

**The  
Department of Commerce  
Budget in Brief**

**Fiscal Year 2017**

**Penny Pritzker, Secretary**



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# Contents

<b>INTRODUCTORY HIGHLIGHTS</b>	1
<b>BUREAU DESCRIPTIONS</b>	
Departmental Management	5
Office of the Inspector General	17
Economic Development Administration	22
Bureau of the Census	31
Economic and Statistical Analysis	43
International Trade Administration	47
Bureau of Industry and Security	53
Minority Business Development Agency	60
National Oceanic and Atmospheric Administration	64
U.S. Patent and Trademark Office	109
National Institute of Standards and Technology	115
National Technical Information Service	129
National Telecommunications and Information Administration	131
<b>SUMMARY TABLES AND GRAPHS</b>	
Department of Commerce Funding and Employment	144
Budget Authority: FY 2015 – 2017	145
Outlays: FY 2015 – 2017	147
Full-Time Equivalent Employment: FY 2015 – FY 2017	149
Historical Summary of Resources	150
Percentage Funding and FTE by Strategic Goal	150
Bridge from 2016 and 2017 Appropriations to 2016 and 2017 Budget Authority	151
Comparison of 2017 Estimate with 2015 Actual and 2016 Enacted	152
Summary of Requirements with Detail of Adjustments to Base	153
Comparison by Bureau of Adjustments to Base	155
Budget Authority by Function	156
<b>AUTHORIZING LEGISLATION REQUIRED FOR FY 2017</b>	158

Unless otherwise noted, all dollar amounts are in thousands

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## Departmental Overview

### *Creating the Conditions for Economic Growth and Opportunity*

The mission of the U.S. Department of Commerce is to create the conditions for economic growth and opportunity by helping American businesses thrive so that they can grow and create jobs here at home while being competitive abroad. The Department accomplishes its mission by *promoting trade and investment, spurring innovation, gathering and acting on environmental intelligence, and fueling our data-driven economy*. The FY 2017 Budget Request directly aligns with the Department's "[Open for Business Agenda](#)," which reflects Commerce's role as the voice of business and the Administration's focus on economic growth and job creation.

#### **FY 2017 BUDGET IN CONTEXT**

The U.S. Department of Commerce's FY 2017 Budget of \$9.7 billion in discretionary funding is built on four key pillars: accelerating and sustaining long-term economic growth, bolstering trade and foreign investment, increasing technology and research opportunities, and providing important scientific and environmental information. To accomplish these foundational goals, the FY 2017 Budget requests a \$487 million increase over the FY 2016 enacted level.

As stewards of Americans' taxpayer dollars, the Budget focuses on programs and activities that have the highest return and provide the biggest benefits for businesses, communities, and workers across the United States. The Department's FY 2017 Budget reflects the difficult tradeoffs that were made to allocate resources in an efficient and cost-effective manner in order to meet the Nation's highest priorities while ensuring that not a single cent of the public's money goes to waste.

#### **Promoting Trade and Investment**

To promote economic growth and create high-paying jobs in the U.S., the Budget provides \$521 million for the International Trade Administration (ITA), a nearly 8% increase over the FY 2016 enacted level. The enhanced funding will allow ITA to expand the presence of its foreign trade specialists, both overseas and domestically, as well as strengthen ITA's trade enforcement team.

Funding for ITA also includes \$20 million to expand SelectUSA, which is a U.S.-government-wide effort to recruit foreign businesses to invest and create new jobs in the United States. Moreover, thousands of international and national leaders from businesses, economic development organizations, government, and other industry stakeholders will participate in the 2016 SelectUSA Investment Summit in June.

Additionally, the Budget supports \$127 million for the Bureau of Industry and Security (BIS). This funding, which is \$15 million above the FY 2016 enacted level, will augment its domestic and international efforts to curtail illegal exports while facilitating secure trade with U.S. allies and close partners. Our FY 2017 request supports the completion of BIS's Export Control Reform efforts, and provides resources to sustain BIS's success in this endeavor into the future.

#### **Spurring Innovation and Technology**

Being on the leading edge of technology is critical for sustaining economic opportunities and growth in domestic and world markets. The Budget makes critical investments to help Americans stay at the forefront of the latest technological developments.

For example, the National Institute of Standards and Technology's (NIST) \$1 billion request will foster innovation in the U.S. economy and allow for the further expansion of a National Network for Manufacturing Innovation. In total, the President's Budget request funds five new manufacturing institutes, including \$42 million for two new Commerce-led institutes. Funding will also support the agency's ongoing efforts to accelerate research and development (R&D) at NIST national laboratories to expand lab-to-market transfers of innovations in manufacturing and other technologies. The Budget invests an additional \$50 million in mandatory spending for a new competitive grant program within the Economic Development Administration (EDA) to incentivize partnerships between Federal Labs, academia and regional economic development organizations enabling the transfer of knowledge and technologies from Labs to private industry for commercialization.

Another critical priority is a proposed \$141 million investment for the Hollings Manufacturing Extension Partnership, which will focus on expanding technology and supply chain capabilities to support technology adoption by small- and medium-sized manufacturing enterprises to improve their competitiveness.

Finally, recognizing that the national and economic security of the United States depends on the reliable functioning of critical infrastructure, the Budget focuses on improving the Nation's cybersecurity posture. Specifically, NIST will continue its outreach efforts associated with educating the public to reduce cyber risks to critical infrastructure as part of its follow-up actions after releasing the Framework for Improving Critical Infrastructure Cybersecurity.

The Budget demonstrates the Administration's commitment to broadband telecommunications as a driver of economic development, job creation, technological innovation, and enhanced public safety. The President's broadband vision of freeing up 500 MHz of Federal spectrum, promoting broadband competition in communities throughout the country, and connecting over 99 percent of schools to high-speed broadband connections through the ConnectED initiative will create thousands of quality jobs and ensure that students have access to the best educational tools available.

Furthermore, the National Telecommunications and Information Administration's (NTIA) \$51 million Budget, which is a 28% increase over the FY 2016 enacted level, will enable its BroadbandUSA teams to conduct interactive Q&A sessions with State and local governments, nonprofits, and researchers about how to design and use surveys to plan broadband and digital inclusion initiatives.

### **Strengthening U.S. Entrepreneurship and the Economy**

Entrepreneurship is a key driver of the economy and a pathway for millions of hard-working Americans to provide for their families. In support of that goal, the Budget makes critical investments in the U.S. Patent and Trademark Office (USPTO), Minority Business Development Agency (MBDA), and the Economic Development Administration (EDA).

The \$3.2 billion request for the U.S. Patent and Trademark Office will help American entrepreneurs and businesses bring their inventions to the marketplace. USPTO recently opened four permanent regional offices across the country and will hire subject matter experts to reduce the backlog of unexamined patents while ensuring pending applications are reviewed expeditiously. In addition, USPTO will implement administrative actions proposed by the President's Task Force and build an intellectual property system outfitted for the 21st century.

With an eye on developing future leaders of America, the Minority Business Development Agency's (MBDA) \$36 million proposed Budget includes \$3.6 million for a Business Innovation for Young Entrepreneurs Program. This program will create a coordinated approach to engage, educate and build capacity among young minority entrepreneurs and offer competitive grants in regions of the U.S. with high concentrations of minorities, youth, and unemployment. MBDA will continue to support the national growth of minority-owned U.S. businesses.

Within the \$258 million request for the Economic Development Administration (EDA), \$20 million is requested for the Regional Innovation Strategies (RIS) Program to promote economic development projects that spur entrepreneurship and innovation at a regional level.

The Budget also continues initiatives that EDA is piloting in FY 2016, such as a broadening of the RIS Program through additional competitions to fund nascent (i.e. start-up) efforts that support innovation clusters and facilitate the transfer of knowledge and technologies from Labs to private industry for commercialization, which will be geared toward the collection and dissemination of best practices and the pursuit of data-driven research. Other areas of emphasis in EDA's Budget include \$35 million for Partnership Planning to support local organizations with their long-term economic development planning efforts; \$85 million for Public Works infrastructure; and \$50 million for Economic Adjustment Assistance.

### **Supporting the Environment and Natural Resources**

The Department's commitment to supporting the environment and natural resources is demonstrated through its request of \$5.8 billion for the National Oceanic and Atmospheric Administration (NOAA). The Budget, which is a \$77 million increase over the FY 2016 enacted level, focuses on supporting NOAA's core missions, including strengthening resiliency, fostering healthy marine resources, improving forecasting accuracy and lead times for severe weather, and deploying the next generation of weather satellites and observational infrastructure.

To ensure the robustness of NOAA's observational infrastructure, the Budget provides \$2.3 billion to fully fund the next generation of weather and environmental satellites. This includes \$393 million for the Polar Follow-On satellite program, enabling NOAA to maintain an optimal launch schedule to help minimize the risk of any potential gap in weather data in a cost-effective way.

The Budget invests \$1 billion for the National Marine Fisheries Service and \$570 million for the National Ocean Service, including \$20 million for an expanded competitive Regional Coastal Resilience Grants Program to help reduce the risks and impacts associated with extreme weather events and changing ocean conditions and uses. The Budget further provides \$9 million to help fishing communities, which face significant climate challenges, become more resilient to the impacts of fisheries disasters. These competitive funds will assist communities that have sustained a disaster to become more environmentally and economically resilient through activities such as ecosystem restoration, research, and adaptation.

An additional \$12 million is requested for a new Integrated Water Prediction initiative that will leverage the National Water Center in Tuscaloosa, Alabama, and link current expertise around the country to promote innovation in water prediction capability and services, such as a new integrated model for coastal and inland communities that provides high-resolution water information and critical water forecast information into the hands of local decision makers and members of the public.

FY 2017 funding also supports maintaining research facilities, such as \$4.6 million to begin prep work, planning, and design to replace the Northwest Fisheries Science Center facility in Mukilteo, Washington (on Puget Sound). The facility has deteriorated to a point that it poses a near-term safety risk and threatens NOAA's mission and operations in the region. NOAA conducts important multidisciplinary research at this facility which supports the commercial and recreational fisheries in the Northwest.

To better understand the impacts of increasing levels of atmospheric carbon dioxide on ocean chemistry and marine resources, the Budget includes \$22 million for an expanded ocean acidification research program at NOAA.

Building a Weather-Ready Nation and evolving the National Weather Service (NWS) to become a more agile decision support organization capable of providing timely responses and increasingly accurate weather forecasts is a continuing area of emphasis for the Department. The Budget invests more than \$1.1 billion for NWS, which includes funding to make the United States a Weather-Ready Nation (WRN). The Budget focuses on continuing to evolve NWS into a fully integrated field structure issuing consistent products and services. To support that effort, the Budget requests a \$5 million increase from FY 2016 enacted for the Advanced Weather Interactive Processing System Cyclical Refreshment, which is the telecommunications systems and cornerstone of NWS' field operations.

The Budget provides \$24 million to complete design, acquisition, and construction of a regional survey vessel (RSV), which will support fishery missions critical to species management and aid in disaster response. This vessel, for which Congress provided \$80 million in 2016, will help NOAA recapitalize its fleet, which, without further investment, is projected to decline by 50% (from 16 to 8 vessels) in the next 10 to 12 years. In addition, the Budget includes \$100 million in mandatory funds to begin construction on a second RSV as part of a multi-year NOAA fleet ship fleet recapitalization initiative.

### **Fueling a Data-Driven Economy**

Data powers the 21<sup>st</sup> century economy, and Commerce Department data touches every American and informs business decisions every day. The Budget includes \$1.6 billion support for the U.S. Census Bureau, a \$263 million increase over the FY 2016 enacted level to provide critical support to continue efforts to test, refine, implement, and scale-up the innovative 2020 decennial census design decisions that were made in 2015 and 2016.

The request in FY 2017 supports Census' efforts to develop a streamlined design and increase operational capacity to conduct the 2020 Decennial Census at a lower cost per household than in the 2010 Census, without sacrificing data accuracy, potentially saving more than \$5 billion in lifecycle costs. To accomplish that goal, the Budget includes \$103 million in support of the Census Enterprise Data Collection and Processing IT system, which will provide the foundation for 2020 data collection and processing operations. To ensure these goals can be met beyond 2017, the Budget also proposes to amend budget law to allow an adjustment to the discretionary spending limits starting in FY 2018 for the cyclical increase in decennial census operations.

In accordance with the Federal Digital Strategy, the Census Bureau has set a goal to unlock the potential of our data and products to better meet the needs of our users. This Budget includes funding to enable users such as businesses, policy makers, and the American public to make better data-driven decisions based on credible statistics, easy-to-use tools, and standardized data elements.

The Budget also includes a planned cyclical increase for the Economic Census, which is the official five-year measure of American business and the economy. The Budget also includes \$115 million for the Bureau of Economic Analysis to leverage data to forge enhanced collaboration and expertise across the Federal government as well as provide timely, accurate, and relevant economic statistics in an objective and cost-effective manner. Included is a proposal that will create a county level GDP measure to help policy makers at all levels of government and businesses better target investments to areas of need and measure the impact of these investments.

### **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 \$12 million for the ongoing renovation and modernization of its headquarters, the Herbert C. Hoover Building (HCHB). This funding is critical to the completion of Phase 5 of an 8-phase project. Phase 5 is tentatively scheduled to begin in June 2017 and end in April 2019.

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. It also includes the Department's effort to improve upon space utilization, decrease reliance on leased space, and reduce the government's footprint.

Finally, the Budget requests \$45 million for the Shared Services initiative that will enable bureaus to modernize mission support functions by leveraging information and services in the core areas of Human Resources (HR), Acquisition, Financial Management, and Information Technology (IT). The objective is to establish a new, customer-focused shared service model that will provide internal DOC customers with easier access to information. This includes high quality service, an improved customer experience, performance (management) measurement, external provider support, shared service independence, standardization, continuous process improvement and process transparency. Establishing a shared service model is projected to generate significant cost savings by creating economies of scale.

### **Integrating Innovative Best Practices into Core Agency Operations**

To further the President's goals of improving customer service and enhancing the efficiency of government, Commerce requests \$6 million to support a Commerce Digital Services team, which will focus on two separate-but-related items: It will manage projects that require immediate attention due to their real-time deadlines and are of such a high-visibility that they require immediate attention, and it will work to improve all of Commerce's systems so that they are state of the art and provide the end user with the latest technological advances and prowess.



## Departmental Management

Within Departmental Management (DM), the Salaries and Expenses (S&E) account provides funding for the Office of the Secretary, the Office of the Deputy Secretary, and support staff. DM develops and implements policy affecting U.S. and international activities as well as the internal goals and operations of the Department. DM serves as the primary liaison with the executive branch, legislative affairs, and private sector groups. DM also acts as the management and administrative control point for the Department.

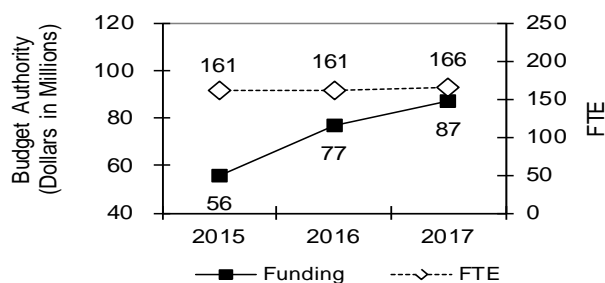
DM also includes the non-appropriated Advances and Reimbursements (A&R), Working Capital Fund (WCF), and Franchise Fund accounts. The A&R account provides a centralized collection and payment point for special short-term tasks or pass-through costs that encompass several Department bureaus. The WCF finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently performed on a centralized basis, such as legal, security, building management, information technology, and procurement services. The Franchise Fund is a fee-for-service account; these services no longer exist, but the franchise funds' authority remains. Pursuant to P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015, the unobligated balances in the Franchise Fund were rescinded. Authority for the Emergency Steel Loan Guarantee Board expired on December 31, 2011; most of the loan subsidy funding was rescinded, with a small balance remaining.

The FY 2017 Budget funds a Digital Service team that will be responsible for driving the efficiency and effectiveness of the agency's highest-impact digital services. Also, the Budget will support the development of an agency Idea Lab dedicated to incubating and investing in innovative approaches to meeting agency mission goals, as well as, fund additional staffing needs to reduce FOIA backlog and meet statutory requirements, and implement a Suspension and Debarment program manager.

In FY 2017, DM plans to continue to work on ensuring the bureaus have access to high quality mission support services via ongoing efforts to establish the Shared Services Organization (SSO). The SSO will develop a customer-focused shared service model to improve on specific areas of Human Resources, Information Technology, Acquisitions and Financial Management. Funding is also requested for various necessary security needs and Information Technology improvements. This includes the Enterprise Cybersecurity Monitoring and Operations Licenses and Enhancements, which will fund licensing, and maintenance costs, training and professional support in addition to conducting a technical refresh of the ECMO hosting facility. DM also requires funding for Boundary Protection to develop a long-term network defense capability and address projected threats and imminent requirements to improve the Department's overall security posture. These initiatives will operate through DM's Working Capital Fund account.

The Renovation and Modernization account addresses major building infrastructure deficiencies and security weaknesses. The request funds the Department's share of the HCHB Phase 5 activities, enables the Department to continue its 21<sup>st</sup> Century Workplace initiative, ensures the Department remains in step with GSA's HCHB Systems Replacement Project, and keeps with GSA's principles of making the federal real estate footprint smaller and more efficient.

Salaries and Expenses



## Summary of Appropriations

<u>Appropriation</u>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$56,000	\$58,000	\$74,503	\$16,503
Renovation and Modernization	4,500	19,062	12,224	(6,838)
<b>TOTAL APPROPRIATION</b>	<b>60,500</b>	<b>77,062</b>	<b>86,727</b>	<b>9,665</b>
Transfer from NIST STRS to Renovation	450			
<b><u>Budget Authority</u></b>				
Salaries and Expenses	56,000	58,000	74,503	16,503
Renovation and Modernization	4,950	19,062	12,224	(6,838)
<b>Subtotal - Discretionary BA Pre-Rescission</b>	<b>60,950</b>	<b>77,062</b>	<b>86,727</b>	<b>9,665</b>
Franchise Fund Rescission	(2,906)	0	0	0
<b>TOTAL DISCRETIONARY BUDGET AUTHORITY</b>	<b>58,044</b>	<b>77,062</b>	<b>86,727</b>	<b>9,665</b>
<b><u>Mandatory Appropriation</u></b>				
Gifts & Bequests Trust Fund	4,119	4,500	4,500	0
<b>TOTAL MANDATORY</b>	<b>4,119</b>	<b>4,500</b>	<b>4,500</b>	<b>0</b>
<b><u>FTE</u></b>				
Salaries and Expenses	156	156	161	5
Reimbursable	77	76	76	0
Renovation and Modernization	5	5	5	0
Working Capital Fund	543	583	591	8
<b>Total FTE</b>	<b>781</b>	<b>820</b>	<b>833</b>	<b>13</b>

## 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>
<b>2016 Enacted</b>			156	\$58,000
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2016 Pay raise		\$116		
2017 Pay raise		472		
Change in compensable days		(221)		
Civil Service Retirement System (CSRS)		(25)		
Federal Employees' Retirement System (FERS)		49		
Thrift Savings Plan (TSP)		85		
Federal Insurance Contributions Act (FICA) - OASDI		37		
Health insurance		27		
Employees' Compensation Fund		(25)		
Travel - Per Diem				
Rent payments to GSA		693		
Printing and reproduction		1		
HCHB Electricity		9		
National Archives and Records Administration (NARA)		(72)		
Other Services:				
Federal Protective Service		10		
Working Capital Fund		359		
General Pricing Level Adjustment:				
Communications and miscellaneous		6		
Other services		1,676		
Maintenance of operations & administration services		3,587		
Supplies and materials		3		
Equipment		5		
Subtotal, other cost changes			0	6,792
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>6,792</b>
<b>2017 Base</b>			156	64,792
Program Changes			5	9,711
<b>2017 APPROPRIATION</b>			<b>161</b>	<b>74,503</b>

## Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Operations and Administration	156	\$58,000	156	\$64,792	161	\$74,503	5	\$9,711
<b>TOTAL DIRECT OBLIGATIONS</b>	156	58,000	156	64,792	161	74,503	5	9,711
<b>ADVANCES &amp; REIMBURSEMENTS</b>								
Operations and Administration	76	98,135	76	97,120	76	97,120	0	0
Total Reimbursable Obligations	76	98,135	76	97,120	76	97,120	0	0
<b>TOTAL OBLIGATIONS</b>	232	156,135	232	161,912	237	171,623	5	9,711
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)								
Unobligated balance, start of year (Reimbursable)		(1,015)						
Offsetting collections from:								
Federal funds	(76)	(97,120)			(76)	(97,120)		
Subtotal, financing	(76)	(98,135)			(76)	(97,120)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	156	58,000			161	74,503		

## Highlights of Program Changes

<b>Operations and Administration</b>	FTE	Base	Increase / Decrease	
		Amount	FTE	Amount
<b>Digital Service Team</b>	0	\$0	2	+\$6,400

The increase is requested to provide for staffing and associated costs to develop a Digital Service team. The success rate of government digital services can be improved when the Department has digital service experts on staff with modern digital product design, software engineering, and product management skills. This funding will enable the Department to build a Digital Service team to manage the digital services that have the greatest impact to citizens and businesses.

<b>Idea Lab</b>	0	\$0	0	+\$3,000
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The funding requested is for an Idea Lab (representing Innovation, Design, Entrepreneurship, and Action) that will focus on incubating and investing in innovative approaches to more efficiently and effectively meet the Department's mission goals. The funding would be used to create a culture where creativity is unleashed, barriers to implementation are removed, and employees have the opportunity to lead change no matter where they exist in the hierarchy. Engaging employees and providing opportunities for employee development is a top priority. The Idea Lab will provide institutional capacity for complex problem solving in a sustainable and safe environment.

<b>Suspension and Debarment</b>	0	\$0	1	+\$170
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The increase is requested for a Suspension and Debarment program manager. This funding will enable the program manager to effectively manage the Suspension and Debarment program and provide adequate oversight to ensure its continued success and viability.

<b>Freedom of Information Act/Privacy Act Staffing</b>	5	\$1,576	2	+\$215
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The increase is requested for additional staffing to meet operational and statutory requirements under the Freedom of Information Act/Privacy Act (5 USC § 552 and 552a). Additional staffing will reduce the Freedom of Information Act (FOIA) backlog, improve processing times, and ensure statutory requirements are met, therefore reducing the risk of costly litigation.

## Appropriation: Renovation and Modernization

### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>			5	\$19,062
<b>Adjustments to Base</b>				
<b><u>Adjustments</u></b>				
Non-recurring adjustment				(17,981)
<b><u>Other Changes</u></b>				
FY 2016 Pay raise		\$2		
FY 2017 Pay raise		9		
Change in compensable days		(3)		
Health insurance		1		
Rent payments to GSA		1		
General Pricing Level Adjustments:				
Other services		1		
Equipment		2		
Subtotal, other cost changes			0	13
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>(17,968)</b>
<b>2017 Base</b>			<b>5</b>	<b>1,094</b>
Program Change			0	11,130
<b>2017 APPROPRIATION</b>			<b>5</b>	<b>12,224</b>

### Comparison by Activity

	FY 2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
Renovation & Modernization	5	\$19,935	5	\$1,094	5	\$12,224	0	\$11,130
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>5</b>	<b>19,935</b>	<b>5</b>	<b>1,094</b>	<b>5</b>	<b>12,224</b>	<b>0</b>	<b>11,130</b>
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
<b>TOTAL OBLIGATIONS</b>	<b>5</b>	<b>19,935</b>	<b>5</b>	<b>1,094</b>	<b>5</b>	<b>12,224</b>	<b>0</b>	<b>11,130</b>
<b>FINANCING</b>								
Unobligated balance, start of year	0	(873)			0	0		
Subtotal, financing	0	(873)			0	0		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	<b>5</b>	<b>19,062</b>			<b>5</b>	<b>12,224</b>		

### Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Renovation and Modernization Project</b>	<b>5</b>	<b>\$1,094</b>	<b>0</b>	<b>+\$11,130</b>

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 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. The FY 2017 request is critical to the Department's portion of the HCHB Phase 5 construction activities, including maximizing the utilization of HCHB space to reflect a 21<sup>st</sup> Century workplace that increases collaboration and mobility and more efficiently uses the building through space

consolidation. Also, the FY 2017 request will allow the Department to remain in step with GSA's phased funding effort to continue focusing on modernizing the building.

## 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>
<b>2016 Operating Level</b>			583	\$243,974
<b>Adjustments to Base</b>				
<b><u>Adjustments</u></b>				
<b><u>Other Changes</u></b>				
2016 Pay raise		\$273		
2017 Pay raise		1,106		
Change in compensable days		(710)		
Full year cost in FY 2017 of positions financed for part year in FY 2016		186		
Civil Service Retirement System (CSRS)		(77)		
Federal Employees' Retirement System (FERS)		150		
Thrift Savings Plan (TSP)		1,772		
Federal Insurance Contributions Act (FICA) - OASDI		115		
Health insurance		197		
Rent payments to GSA		211		
Printing and reproduction		2		
Other Services:				
Commerce Business Systems		236		
General Pricing Level Adjustment:				
Transportation of things		5		
Communications and miscellaneous		43		
Other services		2,092		
Supplies and materials		29		
Equipment		69		
Federal Protective Service		1		
Subtotal, other cost changes			0	5,700
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>5,700</b>
<b>2017 Base</b>			<b>583</b>	<b>249,674</b>
WCF non-recurring adjustments			0	(8,796)
Program Changes			8	16,064
<b>2017 APPROPRIATION</b>			<b>591</b>	<b>256,942</b>

**Comparison by Activity**

	2016 Operating Level		2017 Base		2017 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>
<b>REIMBURSABLE OBLIGATIONS</b>								
Operations and Administration	583	\$243,974	583	\$249,674	591	\$256,942	8	\$7,268
<b>TOTAL REIMBURSABLE OBLIGATIONS</b>	583	243,974	583	249,674	591	256,942	8	7,268
<b>FINANCING</b>								
Unobligated balance, start of year		(4,028)						
Offsetting collections from:								
Federal funds	(583)	(239,946)			(591)	(256,942)		
Subtotal, financing	(583)	(243,974)			(591)	(256,942)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	0	0			0	0		

**Highlights of Program Changes**

	<u>FTE</u>	<u>Base Amount</u>	<u>FTE</u>	<u>Increase / Decrease Amount</u>
<b>Operations and Administration</b>				
<b>Elevator Maintenance &amp; Building Management</b>	0	\$625	0	+\$78

This request is to fund the award of a new elevator contract with federally mandated wage determination increases. The contract ensures the safe and reliable operation of 34 elevators in the Herbert C. Hoover Building (HCHB). It provides for all planned and preventative maintenance, maintains over 95% uptime, answers trouble calls within 10 minutes during the week days with service from 6 AM to 6 PM and responds to emergency defects.

<b>HCHB Window &amp; Fan Coil Maintenance</b>	0	\$396	0	+\$170
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This request is to fund the maintenance of 1,864 Phase 3 and Phase 4 windows and 1,742 fan coil units, in addition to the current 1,045 windows and 1,022 fan coils in Phases 1 and 2. The contract maintains the assets in accordance with the GSA delegation agreement. It provides for all planned and preventative maintenance and responds to emergency defects.

<b>HCHB Drainage Maintenance</b>	0	\$0	0	+\$74
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This request is to fund a new requirement to meet storm water regulations brought on by the HCHB renovation project. This includes approximately 100 roof leaders, garage parking and moat drainage, and new sand filters.

<b>Supply Chain Risk Management</b>	16	\$3,712	3	+\$515
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The security of the U.S. Government's supply chain for sensitive information technology has been the subject of increasing concern in Congress and other policy making circles. The concern is that malicious actors could infiltrate or sabotage systems critical to U.S. national security by compromising components of those systems (e.g. by inserting malware or backdoors) during the development and production process. The Investigations and Threat Management Division is responsible for preparing assessments under Public Law 113-76 and requires 3 FTE to ensure the Department's compliance.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b>Electronic Security Maintenance &amp; Administration Contract</b>	5	\$4,901	0	+\$267

This program increase is being requested to provide funding for a dedicated electronic security system maintenance and administration contract. This contract would serve to install, maintain, administer and repair all components of the HCHB electronic security systems comprised of access control, intrusion detection, and closed circuit television systems. This contract would provide onsite technician support, emergency after hours services, system programming support and overall system administration. This is necessary to restore the efficient and reliable operation of a system that has surpassed its expected life cycle.

<b>Personnel Security Administration Change</b>	39	\$6,435	0	+\$580
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Funds will support a one-time increase in investigative costs associated with employee turnover following the upcoming November 2016 presidential election. Further, funds are required to implement Office of Personnel Management/Director of National Intelligence directives for tiered investigative standards as well as perform investigations of those in public trust positions – all at a new cost structure.

<b>Special Security Officer</b>	39	\$6,435	1	+\$172
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Funds are requested to formally appoint a Special Security Officer to partner with accrediting entities such as the Central Intelligence Agency and oversee compliance with National Security Information requirements for the facilities/spaces (i.e. Sensitive Compartmented Information Facilities) designed to properly handle and store Top-Secret/Sensitive Compartmented Information both within Office of Security and across all bureaus.

<b>HCHB Guard Escalation Collective Bargaining Agreement</b>	5	\$4,901	0	+\$2,300
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This increase is to support prevailing wages for the cost increases associated with the HCHB Guard Force Contract due to labor escalations that exceed historical adjustments to base and are directly influenced by Collective Bargaining Agreements which have historically shown an average annualized rate increase of 2%. This will cover Guard Force services for the HCHB. Deliverables will include protective security officers, dispatch/control center operating services, and management.

<b>Shared Services Organization</b>	5	\$38,002	0	+\$6,504
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To fund a Shared Service model to establish new customer-focused support services in the areas of Human Resources, Acquisition, Financial Management and Information Technology for internal customers across the Department. Shared Services design principals include: high quality service, improved customer experience, performance measurement, external provider support, shared service independence, standardization, continuous process improvement and process transparency.

<b>Assistant General Counsel for Administration: Maintaining Legal Services</b>	73	\$12,295	2	+\$185
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Funding is needed to hire a GS-12 attorney and a GS-9 ethics specialist to maintain the necessary level of legal services demanded by the bureaus. With the general increases in employee population and the changes in law requiring added whistleblower protections, appropriations limitations, and financial disclosure review; additional positions are needed to provide timely advice.

<b>Enterprise Cybersecurity Monitoring and Operations (ECMO) Licenses and Enhancements</b>	1	\$3,695	1	+\$3,000
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This funding is needed to hire one FTE to sustain and maintain Enterprise Cybersecurity Monitoring and Operations (ECMO) licenses and for equipment refresh for the DOC Continuous Monitoring Enterprise. This funding is also needed to hire two contractors to support the anticipated customer requests for specific functionality offered by the continuous monitoring platform; in addition, training and professional services to support customer user requests for specific functionality of the continuous monitoring platform and for cross-functional application support with other modules.



	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Boundary Protection</b>	0	\$0	1	+\$969

This increase request is to strengthen the existing Boundary Protection capabilities for DOC. The focus of the funding increase is to develop long-term network defense capabilities and to address projected threats and upcoming requirements to improve the Department's overall security posture. This funding is needed for the development of externally hosted Internet Protocol version 6 (IPv6) server and host to test IPv6 attacks, capabilities and vulnerabilities. In addition the program provides a Phishing Awareness and assessment Tool (DOC wide) and a Domain-based Message Authentication Reporting & Conformance Implementation tool. Finally, it will consolidate federated Managed Trusted Internet Protocol Services (MTIPS) into a single DOC-wide MTIPS contract.

