MANDATORY APPROPRIATION	<u>16</u>	<u>0</u>	<u>16</u>	<u>0</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>

This fund was established in 1990 to facilitate oil and hazardous material spill response, as well as assessment and restoration activities for damages to natural resources for which NOAA serves as trustee. The Fund retains sums transferred by responsible parties or government entities for future use. The sources of these funds are settlements and awards by the courts. Receipts from settlements are expected to be \$9.0 million in FY 2014.

Appropriation: Federal Ship Financing Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Appropriation	0	\$0
Transfers	0	0
Adjustments	0	0
2014 Base	0	0
Program Changes	0	0
2014 Mandatory Budget Authority	0	0

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	0	0	0	0	0	0	0
FINANCING								
Less: offsetting collections		0		0		0		0
TOTAL MANDATORY BUDGET AUTHORITY	0	0	0	0	0	0	0	0

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

Appropriation: Environmental Improvement and Restoration Fund

Summary of Requirements

	Summary	
	FTE	Amount
2013 Mandatory Appropriation		\$1,414
Adjustments	0	388
2014 Base	0	1,802
Program Change	0	0
2014 Mandatory Appropriation	0	1,802

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	0	\$9,752	0	\$1,802	0	\$1,802	0	\$0
TOTAL OBLIGATIONS	0	9,752	0	1,802	0	1,802	0	0
FINANCING								
Unobligated balance, start of year		(9,752)		0		0		0
Unobligated balance, end of year		1,414		1,802		1,802		0
TOTAL MANDATORY BUDGET AUTHORITY	0	1,414	0	1,802	0	1,802	0	0

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

Appropriation: Marine Mammal Unusual Mortality Event Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Appropriation	0	\$0
Adjustments	0	0
2014 Base	<u>0</u>	<u>0</u>
Program Changes	0	0
2014 Appropriation	<u>0</u>	<u>0</u>

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$112	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	<u>0</u>	<u>\$112</u>	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>
FINANCING								
Unobligated balance, start of year		(112)		0		0		0
TOTAL BUDGET AUTHORITY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

Appropriation: Medicare-Eligible Retiree Healthcare Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)	0	\$1,948
Adjustments	0	0
2014 Base	0	1,948
Program Changes	0	(12)
2014 Appropriation	0	1,936

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$1,948	0	\$1,948	0	\$1,936	0	(\$12)
TOTAL OBLIGATIONS	0	1,948	0	1,948	0	1,936	0	(12)
Transfer of unobligated balances		0		0		0		0
TOTAL APPROPRIATION	0	1,948	0	1,948	0	1,936	0	(12)

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

Appropriation: Western Pacific Sustainable Fisheries Fund

Summary of Requirements

	Summary	
	FTE	Amount
2013 Mandatory Appropriation	0	\$1,000
Adjustments	0	0
2014 Base	0	1,000
Program Changes	0	0
2014 Appropriation	0	1,000

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	0	\$2,146	0	\$1,000	0	\$1,000	0	\$0
TOTAL OBLIGATIONS	0	\$2,146	0	\$1,000	0	\$1,000	0	\$0
FINANCING								
Unobligated balance, start of year		(1,146)		0		0		0
Unobligated balance, end of year		0		0		0		0
TOTAL BUDGET AUTHORITY	0	1,000	0	1,000	0	1,000	0	0

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

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

Appropriation: Fisheries Enforcement Asset Forfeiture Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Appropriation	0	\$5,000
Adjustments	0	0
2014 Base	0	5,000
Program Change	0	0
2014 Appropriation	0	5,000

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$4,263	0	\$5,000	0	\$5,000	0	\$0
TOTAL OBLIGATIONS	0	\$4,263	0	\$5,000	0	\$5,000	0	\$0
FINANCING								
Unobligated balance, start of year		(10,523)		(11,260)		(11,260)		0
Unobligated balance, end of year		11,260		11,260		11,260		0
Transfer of unob. Balance		0		0		0		0
TOTAL Appropriation	0	5,000	0	5,000	0	5,000	0	0

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

Appropriation: Sanctuaries Enforcement Asset Forfeiture Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Appropriation	0	\$1,000
Adjustments	0	0
2014 Base	0	1,000
Program Change		0
2014 Appropriation	0	1,000

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$1,488	0	\$1,000	0	\$1,000	0	\$0
TOTAL OBLIGATIONS	0	\$1,488	0	\$1,000	0	\$1,000	0	\$0
FINANCING								
Unobligated balance, start of year		(488)		0		0		0
Unobligated balance, end of year		0		0		0		0
TOTAL BUDGET AUTHORITY	0	1,000	0	1,000	0	1,000	0	0

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

Appropriation: North Pacific Observer Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Appropriation		\$0
Adjustments		
2014 Base	0	4,800
Program Change		0
2014 Mandatory Appropriation	0	4,800

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	0	\$0	0	\$4,800	0	\$4,800	0	\$0
TOTAL OBLIGATIONS	0	\$0	0	\$4,800	0	\$4,800	0	\$0
FINANCING								
Unobligated balance, start of year		0		0		0		0
Unobligated balance, end of year		0		0		0		0
TOTAL BUDGET AUTHORITY	0	0	0	4,800	0	4,800	0	0

On January 1, 2013, the restructured North Pacific Groundfish Observer Program (NPGOP) went into effect and made important changes to how observers are deployed, how observer coverage is funded, and the vessels and processors that must have some or all of their operations observed. Coverage levels are no longer based on vessel length and processing volume; rather, NMFS now has the flexibility to decide when and where to deploy observers based on a scientifically defensible deployment plan. The new observer program places all vessels and processors in the groundfish and halibut fisheries off Alaska into one of two observer coverage categories: (1) a full coverage category, and (2) a partial coverage category.

Vessels and processors in the full coverage category ($\geq 100\%$ observer coverage) will obtain observers by contracting directly with observer providers. Vessels and processors in the full observer coverage category are required to have at least one observer at all times. This will represent no change from the status quo for participants in the full coverage category.

Vessels and processors in the partial coverage category ($< 100\%$ observer coverage) will no longer contract independently with an observer provider, and will be required to carry an observer when they are selected through the Observer Declare and Deploy System (ODDS). Additionally, landings from all vessels in the partial coverage category will be assessed a 1.25% fee on standard ex-vessel prices of the landed catch weight of groundfish and halibut. The fee percentage is set in 50 CFR 679.55(f) and will be reviewed periodically by the Council after the second year of the program. The money generated by this fee will be used to pay for observer coverage on the vessels and processors in the partial coverage category in the following year.

NMFS expects approximately \$4.8M in fees to be collected during the FY2013 season, to be used in FY 2014 for observer coverage.

Performance Objectives and Measures

(Dollars reflects obligations in Millions)

NOAA's program activities support the two themes of **Science and Information** and **Environmental Stewardship**, including the following five objectives:

- Objective 13: Increase scientific knowledge and provide information to stakeholders to support economic growth and to improve innovation, technology, and public safety.
- Objective 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;
- Objective 15: Enhance weather, water, and climate reporting and forecasting;
- Objective 16: Support climate adaptation and mitigation;
- Objective 17: Develop sustainable and resilient fisheries, habitats, and species; and,
- Objective 18: Support coastal communities that are environmentally and economically sustainable.

NOAA has developed performance measures for each of its objectives as shown in the following table. These measures indicate the outcomes of NOAA's programs, and are used by NOAA to track progress. A more detailed description of these objectives and measures is in the NOAA section of the Department of Commerce budget.

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
13. Increase scientific knowledge and provide information to stakeholders to support economic growth and to improve innovation, technology, and public safety	\$224.6	\$266.8	\$298.0
Objective 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	\$2,014.4	\$2,056.0	\$2,371.3
Objective 15: Enhance weather, water, and climate reporting and forecasting	\$1,075.4	\$1,091.1	\$1,144.7
Lead time (minutes), accuracy (%) and False Alarm Rate (FAR) (%) for tornado warnings (storm based)	11/70%/73%	13/72%/72%	13/72%/72%
Lead time (minutes) and accuracy (%) for flash flood Warnings (Priority Goal - See below)	53/76%	58/74%	60/74%
Hurricane forecast track error (48 hour) (nautical miles)	69	83	81
Hurricane forecast Intensity error (48 hour) (difference in knots)	13	12	12
Accuracy (%) (threat score) of Day 1 precipitation forecasts	32.6%	31%	32%
Lead time (hours) and accuracy (%) for winter storm warnings	18/83%	20/90%	20/90%
Accuracy (%) of forecast for marine wind speed / wave height	76/78	74/75	74/76
Accuracy (%) and False Alarm Rate (%) of forecasts of ceiling and visibility (3 miles / 1000 feet) (aviation forecasts)	61%/39%	65%/38%	65%/38%
Geomagnetic storm forecast accuracy (%)	N/A	N/A	51%
Objective 16: Support climate adaptation and mitigation	\$279.0	\$241.4	\$305.8
U.S. temperature forecasts (cumulative skill score computed over the regions where predictions are made)	28	22	23
Reduce uncertainty of the North American (NA) carbon sink to better understand the contribution of human activities toward increasing atmospheric CO2 and methane	400 Million tons Carbon/Yr	405 Million tons Carbon/Yr	415 Million tons Carbon/Yr

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Reduce the error in global measurement of sea surface temperature	0.56C	0.50C	0.50C
Annual percentage of U.S. regions, states, and territories that use NOAA climate information and services to improve resilience to climate change	22% (12 states)	22% (12 states)	24% (13 states)
Improved climate model performance and utility based on model advancements (planned milestones), model evaluations, and formal assessments benefited	24	28	32
Percentage improvement in the quality of relationship between engagement personnel and the public they serve	72.6%	NA	75%
Objective 17: Develop sustainable and resilient fisheries, habitats, and species	\$954.2	\$994.8	\$995.5
Fish Stock Sustainability Index (FSSI)	606	617	645
Percentage of priority fish stocks with adequate population assessments and forecasts	56.1% (129/230)	57.0% (131/230)	57.4% (132/230)
Percentage of protected species stocks with adequate population assessments and forecasts	20.9% (79/378)	22.6% (88/378)	25.6.0% (100/390)
Number of protected species designated as threatened, endangered or depleted with stable or increasing population levels	<u>29</u>	27	27
Number and percentage of recovery actions ongoing or completed	1862/44.3%	1875/44.6%	1922/45.7%
Number of habitat acres restored (annual) ¹	58,120 (8,242 + 49,878 PCSRF)	60,170 (8,170 + 52,000 PCSRF)	52,000 (4,250 + 48,000 PCSRF)
Objective 18: Support coastal communities that are environmentally and economically sustainable	\$671.7	\$521.3	\$555.4
Annual number of coastal, marine, and Great Lakes ecological characterizations that meet management needs	51	48	41
Cumulative number of coastal, marine, and Great Lakes issue-based forecasting capabilities developed and used for management	58	63	69
Percentage of tools, technologies, and information services that are used by NOAA partners/customers to improve ecosystem-based management	88%	89%	90%
Annual number of coastal, marine, and Great Lakes habitat acres acquired or designated for long-term protection ²	8,694,070	2,500 (CELCP) ³	1500 (CELCP)
Percentage of U.S. coastal states and territories demonstrating 20% or more annual improvement in resilience capacity to weather and climate hazards (%/yr.)	46%	40%	48%
Reduce the hydrographic survey backlog within navigationally significant areas (sq. nautical miles surveyed per year)	2,947	2,028	2,860
Percentage of U.S. and territories enabled to benefit from a new national vertical reference system for improved inundation management	24%	28%	38%
Total³	\$5,219.3	\$5,171.5	\$5,607.6

1. The target of 6,007 for Habitat Program acres was exceeded. FY 2012 actual includes American Reinvestment and Recovery Act (ARRA) acres, while FY 2013 and 2014 targets do not.

2. NOAA exceeded "Acres acquired or designated" due to the expansion of the Fagatele Bay National Marine Sanctuary in American Samoa to include five additional discrete sites. A total of 8,691,840 acres make up the Sanctuary expansion.

3. Coastal and Estuarine Land Conservation Program.

4. Totals reflect Direct Obligations only.

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 2014 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 Priority goals from the longer-

term targets agencies included 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).

NOAA has the following high priority performance goal: For FY 2013 and FY 2014 NOAA will continue to work to ensure the protection of life and property by substantially improving severe weather warnings and lead times through effective deployment and integration of Dual Polarization (Dual Pol) technology to the Nation's array of Next Generation Weather Radars (NEXRAD). The associated measure is: Improve severe weather warnings for flash flood lead time from 42 minutes in FY 2012 to 45 minutes in FY 2013. In FY 2012 this goal was accomplished with an actual of 57 minutes.