<b>Vulnerability Management Program</b>	0	\$0	0	+\$500
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This request is for establishment of an enterprise-wide Vulnerability Management Protection program. The program would provide the necessary master server licensing and hardware to integrate existing vulnerability scanning tool data into a central console and requires one contractor support person to operate and manage the system.

<b>Enhanced Information Technology Security Risk Assessment &amp; Management</b>	0	\$786	0	+\$750
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Three additional contract support positions are needed to directly support use of the Department's Cyber Security Assessment and Management (CSAM) tool. Funding will be used for additional training, development of standard operating procedures, account management, and metric reporting; and assessments of the Department's financial systems.

**Direct Costs by Office**

<b>Offices</b>	2017 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	62	\$15,963
Civil Rights	8	2,673
Financial Management	58	39,519
Security	130	32,924
Facilities and Environmental Quality	59	21,266
Acquisition Management	16	4,432
Privacy and Open Government	3	1,014
Resource Management	3	940
Office of Chief Financial Officer and Assistant Secretary for Administration	5	45,147
General Counsel	194	49,532
Chief Information Officer	46	41,491
Public Affairs	7	2,041
<b>Total Working Capital Fund</b>	591	256,942

**Distribution by Bureau**

	FY 2017 <u>Amount</u>
<b>Bureaus</b>	
Departmental Management	\$12,890
International Trade and Investment Administration	36,138
Economic Development Administration	5,328
National Telecommunications and Information Administration	8,973
National Technical Information Service	1,570
Bureau of the Census	45,672
Economic and Statistics Administration	3,379
National Oceanic and Atmospheric Administration	72,512
National Institute of Standards and Technology	27,684
U.S. Patent and Trademark Office	17,545
Minority Business Development Agency	3,838
Bureau of Industry and Security	13,795
Office of the Inspector General	<u>3,782</u>
Total Commerce Bureaus	253,106
Other Agencies	<u>3,836</u>
Total Working Capital Fund	256,942

**Appropriation: Emergency Steel Guaranteed Loan Program**

**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>	0	\$0
<b>Adjustments to Base</b>	0	0
<b>2017 Base</b>	<u>0</u>	<u>0</u>
Program Change	<u>0</u>	<u>0</u>
<b>2017 APPROPRIATION</b>	<u>0</u>	<u>0</u>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>FINANCING</b>								
Unobligated balance, start of year	0	(291)			0	(291)		
Unobligated balance, end of year	<u>0</u>	<u>291</u>			<u>0</u>	<u>291</u>		
Subtotal, financing	<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		
<b>DISCRETIONARY BUDGET AUTHORITY / APPROPRIATION</b>	0	0			0	0		

## Performance Indicators

The following table shows the DM performance indicators and the related Departmental strategic goal and objectives. Additional details of these indicators and related funding is at the end of the DM section of the Department of Commerce budget.

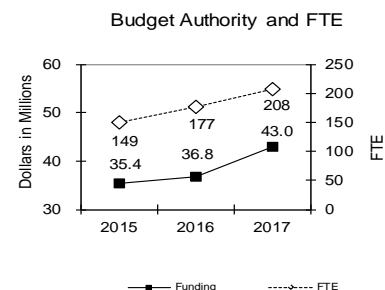
	2015		2016		2017	
	Target	Actual	Target	Target		
<b>Goal: Operational Excellence</b>						
<b>Objective 5.1: Empower and engage Commerce employees</b>						
Score on the Employee Engagement Index	67%	68%	68%			69%
Score on the New Inclusion Quotient	66%	63%	67%			68%
<b>Objective 5.2: Support a service-oriented culture that responds to the needs of external and internal customers</b>						
Customer contacts	935,510	4,222,145		Program moved out of Commerce		
Customer satisfaction - experience with service	70%	68%		Program moved out of Commerce		
Customer impact - ability to find useful information	70%	68%		Program moved out of Commerce		
<b>Objective 5.3: Manage for Results</b>						
Score on the Results-Oriented Performance Culture Index	61%	60%	TBD			TBD
<b>Objective 5.4: Improve facilities, support services, and information technology products and services to drive mission success</b>						
Cybersecurity Cross-Agency Priority Goal average for the Department	83%	ISCM - 81%, ICAM - 83%, APMD - 84%	80%			90%
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.	Eliminate any repeat significant deficiency within 1 year of determination	Eliminated one repeat significant deficiency out of two, added a new significant deficiency	Eliminate any repeat significant deficiency within one year of the determination			Eliminate any repeat significant deficiency within one year of the determination
	Complete FY 2015 A-123 assessment of internal controls	Completed A-123 assessments	Complete FY 2016 A-123 assessment of internal controls.			Complete FY 2017 A-123 assessment of internal controls.
Unmodified Audit Opinion	Unmodified	Unmodified	Unmodified			Unmodified
For each administrative / business system, maintain compliance and alignment with OMB initiatives	Maintain Compliance	Maintained Compliance	Maintain Compliance			Maintain Compliance
Dollars awarded using 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	\$367M	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
Savings achieved through more effective acquisition practices (millions)	\$18	\$17	\$12			\$12

	2015	2016	2017
	Target	Actual	Target
	IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.	On average, for its major IT investments, the Department was 30% over cost and schedule variances.	IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.
	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	The Enterprise Security Operations Center is operating 24X7 and is ingesting data feeds from NOAA, DOC HQ, NTIA and BEA; The Enterprise Cybersecurity Monitoring & Operations (ECMO) deploys continuous Monitoring Agents on 100% of targeted assets for FY16; Hardware Asset Management: 76%; Software Asset Management:84%; Vulnerability Management:74%; Configuration Management:91%	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)
Demonstrate effective management of information technology resources including cyber security	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)	Privileged users: 86%; Unprivileged users: 81%	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)
	Trusted Internet Connection Consolidation – ensures external Internet traffic and passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS provider (95%)	TIC Consolidation is at 98% via MTIPS and TICAP.	Trusted Internet Connection Consolidation – ensures external Internet traffic and passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS provider (100%)
	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	NOAA's TIC 2.0 compliance at 83% (43/52) based on critical controls and planned to be 98% in Q2FY16	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)
	Perform IT Security compliance review of all OUs and 20 assessments	Completed Security Compliance Reviews of all OUs and 15 assessments	Perform IT Security compliance review of all OUs and 20 assessments
Veteran Hires	15.2%	14%	TBD
Mission-Critical Occupation (MCO) staffing	5%	10%	5%
Permanent Attrition	7%	7%	7%
Hiring timeline	65	88	65
Candidate quality	70%	64%	70%
Disability hires	10%	12%	10%

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

## 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 of problems and deficiencies relating to the administration of programs and operations and the need for corrective action.



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

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

### Summary of Appropriations

<u>Appropriation</u>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Inspector General	\$30,596	\$32,000	\$37,167	\$5,167
<b>Total</b>	<b>30,596</b>	<b>32,000</b>	<b>37,167</b>	<b>5,167</b>
Transfer from Census	1,551	1,551	2,580	1,029
Transfer from NOAA	1,302	1,302	1,302	0
Transfer -Spending Authority (PTO)	2,000	2,000	2,000	0
<b>Total Budget Authority</b>	<b>35,449</b>	<b>36,853</b>	<b>43,049</b>	<b>6,196</b>
<b><u>FTE</u></b>				
Direct	149	177	208	31
Reimbursable	6	6	2	(4)
<b>Total</b>	<b>155</b>	<b>183</b>	<b>210</b>	<b>27</b>

## 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>
<b>2016 Enacted</b>			177	\$36,853
less: Transfers (NOAA and Census)				(2,853)
less: Transfers - (PTO/Other)				(2,000)
<b>Total Appropriation</b>			<u>177</u>	<u>32,000</u>
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2016 Pay raise		\$101		
2017 Pay raise		432		
Full year cost in 2017 of positions financed part-year in 2016	0	0		
Civil Service Retirement System (CSRS)		(55)		
Federal Employees' Retirement System (FERS)		126		
Thrift Savings Plan		16		
Change in Compensable Days		(211)		
Federal Insurance Contributions Act (FICA) - OASDI		77		
Health insurance		41		
Employees' Compensation Fund		0		
Travel - Mileage		0		
Rent payments to GSA		65		
HCHB Electricity		3		
Other services:				
Working Capital Fund		117		
General Pricing Level Adjustment				
Transportation of things		0		
Communications and miscellaneous		5		
Printing		1		
Other Services		42		
Supplies and materials, transportation of things, printing		1		
Equipment		6		
Federal Protective Service		0		
Subtotal, other cost changes			<u>0</u>	<u>767</u>
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<u>0</u>	<u>767</u>
<b>2017 Base</b>			<u>177</u>	<u>32,767</u>
Program Change			<u>33</u>	<u>4,400</u>
<b>2017 APPROPRIATION</b>			<u>210</u>	<u>37,167</u>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Inspector General	177	\$42,906	177	\$37,620	208	\$43,049	31	\$5,429
<b>Total Direct Obligations</b>	177	42,906	177	37,620	208	43,049	31	5,429
Transfers - (NOAA/Census)		2,853		2,853		3,882	0	1,029
Transfers - (PTO)		2,000		2,000		2,000	0	0
<b>REIMBURSABLE OBLIGATIONS</b>	6	4,500	6	4,500	2	3,500	(4)	(1,000)
<b>TOTAL OBLIGATIONS</b>	183	52,259	183	46,973	210	52,431	27	5,458
<b>FINANCING</b>								
Unobligated balance, start of year (direct)		(6,053)				0		
Unobligated balance, start of year (reimb.)		0				0		
Offsetting Collections		(4,500)				(3,500)		
Subtotal, financing	0	(10,553)			0	(3,500)		
<b>TOTAL BUDGET AUTHORITY/</b>	183	41,706			210	48,931		
Transfers from other accounts	(19)	(4,853)			(25)	(5,882)		
<b>TOTAL APPROPRIATION</b>	164	36,853			185	43,049		

**Highlights of Program Changes**

	FTE	Base		Increase / Decrease	
		Amount	FTE	Amount	
<b>Office of the Inspector General</b>	177	\$37,620	+31	\$5,429	
<u>Increased Oversight of 2020 Census Activities</u>	7	\$1,551	+6	\$1,029	

OIG requests an increased transfer of \$1.029 million and six FTE for increased oversight of the 2020 Census activities in the Department of Commerce, for a total transfer of \$2,580,000. The Census Bureau is targeting major design changes in four key areas: new methodologies to conduct address canvassing; options to increase household self-response; the use of administrative records to reduce the nonresponse follow up workload; and reengineering field operations through the use of technology to replace intensive paper processes (such as enumeration, payroll, and training), realigning staff, and reducing the number of field offices. In order to provide adequate oversight of the Census Bureau for the 2020 Census, without reducing the level of oversight to other areas of the Department, OIG will require significantly more resources as the decennial census ramps up later in the decade.

<u>Increased Oversight of Departmental Cybersecurity</u>	5	\$1,000	+5	\$1,329
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OIG requests \$1.329 million and seven FTE to provide additional oversight of Departmental cybersecurity. Assessments by OIG's cybersecurity audit program found persistent security weaknesses with basic security controls and measures, placing Commerce's systems and information at a higher risk of compromise. These weaknesses include the presence of high-risk vulnerabilities; deficient patch management and secure configurations; ineffective vulnerability scanning; and inefficient security tracking and remediation. OIG's work significantly improved the security posture of the assessed systems and improved the effectiveness of the Department's and its bureaus' cyber security programs. Actions taken as a result of OIG's assessments significantly decreased the likelihood of a successful cyberattack, and increased the likelihood of detecting successful attacks. However, during the last two fiscal years, OIG could only assess 14 of the

Department’s mission-critical systems, representing just five percent of the Department’s systems. OIG does not have the base resources to provide adequate oversight of these critical systems.

OIG proposes to increase the cybersecurity staff by adding seven technical staff and three criminal investigators with specialized security assessment skills. With the additional personnel, we anticipate an additional 16 to 24 systems will be assessed each year, more than tripling OIG’s oversight capacity. Hands-on evaluations of basic security measures and controls, implemented on system components, will be conducted in order to increase cyber security assessment capabilities. This will result in substantially improving the security posture of the Departments mission-critical systems. The additional resources will allow OIG to obtain personnel with specialized skills and experience including tools and methods for network vulnerability assessment, penetration assessment, and assessing compliance with secure configurations. Being able to have an extensive, hands-on test program is essential for obtaining high quality information in order to strengthen and protect the Department’s many sensitive systems.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Oversight of First Responder Network Authority (FirstNet)</u>	0	\$0	+8	\$1,586

OIG requests \$1.586 million, funding an additional eight FTE, to provide oversight of the First Responder Network Authority (FirstNet). FirstNet, established by the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-36), is responsible for the establishment, building, operation and maintenance of a nationwide public safety broadband network. Establishing a nationwide public safety network is a challenge that will require fostering cooperation with public safety agencies, integrating ongoing public safety telecommunications projects, and creating a long term evolution network. FirstNet will issue contracts directly with private sector entities for the construction and operation of the network. The \$7 billion to be available for the establishment of the public safety network will come from spectrum auction receipts. In order that FirstNet may proceed prior to receiving the receipts from spectrum auctions which may not occur for a number of years, FirstNet has borrowing authority from the Treasury of up to \$2 billion for the establishment of the public safety network and up to \$135 million for the State and Local Implementation grant program.

OIG has experience with two similar programs, the Public Safety Interoperable Communications grant program (PSIC) and the Broadband Technology Opportunities Program (BTOP). PSIC provided over \$968 million in grants to states and territories to fund interoperable public safety communications. BTOP provided over \$3.8 billion in grants to States and territories. The FirstNet program is almost twice the size of BTOP, far broader in scope, substantially more complex, and far longer in term. In order to provide adequate oversight of FirstNet without reducing the level of oversight of other competing priorities and statutory mandates, OIG requires dedicated personnel to provide consistent oversight of these expenditures. Providing adequate oversight of FirstNet within OIG’s base resources would require a substantial and significant reduction in oversight of the rest of the Department; attempting to provide oversight of FirstNet without significant impact to OIG’s oversight of the rest of the Department would result in much less oversight than is necessary for this large and complex program.

<u>Increased Oversight of Departmental Acquisitions and Contracting</u>	5	\$1,000	+7	\$1,026
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OIG requests a program increase of \$1,026 million and seven FTE to provide increased oversight of Departmental acquisitions and contracting. OIG expects to achieve increased financial benefits of \$20 million in FY 2017 from funds recovered or put to better use which is anticipated to increase to \$40 million by FY 2020. Over the past several years, multiple contract obligations awarded by the Department have been high-risk obligations with limited cost restrictions, unlike those associated with fixed price contracts. This includes a large number of high-risk NOAA contract obligations at the National Ocean Service (NOS) and the National Environmental Satellite, Data, and Information Service. A notable number of these contract obligations have also been awarded with either no or limited competition. In this contracting environment, NOAA is undertaking a new approach to contracting for services (Pro-Tech) which requires additional oversight resources.

This approach will improve OIG’s ability to provide oversight to various Department acquisition initiatives by allowing OIG to maintain multiple ongoing audits. FTE growth will allow the contract audit group to enhance its procurement audit coverage in support of the OIG Strategic Plan and top management challenges concerning acquisition and contracting; support the increasing demand for OIG’s contract/grant fraud investigative capabilities; better keep pace with the evolving DOC acquisition environment and its increasing use of contracts to address mission needs; accommodate



the continued growing demand to provide significant technical advice and assistance to other OIG groups; and incorporate congressional requests into the OIG audit plan.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Oversight of International Trade, Investment, and Export Control Activities</u>	0	\$0	+5	\$853

OIG requests \$.853 million and five FTE for increased oversight of Departmental international trade, investment, and export control activities. For FY 2016, the Department of Commerce was appropriated nearly \$606 million (or more than 7 percent of its total FY 2016 appropriations) to fund direct trade promotion and enforcement activities. This amount is represented by the budgets of the International Trade Administration (ITA) and Bureau of Industry and Security (BIS). OIG requests dedicated resources to oversee these high visibility, high priority functions performed by the Department in the area of international trade and export control. Effective OIG oversight is needed to assess whether the goals of these Department bureaus are being met and their programs are operating efficiently and effectively. This work represents an area of expansion in OIG's current audit process. With additional funding, OIG could perform two concurrent audits per fiscal year, with one team focusing on ITA and the other on BIS.

<u>Council of Inspectors General for Integrity and Efficiency</u>	0	\$108	0	\$23
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OIG requests an increase of \$.023 million to support the Council of Inspectors General for Integrity and Efficiency (CIGIE) for a total funding level of \$131,000. OIG, along with other the Inspectors General, request an amount equivalent to 0.3 percent of their budget to pay for services provided by CIGIE.

<u>Reduced costs within the Working Capital Fund</u>			0	(\$417)
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OIG requests a program decrease of \$.417 million and 0 FTE to take into account program cost decreases for OIG's share of the Department's Working Capital Fund (WCF). A full discussion of all WCF program changes is in the WCF section of the Departmental Management OMB Submission document.

## Performance Indicators

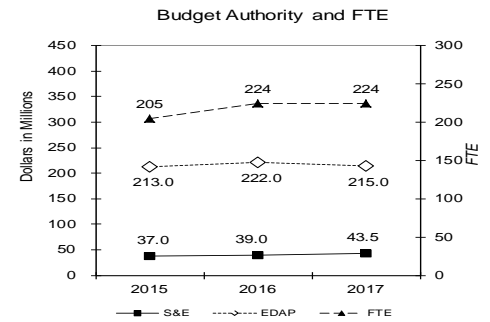
The following table shows the OIG performance indicators and the related Departmental strategic goal and objective. Additional details of these indicators and related funding is at the end of the OIG section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b><u>Goal: Operational Excellence</u></b>				
<b><u>Objective 5.3: Manage for results</u></b>				
% of OIG recommendations accepted by Departmental and bureau management	95%	94%	95%	95%
Dollar value of financial benefits identified by OIG (millions).	\$70	\$86	\$70	\$70
% of investigative cases complete within 365 days	70%	56%	70%	70%

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target

# Economic Development Administration (EDA)

Economic development has changed significantly in the last 50 years, and in order to do its mission effectively, EDA has also adapted to reflect the current needs of the regions and communities it serves. The Department of Commerce and EDA are leading the Administration's efforts to build a more innovation-driven, entrepreneurial economy. EDA's vision is to continue to make investments in communities based on their locally-driven strategies and needs which could include planning, infrastructure or other investments that might spur local innovation and entrepreneurship. In addition, EDA envisions leading the national economic development agenda by integrating and focusing federal economic development resources to support the private sector in creating high growth, globally competitive regions of innovation thus improving the return on federal investment.



EDA works directly with local economic development officials to support their bottom up, regionally-owned economic development initiatives. Linking EDA's investments to a community's strategic economic development plan enables the federal government to better leverage public and private sector investments to achieve economic development goals. The way in which EDA can have such a dramatic impact all across the country, even with constrained resources, is through its Comprehensive Economic Development Strategy requirements. Economic development planning through the Comprehensive Economic Development Strategies (CEDS) is not only a cornerstone of EDA's programs, but successfully serves as a means to engage the community and region in building the regional capacity to ultimately create an environment for regional economic prosperity.

EDA's FY 2017 budget reflects our priority of empowering regions to develop their own plans that will transform their communities into globally competitive regions and ultimately improve the quality of life for their residents. Over the last several years, federal agencies have worked more effectively and efficiently to break down silos through joint funding opportunities and other cross-agency initiatives. As a result, we have learned that integrating resources more effectively meets the complex needs of regions suffering from economic distress. The outcome for communities and taxpayers is a better use of grant funds allowing communities to address what are typically multiple causes of economic distress, such as, poor or no planning, an unskilled workforce, uncompetitive businesses, or lack of business-enabling infrastructure.

EDA's budget request allows the agency to continue its efforts of integrating economic development planning and implementation across the federal government. The bureau is already evolving into the government's premiere resource for communities engaged in regional planning. The EDA is in the process of hiring additional staff to increase its capacity to support the bottom-up efforts of the communities it serves. These additional resources will result in stronger plans, faster project implementation, better information and understanding of economic assets, and ultimately more competitive regions with more jobs and economic growth.

EDA will continue its central role in coordinating the Partnerships for Workforce and Economic Revitalization (POWER) Initiative, an interagency initiative to target assistance through competitively awarded grants to partnerships anchored in communities impacted by changes in the and coal economy. These funds will help communities to: diversify their economies; create good jobs in existing or new industries; attract new sources of job-creating investment; and provide reemployment services and job training to dislocated workers in order to connect them to high-quality, in-demand jobs.

Building EDA's capacity for greater innovation and prosperity in the American economy cannot be fully assumed by the private sector due to the required long-term capital investments. Thus, strong, place-based economic development that results in sustained productivity requires risk-sharing between the public and private sectors because the level of risk needed to build resilient, globally-competitive regional economies cannot be assumed solely by either the public or private sectors. Public funding is necessary to invest capital in a strategic way in the ecosystem to catalyze private investment, leverage state and local development funds, and facilitate the reorientation of regional economies toward productive investments in the ecosystem. EDA invests in partnerships with local communities to build strategic economic development assets that support long-term growth and competitiveness. These partnerships have a clear focus: catalyze private investment; leverage resources to support the establishment and growth of globally competitive businesses; as well as strengthen innovation, manufacturing supply chains, build a skilled workforce, increase exports, and facilitate foreign direct investment.

In support of these goals, the EDA FY 2017 budget requests program increases to provide communities and businesses the tools and data necessary to foster the sustainable competitiveness of their regions in the 21st Century economy.

## Summary of Appropriations

<u>Appropriation</u>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$34,566	\$39,000	\$43,454	\$4,454
EDAP	238,338	222,000	215,000	(7,000)
<b>Total Appropriation</b>	<b>272,904</b>	<b>261,000</b>	<b>258,454</b>	<b>(2,546)</b>
<b>TOTAL, BUDGET AUTHORITY</b>	<b>272,904</b>	<b>261,000</b>	<b>258,454</b>	<b>(2,546)</b>
<b><u>FTE</u></b>				
Salaries and Expenses	205	224	224	0
Reimbursable	1	1	1	0
<b>Total</b>	<b>206</b>	<b>225</b>	<b>225</b>	<b>0</b>

## 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>
<b>2016 Enacted</b>			224	\$39,000
<b>Adjustments to Base</b>				
2016 Pay raise		\$100		
2017 Pay raise		304		
Full year cost in 2017 of positions financed part-year in 2016		1,400		
Civil Service Retirement System (CSRS)		(33)		
Federal Employees' Retirement System (FERS)		79		
Thrift Savings Plan		10		
Federal Insurance Contributions Act (FICA) - OASDI		54		
Health insurance		24		
Employees' Compensation Fund		(25)		
Compensable Day		(97)		
Travel and transportation of persons		8		
Rent payments to GSA		78		
Printing and Reproduction		1		
HCHB Electricity		3		
NARA		(68)		
Other services				
Working Capital Fund		(92)		
General Pricing Level Adjustment:				
Rental payments to others		4		
Other services		38		
Supplies and materials		2		
Equipment		11		
Federal Protective Services		3		
Subtotal, other changes	0	1,804		
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>1,804</b>
<b>2017 Base</b>			<b>224</b>	<b>40,804</b>
Program Changes			0	2,650
<b>2017 APPROPRIATION</b>			<b>224</b>	<b>43,454</b>

## Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Salaries and Expenses	224	\$39,000	224	\$40,804	224	\$43,454	0	\$2,650
<b>TOTAL DIRECT OBLIGATIONS</b>	224	39,000	224	40,804	224	43,454	0	2,650
REIMBURSABLE OBLIGATIONS	1	950	1	950	1	950	0	0
<b>TOTAL OBLIGATIONS</b>	225	39,950	225	41,754	225	44,404	0	2,650
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		0						
Unobligated balance, start of year (Reimb)		0						
Offsetting collections from:								
Federal funds	(1)	(950)			(1)	(950)		
Subtotal, financing	(1)	(950)			(1)	(950)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	224	39,000			224	43,454		

## Highlights of Program Changes

<b>Inflationary Adjustments</b>	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
	205	\$37,000		+\$1,804

EDA's adjustments-to-base (ATBs) in FY 2017 totals \$1.8 million to fund inflationary costs for commodities and price increases for rent. The ATB increase includes the 2016 pay raise of 1.3 percent, the 2017 pay raise of 1.6 percent, and inflation of employee benefits. Non-labor activities that require inflationary increases include areas such as rent, utilities, contracts and security.

<b>Salaries and Expenses</b>	224	\$43,454	0	+\$2,650
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EDA proposes a program increase of \$2.7 million for a total of \$43.5 million and 224 FTE for the Salaries and Expense Program. This funding level supports the additional staff hired in FY 2016 to increase EDAs capacity to support the bottom-up efforts of the communities it serves and EDA's role as the key integrator of Federal economic assistance grants.

The increase provides an additional \$1.0 million for travel to provide an increased Economic Development Representative (EDR) presence in the 50 states and 8 territories with 75 Economic Development Representatives and Specialist who provide education and technical assistance to the 385 economic development districts (EDD). This allows additional communities to be served with individualized assistance and result in improved planning and consultative services. The increase in travel also supports an increase to EDA's capacity to coordinate the integration of economic development grants across Federal agencies.

The remaining \$1.3 million supports the Administration's vision for EDA to lead the national economic development agenda by integrating and focusing federal economic development resources to:

1. Support the private sector in creating high growth, globally competitive regions of innovation and prosperity.
2. Achieve improved return on federal investment.
3. Achieve better outcomes for regions and communities.

These resources address contract support, functional needs, data and analytic requirements as well as software procurement to manage the integration of multi-agency program information. These items are required to support the integration of multi-agency program information that includes eligibility, reporting and performance. With these additional resources EDA will increase its capacity to work more closely with communities and economic development stakeholders

to not only plan better, but create stronger economic growth strategies by increasing their understanding of their own competitive assets as well as identifying ways to integrate resources from multiple sources to address the full range of community needs.

## Appropriation: Economic Development Assistance Programs

### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Enacted</b>	0	\$222,000
<b>2017 Base</b>	0	222,000
Program Changes		(7,000)
<b>2017 Appropriation</b>	0	215,000

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Public Works	0	\$109,000	0	\$109,000	0	\$90,000	0	(\$19,000)
Partnership Planning	0	33,000	0	33,000	0	35,000	0	2,000
Technical Assistance	0	10,500	0	10,500	0	12,000	0	1,500
Research and Evaluation	0	1,500	0	1,500	0	3,000	0	1,500
Trade Adjustment Assistance	0	13,000	0	13,000	0	10,000	0	(3,000)
Economic Adjustment Assistance	0	55,000	0	55,000	0	56,000	0	1,000
Assistance to Coal Communities	0	19,637	0	19,637	0	0	0	(19,637)
Sec. 26 Innovative Manufacturing Loan Guarantees	0	200	0	200	0	5,500	0	5,300
Sec. 27 Regional Innovation Strategies & Science Parks Loan Guarantees	0	25,000	0	25,000	0	20,000	0	(5,000)
Prior Year Disaster Supplementals (Category B)	0	13,159	0	13,159	0	2,898	0	(10,261)
<b>TOTAL DIRECT OBLIGATIONS</b>	0	279,996	0	279,996	0	234,398	0	(45,598)
REIMBURSABLE OBLIGATIONS		0				0		
<b>TOTAL OBLIGATIONS</b>	0	279,996			0	234,398		
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		(49,194)				(3,198)		
Unobligated balance, end of year (Direct)		3,198				545		
Recoveries of prior year obligations		(30,000)				(30,000)		
Unobligated balance, not apportioned		18,000				13,255		
Rescission		(10,000)				0		
Subtotal, financing	0	(67,996)			0	(19,398)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	0	212,000			0	215,000		

## Summary of Changes

<u>Appropriation</u>	<u>2017 Base</u>	<u>Increase (Decrease)</u>	<u>2017 Estimate</u>
<b>EDAP</b>			
Public Works	\$100,000	(\$15,000)	\$85,000
Partnership Planning	32,000	3,000	35,000
Technical Assistance	10,500	1,500	12,000
Research and Evaluation	1,500	1,500	3,000
Trade Adjustment Assistance	13,000	(3,000)	10,000
Economic Adjustment Assistance	35,000	15,000	50,000
Assistance to Coal Communities	15,000	(15,000)	0
Sec. 26 Innovative Manufacturing Loan Guarantees	0	0	0
Sec. 27 Regional Innovation Strategies	15,000	5,000	20,000
<b>Total Appropriation</b>	<b>222,000</b>	<b>(7,000)</b>	<b>215,000</b>

## Highlights of Program Changes

<u>Public Works</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
	0	\$100,000	0	-\$15,000

EDA requests a reduction of \$15.0 million in funding for the Public Works Program so that scarce funding resources can also be allocated across the range EDA grant programs to provide a diverse set of options for promoting innovation and economic development. 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 both the hard and soft infrastructure 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, when coupled with soft infrastructure such as sound economic development strategic planning and network building, help distressed communities become more competitive in the global marketplace.

<u>Partnership Planning</u>	0	\$32,000	0	+\$3,000
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EDA requests an increase of \$3.0 million above the FY 2016 Enacted level, for a total of \$35.0 million for the Partnership Planning Program. This increase provides funds for EDDs to conduct a one-time refresh of community's Comprehensive Economic Development Strategies (CEDs), reducing the time to develop from 5 years to 4 years, as well as incorporate important new elements of EDA's new CEDs guidelines such as economic resiliency and the integration of other Federal, state and local resources into their plans. After the new cycle is established, no additional resources will be needed to maintain the new 4-year cycle.

EDA's Partnership Planning Program helps support local organizations (EDDs, Indian Tribes, and other eligible recipients) with their long-term planning efforts and their outreach to the economic development community. These local organizations communicate EDA's program and policies, and provide technical assistance to economically distressed communities.

<u>Technical Assistance</u>	0	\$10,500	0	+\$1,500
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EDA requests an increase of \$1.5 million to the FY 2016 enacted level, for a total of \$12.0 million for the Technical Assistance Program. The funds will be used to support local and regional Technical Assistance project grants. These investments help economically distressed communities look beyond their current, and sometimes obsolete, industrial base to new opportunities that could lead to higher-skill, higher-wage employers. There remains a high demand for these projects as regions recover from the economic downturn of a few years ago.

The Technical Assistance program oversees three technical assistance sub-programs (the University Center program, Local Technical Assistance, and National Technical Assistance) that promote economic development and alleviate unemployment, underemployment and out-migration in distressed regions. These programs provide funds to invest in institutions of higher education to establish and operate University Centers to provide technical assistance to public and private sector organizations with the goal of enhancing local economic development; support innovative approaches to stimulate economic development in distressed regions; disseminate information and studies of economic development issues of national significance; and, finance local feasibility studies, planning efforts and other projects leading to local economic development.

	<u>FTE</u>	<u>Base Amount</u>	<u>Increase / Decrease FTE</u>	<u>Amount</u>
<b><u>Research and Evaluation</u></b>	0	\$1,500	0	+\$1,500

For FY 2017, EDA requests an increase of \$1.5 million from the FY 2016 enacted level, for a total of \$3.0 million. The increased funds will be used to support additional regional Research and Evaluation project grants. EDA has recently completed a multi-year research design study to identify important new activity and performance data that should be collected from grantees and their beneficiaries. As a result of this ground breaking work, using logic models to identify how federal resources translate into economic growth, prosperity and increased quality of life, EDA is positioned to take the next step by increasing the number of research studies it undertakes, collecting more data and information, and reporting on program results to all stakeholders. These investments will help the EDA target assistance to economically distressed communities even more effectively and increase positive outcomes from all Federal economic development investments.

<b><u>Trade Adjustment Assistance</u></b>	0	\$13,000	0	-\$3,000
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EDA requests a decrease of \$3.0 million from the FY 2016 enacted level, for a total of \$10.0 million for the Trade Adjustment Assistance for Firms program. This decrease takes advantage of a program restructuring which will achieve savings within the program. EDA completed its review of the TAAF program to determine the best strategies for implementing operational efficiencies which could potentially be made to enhance the economic benefits afforded by the program. This decrease takes advantage of those efficiencies and a program restructuring which will achieve savings within the program. The TAA for Firms programs provides direct technical assistance to firms negatively impacted by global trade.

<b><u>Economic Adjustment Assistance</u></b>	0	\$35,000	0	+\$15,000
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For FY 2017, EDA requests an increase of \$15.0 million from the FY 2016 enacted level, for a total of \$50.0 million. As EDA's most flexible program, EAA is well positioned to implement the place-based activities necessary to help realize bottom-up strategies to catalyze regional economic development and prosperity. EAA provides EDA with the ability to quickly and proactively intervene to assist communities experiencing or anticipating economic dislocations to plan and implement solutions that access their regional economic advantages, creating innovative solutions.

EAA's unique mechanisms provide a streamlined process that reduces grantees' administrative burdens because EDA can fund a planning or feasibility study, and the implementation or construction with only one application. EAA is EDA's most flexible economic development tool, providing ready access to appropriate funding for everything from disaster recovery to business accelerators and incubators.

EAA continues to be an integral part of EDA's portfolio. The Bureau's FY 2017 budget request is designed to provide the most effective mix of investments to respond to the needs of distressed communities.

<b><u>Assistance To Coal Communities</u></b>	0	\$15,000	0	\$-15,000
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EDA does not request funding in FY 2017 for the Assistance to Coal Communities. The President's budget provides funding across EDAP programs that is balanced to communities' requests and gives EDA the ability to respond to the needs of any segment of the economy as they are identified. EDA can provide its full range of services, including Public Works and Economic Adjustment Assistance grants to assist coal communities. Therefore, EDA does not require a separate program line item (Assistance to Coal Communities) to benefit coal communities, and has a strong record of successfully providing public works grants and other assistance in previous years to coal communities from its EAA program.

<b><u>Section 26 Innovative Manufacturing Loan Guarantees</u></b>	0	\$0	0	\$0
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EDA does not request funding in FY 2017 for the Innovative Manufacturing Loans/Section 26 Program. EDA will fund its first innovative manufacturing loan guarantees in FY 2017 using funds previously appropriated for this program. Additional funding is not needed for FY 2017.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Section 27 Regional Innovation Strategies</b>	0	\$15,000	0	\$5,000

For FY 2017, EDA requests a \$5.0 million increase to the FY 2016 enacted level for a total of \$20.0 million for the Regional Innovation Program. EDA will build on the RIS Program's previous successes through the fourth annual RIS competition to promote and strengthen regional innovation clusters and to foster innovation-based regional economies. Furthermore, EDA will build on new programs that it is developing and piloting in FY 2016, such as a broadening of the RIS Program through additional competitions to fund novel efforts that support innovation clusters and facilitate the transfer of knowledge and technologies from Labs to private industry for commercialization. These efforts are complementary to EDA's historic work fostering place-based investments that spur job creation through its EDAP programs and are a key component of a balanced portfolio of diverse services that EDA utilizes to nimbly respond to various regional needs facing communities across the nation.

## Appropriation: Lab-to-Market

### Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>	0	\$0
<b>2017 Base</b>	0	0
Program Changes		50,000
<b>2017 Mandatory Appropriation</b>	0	50,000

### Comparison by Activity

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
Lab-to-Market Program	0	\$0	0	\$0	0	\$50,000	0	\$50,000
<b>TOTAL DIRECT OBLIGATIONS</b>	0	0	0	0	0	50,000	0	50,000
REIMBURSABLE OBLIGATIONS		0				0		
<b>TOTAL OBLIGATIONS</b>	0	0			0	50,000		
<b>FINANCING</b>								
Recoveries of prior year obligations								
Unobligated balance, not apportioned								
Subtotal, financing								
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	0	0			0	50,000		

### Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Lab-to-Market</b>	0	\$0	0	+\$50,000

In addition to the discretionary funding request, the Administration proposes \$50.0 million in mandatory funds to accelerate the transfer of federally-funded research from the laboratory to the commercial marketplace (Lab-to-Market).



The Federal Government's investment in R&D has produced extraordinary long-term economic impact over the decades through the creation of new knowledge, new jobs, and new industries. This investment supports fundamental research that expands the frontiers of human knowledge, and yields extraordinary long-term economic impact through the creation of new knowledge and ultimately new industries – often in unexpected ways. At the same time, some research discoveries show immediate potential for commercial products and services, and the President is committed to accelerating these promising technologies from the laboratory to the marketplace, based on closer collaboration with industry.

EDA looks forward to working together with university and industry communities to advance the President's Lab-to-Market agenda.

### Performance Indicators

The following table shows the EDA performance Indicators and the related Departmental strategic goals and objectives. Additional details of these indicators and related funding is at the end of the EDA section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b>Goal: Trade and Investment</b>				
<b><u>Objective 1.2: Increase U.S. exports</u></b>				
Number of grants that support place-based export strategies	59	48	43	43
Dollar amount of grants that support place-based export strategies (millions)	\$53.4	\$65.8	\$59.2	\$59.2
<b><u>Objective 1.3: Increase high-impact inward foreign direct investment into the United States</u></b>				
Recipient-estimated number of jobs generated as a result of grants that support inward investment	4,516	7,566	6,908	6,908
Recipient-estimated dollar amount of private investment generated as a result of grants that support inward investment	2,600	1,264	1,100	1,100
<b>Goal: Innovation</b>				
<b><u>Objective 2.3: Catalyze innovation ecosystems</u></b>				
Number of grants that support innovation-based capacity-building activities	169	192	173	173
Dollar amount of grants that support innovation-based capacity-building activities	101.2	119.5	107.6	107.6
Number of jobs generated as a result of infrastructure for industry-driven skills training	2,588	9,802	8,822	8,822
Dollar amount of private investment generated as a result of infrastructure for industry-driven skills training	484.9	593.0	534.1	534.1
<b>Goal: Environment</b>				
<b><u>Objective 3.3: Strengthen the resiliency of communities and regions</u></b>				
Number of grants that support resiliency in communities and regions	97	213	192	192
Dollar amount of grants that support resiliency in communities and regions	47.4	63.7	57.4	57.4

	2015		2016	2017
	Target	Actual	Target	Target
<b>The following indicators support Goals 1, 2 and 3, and Objectives 1.2, 1.3, 2.1, 2.3, and 3.3.</b>				
Private sector dollars invested in distressed communities as a result of EDA investments	\$210M from FY 2012 funding	\$2,075	\$156 M from FY 2013 funding	\$176 M from FY 2014 funding
	\$1,093M from FY 2009 funding	\$1,281	\$652 M from FY 2010 funding	\$561 M from FY 2011 funding
	\$1,324M from FY 2006 funding	\$3,711	\$1,293 M from FY 2007 funding	\$1,223 M from FY 2008 funding
Jobs created or retained in distressed communities as a result of EDA investments	4,939 from FY 2012 funding	12,151	3,633 from FY 2013 funding	4,037 from FY 2014 funding
	27,958 from FY 2009 funding	13,486	15,834 from FY 2010 funding	13,392 from FY 2011 funding
	35,097 from FY 2006 funding	57,907	33,141 from FY 2007 funding	31,280 from FY 2008 funding
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	95%	84%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	89%	85%	89%	89%
% of University Center (UC) clients taking action as a result of University Center assistance	75%	79%	75%	75%
% of those actions taken by UC clients that achieve the expected results	83%	82%	83%	83%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	90%	69%	90%	90%
% of those actions taken by TAAC clients that achieved the expected results	95%	99%	95%	95%

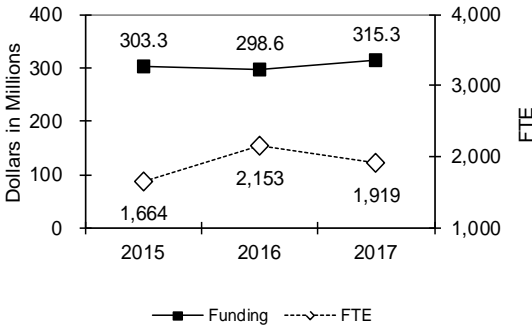
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# Bureau of the Census

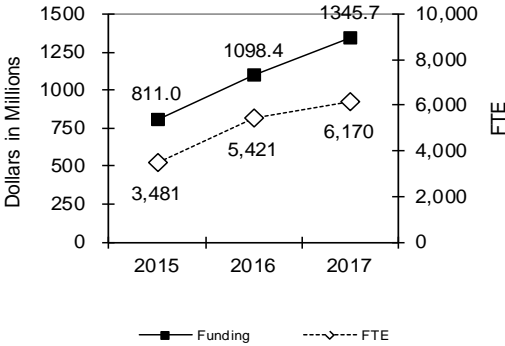
The mission of the Bureau of the Census (Census), within the Economics and Statistics Administration, is to serve as the leading source of quality data about the Nation's people and economy. To accomplish this mission, Census measures and disseminates information about the Nation's dynamic economy, society,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

A critical priority in the Fiscal Year (FY) 2017 budget is the 2020 Census. The 2020 Census is designed to cost less per housing unit than the 2010 Census (when adjusted for inflation), while continuing to maintain the highest standards of accuracy amongst all population groups. The Census Bureau plans to achieve this by conducting the most automated, modern, and dynamic decennial census in history. The 2020 Census includes sweeping design changes in four key areas, including new methodologies to conduct address canvassing, innovative ways of optimizing self-response, the use of administrative records to reduce the nonresponse follow up workload, and the use of technology to replace tasks traditionally conducted by humans during field operations. Said otherwise, the goal is to achieve dramatic cost savings by: adding new addresses to the Census Bureau's address frame using geographic information systems and aerial imagery instead of sending Census employees to walk and physically check 11 million census blocks; encouraging the population to respond to the 2020 Census using the Internet; using data the public has already provided to the government to reduce the number of non-responding households; and using sophisticated operational control systems to determine the routing and frequency by which Census employees conduct follow-up with non-responding housing units and to track daily progress. The Census Bureau estimates that conducting a 2020 Census that includes these major cost-saving innovations has the potential to save approximately \$5.2 billion compared to repeating the 2010 design in the 2020 Census.

Current Surveys and Programs  
Budget Authority and FTE



Periodic Censuses and Programs  
Budget Authority and FTE



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A key piece of enabling technology that underpins the 2020 Census is the Census Enterprise Data Collection and Process (CEDCaP) program. With CEDCaP, we are creating an integrated and standardized suite of systems that offers shared data collection and processing services across the enterprise. These will not be one time-use solutions. We will consolidate costs by retiring unique, survey-specific systems and redundant capabilities. The enterprise solution will be mature and proven for the 2020 Census, becoming a permanent enterprise data collection and processing environment at an estimated cost lower than the cost of 2010 Census systems alone. CEDCaP works in concert with the 2020 Census program, which funds several of the systems that, combined, move the Census Bureau toward common enterprise solutions for data collection and processing functions.

In keeping with the Federal Digital Strategy, the Census Bureau has set a goal to unlock the potential of our data and products to better meet the needs of our users. This budget request includes funding across the enterprise that would create new products enabling users such as businesses, policy makers, and the American public to make better data-driven decisions based on credible statistics, easy-to-use tools, and standardized data elements. Broad dissemination of our economic, demographic, and housing data, and the analysis that comes with those releases, fuels the world's largest economy; helps local planners project future needs for public services; measures and helps assess the performance of government programs; and empowers individuals to innovate, create jobs, and launch new enterprises. Keeping pace with increasing customer demands driven by technological innovation is important to our mission of disseminating data that helps measure our country's progress, maintains oversight of government, and enables innovation that strengthens our economy. To accomplish these goals, the Census Bureau has embarked upon a multiyear, innovative effort to transform and expand the dissemination of Census content. It empowers data users to find, to access, to connect, and to use data in ways that better their lives and communities, and it stimulates economic invention and growth. Such a comprehensive transformation requires leadership and insight to achieve an efficient yet impactful outcome. The changes touch nearly every office and branch across headquarters and in the regions. To

manage this effort, we are forming a new, collaborative Center of Dissemination Services and Consumer Innovation (CEDSCI) with representation from across multiple directorates.

The President's FY 2017 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 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 and produces population estimates between decennial censuses.

The Census Bureau is funded through the following appropriations:

The **Current Surveys and Programs** 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; and the Geographic Support program, which provides the address lists, geospatial data products, and processing systems that support the geographic requirements of all Census Bureau programs, as well as local governments and businesses that use Census Bureau Geographic data. All of these programs are a valuable resource for both Federal and local decision-makers. Finally, the Enterprise Data Collection and Dissemination Systems program provides critical infrastructure to Census Bureau surveys and censuses.

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 reauthorized by the Children's Health Insurance Program Reauthorization Act of 2009 (P.L. 111-3).

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 2015 appropriations bill changed the funding for this program to a one-time transfer of funds from the Contingency Fund of State Welfare Programs established under section 403(b) of the Social Security Act (43 U.S.C. 603 (b)). This transfer was repeated in FY 2016. The FY 2017 Budget continues funding the SPD in 2017 through this transfer of funds from the Contingency Fund.

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

	2015	2016	2017	Increase
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
<b><u>Discretionary Appropriations</u></b>				
Current Surveys and Programs	\$272,842	\$270,000	\$285,287	\$15,287
Periodic Censuses and Programs	815,158	1,100,000	1,348,319	248,319
<b>Total Discretionary Appropriation</b>	<b>1,088,000</b>	<b>1,370,000</b>	<b>1,633,606</b>	<b>263,606</b>
<b><u>Permanent Appropriation</u></b>				
Survey of Program Dynamics	0	0	0	0
State Children's Health Insurance Program	20,000	20,000	20,000	0
Transfers to CS&P from Other Accounts	2,600	0	0	0
Transfers to Mandatory from Other Accounts	10,000	10,000	10,000	0
Sequestration from Mandatory	(2,190)	(1,360)	0	1,360
Transfers from PC&P to Other Accounts	(4,151)	(1,551)	(2,580)	(1,029)
Transfers to PC&P from Other Accounts		0	0	0
<b><u>Budget Authority</u></b>				
Current Surveys and Programs	303,252	298,640	315,287	16,647
Periodic Censuses and Programs	811,007	1,098,449	1,345,739	247,290
<b>TOTAL BUDGET AUTHORITY</b>	<b>1,114,259</b>	<b>1,397,089</b>	<b>1,661,026</b>	<b>263,937</b>
<b><u>FTE</u></b>				
Current Surveys and Programs	1,493	1,838	1,604	(234)
Periodic Censuses and Programs	3,481	5,421	6,170	749
<b>Total Discretionary FTE</b>	<b>4,974</b>	<b>7,259</b>	<b>7,774</b>	<b>515</b>
Mandatory	171	315	315	0
Working Capital Fund	3,868	3,006	3,603	597
<b>Total FTE</b>	<b>9,013</b>	<b>10,580</b>	<b>11,692</b>	<b>1,112</b>

\*FTE estimates are impacted by a realignment of overhead charges among PPAs for FY 2017 .

## Highlights of Budget Changes

### Appropriation: Current Surveys and Programs

#### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>			1,838	\$270,000
<b>Adjustment</b>				
Base realignment for Census Bureau Working Capital Fund rate restructure			(302)	(916)
<b><u>Other Changes</u></b>				
2016 Pay raise		\$540		
2017 Pay raise		2,285		
Compensable Day		(1,420)		
Civil Service Retirement System (CSRS)		(114)		
Federal Employees' Retirement System (FERS)		549		
Thrift Savings Plan		444		
Federal Insurance Contributions Act (FICA) - OASDI		281		
Health insurance		173		
Federal Employee Health Benefit Expansion				
Employees' Compensation Fund		(154)		
Travel - Per Diem		10		
Travel - Mileage		44		
Rent payments to GSA		321		
Postage		23		
Printing and reproduction		7		
NARA		(406)		
Other services:				
Working Capital Fund		1,083		
Commerce Business System		(619)		
General Pricing Level Adjustment:				
Transportation of things		4		
Rental payments to others		11		
Communications, utilities, and misc. charges		21		
Other services		640		
Supplies and materials		21		
Equipment		39		
Subtotal, other cost changes			0	3,783
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>(302)</b>	<b>2,867</b>
<b>2017 Base</b>			<b>1,536</b>	<b>272,867</b>
Transfer from other accounts				0
Program Changes			68	12,420
<b>2017 APPROPRIATION</b>			<b>1,604</b>	<b>285,287</b>

## Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Current surveys and statistics								
Current economic statistics	1,224	\$184,209	1,099	\$183,035	1,167	\$194,721	68	\$11,686
Current demographic statistics	614	85,791	437	89,832	437	90,566	0	734
Subtotal, Discretionary Obligations	1,838	270,000	1,536	272,867	1,604	285,287	68	12,420
Survey of Program Dynamics	61	10,000	61	10,000	61	10,000		
State Children's Health Insurance Program	254	18,640	254	20,000	254	20,000	0	0
<b>TOTAL DIRECT OBLIGATIONS</b>	2,153	298,640	1,851	302,867	1,919	315,287	68	12,420
<b>FINANCING</b>								
Unobligated balance start of year, SCHIP								
Sequestration		1,360						
Less Permanent Appropriation	(315)	(30,000)			(315)	(30,000)		
<b>TOTAL DISCRETIONARY BUDGET AUTHORITY</b>	1,838	270,000			1,604	285,287		
Transfer from other account								
<b>TOTAL APPROPRIATION</b>	1,838	270,000			1,604	285,287		

\*FTE estimates are impacted by a realignment of overhead charges among PPAs for FY 2017 .

## Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b>Current Economic Statistics</b>	1,099	\$183,035	+68	+\$11,686
<b>Accelerating and Improving the Quality of Economic Indicators Statistics</b>			+22	+\$3,328

The increasing complexity and dynamic structure of the U.S. economy make it increasingly important that policy makers, business leaders, and "Main Street America" have the most accurate and timely economic information possible. The Census Bureau is proposing a joint initiative with the Bureau of Economic Analysis (BEA) that will increase the accuracy and timeliness of a substantial number of key economic indicators, leading to a more precise measure of Gross Domestic Product (GDP). If implemented, the elements of this proposal have far-reaching implications for informing business and policy decisions. The result will be a full suite of enhanced macroeconomic indicators, delivered to our end users more quickly and with more precision, to drive decisions on investment, economic growth, and job creation.

<b>Modernizing Economic Statistics</b>			+46	+\$8,358
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The world that the Census Bureau is measuring continues to change rapidly while expectations grow from decision makers and stakeholders who demand more timely and detailed information about our economy. Our customers require more frequent data with greater geographic granularity to make informed decisions that grow our economy and create jobs. This initiative will enable the Census Bureau to leverage and accelerate path-breaking methodological work to pilot several specific program enhancements using big data. We will expand fundamental methodological research on constructing economic estimates from non-survey data and continue to identify and evaluate additional potential alternative data sources to augment or replace direct collection and measurement through surveys, and research and develop advanced statistical methods to integrate big data with survey data and official statistics, including Gross Domestic Product.

<b>Current Demographic Statistics</b>	437	\$89,832	+0	+\$734
<b>Assessment of the Health Insurance Questions on the Current Population Survey</b>			+0	+\$734

The Census Bureau will conduct a detailed analysis of the data collected by the two versions of health insurance questions in the Current Population Survey, using data collected in FY 2015 and FY 2016.

## Appropriation: Periodic Censuses and Programs

### Summary of Requirements

	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>			5,421	\$1,100,000
<b><u>Transfer</u></b>				
To OIG				(1,551)
<b><u>Adjustment</u></b>				
Base realignment for Census Bureau Working Capital Fund rate restructure			(134)	916
<b><u>Other Changes</u></b>				
2016 Pay raise		\$1,151		
2017 Pay raise		5,153		
Full year cost in 2017 of positions financed for part-tear in 2016	8	958		
Change in Compensable Days		(3,248)		
Civil Service Retirement System (CSRS)		(246)		
Federal Employees' Retirement System (FERS)		1,184		
Thrift Savings Plan		957		
Federal Insurance Contributions Act (FICA) - OASDI		638		
Health insurance		531		
Federal Employee Health Benefit Expansion				
Employees' Compensation Fund		(385)		
Travel - Per Diem		31		
Travel - Mileage		472		
Rent payments to GSA		891		
Postage		290		
Printing and reproduction		95		
NARA				
Other services:				
Working Capital Fund		1,473		
General Pricing Level Adjustment:				
Transportation of things		19		
Rental payments to others		22		
Communications, utilities, and misc. charges		110		
Other services		8,698		
Supplies and materials		61		
Equipment		485		
Subtotal, other cost changes			8	19,340
<b>TOTAL, ADJUSTMENTS TO BASE</b>			(126)	20,256
<b>2017 Base</b>			5,295	1,118,705
Program Changes			875	227,034
Transfer to OIG				2,580
<b>2017 APPROPRIATION</b>			6,170	1,348,319



**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Economic statistics programs:								
Economic censuses	599	\$127,387	598	\$125,557	641	\$127,262	43	\$1,705
Census of governments	56	9,184	57	8,863	58	12,289	1	3,426
Subtotal, Economic statistics	655	136,571	655	134,420	699	139,551	44	5,131
Demographic statistics programs:								
Intercensal demographics estimates	0	279	0	0	0	0	0	0
2020 decennial census	1,745	607,450	1,618	596,160	2,280	778,290	662	182,130
American community survey	2,405	234,853	2,479	243,441	2,546	251,053	67	7,612
Subtotal, Demographic statistics	4,150	842,582	4,097	839,601	4,826	1,029,343	729	189,742
Demographic surveys sample redesign	0	1,113	0	0	0	0	0	0
Geographic support	387	59,422	286	61,469	374	84,715	88	23,246
Data processing systems	0	523	0	0	0	0	0	0
Enterprise data collection and dissemination systems	229	76,319	257	83,215	271	92,130	14	8,915
<b>TOTAL DIRECT OBLIGATIONS</b>	5,421	1,116,530	5,295	1,118,705	6,170	1,345,739	875	227,034
<b>FINANCING</b>								
Unobligated balance, start of year	0	(18,081)			0	0		
<b>TOTAL BUDGET AUTHORITY</b>	5,421	1,098,449			6,170	1,345,739		
Transfer to OIG		1,551				2,580		
<b>TOTAL APPROPRIATION</b>	5,421	1,100,000			6,170	1,348,319		

\*FTE estimates are impacted by a realignment of overhead charges among PPAs for FY 2017 .

**Highlights of Program Changes**

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b>Decennial Census</b>	4,097	\$839,601	+729	+\$189,742
<b>2020 Census Cyclical Program Change</b>	1,618	\$596,160	+662	+\$182,130

In 2015, the Census Bureau released the 2020 Census Operational Plan, which details decisions supporting a redesigned 2020 Census that has the potential to save approximately \$5.2 billion compared to repeating the 2010 design in the 2020 Census. The Operational Plan represents the roadmap to a 2020 Census designed for the 21st Century - a census that is the most automated, modern, and dynamic decennial census in history. This represents the culmination of a research and testing program that set out to design a census that costs less per housing unit than the 2010 Census (when adjusted for inflation) while maintaining the highest standards of accuracy amongst all population groups. The Census Bureau identified cost drivers and developed new enumeration methods to reduce those costs including:

- improved address validation to avoid walking every street in the nation;
- making responding to the 2020 Census more convenient through the Internet;
- making better use of existing government and commercial information to reduce the need to follow-up with non-responding housing units; and
- making our field operations more efficient through the use of technology and innovative methods to track cases and route census takers.

Having identified the major cost drivers of the census and developed new, innovative methodologies to reengineer census operations, the Census Bureau now turns to implementing the Operational Plan. In FY 2017, the Census Bureau will continue its focus on field-testing a suite of integrated operations that ensure our address list is up to date, encourage

households to respond to the census, and follow up with nonresponding households. These tests include the systems - including the development of supporting infrastructure - to collect and process data for over 120 million housing units and more than 330 million people during the 2020 Census. Development of these interoperable production systems must be largely completed in FY 2017 to be ready for an end-to-end test in 2018. The Census Bureau must finalize methodologies associated with the four key design areas and most of the 34 census operations in preparation for the 2018 test. We will also begin the earliest operations for the 2020 Census in FY 2017 by acquiring space for six regional census centers and beginning the Local Update of Census Addresses operation. Finally, the Census Bureau must, as mandated in Title 13, deliver the 2020 Census topics to Congress by April 1, 2017.

Successfully executing a decennial census requires the integration of multiple IT systems (supporting hiring of temporary personnel, headquarters operations, and in-field operations) with operational plans, methods, and procedures. Without the appropriate preparation, and the requested appropriations supporting these activities, the Census Bureau will be unable to mitigate the risk associated with the sweeping design changes planned for the 2020 Census. In order to minimize the risk, the Census Bureau will have to institute a more conservative approach to the Census that would erode forecasted savings.

To ensure these goals can be met beyond 2017, the Budget also proposes to amend budget law to allow an adjustment to the discretionary spending limits starting in FY 2018 for the cyclical increase in decennial census operations. This adjustment would provide the Census Bureau the funding certainty to confidently invest in cost saving technology that will lower the life cycle cost of the 2020 Census and future decennial censuses, while protecting other discretionary programs as decennial census costs significantly rise late in the decade.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b><u>Enterprise Data Collection and Dissemination Systems</u></b>	257	\$83,215	+14	+\$8,915
<b>Census Enterprise Data Collection and Processing Program Change</b>	132	\$37,618	+14	+\$8,915
<b><u>Periodic Economic Statistics</u></b>	655	\$134,420	+44	+\$5,131
<b><i>Economic Census Cyclical Program Change</i></b>	598	\$125,557	+43	+\$1,705

Fiscal Year 2017 is the third year of the Census Enterprise Data Collection and Processing (CEDCaP) initiative, which will create an integrated and standardized system of systems that will offer shared data collection and processing across all censuses and surveys. Funded jointly by the Enterprise Data Collection and Dissemination Systems and the 2020 Decennial Census programs, CEDCaP will consolidate costs by retiring unique, survey-specific systems and redundant capabilities and bring a much greater portion of the Census Bureau's total IT expenditures under a single, integrated and centrally-managed program. We will also halt the creation of program-specific systems and put in place a solution that will be mature and proven for the 2020 Census. In FY 2017, CEDCaP will deliver into production several capabilities, including enhanced automatic case assignment, real-time field activity monitoring, an electronic correspondence portal to help respondents, and completely refreshed internet and mobile data collection that will support one or both of the 2017 Economic Census and the 2017 Census Test.

The Economic Census is the cornerstone of the United States' system of economic statistics. Its data products provide the foundation for other key measures of economic performance. The Gross Domestic Product (GDP), the National Income and Product Accounts, and practically all major federal government economic statistical series are directly or indirectly dependent on the economic census. Moreover, the census furnishes benchmarks for the Census Bureau's current economic programs and provides critical updates to the Census Bureau's Business Register. Fiscal Year 2017 is the third year of the six-year 2017 Economic Census funding cycle. The focus of activity for FY 2017 includes the continuation of planning for the 2017 Economic Census; and the completion of 2017 Economic Census data collection instruments, respondent tools, mail files, and tracking system. The FY 2017 request supports the four elements of an efficient Economic Census including moving to 100% Internet response, reducing the burden for businesses, automating operations to increase productivity, and improving data products to reflect our ever-changing U.S. economy.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b><u>Periodic Economic Statistics</u></b>	655	\$134,420	+44	+\$5,131
<b><i>Census of Governments Cyclical Program Change</i></b>	57	\$8,863	+1	+\$3,426

Covering over 90,000 state and local government units and sub-agencies, the Census of Governments is the only source of comprehensive and uniformly classified data on the economic activities of state and local governments that are used, in part, in providing information to Congress and Federal agencies for the planning and evaluation of intergovernmental programs. The use of administrative records and central collection methods among the states is the most cost effective way to collect the data. In the 2017 Census of Governments, the Census Bureau has taken strides to improve its methods and techniques so that costs are minimized, field data collection is lessened to the greatest extent possible, and the reporting burden of governments is reduced. Additionally, the 2017 Census of Governments will have expanded the use of state level electronic data collection. Operational efficiencies such as these will allow staff to devote time to developing analytic reports and data dissemination interfaces.

<b><u>Geographic Support</u></b>	286	\$61,469	+88	+\$23,246
<b><i>Geographic Support Systems Program Change</i></b>			+88	+\$23,246

The Geographic Support Services (GSS) program maintains the address, feature, and boundary data that underpin the Census Bureau geographic products and ensure that geographic data in censuses and surveys are up to date. These products are vital to data users, including governmental organizations, businesses, and the public who use Census Bureau data produced at all geographic levels to make resource allocation and investment decisions. The Geographic Support program provides the geographic foundation for nearly every economic and social data product produced by the Census Bureau. The FY 2017 request increases the capacity to evaluate, process, and ingest the data into the MAF/TIGER System and supports fieldwork to improve the address list in rural areas. It also funds the evaluation of address information from commercial and governmental sources for Census Bureau's database; updates to information on Group Quarters addresses; improvements to the address list in Puerto Rico; and research on advanced techniques, like the use of imagery, to detect areas of address change.

<b><u>Decennial Census</u></b>	4,097	\$839,601	+729	+\$189,742
<b><i>American Community Survey Program Change</i></b>	2,479	\$243,441	+67	+\$7,612

The data that the American Community Survey (ACS) collects are critical for communities nationwide – it is the only source of data on employment, education, income and housing costs, veterans, and a host of other topics for rural areas and small populations. Businesses, including such well-known companies as Target, JC Penney, Best Buy, General Motors, Google, and Walgreens, use ACS data for everything from marketing to choosing franchise locations to deciding what products to put on store shelves. Because ACS data are available free of charge to the entire business community, the program helps lower barriers for new business and promotes economic growth. First responders and law enforcement agencies use ACS data during natural disasters and emergencies to assess impacts and prioritize recovery efforts. The requested \$7.6 million increase for the ACS will reduce current and emerging program risk by: (1) enhancing the respondent experience, (2) conducting research on reducing respondent burden, and (3) increasing communications with stakeholders.