U.S. Patent and Trademark Office

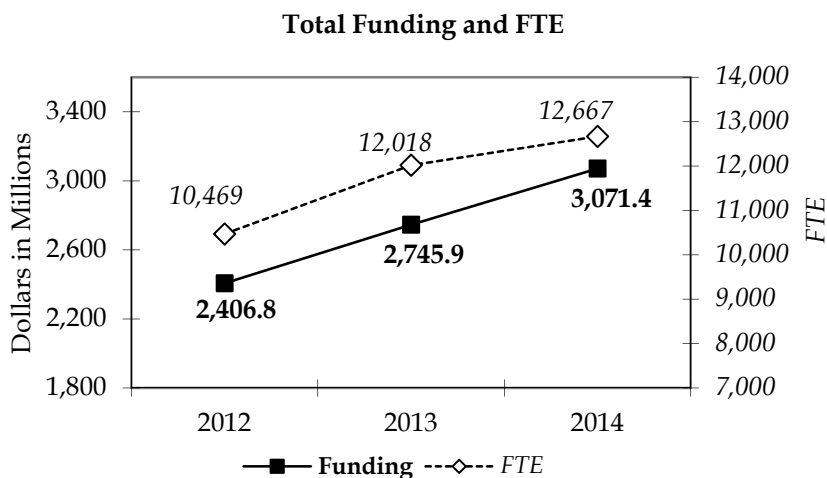
The mission of the U.S. Patent and Trademark Office (USPTO) is to foster innovation, competitiveness and economic growth, domestically and abroad by providing high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property (IP) policy, and delivering IP information and education worldwide. This mission is accomplished by the USPTO through its two distinct business lines, Patents and Trademarks, which administer the patent and trademark laws 15 U.S.C. 113 and 35 U.S.C. 41 and 376, and the Leahy Smith America Invents Act (Pub. L. No. 112-29). These laws provide protection to inventors and businesses for their inventions

and corporate and product identifications, and encourage innovation and scientific and technical advancement of American industry through the preservation, classification, and dissemination of patent and trademark information. In addition to the examination of applications for patents and trademark registrations, the USPTO provides technical advice and information to federal agencies on IP matters and trade-related aspects of IP rights, and assists foreign governments in establishing regulatory and enforcement mechanisms to meet their international obligations relating to the protection of IP.

Funding requested for FY 2014 will be used in support of USPTO's strategic and management goals to optimize patent and trademark quality and timeliness, provide domestic and global leadership to improve IP policy, protection and enforcement worldwide, and achieve organizational excellence. In addition, the USPTO will continue implementation of the America Invents Act (AIA).

The FY 2014 Budget continues to emphasize the patent pendency and backlog reduction priority, particularly in light of the projected increase in patent application filings over the next five years. Likewise, the Budget addresses the projected increase in trademark application filings during the planning horizon and the required funds for information technology reflect the transition from development to operations and maintenance.

Finally, the FY 2014 Budget is based on the new patent fee structure that was proposed and vetted through the rulemaking process, and that went into effect on March 19, 2013.



Summary of Appropriations

Funding Levels	2012 Actual	2013 CR (Annualized)	2014 Estimate	Increase (Decrease)
New Offsetting Collections/Program Level*	\$2,406,826	\$2,745,873	\$3,071,375	\$325,502
Fee Collections	(2,406,826)	(2,745,873)	(3,071,375)	(325,502)
TOTAL APPROPRIATION	0	0	0	0
Transfer to IG	(1,000)	(1,000)	(2,000)	(1,000)
Budget Authority				
New Offsetting Collections/Program Level	2,405,826	2,744,873	3,069,375	324,502
Base Fee Collections	(2,406,826)	(2,745,873)	(3,071,375)	(325,502)
Total Budget Authority	(1,000)	(1,000)	(2,000)	(2,000)
FTE	10,469	12,018	12,667	649

* Excludes collections for reimbursables.

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 Estimated Fee Collections			12,018	\$2,745,873
Other Income/Recoveries				29,000
USPTO Funding from Operating Reserve				18,363
Funds currently available, 2013			12,018	2,793,236
FY 2013 Transfer to DOC OIG				(1,000)
USPTO FY 2013 Base				2,792,236
Adjustments to Base:				
<u>Other Changes</u>				
2013 Pay raise		\$1,515		
2014 Pay raise		9,504		
Full year cost in 2014 for positions financed for part-year in FY 2013	627	69,296		
Other Compensation Adjustments		48,125		
Changes in compensable day				
Civil Service Retirement System (CSRS)		(2,306)		
Federal Employees' Retirement System (FERS)		6,384		
Thrift Savings Plan		659		
Federal Insurance Contributions Act (FICA) - OASDI		1,804		
Health insurance		2,724		
Travel				
Travel		0		
OPM Transfer for OPEB - Mandatory Requirements		5,691		
Rent payments to GSA		1,634		
Printing and reproduction		2,001		
Working Capital Fund		822		
Personal Identity Verification (PIV)		571		
General Pricing Level Adjustment:				
Transportation of things		8		
Rental payments to others		155		
Communications, utilities, and misc. charges		421		
Other services		6,496		
Supplies and materials		750		
Equipment		2,644		
Subtotal, Other Changes			627	158,898
TOTAL, ADJUSTMENTS TO BASE			627	158,898
2014 Base			12,645	2,951,134
Administrative savings [non-add]				[-34,034]
Program Changes			21	85,220
FY 2014 Transfer to DOC OIG				2,000
TOTAL REQUIREMENTS			12,667	3,038,354
Total Offsetting Fee Collections				(3,071,375)
Other Income/Recoveries				(29,000)
USPTO Funding to Operating Reserve				62,021
2014 NET APPROPRIATION			12,667	0

Comparison by Activity

	2013 Current Plan		2014 Base		2014 Estimate		Increase / (Decrease)	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Patents	11,072	\$2,524,201	11,653	\$2,670,979	11,648	\$2,740,622	(5)	\$69,643
Trademarks	947	262,035	992	274,155	1,018	289,732	26	15,577
TOTAL DIRECT OBLIGATIONS	12,018	2,786,236	12,645	2,945,134	12,667	3,030,354	21	85,220
Reimbursables		6,000		6,000		6,000	0	0
TOTAL OBLIGATIONS	12,018	2,792,236	12,645	2,951,134	12,667	3,036,354	21	85,220
FINANCING								
Fees		(2,745,873)				(3,071,375)		
Other Income / Recoveries		(29,000)				(29,000)		
USPTO funding to Operating Reserve		(18,363)				62,021		
Subtotal Financing	0	(2,793,236)			0	(3,038,354)		
TOTAL BUDGET AUTHORITY	12,018	(1,000)			12,667	(2,000)		
Transfer to DOC OIG		1,000				2,000		
TOTAL APPROPRIATION	12,018	0			12,667	0		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on USPTO's administrative savings in FY 2012 (\$31.2 million) and planned in FY 2013 (\$32.4 million), FY 2014 savings are targeted to be \$34.0 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / (Decrease)	
	FTE	Amount	FTE	Amount
Patent Process	11,653	\$2,670,979	-5	+\$69,643

Resources requested in FY 2014 will be used for examining patent applications, granting patents, and continuing to implement the Patent End to End IT portfolio. As existing and recently hired examiners gain further experience, USPTO will continue its aggressive patent pendency reduction agenda to reduce overall pendency and backlog through FY 2017 without increasing the number of FTE devoted to patent processing.

Trademark Process	992	\$274,155	+26	+\$15,577
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The FY 2014 Budget provides resources for examining trademark applications, registering trademarks, maximizing the use of e-government for conducting business with applicants and registrants, and improving trademark practices worldwide.

Performance Objectives and Measures

(Dollars reflect direct obligations)

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

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

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 1: Facilitate intellectual property protection by reducing patent and trademark pendency and increasing quality of issued patents and trademarks	\$2,329.0	\$2,724.9	\$2,962.8
Patent quality composite rate	7.0	65-73	83-91
Patent average first action pendency (months)	21.9	18.0	15.8
Patent average total pendency (months)	32.4	30.1	26.1
Patent backlog	608,283	566,800	486,500
Patent applications filed electronically	97.1%	98.0%	98.0%
Trademark first action compliance rate	96.2%	95.5%	95.5%
Trademark final compliance rate	97.1%	97.0%	97.0%
Trademark first action pendency (months)	3.2	2.5 to 3.5	2.5 to 3.5
Trademark average total pendency (months)	10.2	12.0	12.0
Trademark applications filed electronically	77.0%	76.0%	78.0%
Objective 2: Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights	\$45.1	\$67.3	\$73.6
Percentage of prioritized countries for which country teams have implemented at least 75% of action steps in the country-specific action plans toward progress in: (1) institutional improvements of IP office administration for advancing IP protection, (2) institutional improvements of IP enforcement entities, (3) improvements in IP laws and regulations, and (4) establishment of government-to-government cooperative mechanisms	75.0%	75.0%	75.0%
Percentage of foreign officials trained who have initiated or implemented a positive change in the IP systems in their organization and/or countries	New	75.0%	75.0%
Total	\$2,374.8	\$2,792.2	\$3,036.4

Priority Goals

Priority goals are clear statements of the specific, measurable, ambitious near-term priority targets chosen by the senior leaders of major federal agencies. They constitute the priority operational targets the agency will work to accomplish within 18 to 24 months of setting the targets. This distinguishes the priority goals from the longer-term targets agencies include in their strategic plans, and the full set of performance goals and measures agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

USPTO has the following priority goal along with three associated measures: By September 30, 2013, the Department will reduce patent pendency for first actions and for final actions from the end of 2011 levels of 28.0 and 33.7 months to 16.9 months and 30.1 months, as well as the patent backlog of 670,000 applications to 529,000 applications.

The USPTO is modifying and accelerating its long-term Patent plans to recognize the progress it has made to date, recalibrating FY 2013 hiring plans due to the uncertain environment and to take advantage of recent trends in terms of lower attrition and higher production. This includes reducing the total number of new patent examiner hires in FY 2013 from 1,500 to as many as 1,000, and leveraging the nationwide workforce to facilitate hiring many with significant prior IP-related experience. Hiring experienced former examiners and IP professionals will allow the Patent organization to reduce the time necessary for training, and realize benefits that will enable the USPTO to still achieve its performance targets of 10 months for first action pendency, and 20 months for total patent pendency. This will meet stakeholder expectations, and also allow the Office to begin taking actions to achieve greater effectiveness and contain costs; for example, to begin making a soft landing from the aggressive hiring efforts in 2011 through 2013 by gradually reducing end-of-year examiner staffing levels, while still maintaining pendency and an appropriate working inventory of applications at levels that facilitate effective and efficient operations. As a result, accomplishment of the priority goal to reduce patent first action pendency to 10 months and total pendency to 20 months will be achieved in FYs 2016 and 2017 respectively. In turn, our patent pendency targets in FY 2013 through FY 2015 have been adjusted to correspond to this.

- First action patent pendency
- Total patent pendency
- Patent backlog

Patent pendency measures are ongoing GPRA measures, occurring under the aforementioned Objective 1. First action patent pendency tracks the timeliness of first office actions on patent applications, measuring the average time in months from the application filing date to the date of the first office action. Total patent pendency 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. Patent backlog tracks the number of patent applications awaiting first action review by an examiner. The previous table shows the FY 2012 actual and FY 2013 and FY 2014 targets. The following table provides all the targets and actuals from 2003 – 2015.

Fiscal Year	First action patent pendency		Total patent pendency		Patent backlog	
	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	23.0	28.0	34.5	33.7	670,000	669,625
2012	22.6	21.9	34.7	32.4	615,300	608,283
2013	18.0		30.1		566,800	
2014	15.8		26.1		486,500	
2015	12.9		23.7		398,900	

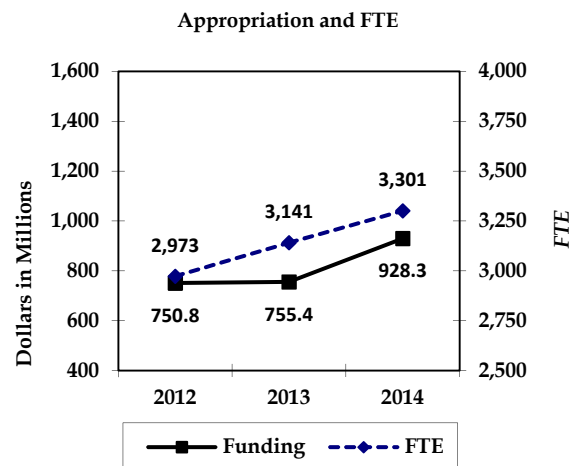
National Institute of Standards and Technology

For FY 2014, NIST is submitting a total discretionary request level of \$928.3 million. Within this total discretionary request level, NIST's Scientific and Technical Research and Services (STRS) appropriation is \$693.7 million, NIST's Industrial Technology Services (ITS) appropriation is \$174.5 million, and NIST's Construction of Research Facilities (CRF) appropriation is \$60.0 million. In addition, the budget includes a request of \$1.0 billion in mandatory appropriations for a National Network for Manufacturing Innovation (NNMI) initiative as part of the Administration's efforts to strengthen and revitalize the U.S. manufacturing sector.

The increased resources requested would enable NIST to expand and strengthen programs to more effectively address a number of scientific and technological issues of high-priority to the U.S., and that are critical for U.S. economic competitiveness and innovative capacity. Additional information on the budget request, by appropriation, is provided below.

The mission of the National Institute of Standards and Technology (NIST) is to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. For more than 110 years, NIST has maintained the national standards of measurement, a role that the U.S. Constitution assigns to the Federal Government to ensure fairness in the marketplace. Today, the NIST Laboratories, funded by the STRS and CRF appropriations, address increasingly complex measurement challenges. For example, NIST develops measurements focusing on the very small (e.g., nanotechnology devices) and the very large (e.g., skyscrapers), the physical (e.g., methods for characterizing strands of DNA for forensic testing) and the virtual (e.g., methodologies and best practices for securing cyberspace). NIST promotes the use of measurements based on the international system of units (SI). The measurement science research at NIST is useful to all science and engineering disciplines.

NIST's portfolio also includes the Hollings Manufacturing Extension Partnership (MEP), funded by the ITS appropriation. MEP is a Federal-state-industry partnership that provides U.S. manufacturers with access to technologies, resources, and industry experts. The MEP program consists of Manufacturing Extension Partnership Centers located across the country that work directly with their local manufacturing communities to strengthen the competitiveness of our Nation's domestic manufacturing base. Funding for the MEP Centers is a cost-sharing arrangement consisting of support from the Federal government, state and local government/entities, and fees charged to the manufacturing clients for services provided by the MEP Centers. The ITS appropriation includes a request to fund an Advanced Manufacturing Technology Consortia (AMTech) initiative.



Summary of Appropriations

Funding Levels

	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Appropriation				
Scientific and Technical Research and Services	\$567,000	\$570,471	\$693,745	\$123,274
Industrial Technology Services	128,443	129,229	174,507	45,278
Construction of Research Facilities	55,381	55,720	60,040	4,320
Total, Discretionary Appropriation	750,824	755,420	928,292	172,872
Transfers of funds from Election Assistance	2,750	2,750	2,750	0
Transfers of funds from DoJ to OLES, STRS	6,500	6,500	3,000	(3,500)
Working Capital Fund, STRS	[1,695]	[0]	[1,500]	0
TOTAL BUDGET AUTHORITY				
Scientific and Technical research and Services	576,250	579,721	699,495	119,774
Industrial Technology Services	128,443	129,229	174,507	45,278
Construction of Research Facilities	55,381	55,720	60,040	4,320
Total, Budget Authority	760,074	764,670	934,042	169,372
FTE				
Scientific and Technical research and Services	2,042	2,202	2,362	160
Industrial Technology Services	127	94	94	0
Construction of Research Facilities	89	89	89	0
Working Capital Fund	715	756	756	0
Total	2,973	3,141	3,301	160

Highlights of Budget Changes

Appropriation: Scientific and Technical Research and Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			2,202	\$570,471
Adjustments to Base				
<u>Adjustments</u>				
Restoration of FY 2013 deobligation offset		\$1,000		
DoC IT Reinvestment		(3,777)		
Subtotal, Adjustments				(2,777)
<u>Financing:</u>				
Recoveries from Prior Year Obligations				(1,000)
<u>Other Changes</u>				
2013 Pay raise		\$326		
2014 Pay raise		2,133		
Civil Service Retirement System (CSRS)		(258)		
Federal Employees' Retirement System (FERS)		834		
Thrift Savings Plan (TSP)		228		
Federal Insurance Contribution Act (FICA) - OASDI		474		
Health Insurance		547		
Employees' Compensation Fund		157		
Travel - Mileage		1		
Rental Payments to GSA		2		
Postage		2		
Printing and reproduction		5		
HCHB electricity		(1)		
HCHB Water/Sewer		1		
Electricity rate decrease		(1,037)		
Natural Gas rate decrease		(832)		
NARA		2		
Other services:				
Commerce Business Systems (CBS)		179		
Working Capital Fund (Departmental Management)		2,400		
Supplies and materials:				
Scientific journal subscriptions		174		
General pricing level adjustment:				
Transportation of things		15		
Rental payments to others		31		
Communications, utilities, and miscellaneous charges		51		
Other services		1,430		
Supplies and materials		501		
Equipment		797		
Subtotal, other cost changes			0	8,162
Less Amount Absorbed				(3,749)
TOTAL, ADJUSTMENTS TO BASE			0	636
2014 Base			2,202	571,107
Administrative Savings [non-add]			[0]	[713]
Program Changes			160	122,638
2014 APPROPRIATION			2,362	693,745

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Laboratory Programs								
Strategic & emerging research initiative fund	17	\$10,487	17	\$9,598	17	\$9,598	0	\$0
National measurement and standards labs	1,710	435,016	1,710	424,607	1,839	515,266	129	90,659
User Facilities	258	77,523	258	75,135	269	81,118	11	5,983
Postdoctoral Research Associates Program	103	13,842	103	13,198	103	12,898	0	(300)
Total, Laboratory Programs	2,088	536,868	2,088	522,538	2,228	618,880	140	96,342
Corporate Services								
Computer Support	2	8,566	2	8,202	2	8,202	0	0
Business System	35	10,815	35	10,635	35	10,635	0	0
Total, Corporate Services	37	19,381	37	18,837	37	18,837	0	0
Standards Coordination and Special Programs								
Standards Coordination and Special Programs	77	42,911	77	30,732	97	61,278	20	30,546
Congressionally Directed Projects	0	0	0	0	0	0	0	0
Total, Standards Coordination and Special Programs	77	42,911	77	30,732	97	61,278	20	30,546
TOTAL OBLIGATIONS	2,202	599,160	2,202	572,107	2,362	698,995	160	126,888
FINANCING								
Unobligated balance, start of year - direct		(18,439)					0	0
Recovery of prior year obligations		(1,000)		(1,000)		(1,000)	0	0
Subtotal, financing	0	(19,439)	0	(1,000)	0	(1,000)	0	0
TOTAL BUDGET AUTHORITY	2,202	579,721	2,202	571,107	2,362	697,995	160	126,888
Transfers from EAC		(2,750)				(2,750)	0	(2,750)
Transfers from DoJ		(6,500)				(3,000)	0	(3,000)
Transfers to Working Capital Fund						1,500	0	1,500
TOTAL APPROPRIATION	2,202	570,471	2,202	571,107	2,362	693,745	160	122,638

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NIST's administrative savings in FY 2012 (\$11.6 million) and planned in FY 2013 (\$2.7 million), an additional \$0.7 million in savings is targeted for FY 2014 for a total savings during FY 2014 of \$15.0 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Measurement Science, Services, and Programs	2,202	\$571,107	+160	+\$122,638
1. Advanced Manufacturing	98	\$90,824	+67	+\$50,000

Manufacturing plays a central role in realizing the benefits of technological innovation and in the overall growth and health of the U.S. economy. The ability to rapidly introduce product innovations will provide a foundation for future U.S. manufacturing market growth, competitiveness, and creation and retention of high skill, well-paying jobs. With its FY 2014 budget request, NIST is expanding its laboratory efforts in the following areas critical to advanced manufacturing:

Developing the measurement science and data infrastructure for the manufacture of emerging materials – Much of advanced manufacturing depends upon the ability to make at scale or integrate the use of new materials into existing manufacturing processes. To support this need NIST will continue to invest in strengthening its efforts to develop the standards and data needed to support advanced materials modeling and design. These efforts are central to NIST's role in the Material's Genome Initiative.

Supporting the manufacture of emerging technologies – There is enormous potential for U.S. leadership in the manufacture of products in emerging technology areas, which have grown out of the U.S. investment in the biosciences and Nanotechnology. NIST will provide the measurement science, data, and tools that are needed for efficient manufacturing in these areas. NIST programs in nanomanufacturing will ensure that materials can be produced at scale and at viable cost. NIST research in biomanufacturing will help create new manufacturing paradigms that use cells as factories for fuels, pharmaceuticals and specialty chemicals.

Precision measurements for manufacturers – Precise manufacturing metrology enables high-quality, high-throughput production, increasing the competitiveness of U.S. manufacturers. Current methods for calibrating machinery and assessing quality can introduce cost and time delays to manufacturing processes. Through increased investment in miniaturization techniques and quantum-based measurement capabilities, NIST will be able to deliver self-calibrating measurement science technology that can be directly integrated into instruments and processes on the manufacturing floor, and thus, eliminate the need for costly calibrations.

Enabling the integration and use of smart manufacturing technologies – The next generation of smart manufacturing processes and equipment such as automation, distributed sensing, and advanced control systems need to be optimized to enable cost-effective and agile manufacturing of high-tech products and systems. NIST will continue to strengthen its efforts focused on standards for the closer integration of robotics and humans in the manufacturing environment, and in the development of a testbed to evaluate the performance of automated in-process quality monitoring and control systems which are critical to the efficient operation of modern factories.

2. Cybersecurity R&D and Standards	95	\$45,031	+25	+\$15,000
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Protecting the nation's cyber infrastructure is a top priority of the Administration. This initiative will enable NIST to strengthen its core cybersecurity R&D programs that are the critical foundation upon which NIST's ability to effectively engage in cybersecurity standards development are built. R&D supported by this effort will specifically target challenges facing the delivery of security for Federal mobile environments, as well as the development of better methods for measuring and managing the security status of systems -- from mobile devices, to networks, to cloud systems. The increased funding will also enable NIST to increase the number of cybersecurity challenges addressed by the National Cybersecurity Center of Excellence, which will help accelerate the delivery of implementable cybersecurity solutions to industry. Finally, the increased funding will provide additional support for NIST efforts under the February 12, 2013 Executive Order "Improving Critical Infrastructure Cybersecurity," under which NIST will establish a framework of voluntary guidelines for improving the cybersecurity of the nation's critical infrastructure, such as power plants, financial operations, transportation and communications.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
3. Advanced Communications	23	\$10,600	+12	+\$10,000

Rapid advances in communications technology have fundamentally changed the way we work and live. With these advances have come significant challenges that if not addressed will significantly impact our nation's ability to reap the benefits from these technologies while ensuring that our national security needs are met. Examples of these challenges include: the exponential growth of wireless data usage – scarce spectrum must be more efficiently used to meet the demand; the evolution of broadband access in the home – this has moved from a luxury to a necessity with increasing needs for ever-higher bandwidth; and, the vulnerability of all internet capable devices to various security threats. To address these challenges, the budget request includes funds for research, testing, and evaluation in the areas of spectrum sharing, testing, standards coordination, public safety communications, electromagnetics and quantum electronics, among others. By taking advantage of and leveraging the critical mass of NIST and NTIA research and engineering capabilities concentrated in Boulder, Colorado, the Department of Commerce will create a unique national asset that will provide the infrastructure necessary for effective engagement and collaboration with industry and government partners that is required to effectively and efficiently address current and future communications challenges. NIST's efforts in this area will:

- Promote interdisciplinary research, development, and testing in advanced communication related areas such as Radio Frequency (RF) technology, digital information processing, cybersecurity, interoperability, and usability.
- Provide a single focal point for engaging both industry and other government agencies on advanced communication technologies, including testing, validation, and conformity assessment.

4. Cyber Physical Systems	40	\$40,380	+25	+\$10,000
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The convergence of networking and information technology with manufactured products, engineered systems of products, and associated services are enabling a new generation of “smart” or cyber-physical systems (CPS). These CPS are critical components and key value added features of items that consumers use every day from cars and telecommunications to buildings and medical devices. As CPS have grown exponentially in complexity, dramatic improvements in the systems engineering, integration and testing are needed. This initiative will enable NIST to develop the measurement tools and standards to address three key problem areas that cut across all CPS: model-based diagnostics and prognostics needed to manage and optimize the performance of CPS (like electric grids, and transportation networks); time synchronization, which is critical to the efficient operation of systems; and, secure operation in order to ensure that widely deployed CPS systems have appropriate risk-based security solutions.

5. NIST Centers of Excellence	0	\$0	+2	+\$20,000
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The request will be used to provide grants for establishing four competitively selected Centers of Excellence in measurement science areas defined by NIST. These grants to multi-university and/or single university Centers will be awarded for 5-7 year periods, after which the grants would be re-competed. Each Center of Excellence will provide an interdisciplinary environment in which NIST, academia and industry would collaborate in pursuing basic and applied research focused on innovations in measurement science and new technology development focused on critical emerging technology areas.

	<u>FTE</u>	<u>Base</u> <u>Amount</u>	<u>Increase / Decrease</u> <u>FTE</u>	<u>Amount</u>
6. Health Information Technology (Health IT)	9	\$3,600	+7	+\$3,000

NIST will work in coordination with the Department of Health and Human Services Office of the National Coordinator for Health Information Technology (HHS/ONC) to develop the interoperability standards and the supporting testing and validation infrastructure to support the meaningful use of electronic health records.

7. Forensic Science	12	\$4,605	+16	+\$5,000
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There is a critical need to strengthen the utility and reliability of forensic science in the U.S. justice system. The National Academies in their 2009 report highlighted the need for improved measurement and validation processes, clearly defined standards, and the dissemination of best practices to strengthen the precision and reliability of forensic analyses. With the requested funds, NIST will support the forensic science community through: the research and development of traceable standard materials, reference data, and calibration systems; working with the forensics science community to facilitate standards development; and providing measurement science research and training opportunities for forensic science practitioners.

8. Disaster Resilience	3	\$1,000	+4	+\$5,000
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U.S. communities can and do suffer catastrophic loss, due to extreme events such as hurricanes, tornadoes, wildfires, earthquakes, and flooding. Critically needed metrics, tools, and standards to ensure community-level resilience will enable communities to recover more rapidly from these disasters with minimal loss of life, minimal damage to buildings and infrastructure lifelines, and minimal business disruption. Through an integrated multi-year, public-private partnership program strategy, this funding will enable NIST to accelerate research, development, adoption, and implementation of critical science-based metrics, tools, standards, and other innovations essential to achieve national infrastructure resilience. The Federal government, through NIST leadership, will play a critical convener role by bringing together the highly diverse stakeholder interests across all hazards in developing and adopting a national resilience framework and associated model resilience standards and policies.

9. National Strategy for Trusted Identities in Cyberspace (NSTIC)	13	\$16,500	0	+\$8,000
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The request continues to support the Administration's National Strategy for Trusted Identities for Cyberspace that is in direct response to the recommendations of the *White House Cyberspace Policy Review*. The Administration through the National Strategy for Trusted Identities for Cyberspace (NSTIC) has called for raising the level of trust associated with the identities of individuals, organizations, services, and devices involved in online transactions. NIST received \$16.5 million in FY 2012 enacted appropriations for the NSTIC initiative and the requested increase funds additional grants to ramp up efforts begun in FY 2012.

10. National Initiative for Cybersecurity Education (NICE)	0	\$0	+2	+\$1,000
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The request supports work under the National Initiative for Cybersecurity Education (NICE). Cybersecurity is much more than technological solutions to technical problems; it is also highly dependent on educated users who are aware of and routinely employ sound practices when dealing with cyberspace. NIST will work with Federal, State, local, and regional governments to improve cybersecurity education. In collaboration with other agencies, NIST will support the implementation of the cybersecurity education framework that addresses: national cybersecurity awareness; formal cybersecurity education; Federal cybersecurity workforce structure; and cybersecurity workforce training and professional development.