# The 2020 Census: A New Design for the Twenty-First Century



## ESTABLISH WHERE TO COUNT

Identify all addresses where people could live

Conduct a 100-percent review and update of the nation's address list

Minimize in-field work with in-office updating

Use multiple data sources to identify areas with address changes

Get local government input



## MOTIVATE PEOPLE TO RESPOND

Conduct a nation-wide communications and partnership campaign

Work with trusted sources to increase participation

Maximize outreach using traditional and new media

Target advertisements to specific audiences



## COUNT THE POPULATION

Collect data from all households, including group and unique living arrangements

Make it easy for people to respond anytime, anywhere

Encourage people to use the online response option

Use the most cost-effective strategy to contact and count nonrespondents

Streamline in-field census-taking

Knock on doors only when necessary



## RELEASE CENSUS RESULTS

Process and provide Census data

Deliver apportionment counts to the President by December 31, 2020

Release counts for redistricting by April 1, 2021

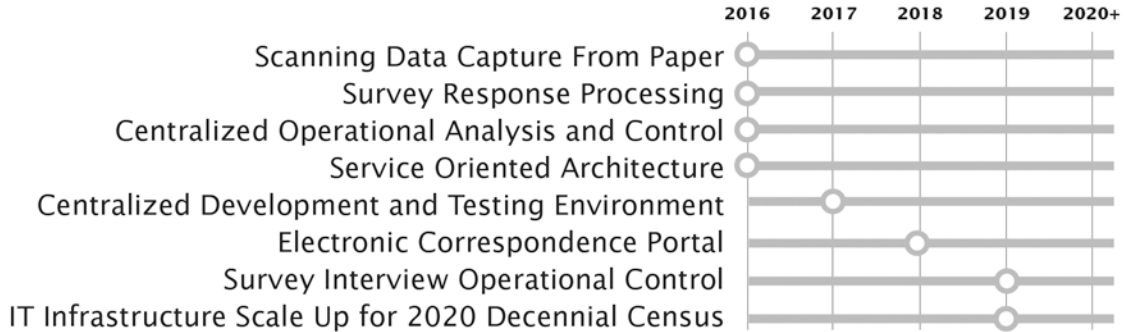
Make it easier for the public to get information

# CEDCaP Timeline

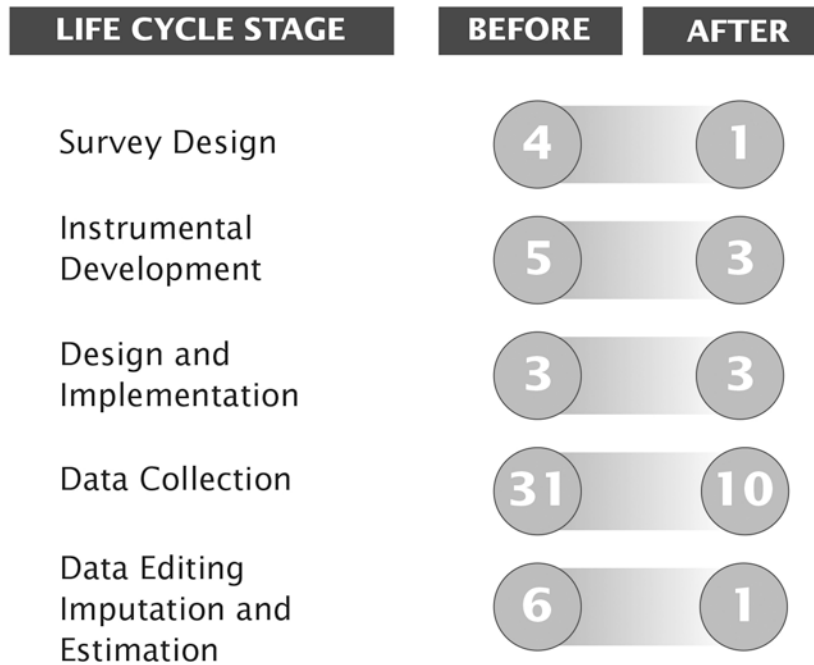
## INITIAL RELEASE IN 2015

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Questionnaire Design &amp; Meta Data</li> <li>2. Address Listing And Mapping</li> </ol> | <ol style="list-style-type: none"> <li>3. Dashboard for Monitoring</li> <li>4. Internet and Mobile Data Collection</li> </ol> |
|---|---|

## COMING SOON:



## SIMPLIFYING DATA SYSTEMS



From dozens of unique systems to a small suite of shared, reusable systems.

## Performance Indicators

The following table below shows the Census performance indicators and its related Departmental strategic goals and objectives. Additional details of these indicators and related funding is at the end of the Census section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b>Goal: Environment</b>				
<b>Objective 3.2: Build a Weather-Ready Nation</b>				
Number of webinars conducted and enhancements to the Census Bureau's on the Map for Emergency Management website	1) Two webinars or training showing emergency and city planners how to navigate OTM-EM; and 2) Two reviews of user feedback on enhancements to OTM-EM	1) Two webinars or training showing emergency and city planners how to navigate OTM-EM conducted; and 2) Two reviews of user feedback on enhancements to OTM-EM conducted	1) Two webinars or training showing emergency and city planners how to navigate OTM-EM; and 2) Two reviews of user feedback on enhancements to OTM-EM	1) Two webinars or training showing emergency and city planners how to navigate OTM-EM; and 2) Two reviews of user feedback on enhancements to OTM-EM
<b>Goal: Data</b>				
<b>Objective 4.3: Create a data-driven government</b>				
Milestones met in increasing the cost efficiency of the 2020 Decennial Census	Preliminary design for key components of the 2020 Census to achieve cost and quality goals	Completed preliminary design for key components of the 2020 Census to achieve cost and quality goals	1) Conduct testing of self-response strategies; 2) Conduct one field test; 3) Prove in approach to field management processes and systems; 4) Select approaches for supporting non-English languages for the 2020 Census; 5) Conduct feasibility test of field operations; 6) Conduct testing of Group Quarters	1) Conduct two field tests; 2) Build a partnership database and begin planning of 2020 Census integrated Communications
Milestones met in developing Census IT enterprise to enhance collection, processing, and dissemination of data			New	1) Release CEDCaP capabilities for the 2017 Economic Census; 2) Release CEDCaP capabilities for the 2017 Census test (Decennial); 3) Release CEDCaP capabilities for the 2018 Address Canvassing End-to-End Test (Decennial)
Percentage of key activities for cyclical census programs completed on time to support effective decision-making by policymakers, businesses and the public	90%	100%	90%	90%
Percentage of key data products for Census Bureau programs released on time to support effective decision-making of policymakers, businesses, and the public	1) 100% of Economic Indicators; 2) 90% of other key surveys	1) 100% of Economic Indicators; 2) 87% of other key surveys	1) 100% of Economic Indicators; 2) 90% of other key surveys	1) 100% of Economic Indicators; 2) 90% of other key surveys

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

## Economic and Statistical Analysis

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.**

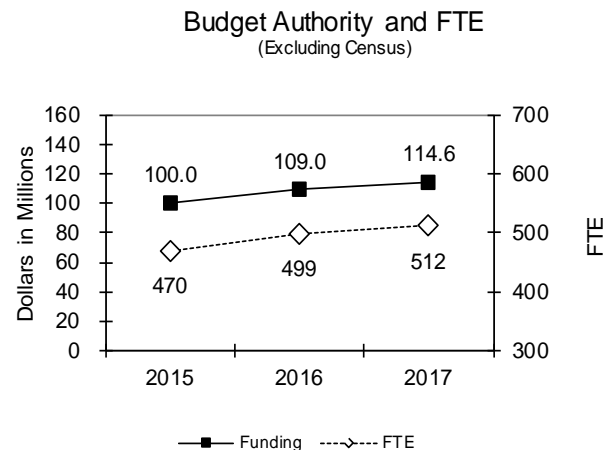
**ESA Headquarters** staff consists of the Office of the Under Secretary for Economic Affairs, economists and policy staff, and support personnel. The Under Secretary for Economic Affairs provides leadership and executive oversight of all ESA activities including BEA and the Census Bureau. ESA's economists 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 2017 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 \$350 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 2017 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 Bureau of the Census** budget is discussed in its own section of the Budget in Brief, as it receives its funding from a separate appropriation.



## Summary of Appropriations

<u>Appropriation</u>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$100,000	\$109,000	\$114,643	\$5,643
<b>TOTAL, BUDGET AUTHORITY</b>	100,000	109,000	114,643	5,643
<b>FTE</b>				
Salaries and Expenses	470	499	512	13
Reimbursable	36	34	34	0
<b>TOTAL</b>	506	533	546	13

## 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>
<b>2016 Enacted</b>			499	\$109,000
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2016 Pay raise		212		
2017 Pay raise		804		
Full-year cost in 2017 of positions financed for part-year in 2016	3	1,058		
Change in compensable days		(511)		
Civil Service Retirement System (CSRS)		(105)		
Federal Employees' Retirement System (FERS)		205		
Thrift Savings Plan		66		
Federal Insurance Contributions Act (FICA) - OASDI		110		
Health insurance		82		
Employees' Compensation Fund		(47)		
Rent payments to GSA		253		
Printing and reproduction		1		
NARA		(23)		
Other services:				
Working Capital Fund		91		
General Pricing Level Adjustments				
Transportation of things		4		
Communications, utilities, and miscellaneous charges		13		
Other services / Rental payments to others		310		
Supplies		25		
Equipment		4		
Subtotal, other cost changes			3	2,552
<b>Total, Adjustments to Base</b>			3	2,552
<b>2017 Base</b>			502	111,552
Program Increases			10	4,854
Program Decreases			0	(1,763)
<b>2017 APPROPRIATION</b>			512	114,643



**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Bureau of Economic Analysis	486	\$110,171	489	\$107,595	499	\$110,686	10	\$3,091
Policy Support	13	3,874	13	3,957	13	3,957	0	0
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>499</b>	<b>114,045</b>	<b>502</b>	<b>111,552</b>	<b>512</b>	<b>114,643</b>	<b>10</b>	<b>3,091</b>
REIMBURSABLE OBLIGATIONS	34	8,806	34	8,125	34	8,125	0	0
<b>TOTAL OBLIGATIONS</b>	<b>533</b>	<b>122,851</b>	<b>536</b>	<b>119,677</b>	<b>546</b>	<b>122,768</b>	<b>10</b>	<b>3,091</b>
<b>FINANCING</b>								
Unobligated Balance, Start of Year		(5,045)						
Offsetting collections from:								
Federal funds	(33)	(8,402)			(33)	(7,714)		
Non-Federal sources	(1)	(404)			(1)	(411)		
Subtotal, financing	(34)	(13,851)			(34)	(8,125)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	<b>499</b>	<b>109,000</b>			<b>512</b>	<b>114,643</b>		

**Highlights of Program Changes**

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b>Bureau of Economic Analysis</b>	489	\$107,595	10	\$3,091
<b>Regional Economic Dashboard</b>	87	19,472	5	+\$2,995

The inability to understand the impact of the Great Recession and its recovery at a geographically granular level highlights the critical need for regional economic data that are richer in detail, particularly at the local area level. While the current suite of regional GDP and income statistics produced by BEA provides insight into the differences in regional economic experiences, recent events have demonstrated the need to push further into this arena. America's six million businesses, 90,000 governments and 143 million households depend on this data to inform a broad range of decisions. The currently available state and metropolitan area statistics are good for many purposes but still lack the level of detail needed to target resources to specific locations to maximize economic benefit and speed development. Expanding the level of detail at the lowest levels of aggregation is the best next step. Often, the counties most in need of targeted investment fall outside of metropolitan areas and thus are only reflected in broader aggregates, such as GDP by state.

For decision makers at the federal, state and local, more detailed county-level data would benefit resource allocation. In times of economic distress, these new detailed statistics would help policy makers better target where, when and for how long to focus scarce resources. And in times of recovery, the new information on the health of county economies would help provide a mechanism for monitoring the success of governmental and technical assistance programs. Moreover, regional economic data is an essential tool for local governments competing for foreign direct investment, and improving that tool kit remains a top priority.

For an increase of \$3.0 million BEA will expand the scope of geographic detail in data illustrating economic growth and BEA will provide the new detailed information in an innovative and interactive format that is straightforward for users to manipulate, interpret, and incorporate into their decision-making processes. This initiative proposes to improve services to businesses, households, and government by creating a new Regional Economic Dashboard featuring an array of new and improved local area statistics, including new GDP by County data that will include selected industry detail by County and more precise consumer spending by state including new detail for select spending categories.

<b>Accelerating and Improving the Quality of Economic Indicators</b>	163	35,739	5	\$1,859
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**Economic and Statistical Analysis**

The increasing complexity and dynamic structure of the U.S. economy make it increasingly important that policy makers, business leaders, and main street America have the most accurate and timely economic information possible. Addressing measurement challenges in the post recovery era continues to be a mission critical priority for both the BEA and the Census Bureau. As such, we propose a joint initiative that will increase the accuracy and timeliness of a substantial number of key economic indicators – many of which have not been modified for years – cumulatively leading to a more precise measure of GDP. Census and BEA lead the global community in survey data collection, analysis, and macroeconomic measurement. If implemented collectively, the elements of this proposal have far-reaching implications for informing business and policy decisions. Businesses and governments use our key economic indicators to guide policy and investment decisions that affect the well-being of American businesses and households.

For an increase of \$1.9 million BEA proposes to work with the Census Bureau on a comprehensive modernization of economic indicators to improve timeliness, accuracy, and scope for better measurement of the 21st century economy. We will accelerate the release of key indicators; expand coverage to better measure key sectors of the economy; accelerate the incorporation of data into GDP estimates, thereby reducing revisions; expand the trade reports; improve data value by seasonally adjusting more industries.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>GSA Required Relocation / Renovation</b>	0	1,763	0	-\$1,763

BEA requests a decrease of \$1.8 million for completing the relocation to Suitland, MD. The Department, in conjunction with OMB and GSA, decided to move BEA to Suitland, MD and co-locate them with the Census Bureau. Bringing these two operating units closer together will help us better deliver our important mission through greater collaboration.

## Performance Indicators

The table below shows ESA/BEA's performance indicators and its related Departmental strategic goal and objective. Additional details of these indicators and related funding is at the end of the ESA/BEA section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target

**Goal: Data**

**Objective 4.2: Position the Department of Commerce to meet society's future data needs**

Milestones met to explore and examine future economic data sources	Explore agreements with one or more producers of economic data	Two agreements under negotiation	Execute and monitor agreements	Evaluate effectiveness of agreements and extend/modify/cancel as appropriate
Milestones met to explore and examine future economic products and datasets	Develop a POA&M	Developed the POA&M	Execute POA&M	Execute POA&M
Reliability of delivery of economic data (number of scheduled releases issued on time)	69	65	69	69
Customer satisfaction with quality of products and services (mean rating on a 5 point scale)	4.0	4.0	4.0	4.0
Percent of GDP estimates correct	83%	85%	83%	83%
Improvement of GDP and the economic accounts	Successful completion of Strategic Plan milestones	Completed all major milestones	Successful completion of Strategic Plan milestones	Successful completion of Strategic Plan milestones

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

## 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 the integrated efforts of four organizational units:

**Industry and Analysis:** Industry and Analysis (I&A) partners with American business to advance the international competitiveness of U.S. industries by leveraging sector and analytical expertise in the development and execution of trade policy, export expansion, and investment promotion strategies. The I&A unit:

- Develops economic and international policy analyses and information that are used to improve market access for U.S. industry globally and to design and implement innovative trade and investment promotion programs;
- 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;
- Facilitates the development of comprehensive sector-specific export expansion and U.S. investment promotion strategies and action plans supporting industry-client needs;
- Serves as the primary liaison between U.S. industry and the U.S. Government on industry-specific trade and U.S. investment promotion issues; and
- Supports the access of small and medium-sized enterprise (SMEs) to global markets, such as through the Market Development Cooperator Program and the administration of the Export Trading Company Act.

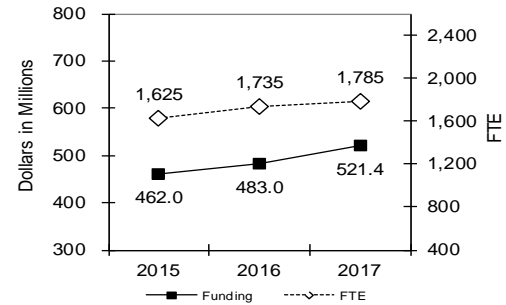
**Enforcement and Compliance:** The mission of Enforcement and Compliance (E&C) is to take prompt, aggressive action against unfair foreign trade practices and foreign-government imposed trade barriers by enforcing U.S. trade laws, monitoring compliance with existing trade agreements, and aiding in the negotiation of new trade agreements to address trade-impeding and trade-distorting practices. The E&C unit:

- Defends U.S. manufacturers, exporters, workers, and farmers against injurious dumped and unfairly subsidized imports by administering U.S. antidumping duty (AD) and countervailing duty (CVD) laws;
- Develops and executes other programs and policies designed to reduce the prevalence of market distortions in foreign government activities that can lead to unfair trade practices;
- Assists U.S. exporters and investors subject to foreign government trade and investment barriers by working to ensure foreign government compliance with international trade agreement obligations; and,
- Coordinates the representation of U.S. commercial interests in designated bilateral, multilateral, and regional trade and investment negotiations, in addition to overseeing the formulation and implementation of policies related to a wide range of trade agreement topics.

**Global Markets:** Global Markets (GM) works to provide a comprehensive suite of export promotion services and market access advocacy for U.S. firms, as well as promote investment in the U.S. through a combination of regional/country experts and field staff (both overseas and domestic). The GM 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 to provide 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 U.S. business relationships with overseas customers; and,
- Increases foreign direct investment in the U.S. through SelectUSA's concentrated promotion of the U.S. as a prime investment destination.

GM is integral to the U.S. Government's interagency effort to develop and implement market access strategies and remove foreign trade barriers. In addition to its international and domestic operations, GM executes an investment



promotion function under the SelectUSA program and additional trade promotion programs that help expand exports, including the Advocacy Center that serve as information resources for the U.S. export community. GM also partners with other ITA units to enforce trade agreements and promote U.S. business growth in global markets.

**Executive Direction and Administration:** The mission of Executive Direction and Administration (ExAd) 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 coordinates all issues concerning trade and investment promotion, commercial policy, market access, trade agreements, and domestic and international competitiveness. ExAd coordinates the management of agency resources, oversees program performance, and executes agency-wide administrative services. ExAd also provides the management of information technology (IT) resources and maximizes information control and IT security on a global basis.

## Summary of Appropriations

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
<b><u>Discretionary Appropriation</u></b>				
Operations and Administration	\$462,000	\$483,000	\$521,421	\$38,421
Total, Discretionary Appropriation	462,000	483,000	521,421	38,421
<b><u>Mandatory Appropriation</u></b>				
Grants to Manufacturers of worsted wool fabrics	0	0	0	0
<b>TOTAL BUDGET AUTHORITY</b>	462,000	483,000	521,421	38,421
<b><u>FTE</u></b>				
Operations and Administration	1,625	1,735	1,785	50
Reimbursable	36	43	43	0
<b>Total</b>	1,661	1,778	1,828	50

## 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>
<b>2016 Enacted</b>			1,735	\$483,000
FY 2016 Fee Collections				12,000
<b>FY 2016 Gross Appropriation</b>			1,735	495,000
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
FY 2016 Pay raise		\$792		
FY 2017 Pay raise		2,989		
Full year cost in 2017 of positions financed for part year in 2016	2			
Change in compensable days		(1,761)		
Implementation of Locall Engaged Staff (LES) Wage Thaw		2,350		
Civil Service Retirement System(CSRS)		(135)		
Federal Employees' Retirement System(FERS)		265		
Thrift Savings Plan		39		
Federal Insurance Contributions Act (FICA) - OASDI		5		
Health insurance		416		
Employees' Compensation Fund		(7)		
Travel - Domestic per diem				
Travel - Foreign per diem		(151)		
Travel - Mileage		8		
Rent payments to GSA		412		
Printing and reproduction		8		
HCHB Electricity		29		
NARA		(10)		
Other services:				
Working Capital Fund (WCF)		1,460		
Commerce Business System		33		
Capital Security Cost Sharing Program		(1,797)		
International Cooperative Admin. Support Services (ICASS)		326		
Non ICASS local guard service		14		
Military pouch		8		
General Pricing Level Adjustment:				
Transportation of things		8		
Rental payments to others		5		
Communications, utilities, and miscellaneous charges		370		
Other Services		7		
Supplies		13		
Equipment		52		
Federal Protective Service		33		
Overseas price increases		240		
Subtotal, other cost changes			2	6,021
<b>TOTAL, ADJUSTMENTS TO BASE</b>			2	6,021
<b>2017 Base</b>			1,737	501,021
Program Changes			48	32,400
<b>2016 GROSS APPROPRIATION</b>			1,785	533,421
FY 2016 Fee Collections				(12,000)
<b>2017 NET APPROPRIATION</b>			1,785	521,421

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Industry and Analysis	229	\$60,806	229	\$56,994	233	\$61,428	4	\$4,434
Enforcement and Compliance	333	86,147	335	80,201	347	83,457	12	3,256
Global Markets	1,066	328,718	1,066	328,256	1,098	352,555	32	24,299
Executive Direction / Administration	107	25,435	107	23,570	107	23,981	0	411
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>1,735</b>	<b>501,106</b>	<b>1,737</b>	<b>489,021</b>	<b>1,785</b>	<b>521,421</b>	<b>48</b>	<b>32,400</b>
REIMBURSABLE OBLIGATIONS	43	27,449	42	27,449	42	27,449	0	0
<b>TOTAL OBLIGATIONS</b>	<b>1,778</b>	<b>528,555</b>	<b>1,779</b>	<b>516,470</b>	<b>1,827</b>	<b>548,870</b>	<b>48</b>	<b>32,400</b>
<b>FINANCING</b>								
Unobligated balance, start of year (direct)		(19,448)				(1,342)		
Unobligated balance, end of year		1,342				1,342		
Offsetting collections from:								
Federal funds		(14,449)				(14,449)		
Non-Federal sources		(13,000)				(13,000)		
Subtotal, financing	0	(45,555)			0	(27,449)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	<b>1,778</b>	<b>483,000</b>			<b>1,827</b>	<b>521,421</b>		

**Highlights of Program Changes**

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b>Strengthening Enforcement and Compliance</b>				
<b>Enforcement and Compliance</b>	335	\$79,985	+12	+\$2,000

ITA requests an additional \$2.0 million and 12 FTE in FY 2017 to provide full year funding for personnel hired in FY 2016 to strengthen the enforcement of the U.S. antidumping duty (AD) and countervailing duty (CVD) laws. The additional funds will maintain new AD/CVD staff hired to keep up with workload in order to meet statutory deadlines and ensure case resolution quality.

**Export Expansion and Investment**

<b>Global Markets</b>	1,044	\$318,042	32	+\$8,962
<b>Industry and Analysis</b>	229	\$56,908	4	+\$1,400

ITA requests an additional \$10.4 million and 36 FTE in FY 2017 to support the expansion of ITA's capacity and footprint to position the United States and American companies to compete effectively in the global marketplace. Based on current projections, the additional funding will place personnel in overseas markets where demand for Commercial Diplomacy, market entry assistance, and the potential for FDI is the greatest. ITA will also place personnel in the domestic field to serve existing clients and "touch" potential new clients; and, will add staff in headquarters to provide supporting analytical expertise.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>SelectUSA</b>	22	\$10,000	+16	+\$10,000

ITA is requesting an increase of 16 FTE and \$10.0 million to expand covered markets with dedicated SelectUSA personnel. The addition in funds will allow SelectUSA to increase coverage to 14 additional priority markets representing the greatest opportunity for inward investment into the United States and the resources needed to bolster U.S. export competitiveness. The SelectUSA program helps promote the United States as the best market for investment; serves as an ombudsman for U.S. industry; and, serves as an investment advocate for U.S. cities, states, and regions.

<b>Survey of International Air Travelers</b>	0	\$2,000	0	+\$2,000
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ITA requests an increase of \$2.0 million to increase the sample size of the Survey of International Air Travelers (SIAT) to provide data on the economic contribution of international travel and tourism to a greater number of smaller states and cities, as well as market intelligence on a greater number of source markets.

<b>Program Support Across All Business Units</b>	1,737	\$488,475	0	+\$8,038
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Funding will sustain program capabilities across all ITA business units. Through investments in personnel and non-personnel support costs, this increase provides day-to-day resources to maintain mission and operational excellences within ITA. FTE levels would not be affected by this change.

## Performance Indicators

The following table shows the ITA performance indicators and the related Departmental strategic goal and objectives. Additional details of these indicators and related funding is at the end of the ITA section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b>Goal: Trade and Investment</b>				
<b>Objective 1.1: Increase opportunities for U.S. companies by opening markets globally</b>				
Number of foreign trade barriers removed, reduced or avoided	70	41	75	80
Number of commercial diplomacy / advocacy wins	250	287	300	330
Export impact of prevention, reduction or removal of trade barriers – Dollars of exports created or retained (millions)	\$1,500	\$3,576	\$1,650	\$1,800
Dollar exports generated from Export Trading Companies (billions)	\$22.5	\$22.8	\$23.5	\$24.0
<b>Objective 1.2: Increase U.S. exports by broadening and deepening the U.S. exporter base</b>				
Exports generated annually from public-private partnerships (millions)	\$437	\$493	\$210	\$210
Percentage of clients highly likely to recommend GM assistance	71%	84%	81%	82%
Number of clients assisted by GM	23,000	25,029	23,000	26,500
Percentage of Global Markets clients that achieved their export objectives	71%	73%	73%	75%
<b>Objective 1.3: Increase high-impact inward foreign direct investment in the United States</b>				
Number of investment clients assisted	1,600	1,651	2,400	2,600
<b>Objective 1.4: Strengthen fair competition in international trade for U.S. firms and workers by addressing and resolving foreign unfair trade practices and enforcing international trade agreements.</b>				
Percentage of Compliance and Market Access cases initiated that are reviewed for Agreement Relevancy within the established time frame	90%	95%	90%	90%
Percent of antidumping duty (AD) and countervailing duty (CVD) determinations issued within statutory and/or regulatory deadlines	91%	93%	91%	91%
Percent of antidumping and countervailing duty cash deposit and liquidation instructions issued accurately to U.S. Customs & Border Protection (CBP)	86%	97%	86%	86%
Percent of antidumping and countervailing duty cash deposit and liquidation instructions issued timely to U.S. Customs & Border Protection (CBP)	88%	94%	88%	88%
Number of trade agreement compliance cases resolved successfully	32	24	33	34
Percent of antidumping(AD)/countervailing duty (CVD) petition counseling involving small and medium-sized enterprises (SMEs)	55%	36%	Discontinued	
Number of AD/CVD petition counseling sessions		New	259	259

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.



## 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:

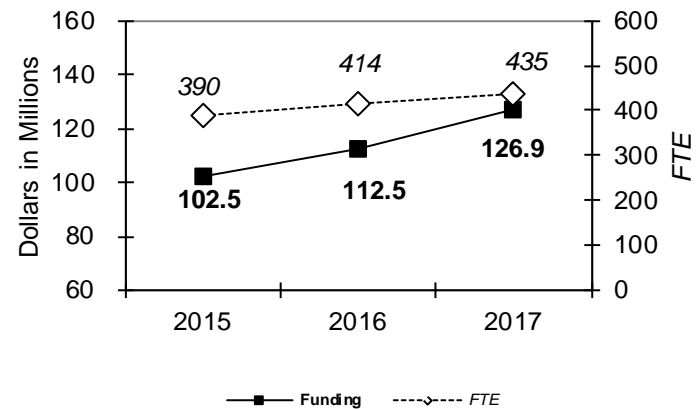
- Regulating the export of sensitive “dual use” and military goods and technologies in an effective and efficient manner;
- Enforcing export control and anti-boycott laws;
- Cooperating with and assisting other countries on export control and strategic trade issues;
- Assisting U.S. industry in complying 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 and military 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 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 U.S. 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.

In FY 2016 BIS continues to fulfill its unique national security mission through the implementation of Export Control reform activities. BIS’s resources are not growing proportionately with activities associated with its increasing licensing workload and investigative activities. At the enacted level of \$112.5 million, BIS was able to make strides in processing its increasing licensing workload and enforcement efforts to encourage compliance, prevent and deter violations, disrupt illicit activities and bring violators to justice. However additional resources are required to right size the organization.. To address the increasing demand on BIS operations, the FY 2017 President’s budget requests \$126.945 million and 441 FTE, which is a \$14.4 million (or 13%) increase over the FY 2016 Enacted Budget (\$112.5 million). This increase represents an increase of \$6.5 million in adjustments to base and \$7.9 million and 15 FTEs to support new initiatives.

**Budget Authority and FTE**



## Summary of Appropriations

<u>Appropriation</u>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations and Administration	\$102,500	\$112,500	\$126,945	\$14,445
<b>Total Appropriation</b>	102,500	112,500	126,945	14,445
<b>TOTAL, BUDGET AUTHORITY</b>	102,500	112,500	126,945	14,445
 <b><u>FTE</u></b>				
Operations and Administration	390	414	435	21
Reimbursable	1	2	2	0
<b>Total</b>	391	416	437	21

## 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>
<b>2016 Enacted</b>			414	\$112,500
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2016 Pay raise		\$186		
2017 Pay raise		741		
Full year cost in 2017 of positions financed for part year in 2016	6	920		
Change in compensable days		(2)		
Civil Service Retirement System (CSRS)		0		
Federal Employees' Retirement System (FERS)		68		
Thrift Savings Plan		440		
Federal Insurance Contributions Act (FICA/OASDI)		43		
Health insurance		148		
Employee Compensation Fund		(11)		
Travel - Mileage		7		
Rent payments to GSA		208		
Postage		7		
Printing and reproduction		5		
HCHB Electricity		7		
NARA		20		
Other services:				
Working Capital Fund		915		
Fuel		(48)		
General Pricing Level Adjustment				
Transportation of things		4		
Communications, utilities, and miscellaneous		19		
Other services		422		
Supplies		32		
Equipment		37		
Activities in support of licensing programs		2,357		
Subtotal, other cost changes			6	6,525
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>6</b>	<b>6,525</b>
<b>2017 Base</b>			420	119,025
Program Changes			15	7,920
<b>2017 APPROPRIATION</b>			<b>435</b>	<b>126,945</b>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Management & Policy Coordination	11	\$6,057	11	\$6,166	11	\$6,666	0	\$500
Export Administration	214	59,144	214	62,007	227	65,312	13	3,305
Export Enforcement	189	48,340	195	50,852	197	54,967	2	4,115
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>414</b>	<b>113,541</b>	<b>420</b>	<b>119,025</b>	<b>435</b>	<b>126,945</b>	<b>15</b>	<b>7,920</b>
REIMBURSABLE OBLIGATIONS	2	6,824	2	2,900	2	2,900	0	0
<b>TOTAL OBLIGATIONS</b>	<b>416</b>	<b>120,365</b>	<b>422</b>	<b>121,925</b>	<b>437</b>	<b>129,845</b>	<b>15</b>	<b>7,920</b>
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)*		(1,041)						
Unobligated balance, start of year (Reimbursable)**		(3,924)						
Offsetting collections from:								
Federal funds	(2)	(1,508)			(2)	(1,508)		
Non-Federal sources		(1,392)				(1,392)		
Subtotal, financing	(2)	(7,865)			(2)	(2,900)		
<b>TOTAL BUDGET AUTHORITY /</b>	<b>414</b>	<b>112,500</b>			<b>435</b>	<b>126,945</b>		
<b>APPROPRIATION</b>								

\*BIS's unobligated balance for direct appropriation at the start of FY 2016 was \$1.041 million. Of this total, \$0.414 million is associated with the congressionally approved reprogramming of funds from NIST to support BIS's transition to USXports, and \$0.627 million is in direct appropriation funds.

\*\* BIS's unobligated balance for reimbursable at the start of FY 2016 was \$3.924 million. Of this total, \$0.674 million is associated with reimbursable accounts, and the remaining \$3.250 million is associated with the Seminar Trust Fund.

**Highlights of Program Changes**

	FTE	Base	Increase / Decrease	
		Amount	FTE	Amount
<u>Management and Policy Coordination (MPC)</u>	11	\$6,166	+0	+\$500

**Management and Policy Coordination (MPC) +\$0.500 million; 0 FTE**

BIS requests \$0.500 million and 0 FTE to continue to stay abreast of technological changes through the procurement of updated hardware and software for its networks as well as to support federal cybersecurity initiatives to ensure that controls are appropriate and effective and that our information systems comply with U.S.G. security policies. This work will be done under the direction of the Department of Commerce's Chief Information Officer. Given BIS's mission, the networks and information that BIS maintains and manages are high valued targets for cyber threats and hackers. BIS has compartmentalized its data and information within moderate and high security impact environments in order to protect all information. BIS has witnessed a significant increase in the demand for intelligence and interagency collaboration, thus requiring increased secure IT architecture components. Increased funding will enable BIS to upgrade its IT security tools and obtain advanced malware and virus detection software.

The rapidly evolving need to work collaboratively with other agencies and the intelligence community has increased the need to provide technical solutions to enable secure, trusted and reliable communications. The Export Control Reform (ECR) Initiative has also required IT resources to focus on the strategic planning, architecture and system design solutions to accomplish the objective of a single IT platform. To meet this challenge, BIS, in conjunction with the Department's Office of the Chief Information Officer (OCIO) is working on new initiatives for engagement with interagency partners to develop technical solutions that will promote BIS's national security regulatory mission.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b><u>Export Administration (EA)</u></b>	214	\$62,007	+13	+\$3.305

For FY 2017, BIS requests an increase of \$3.305 million and 13 FTE for a total request of \$64.539 million and 227 FTE for EA. This increase will enable EA to keep pace with the increase in work due to the Presidential Export Control Reform (ECR) Initiative – and to fulfill its mission to protect national security and enhance U.S. economic competitiveness.

Expansion of licenses and other reviews (primarily commodity classification (CCATS) and commodity jurisdiction (CJ) requests)—\$2.5 million (10 FTE). Additional staff will enable EA to efficiently evaluate the tens of thousands of items, largely parts and components, specially designed for military applications that are moving from the relatively rigid controls of the State Department to the relatively tailored controls of the Commerce Department resulting from the ECR. As EA works with interagency partners to facilitate the continuing transition, additional staff will ensure that the increasing number of license applications submitted to BIS can be processed in accordance with statutory and Executive Order requirements.

Analytical staff for Defense Production Act (DPA) studies and foreign availability studies—\$0.8 million (3 FTE): Additional analytical staff will support the growing demand for mandatory DPA industrial base surveys and assessments requested by the U.S. national security and intelligence communities, as well as foreign availability studies and export licensing effectiveness activities.

<b><u>Export Enforcement (EE)</u></b>	195	\$50.852	+2	+\$4.115
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With the increase in licensing/Strategic Trade Authorization (STA) workload, the associated compliance and enforcement workload 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. This is the essential next step to ensure that ECR fulfills its promise to keep the most sensitive goods out of the dangerous hands. Failing to fund the enforcement aspect of ECR will leave this Presidential initiative incomplete and will erode the current effectiveness of BIS's export enforcement efforts. These new resources will provide for:

**Productivity Improvement** - BIS is requesting an increase of \$1.600 million (0 FTEs) for retention of the best and brightest enforcement employees through the implementation of a upward mobility program; to address system upgrades that are critically needed for its system of investigative records in the BIS' Information Management System; and to provide resources for its Seized Computer Evidence Recovery Specialist (SCERS) Program to improve its response in the arena of counter-proliferation and export enforcement.

**Export Control Officer (ECO) and End Use Check Program** – BIS is requesting an increase of \$1.702 million (0 FTEs) in FY 2017 to address inflationary expenses associated with the existing ECO program. This funding will also support the cost associated with ECO transitioning from their foreign posts back to the U.S.

**Information Triage Unit Expansion** - BIS requests an additional of \$0.8 million and 2 FTEs to support the ITU's Network Analysis Initiative – i.e., to evaluate possible network links, expand license application analysis, and develop leads packages to support the initiation of law enforcement investigations. The ITU was established as part of the President's ECR initiative, i.e., evaluation of intelligence, expansion of license application review & analysis, and development of leads for law enforcement purposes. This initiative will allow BIS to strategically link disparate information to find relationships among individual transactions that can result in broader impacts to U.S. national security and foreign policy objectives than can occur through transactional analysis.

#### **Other Highlights:**

**Workload Assessment** - BIS has begun an independent study conducted by outside experts (Department of Homeland Security (DHS) Federally Funded Research and Development Center (FFRDC)) to examine BIS's workforce and the environment in which we operate. Preliminary findings indicate that BIS staff levels are not in line with growth in export license applications and enforcement activities. Despite the extraordinary commitment and tireless effort of our employees, we have reached the tipping point.

## **ECO Relocations in FY 2016:**

Moscow to Frankfurt: In 2015, the U.S. Embassy in Moscow informed BIS that due to President Putin's Presidential Decree 653, which directly impacts the ECO's ability to perform any end-use checks in Russia, BIS needed to relocate their regional ECO position from Moscow to another location in the region (outside of Russia). In November 2015, due to increasing security issues associated with the ECO maintaining its presence in Moscow, began reducing its operations in Moscow in order to relocate to Frankfurt. From this location the ECO will continue to focus on end-use checks on items destined for Russia.

This relocation of the ECO to Frankfurt does not obviate BIS's expansion to meet the increasing Strategic Trade Authorization licensing workload in this region that is crucial for coverage against diversions or transshipments of critical commercial items that are used to support activities counter to our national security. This expanded ECO position will address end use checks with our allies in Europe. BIS will maintain a minimal presence in Moscow.

## **The U.S. Export Control System**

The U.S. Government's export control and sanctions laws and regulations are administered and supported by various 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 set up after World War II and expanded considerably during the Cold War.

The two primary agencies in the system are Commerce's BIS and the State Department's Directorate of Defense Trade Controls (DDTC). Prior to ECR implementation in 2013, BIS processed approximately 24,000 license applications a year under the EAR, which are relatively flexible; these rules have various country groups for different types of items and various exceptions to allow for unlicensed exports under certain circumstances. Prior to implementation of ECR, DDTC processed approximately 84,000 license applications a year under the International Traffic in Arms Regulations (ITAR). The ITAR rules 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 the State Department from making the ITAR more flexible and tailored to the types of items being controlled. The authorizing statutes and executive orders 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 reforming the U.S. export control system. The ECR Initiative is designed to not only enhance U.S. national security but also strengthen the U.S.' ability to counter threats such as the proliferation of weapons of mass destruction. In FY 2014, BIS processed more than 30,000 license applications (a 25% increase compared to prior years). In FY 2015, BIS expects that number to be approximately 40,000, an increase largely attributable to ECR. Exporters are benefitting from the more flexible export controls system administered by BIS that facilitates secure trade with allies.

## Performance Indicators

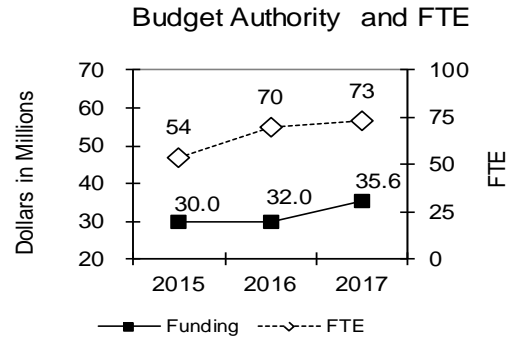
(Dollars reflect obligations in Millions)

The table below shows the BIS performance indicators and the related Departmental strategic goal and objective. Additional details of these indicators and related funding is at the end of the BIS section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b>Goal: Trade and Investment</b>				
<b>Objective 1.2: Increase U.S. exports</b>				
Number of exporters educated and trained through outreach activities related to Export Control Reform	48,000	50,830	48,000	48,000
Number of export control reform rules issued	4	9	4	4
Percent of licenses requiring interagency referral referred within nine days	98%	91%	98%	98%
Percent of attendees rating seminars highly	93%	90%	93%	93%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	1,000	1,442	1,000	850
Number of End-Use Checks (EUCs) completed	850	1,031	850	850
Percent of licenses requiring ITU report referred by EE within ten Executive Order (EO) days	90%	93%	90%	90%
Median processing time for new regime regulations (months)	2	2	2	2
Percent of declarations received from U.S. industry in accordance with Chemical Weapons Convention (CWC) time lines that are processed in time for the U.S. to meet treaty obligations	100%	100%	100%	100%
Number of export transactions completed under the new authority of Commerce export licenses and license exceptions	126,798	126,798	100,000	120,000
Percent of electronic export transactions reported in the Automated Export System (AES) in compliance with the Export Administration Regulations (EAR)	99%	99%	99%	99%
Percent of defense industrial base assessments completed within the time frame set forth in the Memorandum of Understanding (MOU) between the BIS and the survey sponsoring agency or entity.	100%	100%	100%	100%
Number of post-shipment verifications completed	315	352	315	315

# 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 2017, MBDA will continue to support the national growth and expansion of minority-owned U.S. businesses, with additional focus on minority business enterprise advanced manufacturing and export activity. This additional focus on minority-owned advanced manufacturing and export business activity reflects Department of Commerce strategic priorities for FY 2017.

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.

MBDA also will expand its capacity to work with Young Entrepreneurs and conduct research that will enable government, business, and community leaders to make policy, programmatic and business decisions based on accurate and current information.

## Summary of Appropriations

<u>Appropriation</u>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Minority Business Development	\$30,000	\$32,000	\$35,613	\$3,613
<b>TOTAL, BUDGET AUTHORITY</b>	<b>30,000</b>	<b>32,000</b>	<b>35,613</b>	<b>3,613</b>
<u>FTE</u>				
Minority Business Development	54	70	73	3



## Highlights of Budget Changes

### Appropriation: Minority Business Development

#### Summary of Requirements

#### Adjustments to Base

##### Other Changes

2016 Pay raise	\$21		
2017 Pay raise	76		
Federal Insurance Contributions Act (FICA) - OASDI	8		
Health insurance	3		
Employees' Compensation Fund	(5)		
Change in compensable days	(51)		
Rent payments to GSA	542		
HCHB Electricity	2		
NARA	(2)		
Other services:			
Working Capital Fund	101		
General Pricing Level Adjustments			
Rental payments to others	1		
Other services	322		
Supplies	2		
Equipment			
Federal Protective Service	2		
Subtotal, other cost changes		0	1,022
<b>Total, Adjustments to Base</b>		<b>0</b>	<b>1,022</b>
<b>2017 Base</b>		<b>70</b>	<b>33,022</b>
Non-Recur.			(2,000)
Program Changes		3	4,591
<b>2017 APPROPRIATION</b>		<b>73</b>	<b>35,613</b>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Minority Business Development	70	\$32,000	70	\$31,022	73	\$35,613	3	\$4,591
<b>TOTAL DIRECT OBLIGATIONS</b>	70	32,000	70	31,022	73	35,613	3	\$4,591
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
<b>TOTAL OBLIGATIONS</b>	70	32,000	70	31,022	73	35,613	3	4,591
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)								
Offsetting collections from:								
Federal funds		0				0		
Subtotal, financing	0	0			0	0		
<b>TOTAL BUDGET AUTHORITY/ APPROPRIATION</b>	70	32,000			73	35,613		

**Highlights of Program Changes**

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b>Minority Business Development</b>	70	\$31,022	3	+\$4,591

MBDA's adjustments-to-base (ATBs) in FY 2017 totals \$1.022 million to fund inflationary costs for commodities and price increases for rent and increases to support the Department of Commerce's working capital fund. MBDA requests a program increase of \$4.6 million and 3 FTE in support of the Minority Business Public Private Partnership Program for FY 2017. MBDA proposes to implement the program increase through two new initiatives:

<u>Business Innovation for Young Entrepreneurs program</u>	0	0	3	+\$3,611
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Consistent with the Department's innovation focus, this program will create a coordinated approach to engage, educate and build capacity among minority young entrepreneurs, and will serve to bring forward a coordinated synergy among colleges and universities, lab-to-market technology, financing and business development. This program will focus federal grants in regions of the U.S. with high concentrations of minorities, high youth population and high unemployment to engage, educate and build capacity among young minority entrepreneurs. These grants will foster a coordinated synergy among colleges and universities, lab-to-market technology, financing and business development. MBDA will partner with other external agencies and utilize existing EDA centers, where feasible.

<u>Minority Business Policy and Research program</u>	0	0	0	+\$1,000
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Consistent with the Secretary's strategic goal to support a data-enabled economy by improving the Department's data capabilities, this funding will obtain three minority business focused research papers which are: Characteristics of Minority Business Enterprises, A National Inventory of Minority Business Enterprise Disparity Studies, and A National Inventory of Procurement Laws Impacting Minority-owned Enterprises. The timely creation and analysis of data concerning the minority business community will enable government, business, and community leaders to make policy, programmatic and business decisions based on accurate and current information.

Working Capital Fund for \$21K (0 FTE): A decrease of \$21,000 is included for the Departmental Working Capital Fund (WCF). A full discussion of all WCF program changes is in the WCF section of the Departmental Management OMB Submission document.

## Performance Indicators

The following table shows the MBDA performance indicators and its related Departmental strategic goals and objectives. Additional details of these indicators and related funding is at the end of the MBDA section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b>Goal: Trade and Investment</b>				
<b>Objective 1.2: Increase U.S. exports</b>				
Dollars leveraged through contract and financing awards by minority business export activity	143	635	143	143
Number of jobs created or retained through minority business export activity	1,000	547	1,000	1,000

### **Goal: Innovation**

#### **Objective 2.3: Catalyze Innovation Ecosystems**

Dollars leveraged (contracts and financing) for minority businesses (not including those dollars associated with exports)	481.0	435.0	481.0	481.0
Number of jobs created or retained for minority businesses (not including those jobs associated with exports)	325	405	325	325

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

## 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 2017 NOAA Budget. 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, National Oceans and Coastal Security Fund, Gulf Coast Ecosystem Restoration Science, Observation, Monitoring and Technology 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) 2017, the National Oceanic and Atmospheric Administration (NOAA) requests a total of \$5,850.6 million in total discretionary appropriations and \$54.9 million in mandatory appropriations.

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

The President's budget requests a total of \$3,641.8 million for ORF and \$2,281.8 million for PAC. These two accounts fund the following NOAA elements that provide nearly all of NOAA's services.

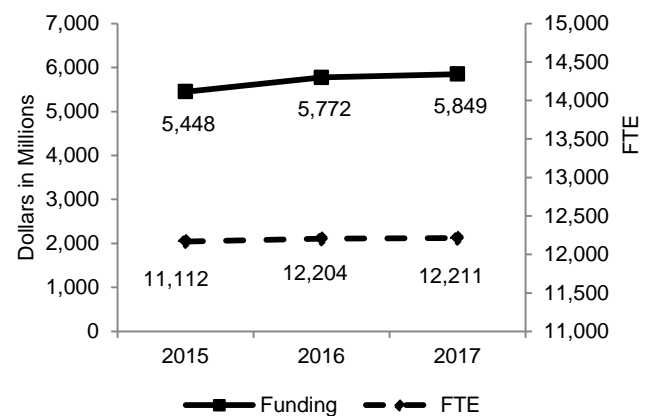
**National Ocean Service (NOS):** NOAA's National Ocean Service (NOS) is preparing for a future of higher intensity coastal storms, increased demands on the marine transportation system, rapid changes in climate and marine ecology, and expanding offshore and coastal development. NOS observes, measures, assesses, and manages the Nation's coastal, ocean and Great Lakes resources; protects marine and coastal areas; provides critical navigation products and services (e.g., real time observations, nautical charts); and prepares for and responds to natural disasters and emergencies. The benefits of NOS' products and services include increased coastal economic activity, resilient coastal communities, and enhanced ecosystem services. The President's FY 2017 Budget requests \$569.9 million for NOS (across all appropriations).

**National Marine Fisheries Service (NMFS):** NOAA's National Marine Fisheries Service (NMFS) serves the Nation through a science-based approach to the conservation and management of living marine resources and the promotion of sustainable fisheries and healthy coastal and marine ecosystems. NMFS manages 469 fish stocks within the U.S. Exclusive Economic Zone (EEZ) as well as invertebrates, sea turtles, marine mammals, and other marine and coastal species, and their habitats for commercial, recreational, and subsistence purposes. The President's FY 2017 Budget requests \$1,015.9 million for NMFS (across all appropriations).

**Oceanic and Atmospheric Research (OAR):** OAR is NOAA's central research Line Office charged with improving the understanding of changes in the Earth's environment. OAR's science enables NOAA to fulfill its diverse mission, both today and into the future. OAR supports laboratories and programs across the United States and collaborates with external partners, including 16 NOAA-funded Cooperative Institutes and 33 Sea Grant Institutions. OAR research contributes to accurate weather forecasts, enables communities to plan for and respond to climate events such as drought, and enhances the protection and management of the Nation's coastal and ocean resources. The President's FY 2017 Budget requests \$519.8 million for OAR.

**National Weather Service (NWS):** NOAA's National Weather Service provides weather, water, and climate forecasts and warnings for the protection of life and property and enhancement of the national economy. NWS is the official and authoritative U.S. voice for issuing warnings during life-threatening weather situations. NWS forecasters issue public,

**Budget Authority and FTE**



aviation, marine, fire weather, climate, space weather, river and flood forecasts and warnings every day. Each year, NWS collects approximately 76 billion observations and issues approximately 1.5 million forecasts and 50,000 warnings. NWS data and products are publicly available through a national information database.

The President's FY 2017 Budget requests \$1,119.3 million for NWS.

**National Environmental Satellite, Data, and Information Service (NESDIS):** The National Environmental Satellite, Data, and Information Service (NESDIS) is responsible for providing timely access to global environmental data from satellites and other sources to promote, protect and enhance the Nation's economy, security, environment and quality of life. Along with launching and operating NOAA's satellites, NESDIS manages the product development and distribution of the corresponding data. NOAA satellites support the weather forecasting enterprise by providing the timely, high quality data upon which model outputs are based. While providing real-time operations and data services, NESDIS also works to develop the next generation of satellites in order to continue meeting its primary mission essential functions without incurring gaps in coverage. The President's FY 2017 Budget requests \$2,303.7 million for NESDIS.

**Mission Support (MS):** NOAA's Mission Support services are the backbone of NOAA's programs and mission. These services provide the planning, administrative, financial, procurement, information technology, human resources, acquisitions and grants, and infrastructure services that are essential to safe, timely, and effective execution of the NOAA mission. NOAA Mission Services and Management and Executive Leadership provide centralized executive management, as well as policy formulation and direction, to all of NOAA's Staff and Line Offices. NOAA's Office of Education provides advice and counsel to the Under Secretary of Commerce for Oceans and Atmosphere in matters pertaining to education. The NOAA Facility Program is the focal point for facility planning, project planning formulation and development, and project management oversight to support critical NOAA mission requirements. The President's FY 2017 Budget requests \$286.1 million for MS.

**Office of Marine and Aviation Operations (OMAO):** NOAA's OMAO supports an array of specialized ships and aircraft that play a critical role in the in-situ collection of oceanographic, atmospheric, hydrographic, and fisheries data in support of NOAA's environmental and scientific missions. OMAO also administers the NOAA-wide Diving Program and Small Boat Program and is composed of civilians and the NOAA Commissioned Corps uniformed officers. The President's FY 2017 Budget requests \$289.3 million for OMAO.

## **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 added in FY 2009. The FY 2017 President's Request includes \$65.0 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 2017 President's Request includes \$350,000 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 **National Oceans and Coastal Security Fund**, as authorized by Title IX of the "Consolidated Appropriations Act, 2016," is established to support coastal states and other entities to better understand and utilize the oceans, coasts, and Great Lakes of the United States. This will expand the opportunity for present and future generations to benefit from the full range of ecological, economic, social, and recreational opportunities that these resources provide. NOAA will partner with the National Fish and Wildlife Foundation to establish the tax-exempt fund to further the purposes of Title IX of the Consolidated Appropriations Act, 2016. Grants will be awarded by the Foundation, in coordination with NOAA, per specific eligibility criteria.

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 help 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 2016. 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. 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. In the FY 2017 Budget, DoD proposes a multi-year plan to replace the three current TRICARE plans with a consolidated TRICARE Health Plan. The 2017 proposals would increase co-pays for pharmaceuticals and implement an enrollment fee for new TRICARE-for-Life (TFL) beneficiaries (similar to the reforms proposed in the FY 2016 Budget). This request will be paid to the DoD Medicare-Eligible Retiree Health Care Fund to support the benefits outlined above. If enacted, DoD's legislative proposal would apply to the NOAA Commissioned Corps and has negligible budget impact on NOAA.

**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.

The **Gulf Coast Ecosystem Restoration Science, Observation, Monitoring and Technology Fund** provides funding for the NOAA RESTORE Act Science Program. The purpose of this program is to initiate and sustain an integrative, holistic understanding of the Gulf of Mexico ecosystem and support, to the maximum extent practicable, restoration efforts and the long-term sustainability of the ecosystem, including its fish stocks, fishing industries, habitat, and wildlife through ecosystem research, observation, monitoring, and technology development.

The **Fishery Disaster Assistance Fund** was created to improve the environmental and economic resilience of fisheries designated a fishery disaster by the Secretary. Funds will be used for fishery-related ecosystem restoration, research, non-Federal buyback programs, or training.

## Summary of FTE

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	10,833	11,860	11,863	3
ORF Reimbursable	567	706	706	0
Procurement, Acquisition & Construction (PAC)	277	342	345	3
Promote & Develop American Fishery Products	3	0	0	0
Pacific Coastal Salmon Recovery Fund	2	2	2	0
National Oceans and Coastal Security Fund	0	0	1	1
Limited Access System Administration Fund	39	38	38	0
Damage Assessment & Restoration Revolving Fund	48	16	16	0
Gulf Coast Ecosystem Restoration Fund Appropriation	0	1	1	0
<b>TOTAL</b>	11,769	12,965	12,972	7

## Summary of Appropriations

(Dollars in Thousands)

<b><u>Appropriation</u></b>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	\$3,202,398	\$3,305,813	\$3,494,180	\$188,367
Procurement, Acquisition & Construction (PAC)	2,179,225	2,400,416	2,270,123	(130,293)
National Ocean and Coastal Security Fund	0	0	10,000	10,000
Fishermen's Contingency Fund	350	350	350	0
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	65,000	65,000	65,000	0
Marine Mammal Unusual Mortality Event Fund	0	0	0	0
Medicare-Eligible Retiree Healthcare Fund	1,936	1,936	1,936	0
Fisheries Disaster Assistance Fund	0	0	9,000	9,000
<b>TOTAL APPROPRIATION</b>	<b>5,448,909</b>	<b>5,773,515</b>	<b>5,850,589</b>	<b>77,074</b>
<b>Transfers:</b>				
<b><u>Operations, Research &amp; Facilities</u></b>				
FROM: Promote & Develop Fishery Products*	116,000	130,164	130,164	0
Pacific Coastal Salmon Recovery Fund	0	0	0	0
Fisheries Disaster Assistance Fund	0	0	0	0
TO: PAC	0	0	0	0
Subtotal, ORF	116,000	130,164	130,164	0
Fisheries Disaster Assistance Fund. TO: ORF	0	0	0	0
Pacific Coastal Salmon Recovery, TO: ORF	0	0	0	0
PAC: TO OIG	(1,302)	(1,302)	(1,302)	0
PAC: From ORF	0	0	0	0
P&D: TO: ORF	(116,000)	(130,164)	(130,164)	0
P&D: FROM: Department of Agriculture (mandatory funds)	142,615	146,389	145,811	(578)
Subtotal, P&D	26,615	16,225	15,647	(578)
<b>TOTAL TRANSFERS</b>	<b>141,313</b>	<b>145,087</b>	<b>144,509</b>	<b>(578)</b>
<b>Mandatory Accounts</b>				
Damage Assessment & Restoration Revolving Fund	\$3,536	\$5,968	\$5,968	\$0
Fisheries Finance Program Account	22,757	11,819	0	(11,819)
Environmental Improvement and Restoration Fund	705	9,359	4,172	(5,187)
Federal Ship Financing Fund	0	0	0	0
ORF Spectrum Relocation Fund	45,550	0	0	0
PAC Spectrum Relocation Fund	218,103	0	0	0
PAC RSV2 Mandatory Proposal	0	0	[100,000]	[100,000]
NOAA Corps Retirement Pay	28,269	29,375	29,375	0
Western Pacific Sustainable Fisheries	247	391	400	9
Limited Access System Administration Fund	10,211	12,507	12,579	72
Santuaries Asset Forfeiture Fund	(4)	125	120	(5)
Fisheries Asset Forfeiture Fund	4,220	4,020	4,000	(20)
North Pacific Observer Fund	3,412	4,050	3,970	(80)
Gulf Coast Ecosystem Restoration, Science, Observation, Monitoring and Technology Fund	0	0	0	0
<b>TOTAL BUDGET AUTHORITY</b>	<b>5,927,228</b>	<b>5,996,216</b>	<b>6,055,682</b>	<b>59,466</b>
Mandatory Funds	479,621	224,003	206,395	(17,608)



<b><u>Appropriation</u></b>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
<b>Discretionary Budget Authority</b>				
Operations, Research & Facilities (ORF)	3,320,641	3,435,977	3,624,344	188,367
P&D Transfer*	(116,000)	(130,164)	(130,164)	0
Procurement, Acquisition & Construction (PAC)	2,175,745	2,399,114	2,268,821	(130,293)
Medicare-Eligible Retiree Healthcare Fund	1,936	1,936	1,936	0
National Oceans and Coastal Security Fund	0	0	10,000	
Fishermen's Contingency Fund	350	350	350	0
Foreign Fishing Observer Fund	0	0	0	0
Fisheries Disaster Assistance Fund	0	0	9,000	9,000
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	64,935	65,000	65,000	0
<b>TOTAL DISCRETIONARY BUDGET AUTHORITY</b>	<b>5,447,607</b>	<b>5,772,213</b>	<b>5,849,287</b>	<b>67,074</b>
<b>OFFSETTING RECEIPTS:</b>				
Fisheries Finance Negative Subsidy Receipt Account	(2,750)	(3,835)	(410)	3,425
<b>Total, Negative Subsidy</b>	<b>(2,750)</b>	<b>(3,835)</b>	<b>(410)</b>	<b>3,425</b>

## 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>
<b>2016 Enacted</b>			11,860	\$3,305,813
<b><u>Transfers</u></b>				
From Promote and Develop American Fisheries				130,164
From PAC				38,939
<b><u>Adjustments</u></b>				
Restoration of FY 2016 Deobligations		17,500		
Adjustment for DOC Working Capital Fund		25,568		
Adjustment for DOC Accounting System		1,478		
Subtotal, Adjustments				44,546
<b><u>Financing</u></b>				
Recoveries				(17,500)
<b><u>Other Cost Changes</u></b>				
2016 Pay raise		\$4,375		
2017 Pay raise		16,113		
Full year cost in FY 2017 of positions financed for in FY 2016	7	538		
Change in compensable days		(10,502)		
Civil Service Retirement System(CSRS)		(2,175)		
Federal Employees' Retirement System(FERS)		4,256		
Thrift Savings Plan		621		
Federal Insurance Contributions Act (FICA) - OASDI		2,245		
Health insurance		2,586		
Employees Compensation Fund		(102)		
Travel Mileage				
Per diem				
Mileage		52		
Rent payments to GSA		2,486		
Postage		1		
Printing and reproduction		77		
HCHB Electricity		5		
NARA		(359)		
Other services:				
Working Capital Fund		1,649		
Commerce Business System		4,780		

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
General Pricing Level Adjustment				
Transportation of things		244		
Rental payments to others		568		
Communications, utilities and miscellaneous charges		1,418		
Other services		14,294		
Supplies & Materials		1,612		
Equipment		\$822		
Federal Protective Service		6		
Grants		753		
Ship and Aircraft fuel costs		1,237		
Subtotal, other cost changes			7	\$47,600
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>7</b>	<b>113,585</b>
<b>2017 Base</b>			<b>11,867</b>	<b>3,549,562</b>
Program Changes			(4)	74,782
<b>TOTAL REQUIREMENTS</b>			<b>11,863</b>	<b>3,624,344</b>
Transfer from Promote and Develop American Fishery Products & Research				(130,164)
<b>2017 APPROPRIATION</b>			<b>11,863</b>	<b>3,494,180</b>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
National Ocean Service	1,195	\$500,100	1,195	\$505,259	1,197	\$528,411	2	\$23,152
National Marine Fisheries Service	2,903	849,497	2,908	861,948	2,946	904,734	38	42,786
Oceanic & Atmospheric Research	733	461,898	735	468,952	744	493,410	9	24,458
National Weather Service	4,616	988,834	4,616	1,002,528	4,527	976,507	(89)	(26,021)
National Environmental Satellite Service	577	189,086	577	231,517	579	239,987	2	8,470
Mission Support	887	252,931	887	281,571	921	281,508	34	(63)
Office of Marine and Aviation Operations	949	211,131	949	215,287	949	217,287	0	2,000
<b>DIRECT OBLIGATIONS</b>	<b>11,860</b>	<b>3,453,477</b>	<b>11,867</b>	<b>3,567,062</b>	<b>11,863</b>	<b>3,641,844</b>	<b>(4)</b>	<b>74,782</b>
NOAA Corp Retirement (mandatory)	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>11,860</b>	<b>3,453,477</b>	<b>11,867</b>	<b>3,567,062</b>	<b>11,863</b>	<b>3,641,844</b>	<b>(4)</b>	<b>74,782</b>
<b>REIMBURSABLE OBLIGATIONS</b>								
From Offsetting Collections	706	393,089	706	242,000	706	242,000	0	0
<b>TOTAL OBLIGATIONS</b>	<b>12,566</b>	<b>3,846,566</b>	<b>12,573</b>	<b>3,809,062</b>	<b>12,569</b>	<b>3,883,844</b>	<b>(4)</b>	<b>74,782</b>
<b>FINANCING</b>								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
Transfer of unobligated P&D balance	0	0	0	0	0	0	0	0
Offsetting Collections	(706)	(393,089)	(706)	(242,000)	(706)	(242,000)	0	0
Deobligations	0	(17,500)	0	(17,500)	0	(17,500)	0	0
Subtotal, Financing	(706)	(259,500)	(706)	(259,500)	(706)	(259,500)	0	0
<b>TOTAL BUDGET AUTHORITY</b>	<b>11,860</b>	<b>3,587,066</b>	<b>11,867</b>	<b>3,549,562</b>	<b>11,863</b>	<b>3,624,344</b>	<b>(4)</b>	<b>74,782</b>
Transfers / Mandatory	0	(130,164)	0	(130,164)	0	(130,164)	0	0
<b>APPROPRIATION, ORF</b>	<b>11,860</b>	<b>3,456,902</b>	<b>11,867</b>	<b>3,419,398</b>	<b>11,863</b>	<b>3,494,180</b>	<b>(4)</b>	<b>74,782</b>

## 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>
<b>Navigation Observations and Positioning</b>	552	\$207,906	0	-\$10,000

NOAA requests the following decreases for this sub-activity:

- A decrease of 0 FTE and \$2,000 to discontinue single-year cooperative agreements with academic institutions for joint ocean and coastal mapping centers. NOAA will continue to support research and development of survey, geospatial data management, and cartographic technologies through the Joint Hydrographic Center, the Coast Survey Development Laboratory, and other Navigation, Observation and Positioning programs.
- A decrease of 0 FTE and \$6,000 to terminate the Regional Geospatial Modeling Grant program. NOAA will continue to support a range of regional geospatial requirements through NOS's Coastal Zone Management and Services and Navigation, Observations and Positioning program activities.
- A decrease of 0 FTE and \$2,000 to reduce acquisition of hydrographic data from contract surveys. NOAA will continue to acquire hydrographic data from contract surveyors with the remaining funds in support of navigation and other coastal intelligence needs.

<b>Coastal Science and Assessment</b>	297	\$83,112	0	+\$4,000
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NOAA requests the following increase for this sub-activity:

- An increase of 0 FTE and \$4,000 to expand competitive research grants that address coastal ocean issues, including harmful algal blooms, hypoxia, and coastal ecosystem assessment.

<b>Ocean and Coastal Management and Services</b>	346	\$214,241	2	+\$ 29,152
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NOAA requests the following increases for this sub-activity:

- An increase of 2 FTE and \$2,500 to develop and operate the Nation's first Integrated Water Prediction capability by aligning, integrating, and expanding key atmospheric, terrestrial and coastal water prediction capabilities across NOAA. This request is part of a cross-line office initiative with NOAA's National Weather Service and begins a multi-year strategy to improve water intelligence services provided to the Nation. This request across both line offices total \$12,250 and 11 FTE.
- An increase of 0 FTE and \$5,000 for ecosystem-based solutions for coastal resilience that better inform decision-making with respect to stewardship and resilience of marine ecosystems.
- An increase of 0 FTE and \$4,006 to build internal capacity to support community response and resilience to extreme events. Capacity includes continued improvements to inundation monitoring and modeling, social science and risk communication, decision support tools, place-based monitoring, and planning and training for resilient coastal development.
- An increase of 0 FTE and \$2,000 to develop and administer a community resilience training and technical assistance program for the AmeriCorps' Resilience Corps Pilot Program.
- An increase of 0 FTE and \$646 to increase amounts available for NOAA to distribute to state Coastal Zone Management programs through the Coastal Zone Management Act.
- An increase of 0 FTE and \$15,000 to expand the Regional Coastal Resilience Grant program to more fully address a broad suite of resilience challenges facing all U.S. coastal regions – including community, ecosystem, and economic resilience.