<u>Base</u>	<u>Increase / Decrease</u>
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	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
11. NIST Summer Institute for Middle School Science Teachers	0	\$300	0	-\$300

As part of the Administration’s comprehensive reorganization of Science, Technology, Engineering and Mathematics (STEM) education programs to increase the impact of Federal investments, funding for the NIST Summer Institute for Middle School Science Teachers will be redirected to implement a Department of Education initiative to improve K-12 STEM instruction.

12. Reduction to NIST’s STRS extramural grants	0	\$78,912	0	-\$4,062
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NIST’s budget includes a proposed decrease to extramural grants for redirection to higher priority activities within the STRS appropriation.

Crosswalk of Program Changes

STRS Initiative Name	National Measurement and Standards Laboratories	User Facilities	Standards Coordination and Special Programs	Working Capital Fund	Total
Advanced Manufacturing	\$40,500	\$7,000	1,000	\$1,500	\$50,000
NIST Centers of Excellence			\$20,000		\$20,000
Advanced Communications	\$8,000		\$2,000		\$10,000
Disaster Resilience	\$5,000				\$5,000
Forensics			\$5,000		\$5,000
NSTIC	\$8,000				\$8,000
Cyber Physical Systems	\$10,000				\$10,000
Cybersecurity R&D and Standards	\$15,000				\$15,000
STEM	(\$300)				(\$300)
STRS One-Time Extramural Grants	(\$2,591)	(\$1,017)	(\$454)		(\$4,062)
NICE	\$1,000				\$1,000
Health IT	\$3,000				\$3,000
STRS TOTAL	\$87,609	\$5,983	\$27,546	\$1,500	\$122,638

Appropriation: Construction of Research Facilities

Summary of Requirements

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			89	\$55,720
Adjustments to Base				
<u>Other Changes</u>				
FY 2013 Pay raise		\$15		
FY 2014 Pay raise		90		
Civil Service Retirement System (CSRS)		(9)		
Federal Employees' Retirement System (FERS)		30		
Thrift Savings Plan (TSP)		8		
Federal Insurance Contribution Act (FICA) - OASDI		19		
Health Insurance		22		
Employees' Compensation Fund		10		
General pricing level adjustment:				
Communications, utilities, and miscellaneous charges		3		
Printing and reproduction		0		
Other services		487		
Supplies and materials		26		
Equipment		4		
Subtotal, other cost changes			0	705
Less Amount absorbed			0	(615)
TOTAL, ADJUSTMENTS TO BASE			0	90
2014 Base			89	55,810
Program Changes				4,230
2014 APPROPRIATION			89	60,040

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Construction & Major Renovations	89	\$91,161	89	\$55,810	89	\$60,040	0	\$4,230
TOTAL DIRECT OBLIGATIONS	89	91,161	89	55,810	89	60,040	0	4,230
REIMBURSABLE OBLIGATIONS		1,171					0	0
TOTAL OBLIGATIONS	89	92,332	89	55,810	89	60,040	0	4,230
FINANCING								
Unobligated balance, start of year (Direct)		(34,441)						
Recovery of prior year obligations		(1,000)						
Offsetting collections from:								
Non-Federal sources		(1,171)						
Subtotal, financing		(36,612)				0		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	89	55,720			89	60,040		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Construction of Research Facilities</u>	89	\$55,810	0	+\$4,230

This appropriation supports the construction of new facilities and the renovation and maintenance of NIST's current buildings and laboratories to comply with scientific and engineering requirements and to keep pace with Federal, State, and local health and safety regulations. The budget request for CRF is \$60.0 million.

1. Safety, Capacity, Maintenance, and Major Repair (SCMMR).

NIST requests an increase of \$4.230 million to expedite the maintenance and repair of facilities and reduce the impact of facility deficiencies on laboratory projects. The increased funding will allow NIST to reduce the backlog of renovation projects across NIST facilities.

Appropriation: Industrial Technology Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			94	\$129,229
Adjustments to Base				
<u>Adjustments</u>				
<u>Other Changes</u>				
2013 Pay raise		\$12		
2014 Pay raise		78		
Annualization of positions financed in FY 2013				
Civil Service Retirement System (CSRS)		(10)		
Federal Employees' Retirement System (FERS)		34		
Thrift Savings Plan (TSP)		9		
Federal Insurance Contribution Act (FICA) - OASDI		19		
Health Insurance		23		
Employees' Compensation Fund		(20)		
Printing and reproduction		1		
Electricity rate decrease		(55)		
Natural Gas rate decrease		(38)		
General pricing level adjustment:				
Rental payments to others		0		
Communications, utilities, and miscellaneous charges		3		
Other services		232		
Supplies and materials		6		
Equipment		4		
Subtotal, other cost changes			0	298
Less Amount Absorbed			0	(220)
TOTAL, ADJUSTMENTS TO BASE			0	78
2014 Base			94	129,307
Program Changes			0	45,200
2014 APPROPRIATION			94	174,507

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Technology Innovation Program	5	\$3,324	0	\$0	0	\$0	0	\$0
Advanced Manufacturing Technology Consortia	0	0	0	0	4	21,429	4	21,429
Hollings Manufacturing Extension Partnership Program	89	134,960	89	129,307	90	153,078	1	23,771
Baldrige Performance Excellence Program	0	58	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	94	138,342	89	129,307	94	174,507	5	45,200
FINANCING								
Unobligated balance, start of year		(6,847)						
Unobligated balance, transfer from STRS								
Recovery of prior obligations		(2,266)						
Subtotal, financing		(9,113)						
TOTAL BUDGET AUTHORITY/ APPROPRIATION	94	129,229			94	174,507		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Hollings Manufacturing Extension Partnership (MEP)</u>	89	\$129,307	+1	+\$23,771

1. +25.0 million for MEP Manufacturing Technology Acceleration Centers (M-TAC).

U.S. small manufacturers are a critical segment of our economy, comprising 90 percent of all manufacturing establishments and 45 percent of employment. U.S. small and mid-sized manufacturers play a growing role in technology innovation, including product development and process improvement. This trend has been supported by the expanded portfolio of services for small and mid-sized manufacturers offered by NIST's Hollings Manufacturing Extension Partnership (MEP) through MEP's *Next Generation Strategies*. These strategies include specialized programs to promote technology acceleration, supply chain reinforcement, sustainability, continuous improvement and workforce development.

A critical component of the Administration's goal of enhancing U.S. competitiveness in advanced manufacturing is support for highly effective supply chains in technology intensive manufacturing sectors. To advance this objective NIST plans to establish through the MEP program Manufacturing Technology Acceleration Centers (M-TACs), teams of experts in specific technology/ industrial sectors, offering specialized services to groups of firms. M-TACs will deploy content and services through the well-established national network of local centers, utilizing "tiger teams" and direct consulting for centers and manufacturers. M-TACs would serve as national centers of expertise aligned with industry specific associations, trade groups, and OEMs to identify key barriers to supply chain development and draw upon their resources to develop new approaches and establish or reinforce supply chain networks.

The M-TACs will provide technology acceleration support to U.S. small and mid-sized manufacturers through a program that is nationally connected and locally deployed, enhancing the ability of supply chains to adopt advanced technologies into their manufacturing processes and products.

2. -\$1.229 million decrease to MEP’s base to align the program with the FY 2012 enacted level.

MEP base decrease to align the program with the FY 2012 enacted level.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Advanced Manufacturing Technology Consortia (AMTech)</u>	0	\$0	+4	+\$21,429

1. +21.4 million for AMTech.

The request includes \$21.4 million for the Advanced Manufacturing Technology Consortia (AMTech). AMTech will provide grants to leverage existing consortia or establish new industry-led consortia to develop road-maps of critical long-term industrial research needs as well as fund research at leading universities and government laboratories directed at meeting these needs. This program would be based on NIST's experience with the Nanoelectronics Research Initiative (NRI) partnership and would expand and improve on that model.

Appropriation: Working Capital Fund

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Direct Obligations	0	\$0	0	\$0	0	\$1,500	0	\$1,500
Reimbursable Obligations	765	170,325	756	150,014	756	150,014	0	0
WCF Investments		19,539		0		0	0	0
TOTAL OBLIGATIONS	765	189,864	756	150,014	756	151,514	0	1,500
FINANCING								
Unobligated balance, start of year		(135,484)		(115,945)		(115,945)		0
Unobligated balance, end of year		115,945		115,945		115,945		0
Offsetting collections from:								
Federal funds		(120,631)		(102,438)		(102,438)		0
Non-Federal sources		(49,694)		(47,576)		(47,576)		0
Subtotal, financing	0	(189,864)	0	(150,014)	0	(150,014)	0	0
TOTAL BUDGET AUTHORITY	765	0	756	0	756	1,500	0	1,500
TRANSFERS								
From other accounts		0				(1,500)		(1,500)
TOTAL, APPROPRIATION	765	0	756	0	756	0	0	0

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

NIST's program activities support the theme of Economic Growth and two corresponding goals: Innovation and Entrepreneurship, and Market Development and Commercialization. Within these goals, NIST supports two objectives: Provide measurement tools and standards to strengthen manufacturing, enable innovation, and increase efficiency (Objective 5); and Improve the competitiveness of small and medium-sized firms in manufacturing and service industries (Objective 8). The following table shows the measures that NIST uses to gauge its performance.

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 3: Stimulate high-growth business formation and entrepreneurship, through investing in high-risk, high-reward technologies and by removing impediments to accelerate technology commercialization¹	\$8.4	\$3.3	21.4*
Objective 5: Provide measurement tools and standards to strengthen manufacturing, enable innovation, and increase efficiency	\$781.7	\$875.7	\$908.5
Qualitative assessment and review of technical quality and merit using peer review	Completed	Complete	Complete
Citation impact of NIST-authored publications	>1.1 ¹	>1.1	>1.1
Peer-reviewed technical publications	1,335	1,210	1,250
Standard reference materials sold	33,441	31,000	33,000
NIST maintained datasets downloaded	22.6M	18M	18M
Number of calibration tests performed	17,206	13,000	12,500
Objective 8: Improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$132.6	\$140.6	\$155.1
Number of clients served by MEP centers receiving Federal funding	32,123	32,500	32,500 ³
Increased sales attributed to MEP centers receiving Federal funding	\$2.2B ²	\$2.5B	\$2.5B
Capital investment attributed to MEP centers receiving Federal funding	\$1.3B ²	\$1.4B	\$1.4B
Cost savings attributed to MEP centers receiving Federal funding	\$1.1B ²	\$1.1B	\$1.1B
Total	\$922.7	\$1,019.6	\$1,085.0

*The TIP was terminated in FY 2012, so the measures have been removed from the BiB. FY 2012 targets can be found in the FY 2012 BiB. The remaining amount in FY 2014 is for AMTech.

¹ Actual for this measure lags nine months; this amount is based on the FY 2011 data.

² These amounts are the FY 2012 targets. The FY 2012 actuals will be available in January 2014 due to the lag time associated with collecting and analyzing the Hollings MEP client survey data six months after the services are delivered. The data in the FY 2012 PAR reflects estimated FY 2011 actuals associated with the FY 2011 funding level. The FY 2011 actuals became available in January 2013.

³ FY 2014 MEP targets do not account for the impacts of the newly proposed MTAC initiative. MTAC performance measures and targets will be established as NIST further develops and refines program services during FY 2013 and FY 2014.

Summary of Appropriations

Funding Levels

MANDATORY ACCOUNT	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
National Network for Manufacturing Innovation			\$1,000,000	\$1,000,000
FTE			19	19

Highlights of Budget Changes

Mandatory Account: National Network for Manufacturing Innovation

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 Mandatory Account	0	0
Adjustments		
Non-recurring cost	0	0
Annualization of positions financed in FY 2013	0	0
Total, Adjustments	<u>0</u>	<u>0</u>
2014 Base	0	0
Program Change	19	\$1,000,000
2014 Mandatory Account	<u>19</u>	<u>1,000,000</u>

Comparison by Activity

	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
SPENDING AUTHORITY					19	\$1,000,000	19	\$1,000,000
TOTAL OBLIGATIONS	0	0	0	0	19	147,640	19	147,640
FINANCING								
Unobligated balance, end of year	0	0	0	0	6	852,360	6	852,360
TOTAL MANDATORY SPENDING AUTHORITY	0	0	0	0	25	1,000,000	25	1,000,000

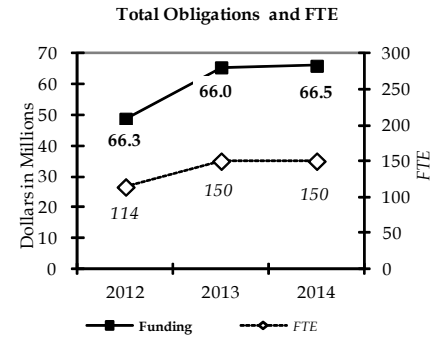
Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
National Network for Manufacturing Innovation	0	\$0	+19	+\$1,000,000

As part of the Administration’s efforts to revitalize U.S. manufacturing, the Budget proposes a one-time \$1 billion investment to launch a network of up to 15 manufacturing innovation institutes across the country. Each institute would bring together companies, university and community colleges, and government to co-invest in the development of cutting-edge manufacturing technologies and capabilities that U.S. manufacturers can apply in production. The NNMI will fill a gap in the innovation infrastructure, allowing new manufacturing processes and technologies to progress more smoothly from basic research to implementation in manufacturing. A network leadership council will disseminate best practices and facilitate collaboration among the institutes. Program coordination will be led by the NIST-hosted, inter-agency Advanced Manufacturing National Program Office.