**National Marine Fisheries Service (NMFS)**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Protected Resources Science and Management</b>	811	\$184,969	26	+\$31,802

NOAA requests the following increases for this sub-activity:

- An increase of 26 FTE and \$13,452 to increase consultation and permitting capacity mandated by sections 7 and 10 of the Endangered Species Act (ESA) and sections 104 and 101(a)(5) of the Marine Mammal Protection Act (MMPA). Funding will support ESA requirements for 20 coral species listed on September 10, 2014.
- An increase of 0 FTE and \$16,012 for the conservation and recovery of marine and anadromous species through the Species Recovery Grant Program and to expand its level of cooperation with states and tribes in efforts to recover threatened and endangered species by awarding more grants but also by increasing the scale and scope of the grants funded.
- An increase of 0 FTE and \$2,338 implement recovery actions and expand consultation capacity to promote Pacific salmonid (salmon and steelhead).

NOAA requests no decreases for this sub-activity.

<b>Fisheries Science and Management</b>	1,706	\$545,226	0	+\$13,489
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$5,929 for the NMFS component of this integrated, cross-disciplinary, and cross-line office scientific initiative that will promote understanding of the importance of inshore and offshore habitat to the productivity and recovery of fisheries and protected species.
- An increase of 0 FTE and \$879 to implement a distributed biological observatory (DBO) to detect climate and human-induced change on Arctic ecosystems.
- An increase of 0 FTE and \$1,095 for the Observers and Training program to provide accurate and timely information and analyses on the biological, economic, and social aspects of the Nation's fisheries resources.
- An increase of 0 FTE and \$2,505 in the National Catch Share Program to develop and implement new catch share programs and strengthen NOAA capabilities to put catch share infrastructure efficiencies in place.
- An increase of 0 FTE and \$1,556 to improve detection of illegal, unreported, and unregulated (IUU) fishing and seafood fraud following recommendations of the Presidential Task Force on Combating IUU Fishing and Seafood Fraud.
- An increase of 0 FTE and \$1,525 to conduct research and regulatory activities that support sustainable aquaculture development. Funding will increase the U.S. seafood supply, create jobs, and increase trade opportunities by helping to develop a robust and sustainable U.S. marine aquaculture industry.

NOAA requests no decreases for this sub-activity.

<b>Enforcement</b>	237	\$69,840	0	+\$1,018
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$1,018 to strengthen the enforcement capability of Office of Law Enforcement (OLE) through the Cooperative Enforcement Program's (CEP) State and Territorial partners.

NOAA requests no decreases for this sub-activity.

<b>Habitat Conservation and Restoration</b>	154	\$61,913	12	-\$3,523
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NOAA requests the following increase for this sub-activity:

- An increase of 12 FTE and \$6,477 for consultations and program implementation mandated by Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) in support of the nearly \$200 billion U.S. commercial and recreational fishing industry. Funding will provide the needed capacity for NOAA to work with Federal partners to guide coastal development in a manner that protects vital fish habitat without hindering economic development opportunities, including critical transportation and infrastructure improvements.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$10,000 to consolidate funding for coastal resiliency ecosystem grants funded under this budget line in FY 2016 with the National Ocean Service request in FY 2017 for an expanded Regional Coastal Resilience Grants Program.

#### Oceanic and Atmospheric Research (OAR)

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Climate Research</b>	272	\$159,106	6	\$30,760

NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$3,000 to continue long-term data records collected at Atmospheric Baseline Observatories, which document trends and distributions of atmospheric constituents influencing global climate, ozone depletion, and changes in baseline air quality.
- An increase of 1 FTE and \$2,975 to complete and sustain an observation and analysis system to determine uptake and emissions of greenhouse gases across North America, in support of the President's Climate Action Plan.
- An increase of 1 FTE and \$4,518 to implement research and other activities in support of the U.S. Global Change Research Program's priority research areas, including carbon sources and sinks in North America; extreme climate and weather events such as heat waves, droughts and floods; and marine ecosystem "tipping points."
- An increase of 1 FTE and \$5,830 to fund research to improve understanding of impacts of climate variability and change on fish stocks, prey availability, and habitat. Funds will be competitively awarded as grants through the NOAA Oceanic and Atmospheric Research Climate Competitive Research line.
- An increase of 1 FTE and \$2,300 to continue development of a Climate Resilience Toolkit and the NOAA climate.gov Portal which will facilitate public online access to NOAA's climate data, information and services.
- An increase of 0 FTE and \$3,970 to support climate assessments at national and regional scales in compliance with The Global Research Act of 1990. This Act requires the President (through a Federal interagency body) to prepare and submit to Congress regular assessments that examine the latest climate research, uncertainty, effects of global change, and emerging trends.
- An increase of 1 FTE and \$4,255 to support northward development of NOAA's Arctic Observing Network. This investment would dramatically improve NOAA's capability to predict and model seasonal sea ice coverage across the Arctic, particularly in Alaska to support stakeholder needs.
- An increase of 1 FTE and \$3,912 to Regional Integrated Sciences and Assessments to expand its capability for regional research and information services. OAR will support external research and development of new information about impacts of climate on communities, natural and managed resources, infrastructure, transportation, and health.

NOAA requests no decreases for this sub-activity.

<b>Weather &amp; Air Chemistry Research</b>	223	\$107,763	1	-\$5,818
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$3,936 to expand research and development to substantially improve the accuracy of NOAA's next-generation global coupled operational prediction system out through weeks 3 and 4 (mid-range), where no exists today.
- An increase of 1 FTE and \$4,642 to conduct research and development on improving the detection and understanding of severe weather with a new airborne phased array radar and other airborne measurements which will provide critical information about severe storms, tropical storms (hurricanes) and heavy precipitation storms, for more accurate public warnings and forecasts

NOAA requests the following decreases for this sub-activity.

- A decrease of 0 FTE and \$5,000 to eliminate congressionally directed funding for Vortex-Southeast program. Funding is being used as indicated in the Consolidated and Further Continuing Appropriations Act, FY 2016 to initiate this project to understand how environmental factors that are characteristic of the southeastern United States affect the formation, intensity, and storm path of tornadoes for this region.
- A decrease of 0 FTE and \$2,896 to decrease Cooperative Institute (CI) support for planned research projects in FY 2017. NOAA will narrow the focus of funding for research, broadly spread across its Cooperative Institutes partners in FY 2017.
- A decrease of 0 FTE and \$500 thousand to eliminate congressionally directed funding for Infrasonic Weather Monitoring. NOAA is using congressionally directed funding as indicated in the Consolidated and Further Continuing Appropriations Act, FY 2016 to initiate this project to understand how infrasonic monitoring methods of violent weather have the potential to improve forecast accuracy.
- A decrease of 0 FTE and \$6,000,000 for the Joint Technology Transfer Initiative. NOAA is establishing a new NOAA-wide program (under the Innovative Research and Technology PPA) that will have a similar goal as the Joint Technology Transfer Initiative to better serve its full oceanic and atmospheric mission.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b><i>Ocean, Coastal and Great Lakes Research</i></b>	230	\$189,939	0	-\$10,484

NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$11,705 to expand understanding of ocean acidification (OA) by building a robust observation network to inform vulnerability assessments, expanding models and early warning systems, and continuing to focus on adaptation activities.

NOAA requests the following decreases for this sub-activity.

- A decrease of 0 FTE and \$2,000 to reduce support for an Autonomous Underwater Vehicle (AUV) Demonstration. NOAA will maintain its fleet of autonomous vehicles and other alternative technologies, and will continue to support a competitive process open to NOAA laboratories and Competitive Institutes, but will reduce the funding available for ongoing development, test and evaluation activities.
- A decrease of 0 FTE and \$2,985 to decrease Cooperative Institute (CI) support for planned research projects in FY 2017. NOAA will narrow scope of funded research, broadly spread across its Cooperative Institutes partners. NOAA will make awards to CI's where they can make significant advances through such partnerships.
- A decrease of 0 FTE and \$2,548 to decrease the amount of research funding available for competitively awarded projects. Sea Grant funds competitive grant competitions through its network of 33 Sea Grant Colleges.
- A decrease of 0 FTE and \$2,000 to reduce Marine Aquaculture funding for 20 research and extension projects.
- A decrease of 0 FTE and \$12,656 to Ocean Exploration to reduce the number of days for the Extended Continental Shelf (ECS) mapping effort and decrease the number of missions for the NOAA ship *Okeanos Explorer*.

<b><i>Innovative Research &amp; Technology</i></b>	10	\$12,144	2	\$10,000
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NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$10,000 to establish a Research Transition Acceleration Program (RTAP) for the oversight and management of NOAA's Research technology transitions. Through the RTAP, NOAA seeks to broaden the Joint Technology Transfer Initiative to accelerate the transition of additional promising research for the full spectrum of NOAA's mission requirements (e.g., weather, climate, fisheries management, ocean and coastal stewardship) to application and operations.

NOAA requests no decreases for this sub-activity

National Weather Service (NWS)

<b><i>Observations</i></b>	933	\$234,483	0	-\$11,487
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NOAA requests no increases for this sub-activity.

NOAA requests the following decreases for this sub-activity.

- A decrease of 0 FTE and \$11,487 to continue ingesting data from mesonets to identify rapidly deteriorating weather conditions not shown by other observations. Additionally, consistent with the Consolidated Appropriations Act, 2016, lightning data procurements are now included within the National Mesonet Program.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Central Processing</b>	232	\$93,357	-98	-\$4,969

NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$5,131 to restore funding of the cyclical refreshment of Advanced Weather Interactive Processing System (AWIPS) Information Technology (IT) hardware to the minimal funding levels for AWIPS IT cyclical replacement. Without restoration, NWS will extend AWIPS cyclical hardware replacement of from the previous replacement period of three-to-five years, out to six-to-eight years.

NOAA requests the following decreases for this sub-activity. .

- A decrease of 98 FTE and \$10,100 to reflect the significant efficiencies that can be achieved by transitioning to a new IT service delivery model for the NWS forecast offices through remote software support and regionalization of services.

<b>Analyze, Forecast, &amp; Support</b>	2,899	\$490,617	9	-\$4,686
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NOAA requests the following increases for this sub-activity.

- An increase of 9 FTE and \$4,500 to develop and operate the Nation's first Integrated Water Prediction capability by aligning, integrating, and expanding key atmospheric, terrestrial and coastal water prediction capabilities across NOAA. This request is part of a cross-line office initiative with NOAA's National Ocean Service and begins a multi-year strategy to improve water intelligence services provided to the Nation. This request across both line offices total \$12,250 and 11 FTEs.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$6,000 to eliminate NOAA partner funding for education and awareness programs through the National Tsunami Hazard Mitigation Program. NOAA is committed to maintaining its strong forecast and warning program and will continue ongoing tsunami education, outreach, and awareness activities through the TsunamiReady™ Program.
- A decrease of 0 FTE and \$3,000 as a result of decommissioning legacy NWS regional networks currently funded under this sub-activity. This reduction represents the removal of redundant circuits as NWS modernizes its dissemination network.
- A decrease of 0 FTE and \$186 to reduce scalable activities such as travel and other administrative functions.

<b>Dissemination</b>	82	\$45,236	0	\$2,000
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NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$2,000 to fully fund the operations and maintenance (O&M) of the NOAA Weather Radio (NWR) network at current levels. Without restoration, NWS will be required to decommission approximately 235 NWR transmitter stations.

NOAA requests no decreases for this sub-activity

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Science &amp; Technology Integration</b>	470	\$138,835	0	-\$6,879

NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$750 to link the current generation of terrestrial and coastal models into a common format to establish a Integrated Water Prediction system for local decision makers to assess flood risk following a severe storm, for instance This request is part of a cross-line office initiative with NOAA’s National Ocean Service and begins a multi-year strategy to improve water intelligence services provided to the Nation. This request across both line offices total \$12,250 and 11 FTEs.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$3,000 which will slow the Hurricane Forecast Improvement Project (HFIP) and refocus R2O efforts from separate global, regional and application specific modeling and forecast improvements to an integrated approach. The HFIP program has met its hurricane track and intensity goals and previous work will continue to inform models in the NWS operational environment.
- A decrease of 0 FTE and \$4,629 to decrease funding for the development and implementation of the Consumer Option for an Alternative System to Allocate Losses Act of 2012. NWS will further these efforts to extent possible based upon its prioritization and budgetary constraints.

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

<b>Environmental Satellite Observing Systems</b>	335	\$169,300	2	\$7,209
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NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$3,581 to improve data flow resiliency across NOAA’s critical Information Technology systems and infrastructure as part of a cross line office initiative with NOAA’s Office of Chief Information Officer (OCIO). This request specifically would support movement of NESDIS high impact systems to enterprise security services, movement of NESDIS high impact networks into NOAA OCIO’s secure active directory, and automated patching and continuing monitoring through NOAA-wide enterprise services.
- An increase of 0 FTE and \$847 to address recent anomalies on the DSCOVR satellite which have resulted in an increase in operational requirements that surpass those identified and budgeted for during program development.
- An increase of 0 FTE and \$316 to support the transfer of timely and accurate environmental data into products and services for use in forecasts and warnings.
- An increase of 1 FTE and \$1,065 to Commercial Remote Sensing Regulatory Affairs to increase NOAA’s capacity, accelerate review efforts and continue to enforce and ensure compliance with terms of new satellite license agreements.
- An increase of 1 FTE and \$1,400 to increase the capacity of its Office of Space Commerce to evaluate commercial opportunities for NOAA, including commercial data buys, and to fulfill its expanded statutory functions.

NOAA requests no decreases for this sub-activity.

<b>National Centers for Environmental Information</b>	242	\$62,217	0	\$1,261
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NOAA requests the following increase for this sub-activity.

- An increase of 0 FTE and \$1,261 to improve data flow resiliency across NOAA’s critical Information Technology systems and infrastructure. This request is part of a cross-line office initiative with NOAA’s Office of Chief Information Officer; this request specifically would support moving NESDIS NCEI moderate impact systems into NOAA OCIO’s secure active directory.

NOAA requests no decreases for this sub-activity.

**Mission Support**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b><i>Mission Services and Management</i></b>	713	\$147,357	+343	+\$7,842

NOAA requests the following increases for this sub-activity.

- An increase of 1 FTE and \$1,400 to improve data flow resiliency across NOAA’s critical Information Technology systems and infrastructure. This request is part of a cross-line office initiative with NOAA’s National Environmental Satellite, Data, and Information Service; this request specifically would make the IT systems and data flows that generate environmental intelligence more resilient in the face of threats from cyber-attack, equipment malfunctions, or natural disasters.
- An increase of 33 FTE and \$4,375 to transform from NOAA’s current service delivery model to a joint NOAA and DOC shared services model. In order to successfully transition to the shared services model, NOAA needs funding to support both shared services transition and implementation while retaining basic advisory and assistance functions that support NOAA’s core mission areas.
- An increase of 0 FTE and \$2,067 to dispose of unneeded facilities and structures in order to reduce the NOAA footprint and right size the facility portfolio by accelerating the elimination of arrangements that are not cost effective and disposing of excess and underutilized assets.

NOAA requests no decreases for this sub-activity.

<b><i>Payment to the DOC Working Capital Fund</i></b>	0	\$70,217	0	+\$2,295
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NOAA requests the following increases for this sub-activity.

- An increase of 0 FTE and \$2,295 to cover additional shared service investments within the Departmental Working Capital Fund (WCF). These Departmental requirements include necessary investments in DOC-wide systems, network security initiatives, and replacement of degrading IT infrastructure.

<b><i>Office of Education</i></b>	23	\$26,681	0	-\$10,200
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NOAA requests decreases for this sub-activity.

- A decrease of 0 FTE and \$3,000 to terminate NOAA’s Competitive Education Grants program while still supporting teacher development and formal and informal education initiatives through the existing grant periods.
- A decrease of 0 FTE and \$7,200 to terminate the Bay-Watershed Education and Training Program. NOAA will continue to provide watershed educational experiences for students through other programs, including National Marine Sanctuaries and the National Estuarine Research Reserves

**Office of Marine and Aviation Operations**

<b><i>Marine Operations &amp; Maintenance</i></b>	828	\$182,376	0	\$2,000
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NOAA requests an increases for this program.

- A increase of 0 FTE and \$2,000 to pilot the rotational staffing program for licensed engineering officers on approximately twelve NOAA ships and to support a pilot program for alternative crewing on NOAA ships.

NOAA requests no decreases for this sub-activity.

<b><i>Aviation Operations</i></b>	121	\$32,911	0	\$0
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NOAA requests no change for this sub-activity.

**Detailed Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>NATIONAL OCEAN SERVICE</b>								
Navigation, Observations and Positioning:								
Navigation, Observations and Positioning	542	\$149,000	542	\$151,406	542	\$143,406	0	(\$8,000)
Hydrographic Survey Priorities/Contracts	10	27,000	10	27,000	10	25,000	0	(2,000)
IOOS Regional Observations	0	29,500	0	29,500	0	29,500	0	0
<b>Total, Navigation, Observations and Positioning</b>	<b>552</b>	<b>205,500</b>	<b>552</b>	<b>207,906</b>	<b>552</b>	<b>197,906</b>	<b>0</b>	<b>(10,000)</b>
Coastal Science and Assessment:								
Coastal Science, Assessment, Response and Restoration	294	72,600	294	74,112	294	74,112	0	0
Competitive Research	3	9,000	3	9,000	3	13,000	0	4,000
<b>Total, Coastal Science and Assessment</b>	<b>297</b>	<b>81,600</b>	<b>297</b>	<b>83,112</b>	<b>297</b>	<b>87,112</b>	<b>0</b>	<b>4,000</b>
Services:								
Coastal Zone Management and Services	137	40,000	137	40,341	139	53,847	2	13,506
Coastal Zone Grants	0	75,000	0	75,000	0	90,646	0	15,646
Coral Reef Program	23	26,000	23	26,100	23	26,100	0	0
National Estuarine Research Reserve	0	23,000	0	23,000	0	23,000	0	0
Ocean Management (Marine Sanctuary Program)	186	49,000	186	49,800	186	49,800	0	0
<b>Total, Ocean &amp; Coastal Management and Services</b>	<b>346</b>	<b>213,000</b>	<b>346</b>	<b>214,241</b>	<b>348</b>	<b>243,393</b>	<b>2</b>	<b>29,152</b>
<b>TOTAL, NOS</b>	<b>1,195</b>	<b>500,100</b>	<b>1,195</b>	<b>505,259</b>	<b>1,197</b>	<b>528,411</b>	<b>2</b>	<b>23,152</b>
<b>NATIONAL MARINE FISHERIES SERVICE</b>								
Protected Resources Science and Management	811	182,409	811	184,969	837	216,771	26	31,802
Fisheries Science and Management	1,706	536,680	1,706	545,226	1,706	558,715	0	13,489
Enforcement	232	69,000	237	69,840	237	70,858	0	1,018
Habitat Conservation & Restoration	154	61,408	154	61,913	166	58,390	12	(3,523)
<b>TOTAL, NMFS</b>	<b>2,903</b>	<b>849,497</b>	<b>2,908</b>	<b>861,948</b>	<b>2,946</b>	<b>904,734</b>	<b>38</b>	<b>42,786</b>
<b>OCEANIC &amp; ATMOSPHERIC RESEARCH</b>								
Climate Research:								
Laboratories & Cooperative Institutes	190	60,000	190	60,420	192	70,913	2	10,493
Regional Climate Data & Information	19	38,000	19	38,266	22	52,703	3	14,437
Climate Competitive Research	63	60,000	63	60,420	64	66,250	1	5,830
<b>Total, Climate Research</b>	<b>272</b>	<b>158,000</b>	<b>272</b>	<b>159,106</b>	<b>278</b>	<b>189,866</b>	<b>6</b>	<b>30,760</b>
Weather and Air Chemistry Research:								
Laboratories & Cooperative Institutes	218	76,000	218	80,549	218	72,653	0	(7,896)
Weather & Air Chemistry Research	5	27,158	5	27,214	6	29,292	1	2,078
<b>Total, Weather and Air Chemistry Res.</b>	<b>223</b>	<b>103,158</b>	<b>223</b>	<b>107,763</b>	<b>224</b>	<b>101,945</b>	<b>1</b>	<b>(5,818)</b>

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Ocean, Coastal and Great Lakes Research:</b>								
Laboratories & Cooperative Institutes	132	\$32,000	132	\$32,374	132	\$27,389	0	(\$4,985)
National Sea Grant College Program	14	73,000	14	73,448	14	68,900	0	(4,548)
Ocean Exploration and Research	19	32,000	19	32,224	19	19,568	0	(12,656)
Other Ecosystems Programs	16	10,000	18	10,070	18	21,775	0	11,705
Sustained Ocean Observations and Monitoring	47	41,596	47	41,823	47	41,823	0	0
<b>Total, Ocean, Coastal and Great Lakes Research</b>	<b>228</b>	<b>188,596</b>	<b>230</b>	<b>189,939</b>	<b>230</b>	<b>179,455</b>	<b>0</b>	<b>(10,484)</b>
Innovative Research & Technology	10	12,144	10	12,144	12	22,144	2	10,000
<b>Undistributed ATBs</b>				<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, OAR</b>	<b>733</b>	<b>461,898</b>	<b>735</b>	<b>468,952</b>	<b>744</b>	<b>493,410</b>	<b>9</b>	<b>24,458</b>
<b>NATIONAL WEATHER SERVICE</b>								
Observations	804	216,363	933	234,483	933	222,996	0	(11,487)
Central Processing	232	92,871	232	93,357	134	88,388	(98)	(4,969)
Analyze, Forecast and Support	3,010	496,031	2,899	490,617	2,908	485,931	9	(4,686)
Dissemination	82	44,743	82	45,236	82	47,236	0	2,000
Science and Technology Integration	488	138,826	470	138,835	470	131,956	0	(6,879)
<b>TOTAL, NWS</b>	<b>4,616</b>	<b>988,834</b>	<b>4,616</b>	<b>1,002,528</b>	<b>4,527</b>	<b>976,507</b>	<b>(89)</b>	<b>(26,021)</b>
<b>NATIONAL ENVIRONMENTAL SATELLITE, DATA AND INFORMATION SERVICE</b>								
Environmental Satellite Observing Systems	335	130,100	335	169,300	337	176,509	2	7,209
National Centers for Environmental Intelligence	242	58,986	242	62,217	242	63,478	0	1,261
Undistributed ATBs	0	0	0	0	0	0	0	0
<b>TOTAL, NESDIS</b>	<b>577</b>	<b>189,086</b>	<b>577</b>	<b>231,517</b>	<b>579</b>	<b>239,987</b>	<b>2</b>	<b>8,470</b>
<b>MISSION SUPPORT</b>								
Corporate Services:								
Under Secretary & Assoc. Office	140	27,000					0	0
NOAA-wide Corporate Services	679	168,000					0	0
IT Security	0	8,300					0	0
<b>Sub-total, Corporate Services</b>	<b>819</b>	<b>203,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Facilities	45	23,000					0	0
Office of Education	23	26,631	23	26,681	23	16,481	0	(10,200)
Executive Leadership			140	27,266	140	27,266	0	0
Mission Services and Management			713	147,357	747	155,199	34	7,842
IT Security			11	10,050	11	10,050	0	0
Payment to DoC Working Capital Fund				70,217		72,512	0	2,295
<b>Total, Mission Support</b>	<b>887</b>	<b>252,931</b>	<b>887</b>	<b>281,571</b>	<b>921</b>	<b>281,508</b>	<b>34</b>	<b>(63)</b>

**National Oceanic and Atmospheric Administration**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Marine and Aviation Operations (OMAO)								
Marine Operations and Maintenance								
Marine Operations and Maintenance	828	178,838	828	182,376	828	184,376	0	2,000
<b>Sub-total, Marine Ops &amp; Maint.</b>	828	178,838	828	182,376	828	184,376	0	2,000
Aviation Operations	121	32,293	121	32,911	121	32,911	0	0
<b>Total, OMAO</b>	949	211,131	949	215,287	949	217,287	0	2,000
<b>TOTAL, PROGRAM SUPPORT</b>	1,836	464,062	1,836	496,858	1,870	498,795	34	1,937
<b>TOTAL DIRECT OBLIGATIONS</b>	11,860	3,453,477	11,867	3,567,062	11,863	3,641,844	(4)	74,782
<b>REIMBURSABLE OBLIGATIONS</b>								
From Offsetting collections	706	242,000	706	242,000	706	242,000	0	0
<b>TOTAL OBLIGATIONS, ORF</b>	12,566	3,695,477	12,573	3,809,062	12,569	3,883,844	(4)	74,782
<b>FINANCING</b>								
Unobligated balance, start of year	0	0					0	0
Transfer of unobligated P&D balance	0	0					0	0
Offsetting Collections	(706)	(242,000)	(706)	(242,000)	(706)	(242,000)	0	0
De-obligations (direct)	0	(17,500)	0	(17,500)	0	(17,500)	0	0
Rescission	0	0		0		0	0	0
Subtotal, Financing	(706)	(259,500)	(706)	(259,500)	(706)	(259,500)	0	0
<b>TOTAL BUDGET AUTHORITY, ORF</b>	11,860	3,435,977	11,867	3,549,562	11,863	3,624,344	(4)	74,782
<b>FINANCING FROM:</b>								
NOAA Corps retirement pay (mandatory)								
From Promote and Develop	0	(130,164)		(130,164)		(130,164)	0	0
From PAC							0	0
From FPPA							0	0
From Coastal Zone Management	0	0					0	0
Subtotal, Transfers / Mandatory	0	(130,164)	0	(130,164)	0	(130,164)	0	0
<b>APPROPRIATION, ORF</b>	11,860	3,305,813	11,867	3,419,398	11,863	3,494,180	(4)	74,782

# 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>
<b>2016 Enacted</b>			342	\$2,400,416
<b><u>Transfer</u></b>				
Transfer to OIG		(\$1,302)		
Transfer to ORF-Program Support		(38,939)		
Total, Transfers				(40,241)
<b>Adjustments to Base</b>				
<b><u>Adjustments</u></b>				
Restoration of FY 2016 deobligations			1	0
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<u>1</u>	<u>0</u>
<b>2017 Base</b>			343	2,360,175
Program Changes			2	(91,354)
<b>TOTAL REQUIREMENTS</b>			<u>345</u>	<u>2,268,821</u>
Transfer to OIG			0	1,302
<b>2017 APPROPRIATION</b>			<u>345</u>	<u>2,270,123</u>

## Comparison by Activity

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
<b>National Ocean Service</b>								
Construction / Acquisition								
NERRS	2	1,700	2	1,700	2	1,700	0	0
Marine Sanctuaries	3	2,000	3	2,000	3	2,000	0	0
Total, NOS PAC	<u>5</u>	<u>3,700</u>	<u>5</u>	<u>3,700</u>	<u>5</u>	<u>3,700</u>	<u>0</u>	<u>0</u>
<b>National Marine Fisheries Service</b>								
Total, NMFS PAC	0	0	0	0	0	0	0	0
<b>Oceanic and Atmospheric Research</b>								
Systems Acquisition	0	20,079	0	20,079	0	26,379	0	6,300
Total, OAR PAC	<u>0</u>	<u>20,079</u>	<u>0</u>	<u>20,079</u>	<u>0</u>	<u>26,379</u>	<u>0</u>	<u>6,300</u>
<b>National Weather Service</b>								
Systems Acquisition								
Observations	0	16,720	0	16,720	0	32,755	0	16,035
Central Processing	22	64,261	22	64,261	22	66,761	0	2,500
Dissemination	0	45,684	0	45,684	0	34,619	0	(11,065)
Construction							0	0
Facilities Construction and Major Repairs	0	8,650	0	8,650	0	8,650	0	0
Total, NWS PAC	<u>22</u>	<u>135,315</u>	<u>22</u>	<u>135,315</u>	<u>22</u>	<u>142,785</u>	<u>0</u>	<u>7,470</u>

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>National Environmental Satellite, Data &amp; Information Service:</b>								
Systems Acquisition								
Geostationary Satellites - R	63	\$871,791	63	\$837,891	63	\$752,784	0	(\$85,107)
Jason-3	3	7,458	3	4,527	3	4,357	0	(170)
Joint Polar Satellite System (JPSS)	97	808,966	97	808,966	97	787,246	0	(21,720)
Polar Follow -on	6	370,000	6	370,000	6	393,000	0	23,000
Cooperative Data and Rescue Services	0	500	0	500	0	500	0	0
DSCOVER	4	3,200	4	2,292	4	3,745	0	1,453
Space Weather Follow -on	0	1,200	0	1,200	0	2,500	0	1,300
COSMIC 2/GNSS RO	1	10,100	1	10,100	1	16,200	0	6,100
Satellite Ground Services	84	54,000	84	52,800	84	59,025	0	6,225
System Architecture & Advanced Planning	14	3,929	14	3,929	14	4,929	0	1,000
Projects, Planning & Analysis	36	25,200	36	25,200	36	33,488	0	8,288
Competitive/Adaptive Data Exploitation	2	3,000	2	3,000	2	5,000	0	2,000
Subtotal	310	2,159,344	310	2,120,405	310	2,062,774	0	(57,631)
Construction	0	2,228	0	2,228	0	2,228	0	0
OIG Transfer	0	(1,302)	0	(1,302)	0	(1,302)	0	0
Total, NESDIS PAC	310	2,160,270	310	2,121,331	310	2,063,700	0	(57,631)
<b>Mission Support / Construction</b>								
NOAA Construction	0	1,000	0	1,000	2	4,557	2	3,557
Total, Mission Support Construction PAC	0	1,000	0	1,000	2	4,557	2	3,557
<b>Office of Marine &amp; Aviation Operations</b>								
Fleet Capital Improvements	1	11,700	1	11,700	1	16,700	0	5,000
New Vessel Construction	4	80,050	5	80,050	5	24,000	0	(56,050)
Total, OMAO, PAC	5	91,750	6	91,750	6	40,700	0	(51,050)
<b>TOTAL OBLIGATIONS, PAC</b>								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
De-obligations	0	(13,000)	0	(13,000)	0	(13,000)	0	0
<b>TOTAL BUDGET AUTHORITY, PAC</b>	342	2,399,114	343	2,360,175	345	2,268,821	2	(91,354)
<b>FINANCING FROM:</b>								
TO OIG	0	1,302	0	1,302	0	1,302	0	0
Subtotal, Transfers / Mandatory	0	1,302	0	1,302	0	1,302	0	0
<b>APPROPRIATION, PAC</b>	342	2,400,416	343	2,361,477	345	2,270,123	2	(91,354)



## Highlights of Program Changes

### Office of Oceanic & Atmospheric Research (OAR)

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Systems Acquisition</b>	0	\$20,079	0	+\$6,300

NOAA requests the following increase for the following activity:

- An increase of 0 FTE and \$6,300 to continue the recapitalization of its research and development (R&D) High Performance Computing (HPC) infrastructure . The proposed increase in FY 2017 will establish a permanent source of funding to allow regular refresh and recapitalization of this R&D HPC resource via leasing mechanisms. The requested funding will enable greater certainty and longer lead times for planning and executing NOAA's long term environmental modeling activities such as sea level rise, seasonal climate variability, and the impact of pollution on human health.