National Technical Information Service

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



Summary of Appropriations

Funding Levels

	2012 <u>Actual</u>	2013 <u>Enacted</u>	2014 <u>Estimate</u>	Increase (Decrease)
Appropriation				
NTIS Revolving Fund	\$0	\$0	\$0	\$0
FTE				
Reimbursable	114	150	150	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2013 Estimate	150	\$0
Adjustments to Base	0	0
2014 Base	150	0
Administrative Savings		[9]
Program Changes	0	0
2014 APPROPRIATION	150	0

Comparison by Activity

DIRECT OBLIGATIONS	2013 Currently Available		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
National Technical Information Service	150	\$0	150	\$0	150	\$0	0	\$0
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	0	0	0
REIMBURSABLE OBLIGATIONS		66,000		66,500		66,500	0	0
TOTAL OBLIGATIONS	150	66,000	150	66,500	150	66,500	0	0
FINANCING								
Unobligated balance, start of year		(7,407)		(7,407)		(7,407)		
Unobligated balance, end of year		7,407		7,407		7,407		
Reinvested administrative savings							[9]	
Offsetting collections from:								
Federal funds		(52,200)		(52,700)		(52,700)		
Non-Federal sources		(13,800)		(13,800)		(13,800)		
Subtotal, financing	0	(66,000)	0	(66,500)	0	(66,500)		
TOTAL BUDGET AUTHORITY	150	0	150	0	150	0		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NTIS's administrative savings in FY 2012 (\$0.674) and planned in FY 2013 (\$0.170 million), an additional \$.009 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$0.179 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Performance Objective and Measures

(Dollars reflect obligations in Millions)

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

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 13: Enhance scientific knowledge and provide information to stakeholders to improve innovation and technology, support economic growth,	\$ 66.3	\$ 66.0	\$ 66.5
Number of updated items available (annual)	978,871	892,500	910,350
Number of information products disseminated (annual)	54,592,481	50,875,560	51,893,071
Customer satisfaction	98.40%	95% - 98%	95% - 98%

National Telecommunications and Information Administration

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

The **Salaries and Expenses (S&E) account** focuses on NTIA’s core programs.

For FY 2014, NTIA’s Office of Policy Analysis and Development and Office of International Affairs will develop, implement, and advocate policies to preserve an open, intercon and economic growth, investment, and the trust of its users.

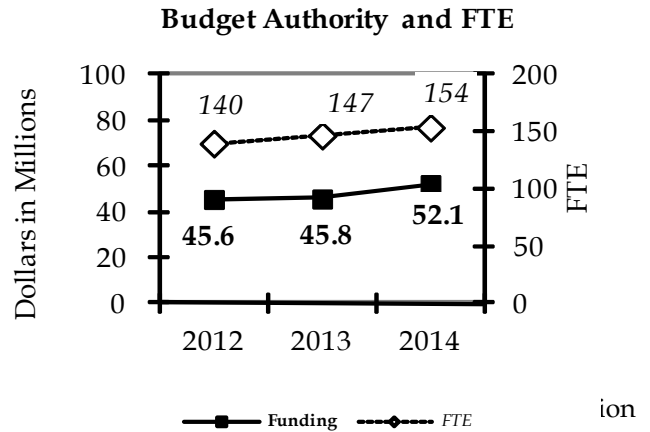
The Office of Spectrum Management will support economic growth by continuing work to identify 500 MHz of spectrum that can be used commercially for mobile and fixed wireless broadband.

NTIA’s research and engineering laboratory in Boulder, Colorado, the Institute for Telecommunication Sciences, will continue to perform important telecommunications research while restructuring its core capabilities to improve efficiency and produce savings.

To prevent waste, fraud, and abuse, Broadband Programs will provide administration and oversight of nearly \$4.2 billion of broadband grants as those broadband projects are completed. The proper close-out of the grants will result in recovery of unused grant funds.

The Middle Class Tax Relief and Job Creation Act of 2012 (“Act”) authorized the repurposing of spectrum through the use of voluntary incentive auctions. The Act directs that a portion of these proceeds, up to \$7 billion, be used to support the establishment of a nationwide, interoperable public safety broadband network to support first responders. NTIA’s First Responder Network Authority (FirstNet) is responsible for building, maintaining, and operating that network.

The Act also provides \$135 million for grants to state and localities to plan for the build-out of the network. NTIA’s Office of Public Safety Communications will award and administer grants to support state, regional, tribal, and local jurisdictions to identify, plan, and implement the most efficient and effective options for utilizing and integrating infrastructure associated with the nationwide public safety broadband network.



Summary of Appropriations

Funding Levels

Appropriation, Discretionary	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$45,568	\$45,847	\$52,122	\$6,275
Public Telecommunications Facilities, Planning, and Construction	0	0	0	0
DISCRETIONARY APPROPRIATION	45,568	45,847	52,122	6,275
Unobligated balance, rescission, Public Telecommunications Facilities, Planning and Construction	(2,750)	(2,750)	0	2,750
Unobligated balance, rescission, Information Infrastructure Grants	(2,000)	(684)	0	684
Unobligated balance, rescission, Digital Television Transition and Public Safety Fund	(4,300)	(4,300)	0	4,300
Subtotal, Discretionary Budget Authority	36,518	38,113	52,122	14,009
TOTAL BUDGET AUTHORITY	36,518	38,113	52,122	14,009
FTE				
Salaries and Expenses - Direct	140	147	154	7
Salaries and Expenses - Reimbursable	129	155	155	0
Public Telecommunications Facilities, Planning, and Construction	4	1	0	(1)
Information Infrastructure Grants	0	0	0	0
Total, Discretionary FTEs	273	303	309	6
Mandatory:				
Digital Television Transition and Public Safety Fund	3	0	0	0
Public Safety Trust Fund	7	31	7	(24)
State and Local Implementation Grant Fund	0	8	8	0
Network Construction Fund	0	0	24	24
TOTAL, FTEs	283	342	348	6

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			147	\$45,847
Adjustments to Base				
<u>Adjustment:</u>				
IT Savings		(\$970)		
<u>Other Changes</u>				
FY 2013 Pay raise		25		
FY 2014 Pay raise		148		
Working Capital Fund Pay Raise		22		
Civil Service Retirement System (CSRS)		(29)		
Federal Employees' Retirement System (FERS)		81		
Federal Insurance Contributions Act (FICA) - OASDI		46		
Thrift Savings Plan		8		
Health insurance		56		
Employee Compensation Fund		18		
Rent payments to GSA		30		
Travel - Mileage		4		
Printing and reproduction		1		
Postage		1		
Electricity		(91)		
Water		25		
Other services:				
Working Capital Fund		700		
Personal Identity Verification		199		
General Pricing Level Adjustment:				
Transportation of things		1		
Communications, utilities, and miscellaneous charges		2		
Other services		353		
Supplies and materials		3		
Equipment		5		
Subtotal, other cost changes			0	1,608
Less Adjustment			0	(970)
TOTAL, ADJUSTMENTS TO BASE			0	638
2014 Base			147	46,485
Administrative Savings [non-add]			0	[38]
Program Changes			7	5,637
2014 APPROPRIATION			154	52,122

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Domestic & International Policies	26	\$5,398	26	\$5,394	31	\$6,380	5	\$986
Spectrum Management	32	7,532	32	7,671	32	7,214	0	(457)
Wireless Broadband Access (500 MHz)	0	0	0	0	5	1,251	5	1,251
Telecommunication Sciences Res.	49	7,114	49	7,036	42	5,092	(7)	(1,944)
Broadband Programs	40	25,803	40	26,384	36	24,685	(4)	(1,699)
Spectrum Pilot Program	0	0	0	0	8	7,500	8	7,500
TOTAL DIRECT OBLIGATIONS	147	45,847	147	46,485	154	52,122	7	5,637
REIMBURSABLE OBLIGATIONS	155	62,278	155	39,284	155	37,456	0	(1,828)
TOTAL OBLIGATIONS	302	108,125	302	85,769	309	89,578	7	3,809
FINANCING								
Unobligated balance, start of year (Direct)		0						
Unobligated balance, start of year (Reimbursable)		(23,550)						
Offsetting collections from:								
Federal funds	(152)	(38,228)			(152)	(36,956)		
Non-Federal sources	(3)	(500)			(3)	(500)		
Subtotal, financing	(155)	(38,728)			(155)	(37,456)		
TOTAL BUDGET AUTHORITY	147	45,847			154	52,122		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. Building on NTIA's administrative savings in FY 2012 (\$0.871 million) and planned in FY 2013 (\$0.761 million), an additional \$0.038 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$0.799 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	FTE	Base	FTE	Increase / Decrease
		Amount		Amount
<u>Domestic and International Policies</u>				
Internet Innovation	26	\$5,394	+5	+\$986

NTIA requests an increase of \$986,000 and 5 FTE to bolster the Department of Commerce's leadership role in the evolution of innovation-promoting policies for the Internet both domestically and internationally. NTIA will develop, implement, and advocate in the "Internet 3.0" policy framework, (The term "Internet 3.0" refers to the next generation of Internet use, with 1.0 being primarily informational websites and 2.0 being increased user-generated content and developments such as social media), building on previous work, including the Department's successful engagement with the Internet Corporation for Assigned Names and Numbers.

NTIA's Internet Innovation initiative would use a multi-stakeholder approach to lead U.S. policymakers and regulators, governments around the world, and industry, in the formation of Internet policies and best practices to ensure continued

innovation in Internet-based services and products. This would necessitate an active effort to engage the developing world to understand their concerns and establish multi-stakeholder based solutions to ensure their support for this model. The third phase of the development of the Internet brings with it a range of new public policy challenges that the U.S. must be prepared to meet. These challenges include, inter alia, enhancing online privacy, providing effective cybersecurity, protecting children online, securing online copyright protection, and fostering the global Internet economy. To fulfill its duty as principal telecommunications and information policy adviser to the President, NTIA must have the resources and expertise to take a leadership role in developing national internet policy.

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

<u>Spectrum Management</u>	<u>FTE</u>	<u>Base</u>	<u>Increase / Decrease</u>	
		<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Federal Spectrum Management System	32	\$7,671	0	-\$457

The Office of Spectrum Management (OSM) proposes a reduction of \$457,000 in direct appropriations by reducing funding for its Federal Spectrum Management System (FSMS). This reduction also will decrease OSM's collections of reimbursable funds from other agencies. This reduction will not delay development and roll out of the FSMS system. Because of the current status of the project, the program anticipates reduced development costs.

Wireless Broadband Access (500MHz)	0	\$0	+5	+\$1,251
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In accordance with President's National Wireless Initiative, NTIA will continue to work with Federal agencies and the Federal Communications Commission to identify 500 megahertz of spectrum for commercial wireless broadband. NTIA will review bands in accordance with its 10-year plan released in 2010 to determine which bands can be made available either through relocation of Federal systems, data collection and cleanup efforts, or through innovative sharing techniques. To advance the potential for spectrum sharing and increasing spectrum access, NTIA needs to facilitate advancement and expansion of its spectrum innovation test bed and research into sharing technologies, such as cognitive radio.

Telecommunication Sciences Research

Phase-out Multi-Media Quality Research and Reduce Propagation and Noise Measurements/Modeling Studies and International Standard Contributions	49	\$7,036	-7	-\$1,944
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In an effort to reduce Government spending, NTIA will restructure its research program and laboratory core capabilities around projects that yield the highest benefits and advance national goals in the areas of broadband deployment, spectrum management, public safety, and technology innovation. Less significant program elements will be phased out, including multimedia quality research. Support for international standards development and studies focused on radio propagation, noise measurement methods, and modeling will be significantly reduced, but not entirely eliminated. While these program elements are important, and their impact will be felt, a shift in research emphasis and resources is necessary to balance future research needs.

In order to fund higher priority programs in FY 2014, NTIA is in the process of refocusing the work of the Institute for Telecommunication Sciences (ITS), in Boulder, CO, through normal attrition and buy-outs. At the same time, ITS will be pursuing reimbursable opportunities, such as public safety, that directly support and benefit other Federal agencies. High-priority base research capabilities will continue to function, especially spectrum measurements and propagation support for the Office of Spectrum Measurement, Audio and Video Quality research in support of industry, Domestic and International Standards Development, and Table Mountain Field Site Modernization and Maintenance.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Broadband Programs	40	\$26,384	-4	-\$1,699

NTIA requests a decrease of \$1,699 in funding for administrative expenses and a reduction of 4 FTE to continue oversight and prevent waste, fraud, and abuse of the nearly \$4.2 billion in awarded broadband grants. The American Recovery and Reinvestment Act of 2009 (Public Law No. 111-5) appropriated \$4.7 billion to NTIA to provide grants for broadband initiatives throughout the United States. The grants began closeout in FY 2013 but still require administration and oversight to protect the Federal Government’s investment in broadband infrastructure, public computer centers, broadband adoption, and state broadband data and development projects.

NTIA will scale back staff, contractor resources, and general operating expenses. With the reduction, NTIA will continue to have sufficient resources to effectively administer the Broadband Programs.

Spectrum Monitoring Pilot

	0	-\$0	+8	+\$7,500
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NTIA requests \$7,500 and 8 FTE to implement a spectrum monitoring pilot project covering 10 major metropolitan areas. NTIA, as affirmed by the President’s Council of Advisers on Science and Technology, has determined that, to meet the growing spectrum needs of commercial broadband providers, the nation must determine how government agencies and commercial providers can share spectrum in the same geographical areas. This pilot will facilitate research into new spectrum management approaches. NTIA will develop, validate, and field test a prototype spectrum monitoring system to assess spectrum-sharing technologies. The system will include a network of radiofrequency (RF) sensors and a centralized database for storing and retrieving spectrum usage information. NTIA expects that spectrum policy makers, researchers and other stakeholders will use the data to investigate the feasibility of new spectrum sharing approaches in key Federal and non-Federal bands. At the conclusion of the two-year initiative, NTIA will recommend whether the system should be continued and expanded.

Appropriation: Public Telecommunications Facilities, Planning and Construction

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			1	\$0
Adjustments to Base			0	0
2014 Base			<u>1</u>	<u>0</u>
Program Changes			(1)	0
2014 APPROPRIATION			<u>0</u>	<u>0</u>

Comparison by Activity

DIRECT OBLIGATIONS	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	1	5,340	1	0	0	0	(1)	0
TOTAL DIRECT OBLIGATIONS	1	5,340	1	0	0	0	(1)	0
FINANCING								
Unobligated balance, start of year		(8,090)				0		
Unobligated balance, end of year		0				0		
Unobligated balance, rescinded		2,750				0		
TOTAL BUDGET AUTHORITY	1	0			0	0		

Appropriation: Information Infrastructure Grants**Summary of Requirements**

	Summary	
	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)	0	\$0
Adjustments to Base	0	0
2014 Base	0	0
Program Changes	0	0
2014 APPROPRIATION	0	0

Comparison by Activity

DIRECT OBLIGATIONS	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Technology Opportunity Program								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	0	0	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		(684)				0		
Unobligated balance, end of year		0				0		
Unobligated balance, rescinded		684				0		
TOTAL BUDGET AUTHORITY	0	0			0	0		

Appropriation: Digital Television Transition and Public Safety Fund

Summary of Requirements

	Summary	
	FTE	Amount
2013 CR (Annualized)	0	\$0
Financing		
Prior year unobligated balances		0
Total, Adjustments to Base	0	0
2014 Base	0	0
Program Changes	0	0
2014 Mandatory Budget Authority	0	0
Change in Mandatory Program	0	0
2014 Discretionary Budget Authority	0	0

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
	0	0	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		(8,764,234)						
Unobligated balance, end of year								
Capital Transfer to General Fund		8,759,934						
TOTAL MANDATORY BUDGET AUTHORITY	0	(4,300)			0	0		
CHANGE IN MANDATORY PROGRAM		4,300						
TOTAL DISCRETIONARY BUDGET AUTHORITY	0	0			0	0		

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

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

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

	2012 Actual	2013 Estimate / Targets	2014 Estimate / Targets
Objective 4: Drive innovation through supporting an open global Internet and through communications and broadband policies that enable robust infrastructure, ensure integrity of the system, and support e-commerce	\$76.3	\$61.8	\$65.0
Identify up to 500 MHz of spectrum to support wireless broadband	Exceeded goal of 66% by achieving 85% of annual milestones regarding the identification of 500 MHz	Meet 66% of milestones regarding the identification of 500 MHz for wireless broadband	Meet 66% of milestones regarding the identification of 500 MHz for wireless broadband.
In coordination with DOC operating units, conduct outreach activities with government, industry and multistakeholder groups to identify and address privacy and global free flow of information issues	New	New	6 public forums and proceedings
Collect data on delivered speeds and performance of broadband networks and make data available to facilitate informed competitive service choices.	New	New	56 grant awards
Miles of broadband networks deployed (Infrastructure Projects)	78,120	100,000	110,000
Community anchor institutions connected (Infrastructure Projects)	11,240	18,000	24,000
New and upgraded computer workstations (public computer projects)	38,654	37,500	Discontinued
New household and business subscribers to broadband	522,982	600,000	Discontinued
Objective 11: Develop and influence international standards and policies to support the full and fair competitiveness of the U.S. information and communications technology sector	\$2.2	\$2.4	\$2.4
75% of NTIA positions substantially adopted or successful at international meetings	Greater than 80% of NTIA positions were substantially adopted or successful	75% of NTIA positions substantially adopted or successful at international meetings	75% of NTIA positions substantially adopted or successful at international meetings
Number of research publication abstracts viewed annually on the ITS website	New	New	2,000 views
Objective 13: Increase scientific knowledge and provide information to stakeholders to support economic growth, and to improve innovation, technology, and public safety	\$23.0	\$36.1	\$22.1
Annual Progress Report on the Test-Bed	Published Report	Publish Annual Report	Publish Annual Report
Total¹	\$101.5	\$100.3	\$89.5

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

Public Safety Broadband Network

The Middle Class Tax Relief Act of 2012, P.L.112 -96, established The Public Safety Trust Fund and the State and Local Implementation Fund in the Department of Treasury. The Act provides \$7 billion to establish a nationwide interoperable public safety broadband network. The investment will be fully offset by proceeds from spectrum auctions to be conducted by the Federal Communications Commission and deposited in the Public Safety Trust Fund. This fund will be administered in support of programs included in The Act, for the development of a nationwide interoperable public safety broadband network in the 700 MHz band; research and development of standards, technologies, and applications to advance wireless public safety and communications. Thereafter, the amounts are deposited to the General Fund solely for the purpose of deficit reduction. The Act authorizes NTIA to borrow up to \$2 billion from Treasury prior to the deposit of spectrum auction proceeds into the Public Safety Trust Fund for the establishment of the First Responder Network Authority (FirstNet), and to begin establishment of the nationwide public safety broadband network.

The Act also provided \$135 million for a grant program to make grants to States to assist State, regional, tribal and local jurisdictions to identify, plan and implement the most efficient and effective way for such jurisdictions to utilize and integrate the infrastructure, equipment, and other architecture associated with the nationwide public safety broadband network. The Act authorizes NTIA to borrow up to \$135 million from Treasury to implement this program prior to the deposit of spectrum auction proceeds into the Public Safety Trust Fund.

The Act also established the Network Construction Fund for the purpose of funding the establishment of a nationwide, interoperable public safety broadband network. Funding for this activity will be transferred from the Public Safety Trust Fund on an ongoing basis.

Summary of Appropriations

Funding Levels

	2012	2013	2014	Increase
Appropriation, Mandatory	<u>Actual</u>	<u>CR (annualized)</u>	<u>Estimate</u>	<u>(Decrease)</u>
Public Safety Trust Fund	\$2,238	\$89,762	\$1,908,000	\$1,818,238
State and Local Implementation Fund	\$300	\$124,958	\$9,700	(115,258)
Total	<u>\$2,538</u>	<u>\$214,720</u>	<u>\$1,917,700</u>	<u>\$1,702,980</u>

Highlights of Budget Changes

Appropriation: Public Safety Trust Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)	31	\$89,762
Adjustments to Base	0	0
2014 Base	31	89,762
Program Changes	(24)	1,818,238
2014 Mandatory Budget Authority	7	1,908,000

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Public Safety Trust Fund	31	\$85,983	31	\$84,762	7	\$1,913,000	(24)	\$1,828,238
TOTAL DIRECT OBLIGATIONS	31	85,983	31	84,762	7	1,913,000	(24)	1,828,238
FINANCING								
Unobligated balance, start of year		(1,221)			0	0		
TOTAL MANDATORY BUDGET AUTHORITY (Mandatory Funds).	31	84,762			7	1,913,000		

Highlights of Program Changes

	<u>FTE</u>	<u>Base</u>	<u>Increase / Decrease</u>	
		<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Public Safety Trust Fund	31	\$89,762	-24	+\$1,818,238

The Act established the First Responder Network Authority (FirstNet) as an independent entity within NTIA to develop a nationwide interoperable public safety broadband network in the 700 MHz band. This fund will be administered in support of programs included in the Act, for the development of a nationwide interoperable public safety broadband network in the 700 MHz band; research and development of standards, technologies, and applications to advance wireless public safety and communications. For FY 2013, the Public Safety Trust Fund (PSTF) employment and funding levels reflect both NTIA activities and oversight and FirstNet startup operations. For 2014, the PSTF employment figure includes only NTIA staff; FirstNet employees are reported under the Network Construction Fund. The 2014 funding reported here for PSTF represents NTIA borrowing authority that will primarily be used by FirstNet, beginning in FY 2014 with a smaller component being used by NTIA for oversight, monitoring and related responsibilities under the Act.

Highlights of Budget Changes

Appropriation: State and Local Implementation Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			8	\$124,958
Adjustments to Base			0	0
2014 Base			8	124,958
Program Changes			0	(115,258)
2014 Mandatory Budget Authority			8	9,700

Comparison by Activity

	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
State and Local Implementation Program	8	\$125,216	8	\$124,958	8	\$9,700	0	(\$115,258)
TOTAL DIRECT OBLIGATIONS	8	125,216	8	124,958	8	9,700	0	(115,258)
FINANCING								
Unobligated balance, start of year		(258)			0	0		
TOTAL MANDATORY BUDGET AUTHORITY	8	124,958			8	9,700		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
State and Local Implementation Fund	8	\$124,958	0	-\$115,258

To facilitate development of a nationwide interoperable public safety broadband network in the 700 MHz band, the Act also established the State and Local Implementation Grant Program, making grants to states to assist state, regional, tribal and local jurisdictions to identify, plan, and implement the most efficient and effective way for such jurisdictions to utilize and integrate the infrastructure, equipment and other architecture associated with the nationwide Public Safety Interoperable Broadband Network. Awards will be made in FY 2013 and NTIA will continue to monitor the grants over the next 8 years.

Highlights of Budget Changes

Mandatory Funds: Network Construction Fund

Comparison by Activity

REIMBURSABLE OBLIGATIONS	2013 CR (Annualized)		2014 Base		2014 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Network Construction	0	\$0	0	\$0	24	\$257,000	24	\$257,000
TOTAL REIMBURSABLE OBLIGATIONS	0	0	0	0	24	257,000	24	257,000
FINANCING								
Unobligated balance, start of year (Reimbursable)		0						
Offsetting collections from:								
Federal funds	0	0			0	257,000		
Non-Federal sources	0	0			0	0		
Subtotal, financing	0	0			24	257,000		

Highlights of Program Changes

	<u>FTE</u>	<u>Base</u>		<u>Increase / Decrease</u>	
		<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	
Network Construction Fund	0	\$0	+24	+\$257,000	

Incentive auction proceeds will be deposited in the Public Safety Trust Fund established within the Treasury. Within guidelines established in the program, NTIA will transfer funds to the Network Construction Fund to cover costs of implementation by FirstNet of a Public Safety Broadband Network for use in emergencies by first responders. The total cost is estimated at \$6.8 billion. In FY 2014, the Network Construction Fund will rely upon borrowing authority provided to NTIA to support establishment of the network prior to the deposit of spectrum auction proceeds.

Department of Commerce Funding and Employment

	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Increase <u>(Decrease)</u>
BUDGET AUTHORITY				
Discretionary	\$7,816,580	\$7,991,658	\$8,601,032	\$609,374
Mandatory	111,121	337,406	3,028,921	2,691,515
TOTAL BUDGET AUTHORITY	7,927,701	8,329,064	11,629,953	3,300,889
OUTLAYS				
Discretionary	10,099,424	9,174,943	9,167,289	(7,654)
Mandatory	172,029	403,331	614,345	211,014
TOTAL OUTLAYS	10,271,453	9,578,274	9,781,634	203,360
FULL-TIME EQUIVALENT EMPLOYMENT				
	40,188	42,886	43,335	449

FY 2014 Distribution of Resources by Theme / Historical Summary of Resources

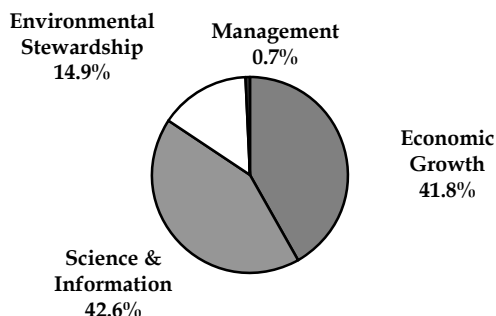
Programmatic Theme 1: Economic Growth (Includes EDA, ITA, BIS, MBDA, USPTO, and portions of NIST and NTIA)

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

Programmatic Theme 3: Environment Stewardship (Includes NOAA)

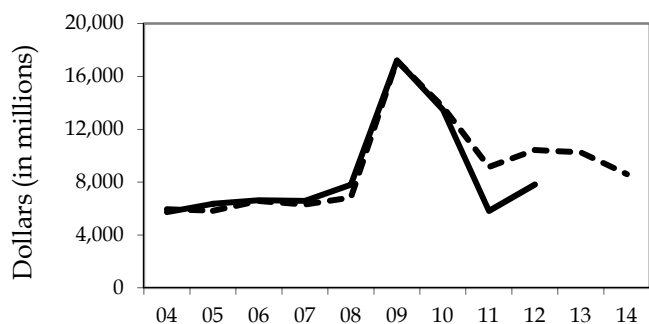
Management Themes: Customer Service, Organizational Excellence and Workforce Excellence (Includes DM and OIG)