### National Weather Service (NWS)

<b>Systems Acquisition</b>	22	\$126,665	0	+\$7,470
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NOAA requests the following increases for this sub-activity:

- An increase of 0 FTE and \$7,500,000 to establish a Service Life Extension Program (SLEP) on the aging Automated Surface Observing System (ASOS) which serves as the Nation's primary surface weather observing network.
- An increase of 0 FTE and \$8,535,000 to continue implementation of a SLEP to sustain the aging NEXRAD infrastructure that underpins severe weather forecast and warning services for high-impact events critical for a Weather-Ready Nation.
- An increase of 0 FTE and \$4,500,000 to develop and operate the Nation's first Integrated Water Prediction (IWP) capability by aligning, integrating, and expanding key atmospheric, terrestrial and coastal water prediction capabilities across NOAA.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$2,000,000 to reflect the reduced need for dedicated High Performance Computing (HPC) resources for the Hurricane Forecast Improvement Project (HFIP).
- A decrease of 0 FTE and \$7,604,000 to reflect the completion of a re-architected NWS Telecommunications Gateway (NWSTG) at the dissemination IT infrastructure primary and backup sites in College Park, MD and Boulder, CO.
- A decrease of 0 FTE and \$3,461,000 to reflect the completion of the NWS Ground Readiness Project (GRP), which will ensure utilization of the substantial increase in environmental satellite, radar, and model data to improve weather warnings and forecasts.

<b>Construction</b>	0	\$8,650	0	\$0
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NOAA requests no changes for this sub-activity.

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

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Systems Acquisition</b>	310	\$2,120,405	0	-\$57,631

NOAA requests the following increases for this activity:

- An increase of 0 FTE and \$23,000 for the Polar Follow On (PFO) program. The request funds: continue build of instruments for PFO/JPSS 3 and 4; complete design for PFO/JPSS 3 and 4 missions; initiate an Earth Observing Nanosatellite-Microwave (EON-MW) design; and prepare to exercise JPSS-3 spacecraft option on JPSS-2 spacecraft contract. PFO is essential to ensure continuity of NOAA's polar weather observations and to achieve robustness in the polar satellite system as early as FY 2023. Polar orbiting satellites provide the primary input (up to 85%) of the data needed for NOAA's Numerical Weather Prediction models, the underpinnings of high impact weather forecasts. These data are increasingly important to emergency managers in the public and private sectors since they underpin critical decisions, such as evacuations, related to protection of life and property.
- An increase of 0 FTE and \$1,453 to fund anomaly support, IT security upgrades, and a tech refresh of the ground system for the Deep Space Climate Observatory (DSCOVR) satellite. DSCOVR orbits between Earth and the sun, observing and providing advanced warning of particles and magnetic fields emitted by the sun, known as solar wind.
- An increase of 0 FTE and \$1,300 to continue development of the Space Weather Follow On program. FY 2017 funding will be used to select and initiate development of the selected options for solar wind data and the Coronal Mass Ejection (CME) imagery. This includes developing preliminary versions of Level 1 Requirements, Concept of Operations, and the program schedule, leading up to the program's Key Decision Point-A.
- An increase of 0 FTE and \$8,100 for the Constellation Observing System for Meteorology, Ionosphere, and Climate (COSMIC) 2/Global Navigation Satellite System Radio Occultation (GNSS RO) program to acquire radio occultation (RO) data from a high inclination orbit. NOAA will evaluate options to acquire GNSS RO data which could include purchase of commercial data. The polar data set, in conjunction with COSMIC-2A, will provide global coverage of atmospheric and ionospheric observations to improve the overall accuracy of NOAA's operational weather models.
- An increase of 0 FTE and \$4,525 for Satellite Ground Services (SGS) to continue the planning and transition of the independent ground services into a unified set of common ground services for NOAA's environmental satellite systems. These activities are a critical step toward setting the foundation for an enterprise ground system that will ultimately generate cost savings and interface efficiencies across NOAA.
- An increase of 0 FTE and \$1,700 for SGS DSCOVR technology refresh to update aging ground equipment at the Wallops, Virginia Command and Data Acquisition station. FY 2017 funds will be used to provide a technology refresh on the antenna that allows NOAA to collect solar wind data critical for accuracy and lead time of NOAA's space weather warnings.
- An increase of 0 FTE and \$1,000 to complete the NOAA Satellite Observing System Architecture Study to develop satellite architecture and support grant work for an assessment that will allow NOAA to prioritize future satellite observational requirements.
- An increase of 0 FTE and \$8,288 for the Projects, Planning and Analysis program to support accommodation of NOAA instruments on the European satellite MetOp-C for launch in early FY 2019. This funding request is critical to meeting NOAA obligations in executing the international partnership with Europe in support of NOAA observational requirements.
- An increase of 0 FTE and \$2,000 to purchase and evaluate commercial data in NOAA's weather modeling and forecasting. FY 2017 funds will continue efforts that began in FY 2016 to purchase and evaluate commercial satellite data.

NOAA requests the following decreases for this activity:

- A decrease of 0 FTE and \$85,107 for the Geostationary Operational Environmental Satellite (GOES)-R program. This level of funding will continue satellite engineering, development, and production activities for the four-satellite GOES-R Series Program to deliver required operational capabilities through 2036. The GOES-R Series will minimize losses to life, land, and the economy by giving early warning for severe weather events, which can cause significant impacts to people and property.

- A decrease of 0 FTE and \$21,720 for the Joint Polar Satellite System (JPSS) program. The request supports: continued operation and sustainment of the Suomi National Polar-orbiting Partnership (Suomi-NPP) satellite, which was launched October 28, 2011; the planned launch of JPSS-1 (Q2 FY 2017); continued redevelopment of the common ground system for the JPSS missions (S-NPP, JPSS-1, and JPSS-2); and continued development of JPSS-2 spacecraft and instruments. These efforts sustain the critical polar weather satellite observations in the U.S. afternoon orbit that provide time critical, worldwide weather coverage from low Earth orbit.
- A decrease of 0 FTE and \$170 to allow NOAA to continue post launch operations of the Jason-3 satellite. Post launch operations supported by this request include ingestion, processing and distribution of the data and essential engineering services to sustain operations in the event of space or ground based anomalies. The Jason-3 Altimetry mission is needed to provide continuity of precise measurement of sea surface heights.
- A decrease of 0 FTE and \$2,000 for the COSMIC 2/GNSS RO Ground System program. FY 2017 funding of \$8,100,000 will help complete all IT security testing to support the downlink of GNSS RO data at NOAA. The level of funding will support the complete operational testing and validation of the Numerical Weather Prediction models for COSMIC-2.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b>Construction</b>	0	\$2,228	0	\$0

NOAA requests no changes for this sub-activity.

**Mission Support**

<b>Construction</b>	0	\$1,000	2	\$3,557
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NOAA requests the following increase for this activity:

- An increase of 2 FTE and \$4,557 to begin prep work and planning and design to replace the Northwest Fisheries Science Center facility in Mukilteo, Washington (on Puget Sound), which conducts critical research on marine species and the impacts of ecosystem stressors, such as ocean acidification and marine diseases. The structural condition of the facility, which was built in the 1940s and formerly owned by the Department of Defense, has deteriorated to the point that it poses an imminent safety risk to NOAA personnel, threatening NOAA’s mission and operations in the region. Condition assessments confirm that NOAA cannot use the facility in its current state for more than five years. The results of NOAA’s research at this facility will be incorporated into fisheries harvest and socioeconomic models, which contribute to fisheries management decisions.

NOAA requests the following decrease for this sub-activity:

- A decrease of 0 FTE and \$1,000 for completion of a Planning and Design study to potentially extend NOAA’s use of the Naval Station Newport pier in Newport, RI.

**Office of Marine and Aviation Operations**

<b>Fleet Replacement</b>	6	\$91,750	0	\$40,700
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NOAA requests the following increase for this activity:

- An increase of 0 FTE and \$5,000 to increase funding available for capital repairs to NOAA’s ship fleet under the Progressive Lifecycle Maintenance program. Progressive lifecycle maintenance offers greater capacity to address needed repairs that improve the material condition of the fleet and provides a sustained capital investment in mission systems refresh and technology infusion that will ensure NOAA ships remain capable of collecting environmental data to support NOAA’s mission and the public’s need for accurate and reliable information.

NOAA requests the following decrease for this activity:

A decrease of 0 FTE and \$56,050 to continue the construction of a Regional Survey Vessel (RSV) as part of a multi-year NOAA ship fleet recapitalization initiative. NOAA's request of \$24,000 will supplement the FY 2016 funding of \$80,050 and will allow NOAA to complete design, acquisition and construction of a Regional Survey Vessel.

**Mandatory Proposal**

- An increase of 0 FTE and \$100,000 in mandatory funds to begin construction on a second RSV as part of a multi-year NOAA ship fleet recapitalization initiative.

**Appropriation: Pacific Coastal Salmon Recovery**

**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>	2	\$65,000
Adjustments	0	\$0
<b>2017 Base</b>	<u>2</u>	<u>65,000</u>
Program Changes	0	0
<b>2017 Appropriation</b>	<u>2</u>	<u>65,000</u>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>	2	\$65,001	2	\$65,000	2	\$65,000	0	\$0
<b>TOTAL OBLIGATIONS</b>	<u>2</u>	<u>65,001</u>	<u>2</u>	<u>65,000</u>	<u>2</u>	<u>65,000</u>	<u>0</u>	<u>0</u>
<b>FINANCING</b>								
Unobligated balance, expired		0						
Unobligated balance, start of year		(1)				0		
Transfer to ORF		0				0		
<b>TOTAL APPROPRIATION</b>	<u>2</u>	<u>65,000</u>			<u>2</u>	<u>65,000</u>		

NOAA requests \$65.0 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>
<b>2016 Mandatory Appropriation</b>	38	\$12,492
Adjustments	0	92
<b>2017 Base</b>	<u>38</u>	<u>12,584</u>
Program Changes	0	0
<b>2017 Mandatory Appropriation</b>	<u>38</u>	<u>12,584</u>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>	38	\$12,636	38	\$12,742	38	\$12,742	0	\$0
<b>TOTAL OBLIGATIONS</b>	<u>38</u>	<u>12,636</u>	<u>38</u>	<u>12,742</u>	<u>38</u>	<u>12,742</u>	<u>0</u>	<u>0</u>
<b>FINANCING</b>								
Unobligated balance, start of year		(12,055)				(11,926)		
Unobligated balance, end of year		11,926				11,763		
Temporarily reduced		850				855		
Appropriation previously unavailable		(865)				(850)		
<b>TOTAL APPROPRIATION</b>	<u>38</u>	<u>12,492</u>			<u>38</u>	<u>12,584</u>		

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

	Summary	
	FTE	Amount
<b>2016 Enacted</b>	0	\$350
Adjustments	0	0
<b>2017 Base</b>	0	350
Program Changes	0	0
<b>2017 Appropriation</b>	0	350

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$350	0	\$350	0	\$350	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	350	0	350	0	350	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(860)				(860)		
Unobligated balance, end of year		860				860		
<b>TOTAL APPROPRIATION</b>	0	350			0	350		

NOAA requests \$350,000 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>FTE</u>	<u>Amount</u>
<b>2016 Mandatory Appropriation</b>	0	\$0
Adjustments	0	0
<b>2017 Base</b>	<u>0</u>	<u>0</u>
Program Changes	0	0
<b>2017 Mandatory Appropriation</b>	<u>0</u>	<u>0</u>

### Comparison by Activity

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>	0	\$0	0	\$0	0	\$0	0	\$0
<b>TOTAL OBLIGATIONS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FINANCING</b>								
Unobligated balance, start of year		(522)				(522)		
Unobligated balance, end of year		<u>522</u>				<u>522</u>		
<b>TOTAL APPROPRIATION</b>	<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		

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

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

## Appropriation: Fisheries Finance Program Account

### Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Discretionary Appropriation</b>	0	\$11,819
Negative Subsidy Receipts Adjustment	0	(11,819)
<b>2017 Base</b>	0	0
Program Changes	0	0
<b>2017 Discretionary Appropriation</b>	0	0

### Comparison by Activity

	2016 Enacted		2017 Base		2017 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>
Loan Modification and Refinance	0	\$11,819	0	\$0	0	\$0	0	0
<b>TOTAL OBLIGATIONS</b>	0	11,819	0	0	0	0	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(2,779)				(2,779)		
Unobligated balance, end of year		2,779				2,779		
<b>TOTAL APPROPRIATION</b>	0	11,819			0	0		

The Fisheries Finance Program (FFP) is a national loan program that makes long-term fixed- rate financing available to U.S. citizens who otherwise qualify for financing or refinancing of the construction, reconstruction, reconditioning, and, in some cases, the purchasing of fishing vessels, shoreside processing, aquaculture, mariculture facilities, and the purchase of individual fishing quota (IFQ). The purpose of these loans is to provide stability to at least one aspect of an otherwise volatile industry. The FFP also provides fishery-wide financing to ease the transition to sustainable fisheries through its fishing capacity reduction programs and provides financial assistance in the form of loans to fishermen who fish from small vessels and entry-level fishermen to promote stability and reduce consolidation in already rationalized fisheries. Additionally, FFP can provide loans for fisheries investments of Native American Community Development Quota (CDQ) groups. 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.



## Appropriation: Promote and Develop Fisheries Products

### Summary of Requirements

	Detailed		Summary	
	FTE	Amount	FTE	Amount
<b>2016 Enacted</b>			0	\$0
<b>Transfers</b>				
From Department of Agriculture		\$145,811		
To NOAA ORF		(130,164)		
<b>Total, Transfers</b>			0	15,647
<b>Temporarily Reduced</b>			0	9,915
<b>Appropriations Previously Unavailable</b>			0	(9,915)
<b>2017 Base</b>			0	15,647
Program Changes			0	0
<b>TOTAL REQUIREMENTS</b>			0	15,647
<b>Transfers</b>				
From Department of Agriculture				(145,811)
To NOAA ORF				130,164
<b>2017 Appropriation</b>			0	0

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$17,308		\$15,647		\$15,647	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	17,308	0	15,647	0	15,647	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(1,083)				0		
Transfer of unobligated balance to ORF		0				0		
Unobligated balance, end of year		0				0		
<b>TOTAL BUDGET AUTHORITY</b>	0	16,225			0	15,647		
<b>TRANSFERS</b>								
From Department of Agriculture		(145,811)				(145,811)		
To NOAA ORF		130,164				130,164		
Appropriations Previously Unavailable		(10,493)				(9,915)		
Temporarily Reduced		9,915				9,915		
<b>TOTAL APPROPRIATION</b>	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 2017 budget estimate of the transfer is \$145.8 million. Of this amount, \$15.6 million will be used for the grants program and the remaining \$130.2 million will be transferred to offset the ORF appropriation.

## Appropriation: Damage Assessment and Restoration Revolving Fund

### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Mandatory Appropriation</b>	16	\$0
Adjustments	0	0
<b>2017 Base</b>	16	0
Program Changes	0	0
<b>2017 Mandatory Appropriation</b>	16	0

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	16	\$67,219	16	\$65,948	16	\$65,948	0	\$0
<b>REIMBURSABLE OBLIGATIONS</b>	0	85,600	0	10,000	0	10,000	0	0
<b>TOTAL OBLIGATIONS</b>	16	152,819	16	75,948	16	75,948	0	0
<b>FINANCING</b>								
Estimated collections		(85,600)				(10,000)		
Unobligated balance, start of year		(166,460)				(111,209)		
Unobligated balance, end of year		111,209				57,229		
Transfer of budget authority from DOI		(5,968)				(5,968)		
Transfer of unobligated balances from DOI		(6,000)				(6,000)		
Appropriation temporarily reduced		406				406		
Appropriation previously unavailable		(406)				(406)		
<b>TOTAL MANDATORY</b>	16	0			16	0		

This fund was established in 1990 to facilitate oil and hazardous material spill response, as well as assessment and restoration activities for damages to natural resources for which NOAA serves as trustee. The Fund retains sums transferred by responsible parties or government entities for future use. The sources of these funds are settlements and awards by the courts. Receipts from settlements are expected to be \$10.0 million in FY 2017.

## Appropriation: Federal Ship Financing Fund

### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Mandatory Appropriation</b>	0	\$0
Transfers	0	0
Adjustments	0	0
<b>2017 Base</b>	0	0
Program Changes	0	0
<b>2017 Mandatory Appropriation</b>	0	0

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$0	0	\$0	0	\$0	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	0	0	0	0	0	0	0
<b>FINANCING</b>								
Less: offsetting collections		0				0		
<b>TOTAL MANDATORY BUDGET AUTHORITY</b>	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
<b>2016 Mandatory Appropriation</b>	0	\$10,042
Adjustments	0	(5,566)
<b>2017 Base</b>	0	4,476
Program Change	0	0
Adjustments	0	0
<b>2017 Mandatory Appropriation</b>	0	4,476

### Comparison by Activity

	2016 Estimate		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$8,815	0	\$1,144	0	\$1,144	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	8,815	0	1,144	0	1,144	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(705)				(544)		
Unobligated balance, transferred		705						
Unobligated balance, end of year		544				3,572		
Permanently Reduced		683				304		
<b>TOTAL MANDATORY BUDGET APPROPRIATION</b>	0	10,042			0	4,476		

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

**Appropriation: Marine Mammal Unusual Mortality Event Fund**

**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>	0	\$0
Adjustments	0	0
<b>2017 Base</b>	0	0
Program Changes	0	0
<b>2017 Appropriation</b>	0	0

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>	0	\$50	0	\$50	0	\$50	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	\$50	0	\$50	0	\$50	0	\$0
<b>FINANCING</b>								
Unobligated balance, start of year		(23)				(23)		
Collections	0	(50)			0	(50)		
Unobligated balance, end of year	0	23			0	23		
<b>TOTAL BUDGET AUTHORITY</b>	0	0			0	0		

The Marine Mammal Protection Act Section 405 (16 USC 1421d) establishes the Marine Mammal Unusual Mortality Event Fund. 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. Based on previous experience, NOAA expects to obligate \$50,000 in FY 2017 depending on the severity of the emergencies that year, donations received, and the balance of funds remaining.

## Appropriation: Medicare-Eligible Retiree Healthcare Fund

### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Enacted</b>	0	\$1,936
Adjustments	0	0
<b>2017 Base</b>	0	1,936
Program Changes	0	0
<b>2017 Appropriation</b>	0	1,936

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$1,936	0	\$1,936	0	\$1,936	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	1,936	0	1,936	0	1,936	0	0
Transfer of unobligated balances	0	0						
<b>TOTAL APPROPRIATION</b>	0	1,936			0	1,936		

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
<b>2016 Mandatory Appropriation</b>	0	\$400
Adjustments	0	0
<b>2017 Base</b>	0	400
Program Changes	0	0
<b>2017 Mandatory Appropriation</b>	0	400

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$481	0	\$400	0	\$400	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	481	0	400	0	400	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(90)				0		
Unobligated balance, end of year		0				0		
<b>TOTAL BUDGET AUTHORITY</b>	0	391			0	400		
Appropriations previously unavailable		(18)				(27)		
Temporarily Reduced		27				27		
<b>Total Appropriation</b>	0	400			0	400		

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	
	FTE	Amount
<b>2016 Mandatory Appropriation</b>	0	\$4,000
Adjustments	0	0
<b>2017 Base</b>	0	4,000
Program Changes	0	0
<b>2017 Mandatory Appropriation</b>	0	4,000

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$2,870	0	\$4,000	0	\$2,893	0	(\$1,107)
<b>TOTAL OBLIGATIONS</b>	0	\$2,870	0	\$4,000	0	\$2,893	0	(\$1,107)
<b>FINANCING</b>								
Appropriations previously unavailable		(292)				(272)		
Unobligated balance, start of year		(14,393)				(15,543)		
Unobligated balance, end of year		15,543				16,650		
Temporarily Reduced		272				272		
<b>TOTAL Appropriation</b>	0	4,000			0	4,000		

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



**Appropriation: Sanctuaries Enforcement Asset Forfeiture Fund**

**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Mandatory Appropriation</b>	0	\$120
Adjustments	0	0
<b>2017 Base</b>	<u>0</u>	<u>120</u>
Program Change	0	0
<b>2017 Mandatory Appropriation</b>	<u>0</u>	<u>120</u>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>	0	\$392	0	\$120	0	\$120	0	\$0
<b>TOTAL OBLIGATIONS</b>	<u>0</u>	<u>\$392</u>	<u>0</u>	<u>\$120</u>	<u>0</u>	<u>\$120</u>	<u>0</u>	<u>\$0</u>
<b>FINANCING</b>								
Appropriations previously unavailable		(13)				(8)		
Unobligated balance, start of year		(267)				0		
Unobligated balance, end of year		0				0		
Temporarily Reduced		8				8		
<b>TOTAL APPROPRIATION</b>	<u>0</u>	<u>120</u>			<u>0</u>	<u>120</u>		

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

	Summary	
	FTE	Amount
<b>2016 Mandatory Appropriation</b>	0	\$3,970
Adjustments	0	0
<b>2017 Base</b>	0	3,970
Program Change	0	0
<b>2017 Mandatory Appropriation</b>	0	3,970

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$5,305	0	\$3,970	0	\$3,970	0	\$0
<b>TOTAL OBLIGATIONS</b>	0	\$5,305	0	\$3,970	0	\$3,970	0	\$0
<b>FINANCING</b>								
Unobligated balance, start of year		(1,255)				0		
Unobligated balance, end of year		0				0		
<b>TOTAL BUDGET AUTHORITY</b>	0	4,050			0	3,970		
Appropriations previously unavailable		(350)				(270)		
Temporarily Reduced		270				270		
<b>TOTAL APPROPRIATION</b>	0	3,970			0	3,970		

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 \$4.0 million in fees to be collected during the FY 2016 season, to be used in FY 2017 for observer coverage.

**Appropriation: Gulf Coast Ecosystem Restoration, Science, Observation, Monitoring and Technology Fund**

**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Mandatory Appropriation</b>	1	\$0
Adjustments	0	0
<b>2017 Base</b>	1	0
Program Change	0	0
<b>2017 Appropriation</b>	1	0

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>	1	\$464	1	\$5,716	1	\$5,716	0	\$0
<b>TOTAL OBLIGATIONS</b>	1	\$464	1	\$5,716	1	\$5,716	0	\$0
<b>FINANCING</b>								
Offsetting Collections	0	(354)						
Unobligated balance, start of year	0	(110)				(5,716)		
Unobligated balance, end of year	0	0				0		
<b>TOTAL BUDGET AUTHORITY</b>	1	0			1	0		
Financing from transfers and other		0				0		
<b>TOTAL APPROPRIATION</b>	1	0			1	0		

The Gulf Coast Ecosystem Restoration Science, Observation, Monitoring and Technology Fund provides funding for the NOAA RESTORE Act Science Program. The purpose of this program is to initiate and sustain an integrative, holistic understanding of the Gulf of Mexico ecosystem and support, to the maximum extent practicable, restoration efforts and the long-term sustainability of the ecosystem, including its fish stocks, fishing industries, habitat, and wildlife through ecosystem research, observation, monitoring, and technology development.

To ensure the best use of resources the Program will coordinate with existing federal and state science and technology programs, including other activities funded under the RESTORE Act. Section 1604 of the RESTORE Act authorized funding for the Program using 2.5 percent of the Gulf Coast Restoration Trust Fund.

## Appropriation: National Oceans and Coastal Security Fund

### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Enacted</b>	0	\$0
Adjustments	0	\$0
<b>2017 Base</b>	0	0
Program Changes	1	10,000
<b>2017 Appropriation</b>	1	10,000

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>	0	\$0	0	\$0	1	\$10,000	1	\$10,000
<b>TOTAL OBLIGATIONS</b>	0	0	0	0	1	10,000	1	10,000
<b>FINANCING</b>								
Unobligated balance, expired	0	0			0	0		
Unobligated balance, start of year	0	0			0	0		
<b>TOTAL APPROPRIATION</b>	0	0			1	10,000		

NOAA requests \$10.0 million to establish the National Oceans and Coastal Security Fund as authorized by Title IX of the "Consolidated Appropriations Act, 2016" to support coastal states and other entities to better understand and utilize the oceans, coasts, and Great Lakes of the United States. This will expand the opportunity for present and future generations to benefit from the full range of ecological, economic, social, and recreational opportunities that these resources provide. NOAA will partner with the National Fish and Wildlife Foundation to establish the tax-exempt fund to further the purposes of Title IX of the Consolidated Appropriations Act, 2016. Grants will be awarded by the Foundation, in coordination with NOAA, per specific eligibility criteria. Broadly, grants will support protection, conservation, and restoration of ocean and coastal resources and coastal infrastructure.

## Appropriation: Fisheries Disaster Assistance Fund

### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Enacted</b>	0	\$0
Adjustments	0	\$0
<b>2017 Base</b>	0	0
Program Changes	0	9,000
<b>2017 Appropriation</b>	0	9,000

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>		\$4,358	0	\$0		\$9,000	0	\$9,000
<b>TOTAL OBLIGATIONS</b>	0	4,358	0	0	0	9,000	0	9,000
<b>FINANCING</b>								
Unobligated balance, expired		0						
Unobligated balance, start of year		(4358)				0		
Transfer to ORF		0				0		
<b>TOTAL APPROPRIATION</b>	0	0			0	9,000		

The Fishery Disaster Assistance Fund was created to improve the environmental and economic resilience of fisheries designated a fishery disaster by the Secretary. Funds will be used for fishery-related ecosystem restoration, research, non-Federal buyback programs, or training.

## Performance Indicators

The following table shows the NOAA performance Indicators and the related Departmental strategic goals and objectives. Additional details of these indicators and related funding is at the end of the NOAA section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b>Goal: Environment</b>				
<b>Objective 3.1: Advance the understanding and prediction of changes in the environment</b>				
Number of research and development (R&D) capabilities transitioning to applications (from TRL 8 to TRL 9) to improve efficiency, accuracy, or precision of forecasts		New	7	5
Annual number of peer-reviewed publications related to environmental understanding and prediction	1,500	1,860	1,500	1,500
U.S. temperature forecasts (cumulative skill score computed over the regions where predictions are made)	24	25	25	26
Uncertainty of the North American (NA) carbon sink to better understand the contribution of human activities toward increasing atmospheric CO <sub>2</sub> and methane	410 Million tons Carbon/Yr	410 Million tons Carbon/Yr	405 Million tons Carbon/Yr	400 Million tons Carbon/Yr
Number of forecast and mission improvements, based on NOAA research, to weather applications at operational US weather services and in the US weather commercial	12	12	9	9
Annual economic and societal benefits from Sea Grant activities as measured by jobs created/retained (reported by each individual Sea Grant College)	9,600	10,700	9,600	9,600
Number of publications that contribute to improved understanding of the climate system	275	747	300	300
Error in global measurement of sea surface temperature	0.59C	0.52C	Discontinued	
Annual percentage of U.S. regions, states, and territories that use NOAA climate information and services to improve decision-making in the face of a changing climate	25%	25%	Discontinued	
LImproved climate model performance and utility based on model advancements (planned milestones), and climate assessments benefited	\$24	\$22	Discontinued	
<b>Objective 3.2: Build a Weather-Ready Nation</b>				
Lead time (minutes), accuracy (%) and False Alarm Rate (FAR) (%) for tornado warnings (storm based)	13/72%/72%	8/58%/70%	13/72%/71%	13/72%/71%
Lead time (minutes) and accuracy (%) for flash flood Warnings (Priority Goal – See below)	61/76%	65/79%	61/76%	63/76%
Hurricane forecast track error (48 hour) (nautical miles)	77	Available 2/2016	71	68
Hurricane forecast Intensity error (48 hour) (difference in knots)	12	Available 2/2016	12	12
Accuracy (%) (threat score) of Day 1 precipitation forecasts	32	33	32	32
Lead time (hours) and accuracy (%) for winter storm warnings	20/90%	21/85%	20/90%	20/90%
Accuracy (%) of forecast for marine wind speed / wave height	75/76	80/84	75/76	78/81
Accuracy (%) and False Alarm Rate (%) of forecasts of ceiling and visibility ( 3 miles / 1000 feet) (aviation forecasts)	65/38	65/34	65/38	65/38
Geomagnetic storm forecast accuracy (%)	53	57	53	40

	2015		2016	2017
	Target	Actual	Target	Target
<b>Objective 3.3: Strengthen the resiliency of communities and regions</b>				
Percentage of U.S. coastal states and territories demonstrating annual improvement in resilience capacity to weather and climate hazards	51%	50%	60%	69%
Number of communities that utilize Digital Coast	5,375	6,330	5,500	5,750
Cumulative number of coastal, marine, and Great Lakes issue-based forecasting capabilities developed and used for management	73	73	92	113
Annual number of Coastal, Marine, and Great Lakes ecological characterizations that meet management needs	48	48	48	48
Percentage of tools, technologies, and information services that are used by NOAA partners / customers to improve ecosystem-based management	87%	89%	91%	91%
Hydrographic survey backlog within navigationally significant areas (square nautical miles surveyed per year)	2,556	3,135	2,509	2,953
Percent of U.S. and territories enabled to benefit from a new national vertical reference system for improved inundation management	45%	45%	53%	62%
Percent of all coastal communities susceptible to harmful algal blooms verifying use of accurate HAB forecasts	18%	18%	18%	18%

**Objective 3.4: Foster healthy and sustainable marine resources, habitats, and ecosystems**

Fish Stock Sustainability Index (FSSI) (cumulative)	749	761.5	758	768.5
Percent of stocks for which the catch is below the specified Annual Catch Limit (ACL) (cumulative)	79.5%	89.7%	81%	82%
Percentage of FSSI fish stocks with adequate population assessments and forecasts (cumulative)	67.3%	64.8%	61.3%	64.3%
Percentage of protected species stocks with adequate population assessments and forecasts (cumulative)	21.6%	18.7%	20.7%	19.6%
Number of protected species designated as threatened, endangered, or depleted with stable or increasing population levels (cumulative)	34	31	31	26
Percentage and number of actions ongoing or completed to recover endangered and threatened species (cumulative)	46.2% (2,070 / 4,482)	48.1% (2,157 / 4,482)	49.1% (2,229 / 4,542)	24.0% (2,278 / 9,476)
Number of Habitat acres restored (annual)	32,460	22,975	23,922	47,300
Annual number of coastal, marine, and Great Lakes habitat acres acquired or designated for long-term protection	250	4,250,256	1,650	800

**Goal: Data****Objective 4.1: Deliver increasing amounts of data to governments, businesses and the public in formats that are easier to access and use**

Number of archival datasets to which permanent, citable Digital Object Identifiers (DOI) have been assigned	40	183	40	TBD
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**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

## **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 2017 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 Indicators agencies include in the annual plans and reports required by the Government Performance and Results Act (GPRA).

NOAA had the following high priority performance goals for FY 2014 - 2015:

- For FY 2014 and FY 2015 NOAA will continue to show that by implementing rigorous limits on annual catch, the U.S. can end and prevent overfishing of the Nation's fishery resources, a key step to ensuring the sustainable management of our nation's fisheries which should increase the long-term economic and social benefits of the nation's fisheries.
  - The associated measure is: By September 30, 2015, the Department of Commerce will confirm the elimination of overfishing on all 21 U.S. domestic stocks identified as subject to overfishing as of June 30, 2013 by comparing catch data relative to overfishing limits (OFLs).
  - Associated measure update: The goal of limiting catch to less than OFL was met for 19 of the 21 stocks, but not for the remaining 2 stocks. Therefore, the goal was not met.
- For FY 2014 and FY 2015 NOAA will also improve weather forecast accuracy, combined with enhanced decision support services, allowing emergency management and the American public more time to prepare for high-impact weather events enabling protection of life and property and enhancement of the U.S. economy.
  - The associated measure is: By September 30, 2015, the Department of Commerce will improve its overall weather forecast model accuracy to 9 days which will enable more accurate, consistent, longer lead time for specific weather event forecasts and warnings.
  - Associated measure update: The goal was not met.