Funding by Theme



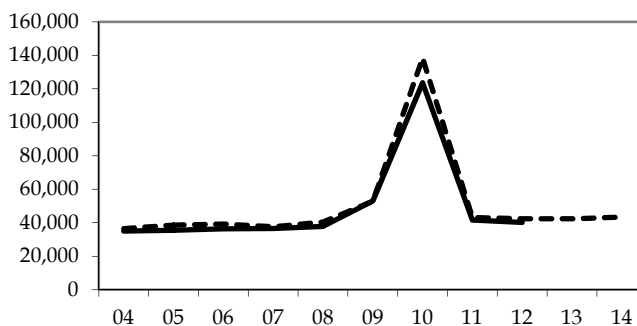
Historical Summary of Resources

**Budget Authority
FY 2004 - FY 2014**



— Actual BA - - - President's Budget

**FTE Employment
FY 2004 - FY 2014**



— Actual FTE - - - President's Budget

Budget Authority – FY 2012, FY 2013 and FY 2014

	2012	2013 CR	2014	Change
	<u>Actual</u>	<u>(Annualized)</u>	<u>Estimate</u>	<u>2013 - 2014</u>
DISCRETIONARY APPROPRIATIONS				
Departmental Management	\$60,445	\$57,349	\$59,595	\$2,246
HCHB Renovation and Modernization	5,000	5,031	14,803	9,772
Subtotal, Departmental Management	65,445	62,380	74,398	12,018
Inspector General	29,946	30,111	32,490	2,379
Economic Development Administration	457,500	259,075	320,913	61,838
Bureau of the Census	887,336	893,110	982,484	89,374
Economic and Statistical Analysis	96,000	96,588	104,048	7,460
International Trade Administration	455,561	458,349	519,757	61,408
Bureau of Industry and Security	101,000	101,618	112,095	10,477
Minority Business Development Agency	30,339	30,525	29,286	(1,239)
National Oceanic & Atmospheric Administration	4,905,611	5,261,640	5,447,674	186,034
Patent and Trademark Office	(1,000)	(1,000)	(2,000)	(1,000)
Under Secretary for Technology				0
National Technical Information Service				0
National Institute of Standards & Technology	760,074	764,670	934,042	169,372
National Telecommunications & Information Admin.	45,568	45,847	52,122	6,275
Offsetting receipts - Fisheries finance, negative subsidy	(11,000)	(3,521)	(6,277)	(2,756)
Subtotal, Discretionary	7,822,380	7,999,392	8,601,032	601,640
Rescissions				
Emergency Steel Guaranteed Loan Program	(700)	0	0	0
Foreign Fishing Observer Fund	(350)			
Public Telecommunications Facilities, Planning and Construction	(2,750)	(2,750)	0	2,750
Information Infrastructure Grants	(2,000)	(684)	0	684
Digital Television Transition and Public Safety Fund	(4,300)	(4,300)	0	4,300
Subtotal	(10,100)	(7,734)	0	7,734
TOTAL, DISCRETIONARY	7,812,280	7,991,658	8,601,032	609,374

Budget Authority – FY 2012, FY 2013 and FY 2014

	2012	2013	2014	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>2013 - 2014</u>
MANDATORY APPROPRIATIONS				
Gifts and Bequests Trust Fund	5,303	6,665	5,000	(1,665)
Bureau of the Census	30,000	30,000	30,000	0
International Trade Administration	5,332	5,332	5,332	0
National Oceanic & Atmospheric Administration	72,248	80,689	70,889	(9,800)
Subtotal	112,883	122,686	111,221	(11,465)
Offsetting receipts				0
SUBTOTAL, MANDATORY	112,883	122,686	111,221	(11,465)
LEGISLATIVE PROPOSAL (NOT SUBJECT TO PAYGO):				
NTIA/Public Safety Trust Fund	2,238	89,762	1,908,000	1,818,238
NTIA/Digital Television Transition and Public Safety Fund	(4,000)			0
NTIA/State and Local Implement Fund	0	124,958	9,700	(115,258)
NIST/National Network for Manufacturing Innovation		0	1,000,000	1,000,000
TOTAL, MANDATORY	111,121	337,406	3,028,921	2,691,515

Outlays — FY 2012, FY 2013 and FY 2014

DISCRETIONARY APPROPRIATIONS	2012 <u>Actual</u>	2013 CR <u>(Annualized)</u>	2014 <u>Estimate</u>	Change <u>2013 - 2014</u>
Departmental Management	\$62,805	\$63,010	\$56,953	(\$6,057)
HCHB Renovation and Modernization	8,695	31,218	13,000	(18,218)
Working Capital Fund	(14,341)	60,993	0	(60,993)
Franchise Fund	(70)	0	0	0
Subtotal, Departmental Management	57,089	155,221	69,953	(85,268)
Inspector General	28,855	34,000	32,000	(2,000)
Economic Development Administration	433,915	484,000	398,518	(85,482)
Bureau of the Census	1,047,977	997,000	1,243,000	246,000
Economic and Statistical Analysis	92,733	103,243	104,000	757
International Trade Administration	448,320	385,000	501,000	116,000
Bureau of Industry and Security	97,324	112,000	112,095	95
Minority Business Development Agency	27,794	24,000	31,000	7,000
National Oceanic & Atmospheric Administration	5,272,488	4,423,000	5,361,000	938,000
Patent and Trademark Office	(80,893)	(21,000)	(53,000)	(32,000)
National Technical Information Service	(30)	(1,000)	0	1,000
National Institute of Standards & Technology	1,042,484	1,012,000	939,000	(73,000)
National Telecommunications & Information Admin.	1,637,092	1,471,000	435,000	(1,036,000)
Offsetting Receipts:				
Fisheries finance, negative subsidy	(5,724)	(3,521)	(6,277)	(2,756)
TOTAL, DISCRETIONARY	10,099,424	9,174,943	9,167,289	(7,654)

Outlays — FY 2012, FY 2013 and FY 2014

	2012	2013	2014	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>2013 - 2014</u>
MANDATORY APPROPRIATIONS				
Departmental Management/Gifts & Bequests	4,123	7,331	5,745	(1,586)
Economic Development Administration	47	(1,000)	(1,000)	0
Bureau of the Census	30,000	30,000	30,000	0
International Trade Administration	5,332	10,000	5,000	(5,000)
National Oceanic & Atmospheric Administration	(24,752)	308,000	189,000	(119,000)
Fisheries Enforcement Asset Forfeiture Fund	(10,388)	(5,000)	(5,000)	0
Sanctuaries Enforcement Asset Forfeiture Fund	(112)	(1,000)	(1,000)	0
National Telecommunications & Information Admin.	219,944	95,000	375,000	280,000
Subtotal	224,194	443,331	597,745	154,414
Offsetting receipts	(52,165)	(40,000)	(15,000)	25,000
SUBTOTAL, MANDATORY	172,029	403,331	582,745	179,414
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
NIST/National Network for Manufacturing Innovation			31,600	31,600
TOTAL, MANDATORY	172,029	403,331	614,345	211,014

Full-Time Equivalent Employment — FY 2012, FY 2013 and FY 2014

	<u>Actual</u>	<u>CR (annualized)</u>	<u>Estimate</u>	<u>2013-2014</u>
Departmental Management	817	757	796	39
Inspector General	147	137	158	21
Economic Development Administration	202	206	208	2
Bureau of the Census	9,555	10,107	9,688	(419)
Economic and Statistical Analysis	518	526	536	10
International Trade Administration	1,778	1,868	1,872	4
Bureau of Industry and Security	369	393	417	24
Minority Business Development Agency	68	100	100	0
National Oceanic and Atmospheric Administration	12,909	13,139	13,015	(124)
Patent and Trademark Office	10,469	12,018	12,667	649
National Technical Information Service	114	150	150	0
National Institute of Standards & Technology	2,973	3,141	3,301	160
National Telecommunications & Information Admin.	267	303	309	6
SUBTOTAL, DEPARTMENT OF COMMERCE	40,186	42,845	43,217	372
Legislative Proposal (Subject to PAYGO):				
National Institute of Standards & Technology/STRS			19	19
National Telecommunications & Information Admin.	2	41	74	33
TOTAL, DEPARTMENT OF COMMERCE	40,188	42,886	43,310	424

Bridge from FY 2013 and FY 2014 Appropriations to FY 2013 and FY 2014 Budget Authority

	2013 <u>CR (annualized)</u>	2014 <u>Estimate</u>	Change <u>2013-2014</u>
ANNUAL APPROPRIATIONS ACT	\$7,993,663	\$8,601,559	607,896
Unobligated balance rescission from prior years:			
NTIA/Public Telecommunications Facilities, Planning and Construction	(2,750)	0	2,750
NTIA/Information Infrastructure Grants	(684)	0	684
NTIA/Digital Television Transition and Public Safety Fund	(4,300)	0	4,300
SUBTOTAL, APPROPRIATIONS ACT	7,985,929	8,601,559	615,630
Transfer from the Election Assistance Commission to NIST/STRS	2,750	2,750	0
Transfer from DOJ Community Oriented Policing Services to NIST/STRS	6,500	3,000	(3,500)
Transfers Census transfer to OIG	(1,000)		1,000
Transfers PTO to OIG	1,000		
*TOTAL, DISCRETIONARY BUDGET AUTHORITY	7,995,179	8,607,309	612,130
* Excludes NOAA Offsetting Receipts			
MANDATORY			
Bureau of the Census - Survey of Program Dynamics	10,000	10,000	0
Bureau of the Census - State Children's Health Insurance Program	20,000	20,000	0
ITA - Wool Apparel Manufacturers Trust Fund	5,332	5,332	0
Damage Assessment & Restoration Revolving Fund	8,000	8,000	0
Environmental Improvement and Restoration Fund	9,737	9,737	0
Sanctuaries Asset Forfeiture Fund	1,000	1,000	0
Transfer to Promote and Develop Fisheries - fishery products and research pertaining to American fisheries from Dept. of Agriculture	9,208	9,208	0
NOAA Commissioned Officer Corps Retirement	28,269	28,269	0
Limited Access System Administration Fund	9,675	9,675	0
Western Pacific Sustainable Fisheries	0	0	0
Fisheries Enforcement Asset Forfeiture Fund	5,000	5,000	0
North Pacific Observer Fund	9,800	0	(9,800)
Trust Funds - Gifts and Bequests	6,665	5,000	(1,665)
Offsetting receipts			
SUBTOTAL, MANDATORY BUDGET AUTHORITY	122,686	111,221	(11,465)
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):			
NTIA/Public Safety Broadband Network	89,762	1,908,000	1,818,238
NTIA/State and Local Implement Fund	124,958	9,700	(115,258)
NIST/National Network for Manufacturing Innovation		1,000,000	1,000,000
TOTAL, MANDATORY BUDGET AUTHORITY	337,406	3,028,921	2,691,515
DEPARTMENT OF COMMERCE, BUDGET AUTHORITY	8,332,585	11,636,230	3,303,645

Comparison of FY 2014 Estimate with FY 2012 Actual and FY 2013 Estimate

	2012 Actual		2013 CR (annualized)		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DEPARTMENTAL MANAGEMENT								
Salaries and Expenses	151	\$57,000	154	\$57,349	157	\$59,595	3	2,246
HCHB Renovation and Modernization	5	5,000	5	5,031	5	14,803	0	9,772
Subtotal, DM	156	62,000	159	62,380	162	74,398	3	12,018
OFFICE OF THE INSPECTOR GENERAL								
	146	26,946	131	27,111	144	30,490	13	3,379
ECONOMIC DEVELOPMENT ADMINISTRATION								
Salaries & Expenses	201	37,500	205	37,730	207	38,913	2	1,183
Economic Assistance Development Programs		220,000		221,345		282,000	0	60,655
Economic Assistance Development Programs- Supp		200,000					0	0
Subtotal, EDA	201	457,500	205	259,075	207	320,913	2	61,838
BUREAU OF THE CENSUS								
Salaries & Expenses	1,737	253,336	1,873	254,887	1,818	256,048	(55)	1,161
Periodic Censuses & Programs	4,577	690,000	4,659	656,223	4,841	726,436	182	70,213
Working Capital Fund		(55,000)		(17,000)		0	0	17,000
Subtotal, Census	6,314	888,336	6,532	894,110	6,659	982,484	127	88,374
ECONOMIC & STATISTICAL ANALYSIS								
Salaries & Expenses	483	96,000	491	96,588	505	104,048	14	7,460
INTERNATIONAL TRADE ADMINISTRATION								
Operations & Administration	1,745	455,561	1,837	458,349	1,846	519,757	9	61,408
BUREAU OF INDUSTRY & SECURITY								
Operations & Administration	366	101,000	390	101,618	414	112,095	24	10,477
MINORITY BUSINESS DEVELOPMENT AGENCY								
Minority Business Development	68	30,339	100	30,525	100	29,286	0	(1,239)
NATIONAL OCEANIC & ATMOSPHERIC ADMIN								
Operations, Research & Facilities	11,935	3,149,263	12,185	\$3,165,894	12,068	\$3,400,997	(117)	235,103
ORF Disaster Relief Appropriation Act	0	0	0	140,000	0	0	0	(140,000)
P&D Transfer		(109,098)	0	(109,098)	0	(123,164)	0	(14,066)
Procurement, Acquisition and Construction	196	1,799,225	186	1,812,146	179	2,117,555	(7)	305,409
PAC Disaster Relief Appropriation Act	0	0	0	186,000	0	0	0	(186,000)
Fishermen's Contingency Fund	0	350	0	352	0	350	0	(2)
Pacific Coastal Salmon Recovery	0	64,935	0	65,398	0	50,000	0	(15,398)
Medicare-Eligible Retiree Healthcare Fund	0	1,802	0	1,948	0	1,936	0	(12)
Subtotal, NOAA	12,131	4,906,477	12,371	5,262,640	12,247	5,447,674	(124)	185,034
PATENT & TRADEMARK OFFICE								
Salaries & Expenses	10,469		12,018		12,667		649	0
NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY								
Scientific & Technical Research & Services	2,042	567,000	2,202	570,471	2,362	693,745	160	123,274
Industrial Technology Services	127	128,443	94	129,229	94	174,507	0	45,278
Construction of Research Facilities	89	55,381	89	55,720	89	60,040	0	4,320
Subtotal, NIST	2,258	750,824	2,385	755,420	2,545	928,292	160	172,872
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMIN								
Salaries & Expenses	140	45,568	147	45,847	154	52,122	7	6,275
Public Telecomm. Fac., Planning & Constr.	4	0	1	0	0	0	(1)	0
Subtotal, NTIA	144	45,568	148	45,847	154	52,122	6	6,275
TOTAL, DEPARTMENT OF COMMERCE	34,481	7,820,551	36,767	7,993,663	37,650	8,601,559	883	607,896

Comparison by Bureau of Adjustments to Base, FY 2014 Estimate and Program Changes

BUREAU	Net Adjustments To Base		2014 Base		2014 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Departmental Management	0	(\$2,964)	159	\$59,416	162	\$74,398	3	\$14,982
Office of the Inspector General	0	766	131	27,877	144	30,490	13	2,613
Economic Development Administration	0	883	205	259,958	207	320,913	2	60,955
Bureau of the Census	454	6,919	6,986	917,029	6,659	982,484	(327)	65,455
Economic and Statistical Analysis	0	4,697	491	101,285	505	104,048	14	2,763
International Trade Administration	0	(6,079)	1,837	461,709	1,846	529,196	9	67,487
Bureau of Industry and Security	0	1,799	390	103,417	414	112,095	24	8,678
Minority Business Development Agency	0	604	100	31,129	100	29,286	0	(1,843)
National Oceanic & Atmospheric Admin.	0	44,695	12,371	5,112,707	12,247	5,592,046	(124)	479,339
Patent and Trademark Office	627	158,898	12,645	2,951,134	12,667	3,038,354	21	87,220
National Technical Information Service	0	0	150	0	150	0	0	0
National Inst. of Standards & Technology	0	804	2,385	756,224	2,545	928,292	160	172,068
National Telecommunications and Info. Admin.	0	638	147	46,485	154	52,122	7	5,637
TOTAL REQUIREMENTS	1,081	211,660	37,997	10,828,370	37,800	11,793,724	(198)	965,354
Offsetting Fee collections						(3,080,814)		
From Department of Agriculture						(131,372)		
Recoveries from prior year obligations						(42,000)		
USPTO Funding from Operating Reserve						62,021		
2014 APPROPRIATION					37,800	8,601,559		

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

	<u>2013 Estimate</u>			
	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2013 CR (Annualized)			24,898	7,683,663
2013 Estimate (Fee Collections)			12,018	2,755,312
Disaster Relief Appropriations Act (NOAA)			0	326,000
Other Income / Recoveries (USPTO)			0	29,000
USPTO Funding from operating reserve			0	18,363
FTE Reduction			(9)	0
<u>Transfers</u>				
From Department of Agriculture (PDF)		\$131,372		
FY 2013 Transfer to DOC OIG		(2,000)		
Total, Transfers		<u>129,372</u>	0	129,372
<u>One-time Adjustment</u>				
Disaster Relief Appropriations Act (NOAA)			0	(326,000)
<u>Adjustments</u>				
Restoration of FY 2013 deobligations (NOAA, NIST)		17,000		
Savings from VERA / VSIP activities (ITA)		(8,355)		
Non-recurring adjustments (DM, NOAA)		(15,427)		
Savings from Export.gov (DM)		1,000		
IT Savings (Census, NOAA, NIST, NTIA)		(11,747)		
FTE Realignment	463	0		
Construction project (DM)		(4,142)		
Subtotal, Adjustments		<u>(21,671)</u>	463	(21,671)
<u>Financing:</u>				
Recoveries of prior year obligations (NIST)				(1,000)
<u>Other Changes</u>				
FY 2013 Pay raise		4,746		
FY 2014 Pay raise		28,916		
Full-year cost in 2014 of positions financed for part-year in FY 2013	627	69,296		
Working Capital Fund Pay Raise		538		
Civil Service Retirement System (CSRS)		(4,697)		
Federal Employees' Retirement System (FERS)		14,012		
Thrift Savings Plan		2,795		
Federal Insurance Contributions Act (FICA) - OASDI		5,463		
Health insurance		8,814		
Employees' Compensation Fund		6,012		
Travel:				
Domestic Per diem		114		
Mileage		1,240		
Rent payments to GSA		8,306		
Postage		813		
Printing and reproduction		2,193		
HCHB Electricity		(998)		
HCHB Water		249		
Electricity rate decrease		(1,124)		
Natural gas rate decrease		(864)		
NARA		52		

	2013 Estimate			
	<u>FTE</u>	<u>Detailed Amount</u>	<u>FTE</u>	<u>Summary Amount</u>
Other services:				
Working Capital Fund		27,573		
Commerce Business System		572		
Personal Identity Verification		3,424		
General pricing level adjustment				
Transportation of things		310		
Rental payments to others		732		
Communications, utilities, and miscellaneous		1,725		
Other services		24,744		
Supplies		3,569		
Equipment		4,317		
Other compensation adjustments (USPTO)		48,125		
Costs associated with BEA's expiring lease (ESA)		2,866		
Overseas price increases (ITA)		317		
International Cooperative Admin Support Service (ICASS) (ITA)		1,488		
Non ICASS local guard service (ITA)		22		
Military Pouch (ITA)		13		
Capital Security Cost Sharing Program (ITA)		(7,023)		
Fuel (BIS)		(61)		
Scientific journal subscriptions (NIST)		174		
Ship and Aircraft fuel costs (NOAA)		(2,713)		
Grants (ITA, NOAA)		1,114		
OPM Transfer to OPEB - Mandatory Requirements (USPTO)		5,691		
Subtotal, other cost changes			627	262,855
Less Amount Absorbed			0	(27,524)
TOTAL, ADJUSTMENTS TO BASE			1,081	211,660
2014 Base			37,997	10,828,370
Administrative Savings (DM, BIS, MBDA)			0	(2,140)
Administrative Savings [non-add]			0	[50,271]
Administrative Savings reflected in program change[non-add] (Census)			[-10]	[-9,600]
Program Changes			(205)	965,494
FY 2013 Transfer to DOC OIG (USPTO)				2,000
TOTAL REQUIREMENTS			37,793	11,793,724
Offsetting Fee Collections			0	(3,080,814)
Recoveries from prior year obligations			0	(42,000)
USPTO Funding to operating reserve			0	62,021
Transfers				
From Department of Agriculture			0	(131,372)
2014 APPROPRIATION			37,793	8,601,559

Budget Authority by Function

FUNCTION / PROGRAM	2012 <u>Actual</u>	2013 <u>Estimate</u>	2014 <u>Estimate</u>	Change <u>2013 - 2014</u>
050 DEFENSE-RELATED ACTIVITIES				
054 Defense-related activities				
Bureau of Industry and Security	\$34,000	\$33,873	\$37,365	\$3,492
300 NATURAL RESOURCES AND ENVIRONMENT				
306 Other natural resources				
National Oceanic & Atmospheric Administration	5,014,359	5,370,738	5,570,838	200,100
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement and regulation of Commerce				
Departmental Management	64,745	62,380	74,398	12,018
Inspector General	29,946	30,111	32,490	2,379
Bureau of the Census	887,336	893,110	982,484	89,374
Economic and Statistical Analysis	96,000	96,588	104,048	7,460
International Trade Administration	455,561	458,349	519,757	61,408
Bureau of Industry and Security	67,000	67,745	74,730	6,985
Minority Business Development Agency	30,339	30,525	29,286	(1,239)
National Oceanic & Atmospheric Administration	(109,098)	(109,098)	(123,164)	(14,066)
Patent and Trademark Office	(1,000)	(1,000)	(2,000)	(1,000)
National Institute of Standards & Technology	760,074	764,670	934,042	169,372
National Telecommunications & Information Administration	40,818	38,113	52,122	14,009
Subtotal, Commerce and Housing Credit	2,321,721	2,331,493	2,678,193	346,700
450 COMMUNITY AND REGIONAL DEVELOPMENT				
452 Area and regional development				
Economic Development Administration	457,500	259,075	320,913	61,838
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES				
503 Research and general education aids				
National Telecommunications & Information Administration	0	0	0	0
900 NET INTEREST				
908 Other Interest				
National Oceanic & Atmospheric Administration	(11,000)	(3,521)	(6,277)	(2,756)
SUBTOTAL, DISCRETIONARY	7,816,580	7,991,658	8,601,032	609,374
LEGISLATIVE PROPOSAL (NOT SUBJECT TO PAYGO):				
Discretionary				
NTIA / Broadband Technology Opportunities Program -				
Administrative Expenses	0	0	0	0
TOTAL, DISCRETIONARY	7,816,580	7,991,658	8,601,032	609,374

	2012	2013	2014	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>2013 - 2014</u>
MANDATORY				
300 NATURAL RESOURCES AND ENVIRONMENT				
302 Conservation and land management				
National Oceanic & Atmospheric Administration	\$9,737	\$9,737	\$9,737	\$0
306 Other natural resources				
National Oceanic & Atmospheric Administration	45,223	45,944	45,944	0
Subtotal, Natural Resources and Environment	54,960	55,681	55,681	0
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement & regulation of Commerce				
Departmental Management	5,303	6,665	5,000	(1,665)
Bureau of the Census	30,000	30,000	30,000	0
International Trade Administration	5,332	5,332	5,332	0
National Institute of Standards & Technology	0	0	0	0
National Oceanic & Atmospheric Administration	17,288	25,008	15,208	(9,800)
National Telecommunications & Information Administration				0
Subtotal, Commerce and Housing Credit	57,923	67,005	55,540	(11,465)
900 NET INTEREST				
908 Other Interest				
Undistributed interest				0
Undistributed clearing accounts				0
Subtotal, Net Interest				0
SUBTOTAL, MANDATORY	112,883	122,686	111,221	(11,465)
LEGISLATIVE PROPOSAL (SUBJECT TO PAYGO):				
NIST/ National Network for Manufacturing Innovation			1,000,000	1,000,000
NTIA/ Digital Television Transition and Public Safety Fund	(4,000)	0	0	0
NTIA/ Public Safety Trust Fund	2,238	89,762	1,908,000	1,818,238
NTIA/ State and Local Implement Fund		124,958	9,700	(115,258)
TOTAL, MANDATORY	111,121	337,406	3,028,921	(116,923)
SUBTOTAL, DEPARTMENT OF COMMERCE	7,927,701	8,329,064	11,629,953	3,300,889
Undistributed Offsetting Receipts				
National Telecommunications & Information Administration				0
TOTAL, DEPARTMENT OF COMMERCE	7,927,701	8,329,064	11,629,953	3,300,889

Authorizing Legislation Required for 2014

APPROPRIATION AND ACTIVITY	2014 <u>Request</u>
<u>Bureau of the Census</u>	
Salaries and Expenses	\$10,000
Survey of Program Dynamic, P.L. 113-6 ,expires 9/30/13	
<u>Economic Development Administration</u>	
Salaries and Expenses	38,913
Public Works and Economic Development Act of 1965, P.L.108-373, expired 9/30/08	
Economic Development Assistance Programs (Public Works, Partnership Planning, Technical Assistance, Research and Evaluation, and Economic Adjustment Assistance Programs)	147,000
Public Works and Economic Development Act of 1965, P.L.108-373, expired 9/30/08	
Economic Development Assistance Programs (Trade Adjustment Assistance Program)	10,000
Trade Act of 1974, as amended by Trade Adjustment Assistance Act of 2011, P.L. 112-40, expires 12/31/2013	
Economic Development Assistance Programs (Investing in Manufacturing Communities Fund and Regional Export Challenge Programs)	125,000
America COMPETES Reauthorization Act of 2010, P.L. 111-358, expires 9/30/2013	
Subtotal, EDA	320,913
<u>Bureau of Industry and Security</u>	
Export Administration Act of 1979, P.L. 106-508, expired 8/20/01	112,095
<u>International Trade Administration</u>	
Export Promotion, P.L. 103-392, expired 9/30/96	429,326
<u>National Institute of Standards & Technology</u>	
America Competes Act, P.L. 110-69, expired 9/30/10	
Scientific & Technical Research & Services	693,745
Industrial Technology Services	174,507
Construction of Research Facilities	60,040
Subtotal, NIST	928,292

	2014 <u>Request</u>
APPROPRIATION AND ACTIVITY	
<u>National Oceanic and Atmospheric Administration</u>	
<u>Operations, Research and Facilities</u>	
National Ocean Service	
Coral Reef Conservation Act, P.L.106-562, expired 9/30/04	\$26,775
Hydrographic Services Improvement Act, P.L.107-372, expired 9/30/07	6,964
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	100,220
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	46,418
Estuary Restoration Act, P.L.110-114, expires 9/30/2012	501
National Marine Fisheries Service	
Endangered Species Act Amendments of 1988, P.L. 100-478, expired 9/30/92	147,147
Marine Mammal Protection Act, P.L. 103-238, expired 9/30/99	36,104
NOAA Marine Fisheries Program Authorization Act, P.L. 104-297, expired 9/30/00	154,738
Interjurisdictional Fisheries Act, P.L. 109-479, expired 9/30/12	3,090
Magnuson-Stevens Fishery Conservation and Management Act, P.L. 109-479, expires 9/30/13	509,408
Oceanic and Atmospheric Research	
National Sea College Program, P.L.107-299, expires 9/30/08	72,748
<u>Procurement, Acquisition and Construction</u>	
National Ocean Service	
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	2,000
Subtotal, NOAA	<u>1,106,113</u>
<u>National Telecommunications and Information Administration</u>	
Salaries and Expenses	
Telecommunications Authorization Act of 1992, P.L. 102-538, expired 9/30/93	52,122
TOTAL, AUTHORIZATION REQUIRED	<u>2,958,861</u>
PROGRAMS AUTHORIZED	<u>5,642,170</u>
TOTAL, DEPARTMENT OF COMMERCE APPROPRIATIONS	<u>8,601,031</u>