Beginning in FY 2016, NOAA's overfishing priority goal will be discontinued; however, its weather forecast goal will be extended into FY 2016-2017. The associated measure is: By September 30, 2017, the Department of Commerce will improve the useful lead time of its weather forecast model guidance to 9.5 days which will enable more accurate, consistent, forecasts and warnings for high-impact and extreme weather events.

Beginning in FY2016, NOAA will also add another performance goal on transitioning research. The associated measure is: By September 30, 2017, the Department of Commerce will transition twelve (12) research and development (R&D) capabilities to applications (from TRL 8 to TRL 9) to improve efficiency, accuracy, or precision of forecasts to reduce adverse effects of environmental events on people and property.

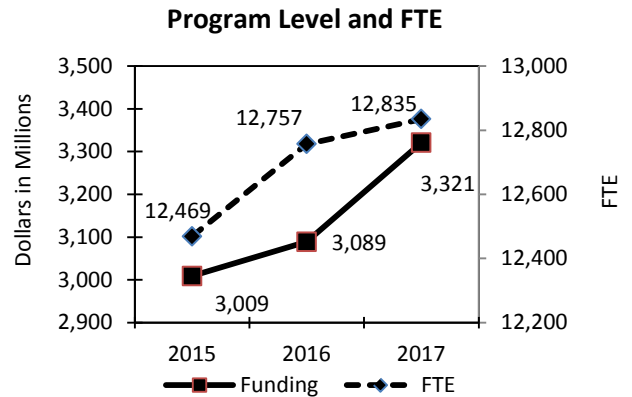


# U.S. Patent and Trademark Office

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. These laws provide protection to inventors and businesses for their inventions and corporate and product identifications. The laws also 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 2017 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. The FY 2017 Budget also continues to emphasize the USPTO’s administrative efforts to address abusive patent litigation practices, and repeats the President’s call for Congress to enact legislation that promotes greater transparency in the U.S. patent system and prevents frivolous lawsuits that stifle innovation.

The FY 2017 Budget re-emphasizes the USPTO’s commitment to quality throughout the organization, and continues the patent pendency and backlog reduction priority. 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. The Budget also focuses on stakeholder and public outreach, most notably with the continued operation of the four regional offices throughout the country.



## Summary of Appropriations

	2015 Actual	2016 Enacted	2017 Estimate	Increase (Decrease)
<b><u>Appropriations</u></b>				
New Offsetting Collections/Program Level*	3,008,756	3,088,812	3,321,024	232,212
Fee Collections	(3,008,756)	(3,088,812)	(3,321,024)	(232,212)
<b>Total Appropriation</b>	0	0	0	0
Transfer to IG	(2,000)	(2,000)	(2,000)	0
<b><u>Budget Authority</u></b>				
New Offsetting Collections/Program	3,006,756	3,086,812	3,319,024	232,212
Base Fee Collections	(3,008,756)	(3,088,812)	(3,321,024)	(232,212)
Total Budget Authority	(2,000)	(2,000)	(2,000)	0
<b><u>FTE</u></b>	12,469	12,757	12,835	59

\*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>
<b>2016 Estimated Fee Collections</b>			12,757	\$3,088,812
Other Income/Recoveries				32,257
USPTO Funding from Operating Reserve				112,171
<b>Funds currently available, 2016</b>			12,757	3,233,240
FY 2016 Transfer to DOC OIG				(2,000)
<b>USPTO FY 2016 Base</b>			12,757	3,231,240
<b>Adjustments to Base:</b>				
<b><u>Other Changes</u></b>				
2016 Pay raise		\$4,758		
2017 Pay raise		14,273		
Full year cost in 2017 for positions financed for part-year in FY 2016	19	2,159		
Other Compensation Adjustments		57,399		
Changes in compensable day		(16,497)		
Civil Service Retirement System (CSRS)		(717)		
Federal Employees' Retirement System (FERS)		1,404		
Thrift Savings Plan		461		
Federal Insurance Contributions Act (FICA) - OASDI		601		
Health insurance		3,088		
Post Retirement Benefits to OPM		2,533		
Travel		79		
Rent payments to GSA		1,656		
Printing and reproduction		2,411		
Working Capital Fund		2,862		
General Pricing Level Adjustment:				
Transportation of things		6		
Rental payments to others		354		
Communications, utilities, and misc. charges		396		
Other services		5,939		
Supplies and materials		789		
Equipment		3,952		
Subtotal, Other Changes			19	87,906
<b>TOTAL, ADJUSTMENTS TO BASE</b>			19	87,906
<b>2017 Base</b>			12,776	3,319,146
Program Changes			59	(75,292)
<b>TOTAL REQUIREMENTS</b>			12,835	3,243,855
Total Offsetting Fee Collections				(3,321,024)
Other Income/Recoveries				(22,257)
Transfer to OIG				2,000
USPTO Funding to Operating Reserve				97,427
<b>2017 NET APPROPRIATION</b>			12,835	0

## Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / (Decrease)	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>OBLIGATIONS</b>								
Patents	11,659	\$2,918,784	11,639	\$2,994,490	11,652	\$2,927,944	13	(\$66,546)
Trademarks	1,098	312,456	1,137	324,656	1,183	315,911	46	(8,745)
<b>TOTAL OBLIGATIONS</b>	12,757	3,231,240	12,776	3,319,147	12,835	3,243,855	59	(75,292)
<b>FINANCING</b>								
Fees		(3,088,812)				(3,321,024)		
Other Income /Recoveries		(32,257)				(22,257)		
USPTO funding to Operating Reserve		(112,172)				97,427		
Subtotal Financing	0	(3,233,240)			0	(3,245,855)		
<b>TOTAL BUDGET AUTHORITY</b>	12,757	(2,000)			12,835	(2,000)		
Transfer to DOC OIG		2,000				2,000		
<b>TOTAL APPROPRIATION</b>	12,757	0			12,835	0		

## Highlights of Program Changes

	Base		Increase / (Decrease)	
	FTE	Amount	FTE	Amount
<b>Patent Process</b>	11,639	\$2,994,490	+13	-\$66,546

USPTO will continue its focus on patent pendency reduction agenda to achieve overall pendency targets in FY 2019, and achieve an optimal working level inventory of unexamined patent applications in FY 2018. Budgetary requirements in FY 2017 decrease by \$66.5 million due to 1) a net decrease in patent examiner hires as examination capacity is adjusted to incoming workload levels, and 2) an overall effort to align spending with current revenue projections, including investment in the Patent-End-2-End system and related IT infrastructure and IT support services over a longer period of time and at a lower rate of investment than in FY 2016.

<b>Trademark Process</b>	1,137	\$324,656	+46	-\$8,745
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The FY 2017 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. The FY 2017 negative program change is due to a reduction in the year-over-year investment for the Trademark Next Generation (TMNG) IT system and related IT infrastructure and IT support services, which more than offsets the increased cost of additional Trademark staff due to increased workloads.

## Performance Indicators

The following table shows the USPTO performance indicators and its related Departmental strategic goals and objectives. Additional details of these indicators and related funding is at the end of the USPTO section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target

### Goal: Trade and Investment

#### Objective 1.1: Increase opportunities for U.S. companies by opening markets globally

Number of Foreign Government Officials Trained on Best Practices to Protect and Enforce Intellectual Property	6,300	5,283	5,000	5,500
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### Goal: Innovation

#### Objective 2.5: Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve, and commercialize new products and services.

Patent average first action pendency (months)	15.7	17.3	14.7	13.2
Patent average total pendency (months)	26.4	26.6	23.9	22.6
Patent quality index report	New	94.0	94.0	94.0
Trademark first action pendency (months)	2.5 to 3.5	2.9	2.5 to 3.5	2.5 to 3.5
Trademark average total pendency (months)	12.0	10.1	12.0	12.0
Trademark first action compliance rate	95.5%	96.7%	95.5%	95.5%
Trademark final compliance rate	97.0%	97.6%	97.0%	97.0%
Trademark Exceptional Office Action (Percent)	36.0	48.3	37.0	37.0
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%	100%	75%	75%
Patent quality composite rate	100.0	42.9	Discontinued	
UPR Unexamined Patent Application Backlog	534,900	553,221	Discontinued	

\* The Quality Index Report measure was a subcomponent of the Patent Quality Composite Score measure previously reported. The USPTO will define and introduce revised quality metrics based on stakeholder input by September 2017. USPTO will be reporting the QIR measure until the revised quality metrics are introduced.

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

### Agency Priority Goals

Agency Priority Goals (APG) 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 APG:

Improve Patent Processing Time and Quality. By September 30, 2017, the Patent and Trademark Office will reduce patent pendency to less than 14 months for first action and less than 23 months for total pendency from end of fiscal year 2015 results of 17.3 and 26.6 months. The priority goal supports the Department of Commerce’s longer term goal focused on achieving 10 months for first action pendency and 20 months for total pendency by FY 2019.

Patent first action 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. Patent average total 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. The following table provides all the targets and actuals from 2006 – 2017.

	First action patent pendency		Total patent pendency	
	Target	Actual	Target	Actual
2006	22.0	22.6	31.3	31.1
2007	23.7	25.3	33.0	31.9
2008	26.9	25.6	34.7	32.2
2009	27.5	25.8	37.9	34.6
2010	25.4	25.7	34.8	35.3
2011	23.0	28.0	34.5	33.7
2012	22.6	21.9	34.7	32.4
2013	18.0	18.2	30.1	29.1
2014	17.4	18.4	26.7	27.4
2015	15.7	17.3	26.4	26.6
2016	14.8		25.4	
2017	13.7		22.9	

# National Institute of Standards and Technology

The National Institute of Standards and Technology (NIST) mission 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 address increasingly complex measurement challenges, ranging from the very small (nanoscale devices) to the very large (vehicles and buildings), and from the physical (renewable energy sources) to the virtual (cybersecurity and cloud computing). As new technologies develop and evolve, NIST's measurement research and services remain central to innovation, productivity, trade, and public safety. 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.

Additionally, NIST's portfolio includes the Hollings Manufacturing Extension Partnership (MEP) and the National Network for Manufacturing Innovation (NNMI). MEP is a federal-state-industry partnership which provides U.S. manufacturers with access to technologies, resources, and industry experts. The 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 NNMI will serve to create an effective manufacturing research infrastructure for U.S. industry and academia to solve industry-relevant problems.

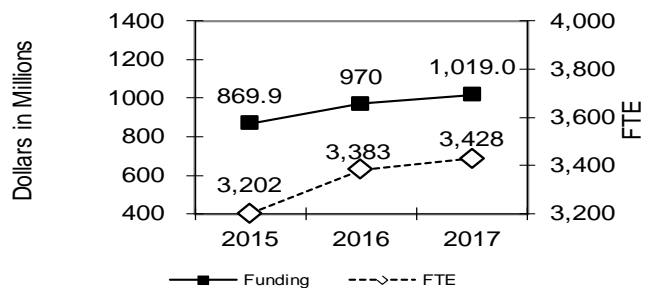
In FY 2017, NIST will continue to execute mandatory resources provided in FY 2015 through the NIST Public Safety Communications Research Fund to help develop cutting-edge wireless technologies for public safety users, as part of the National Wireless Initiative included in the Middle Class Tax Relief and Job Creation Act of 2012.

NIST is a critical agency for implementing the Department's "Innovation" strategic goal and objectives. As stated in the Department's Strategic Plan for FY 2014-2018, "Innovation is the key driver of U.S. competitiveness. The Department is well-positioned to address many of the challenges the country faces in the manufacturing sector. Through the NIST, the Department houses foundational research capabilities that accelerate the development and adoption of technological breakthroughs that help grow the economy. Increasingly the Department uses its unique convening power to promote public-private partnerships among universities and businesses. These partnerships provide scientific and technical resources to manufacturing firms, and support a skilled workforce to fill the manufacturing jobs of the 21st century." NIST also contributes to the Environment and Data strategic goals and objectives of the Department's strategic plan.

For FY 2017, NIST is submitting a total discretionary request level of roughly \$1.0 billion, an increase of \$50.5 million from the FY 2016 enacted level. Also included at this request level is a \$14.9 million increase for inflationary cost changes.

The resources requested would enable NIST to continue 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.

Budget Authority and FTE



## Summary of Appropriations

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
<b><u>Discretionary Appropriation</u></b>				
Scientific and Technical Research and Services	\$675,500	\$690,000	\$730,533	\$40,533
Industrial Technology Services	138,100	155,000	188,991	33,991
Construction of Research Facilities	50,300	119,000	94,995	(24,005)
<b>Total, Discretionary Appropriation</b>	<b>863,900</b>	<b>964,000</b>	<b>1,014,519</b>	<b>50,519</b>
Transfers of funds from Election Assistance	1,900	1,500	1,500	0
Transfers of funds from DoJ to OLES/Forensics, STRS	4,500	4,500	2,999	(1,501)
Transfers of funds to DoC DM for HCHB renovation	(450)	0	0	0
Working Capital Fund, STRS	[0]	[500]	[500]	[0]
<b><u>TOTAL BUDGET AUTHORITY</u></b>				
Scientific and Technical research and Services	681,450	696,000	735,032	39,032
Industrial Technology Services	138,100	155,000	188,991	33,991
Construction of Research Facilities	50,300	119,000	94,995	(24,005)
Working Capital Fund	0	0	0	0
<b>Total, Budget Authority</b>	<b>869,850</b>	<b>970,000</b>	<b>1,019,018</b>	<b>49,018</b>
<b><u>FTE</u></b>				
Scientific and Technical research and Services	2,373	2,477	2,523	46
Industrial Technology Services	80	97	96	(1)
Construction of Research Facilities	83	120	120	0
Working Capital Fund	666	689	689	0
<b>Total</b>	<b>3,202</b>	<b>3,383</b>	<b>3,428</b>	<b>45</b>



## Highlights of Budget Changes

### Appropriation: Scientific and Technical Research and Services

#### Summary of Requirements

	Detailed		Summary	
	FTE	Amount	FTE	Amount
<b>2016 Enacted</b>			2,477	\$690,000
<b>Adjustments to Base</b>				
<b>Adjustments</b>				
Restoration of FY 2016 Deobligation offset				1,000
<b>Financing</b>				
Recoveries of prior year deobligations				(1,000)
<b>Other Changes</b>				
FY 2016 Pay raise		\$1,020		
FY 2017 Pay raise		3,957		
Full year cost in 2017 of positions financed for part year in 2016	15	0		
Change in compensable days		(2,499)		
Civil Service Retirement System(CSRS)		(479)		
Federal Employees' Retirement System(FERS)		2,031		
Thrift Savings Plan		342		
Federal Insurance Contributions Act (FICA) - OASDI		653		
Health insurance		558		
Employees' Compensation Fund		(104)		
Travel - Mileage		1		
Rent payments to GSA		4		
Postage		1		
Printing and reproduction		9		
Electricity rate decrease		(1,384)		
Natural Gas rate increase		150		
NARA		(22)		
Other services:				
Working Capital Fund (WCF)		478		
Data Systems Maintenance CostsPersonal Identity Verification (PIV)		851		
Commerce Business System		3,804		
Federal Protective Services		344		
General Pricing Level Adjustment:				
Transportation of things		22		
Rental payments to others		33		
Communications, utilities, and miscellaneous charges		58		
Other Services		1,473		
Supplies		592		
Equipment		1,003		
Scientific journal subscriptions		267		
Subtotal, other cost changes			15	13,163
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>15</b>	<b>13,163</b>
<b>2017 Base</b>			<b>2,492</b>	<b>703,163</b>
Program Changes			31	27,370
<b>2017 APPROPRIATION</b>			<b>2,523</b>	<b>730,533</b>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
<b>Laboratory Programs</b>								
Strategic & Emerging Research Initiative fund	26	\$16,708	26	\$12,414	26	\$12,435	0	\$21
National Measurement and Standards Labs	1,854	510,066	1,869	507,968	1,897	526,996	28	19,028
User Facilities	254	82,192	254	81,705	257	88,887	3	7,182
Postdoctoral Research Associates Program	104	12,518	104	12,208	104	12,224	0	16
Total, Laboratory Programs	2,238	621,484	2,253	614,295	2,284	640,542	31	26,247
<b>Corporate Services</b>	43	17,475	43	21,365	43	21,388	0	23
<b>Standards Coordination and Special Programs</b>	196	80,469	196	68,503	196	73,602	0	5,099
<b>TOTAL OBLIGATIONS</b>	2,477	719,428	2,492	704,163	2,523	735,532	31	31,369
<b>FINANCING</b>								
Unobligated balance, start of year - direct		(22,928)		0			0	0
Recovery of prior year obligations		(1,000)		(1,000)		(1,000)	0	0
Subtotal, financing	0	(23,928)	0	(1,000)	0	(1,000)	0	0
<b>TOTAL BUDGET AUTHORITY</b>	2,477	695,500	2,492	703,163	2,523	734,532	31	31,369
Transfers from EAC		(1,500)		0		(1,500)	0	(1,500)
Transfers from DoJ		(4,500)		0		(2,999)	0	(2,999)
Transfers to		500		0		500	0	500
<b>TOTAL APPROPRIATION</b>	2,477	690,000	2,492	703,163	2,523	730,533	31	27,370

**Highlights of Program Changes**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b><u>Measurement Science, Services, and Programs</u></b>	2,492	\$703,163	+31	+\$27,370
<b>Measurement Science for Future Computing Technologies and Applications</b>	18	\$12,000	+19	+\$13,575

As a lead R&D agency in the National Strategic Computing Initiative NIST will:

- Enable the design, assessment, and operation of advanced devices, materials, and concepts such as precise placement of individual atoms, new fabrication methods, new imaging methods for complex structures, and system parts for superconducting computers.
- Develop measurements and prototype devices to support alternative computational paradigms including quantum computers and computers capable of brain-like sensing.
- Create standard frameworks for uncertainty quantification in scientific computing, and establishing a calibration framework for modeling and simulation.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>Advanced Sensing for Manufacturing</b>	16	\$5,000	+5	+\$2,000

NIST will accelerate research efforts targeting the development of advanced sensors needed to support the manufacture of advanced electronics and nanoengineered devices.

<b>Biomanufacturing/Engineered Biology: Developing Engineering Principles for Efficient Biomanufacturing</b>	26	\$17,500	+3	+\$2,000
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NIST will expand research programs that will develop the measurement tools to support advanced biomanufacturing.

<b>Advanced Communications – Addressing the Spectrum Crunch</b>	4	\$12,800	+4	+\$2,000
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New efforts in FY 2017 will further the efforts of the NIST Communications Technology Laboratory to revolutionize public safety communications and increase the nation’s communications capacity through measurement and evaluation of new spectrum sharing technologies, and the development of measurements to advance next-generation 5G wireless networks and optical fiber communications.

<b>Ensuring a World Class Neutron Research Facility</b>	171	\$46,800	+0	+\$4,800
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NIST requires new funding to procure additional reactor fuel to keep the NIST Center for Neutron Research operational. The Center serves over 2,000 researchers from around the world each year.

<b>Lab to Market/Technology Transfer: Expand Technology Transfer Activities to Leverage Existing Authorities to Promote Data Sharing Efforts</b>	10	\$6,000	+0	+\$2,000
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This initiative will strengthen technology transfer efforts across the government through the creation of a collaborative digital platform to facilitate sharing and synchronization of tech transfer data across agencies.

<b>Departmental Working Capital Fund Increase</b>	0	\$0	+0	+\$0.995
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This increase will cover additional shared service investments within the Departmental Working Capital Fund (WCF). These Departmental requirements include necessary investments in DOC-wide systems, network security initiatives and replacement of degrading IT infrastructure. A full discussion of all WCF program changes is in the WCF section of the Departmental Management OMB Submission document.

**Crosswalk of Program Changes**

<b>STRS Initiative Name</b>	<b>National Measurement and Standards Laboratories</b>	<b>Corporate Services</b>	<b>Standards Coordination and Special Programs</b>	<b>Working Capital Fund</b>	<b>Total</b>
Measurement Science for Future Computing Technologies and Applications	\$13,075			\$500	\$13,575
Advanced Sensing for Manufacturing	2,000				2,000
Biomanufacturing/Engineered Biology: Developing Engineering	2,000				2,000
Advanced Communications – Addressing the Spectrum Crunch	2,000				2,000
Ensuring a World Class Neutron Research Facility	4,800				4,800
Lab to Market/Technology Transfer: Expand Technology Transfer Activities to Leverage Existing Authorities to Promote Data Sharing Efforts			\$2,000		2,000
Departmental Working Capital Fund Increase	872	\$23	100		995
<b>STRS Total</b>	<b>24,747</b>	<b>23</b>	<b>2,100</b>	<b>500</b>	<b>27,370</b>

## Appropriation: Construction of Research Facilities

### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>			120	\$119,000
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
FY 2016 Pay raise		\$27		
FY 2017 Pay raise		163		
Change in compensable days		(102)		
Civil Service Retirement System (CSRS)		(20)		
Federal Employees' Retirement System (FERS)		90		
Thrift Savings Plan (TSP)		14		
Federal Insurance Contribution Act (FICA) - OASDI		27		
Health Insurance		23		
Employees' Compensation Fund		(2)		
Travel - Per Diem				
Other services		499		
Supplies and materials		24		
Equipment		3		
Subtotal, other cost changes			0	746
<b>TOTAL, ADJUSTMENTS TO BASE</b>			0	746
<b>2017 Base</b>			120	119,746
Program Changes			0	(24,751)
<b>2017 APPROPRIATION</b>			120	94,995

### Comparison by Activity

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
Safety, Capacity, Maintenance and Major Repairs	120	\$143,827	120	\$119,746	120	\$94,995	0	(\$24,751)
<b>TOTAL DIRECT OBLIGATIONS</b>	120	143,827	120	119,746	120	94,995	0	(24,751)
REIMBURSABLE OBLIGATIONS	0	919	0	0	0	0	0	0
<b>TOTAL OBLIGATIONS</b>	120	144,746	120	119,746	120	94,995	0	(24,751)
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		(24,827)						
Offsetting collections from:								
Non-Federal sources		(919)						
Subtotal, financing		(25,746)				0		
<b>TOTAL BUDGET AUTHORITY/ APPROPRIATION</b>	120	119,000			120	94,995		

**Highlights of Program Changes**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b><u>Construction of Research Facilities</u></b>	120	\$119,746	0	-\$24,751

The FY 2017 request will provide the necessary resources to continue the renovation of NIST Building 245 that was begun in FY 2016. These funds will begin to address major systemic issues with the existing structure, such as water intrusion and inadequate environmental controls, which currently cause unpredictable delays in NIST calibrations and inhibit research. Building 245 is a mission critical facility that supports services relied on by industry (including 39 million mammograms per year which are traceable to this facility) and federal agency partners including: Department of Homeland Security (DHS), National Aeronautics and Space Administration (NASA), Defense Advanced Research Projects Agency (DARPA), National Oceanic and Atmospheric Administration (NOAA), and the Federal Drug Administration (FDA).

**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>
<b>2016 Enacted</b>			97	\$155,000
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2016 Pay raise		\$33		
2017 Pay raise		153		
Annualization of positions for program changes financed in FY 2016	(2)	0		
Change in compensable days		(98)		
Civil Service Retirement System (CSRS)		(19)		
Federal Employees' Retirement System (FERS)		86		
Thrift Savings Plan (TSP)		13		
Federal Insurance Contribution Act (FICA) - OASDI		25		
Health Insurance		22		
Employees' Compensation Fund		(3)		
Electricity rate decrease		(129)		
Natural Gas rate increase		15		
General pricing level adjustment:				
Communications, utilities, and miscellaneous charges		3		
Other services		167		
Supplies and materials		7		
Equipment		5		
HMEP Center Salaries		697		
Subtotal, other cost changes			(2)	977
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>(2)</b>	<b>977</b>
<b>2017 Base</b>			95	155,977
Program Changes			1	33,014
<b>2017 APPROPRIATION</b>			<b>96</b>	<b>188,991</b>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
Technology Innovation Program	1	\$4,635	0	0	0	0	0	0
Hollings Manufacturing Extension Partnership Program	80	151,925	80	\$130,928	80	\$141,991	0	\$11,063
National Network for Manufacturing Innovation	16	28,277	15	25,049	16	47,000	1	21,951
Baldrige Performance Excellence Program	0	63	0	0	0	0	0	0
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>97</b>	<b>184,900</b>	<b>95</b>	<b>155,977</b>	<b>96</b>	<b>188,991</b>	<b>1</b>	<b>33,014</b>
<b>FINANCING</b>								
Unobligated balance, start of year		(21,400)						
Recovery of prior obligations		(8,500)						
Subtotal, financing		(29,900)						
<b>TOTAL BUDGET AUTHORITY/ APPROPRIATION</b>	<b>97</b>	<b>155,000</b>						

**Highlights of Program Changes**

	<u>FTE</u>	<u>Base</u>		<u>Increase / Decrease</u>	
		<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	
<b>Hollings Manufacturing Extension Partnership (MEP)</b>	80	\$130,928	+0	+\$11,063	

The additional \$11.1 million will be used in FY 2017 to complete the final round of the multi-year competition of the MEP centers, and maintain the funding of states previously competed, and provide funding for additional performance-based awards to high performing centers. Out of the \$142.0 million in total MEP funding, a minimum of \$121.0 million would be direct funding to the MEP centers. With the increased funding, the program will allocate funds across the network to reduce the variation in funding across the system and will allow the program to target additional resources strategically for key performance objectives including improved data collection and dissemination. The increase in funding for MEP centers would allow them to work with more very small, rural and start-up firms and would significantly improve market penetration with manufacturers with 1-19 employees.

<b>National Network for Manufacturing Innovation (NNMI)</b>	15	\$25,049	+1	+\$21,951
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The President's FY 2017 Budget request will enable NIST to establish two new Manufacturing Innovation institutes through open competition to address industry identified research and development challenges where a collaborative effort will strengthen the U.S. Advanced Manufacturing Infrastructure.

## Appropriation: Working Capital Fund

### Comparison by Activity

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
Direct Obligations	0	\$500	0	\$0	0	\$500	0	\$500
Reimbursable Obligations	689	173,586	689	150,283	689	150,283	0	0
WCF Investments				0		0	0	0
<b>TOTAL OBLIGATIONS</b>	689	174,086	689	150,283	689	150,783	0	500
<b>FINANCING</b>								
Unobligated balance, start of year		(105,118)		(105,118)		(105,118)		
Unobligated balance, end of year		105,118		105,118		105,118		
Offsetting collections from:								
Federal funds		(108,660)		(92,410)		(92,410)		
Non-Federal sources		(64,926)		(57,873)		(57,873)		
Subtotal, financing	0	(173,586)	0	(150,283)	0	(150,283)		
<b>TOTAL BUDGET AUTHORITY</b>	689	500	689	0	689	500		
<b>TRANSFERS</b>								
From other accounts		(500)				(500)		
<b>TOTAL, APPROPRIATION</b>	689	0	689	0	689	0		



## Performance Indicators

The following table shows the NIST performance indicators and the related Departmental strategic goals and objectives. Additional details of these indicators and related funding is at the end of the NIST section of the Department of Commerce budget.

	2015	2016	2017
	Target	Actual	Target
<b>Goal: Innovation</b>			
<b>Objective 2.1: Accelerate advanced manufacturing</b>			
Industry use of NIST research facilities	225	444 (partial data)	275
Number of firms receiving in-depth technical assistance from MEP centers	8,750	8,419	8,986
Percentage of MEP clients receiving in-depth technical assistance that increase their competitiveness	62%	56%	63%
Citation impact of NIST peer-reviewed publications	1.5	Available 3/2016	1.5
Level of co-investment by non-federal sources in NNMI institutes (millions)			New
			\$12
<b>Objective 2.2: Strengthen the nation's digital economy</b>			
Number of critical infrastructure sectors with work products integrating the Cybersecurity Framework	12	12	13
Number of Public safety communications stakeholder R&D roadmap	1	1	2
			3
<b>Objective 2.3: Catalyze innovation ecosystems</b>			
Number of MEP centers partnering with skills training providers (e.g., community colleges) to link manufacturing firms with skills training resources	55	56	53
			48
<b>Goal: Environment</b>			
<b>Objective 3.3: Strengthen the resiliency of communities and regions</b>			
Number of Communities working with NIST to pilot the <i>Community Resilience Planning Guide</i>	New	3	6
Milestones completed for Commerce interoperability framework <sup>1</sup>	New	Complete CIF/CAP and prototype and pilot at NIST	Expand CIF/CAP pilot to include additional bureaus/ agencies

<sup>1</sup>Commerce Interoperability Framework (CIF)/Common Access Platform (CAP)

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

## Public Safety Communications Research Fund (PSCRF)

As stated previously, in FY 2017, NIST will continue to execute mandatory resources provided in FY 2015 through the NIST Public Safety Communications Research Fund to help develop cutting-edge wireless technologies for public safety users, as part of the National Wireless Initiative included in the Middle Class Tax Relief and Job Creation Act of 2012. This Act provides approximately \$285.0 million in mandatory funds for NIST from the spectrum auction proceeds in FY 2015 to help industry and public safety organizations conduct research and develop new standards, technologies and applications to advance public safety communications in support of the initiative's efforts to build an interoperable nationwide broadband network for first responders.

### Summary of Mandatory Resources

	<u>2016 Enacted</u>	<u>2017 Base</u>	<u>2017 Estimate</u>	<u>Increase (Decrease)</u>
<b>Mandatory</b> Public Safety Communications Research Fund	\$0	\$0	\$0	\$0
<b>Total</b>	0	0	0	0
<b>FTE</b>	0	0	0	0

### Highlights of Budget Changes

#### Mandatory: Public Safety Communications Research Fund

##### Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Mandatory</b>	0	\$0
<b>Adjustments to Base</b>		0
<b>2017 Base</b>	0	0
<b>Program Changes</b>	0	0
<b>2017 Mandatory Budget Authority</b>	0	0

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
Public Safety Communications Research Fund	0	\$0	0	\$0	0	\$0	0	\$0
<b>TOTAL DIRECT OBLIGATIONS</b>	0	0	0	0	0	0	0	0
REIMBURSABLE OBLIGATIONS	18	40,000	24	60,000	27	36,300	3	(23,700)
<b>TOTAL OBLIGATIONS</b>	18	40,000	24	60,000	27	36,300	3	(23,700)
<b>FINANCING</b>								
Offsetting collections from:								
Trust funds		(7,300)		0		0		
Unobligated balance, start of year		(92,700)		(60,000)		(60,000)		
Unobligated balance, end of year		<u>60,000</u>		<u>0</u>		<u>23,700</u>		
<b>TOTAL MANDATORY BUDGET AUTHORITY (Mandatory Funds).</b>		0		0		0		

**Mandatory Resources**

In addition to the aforementioned \$47.0 million request in discretionary funds for NNMI, NIST proposes \$1.9 billion in mandatory funds to fully fund a network of 45 institutes by FY 2025.

	<u>2016 Enacted</u>	<u>2017 Base</u>	<u>2017 Estimate</u>	<u>Increase (Decrease)</u>
<b>Mandatory</b>				
NNMI Mandatory	\$0	\$0	\$1,900,000	\$1,900,000
CRF Mandatory	0	0	100,000	100,000
<b>Total</b>	0	0	2,000,000	2,000,000
<b>FTE</b>			0	0

**Highlights of Budget Changes**

**Mandatory: NNMI and CRF Mandatory**

**Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Mandatory</b>	0	\$0
<b>Adjustments to Base</b>		0
<b>2017 Base</b>	<u>0</u>	<u>0</u>
Program Changes	0	2,000,000
<b>2017 Mandatory Budget Authority</b>	<u>0</u>	<u>2,000,000</u>

**Comparison by Activity**

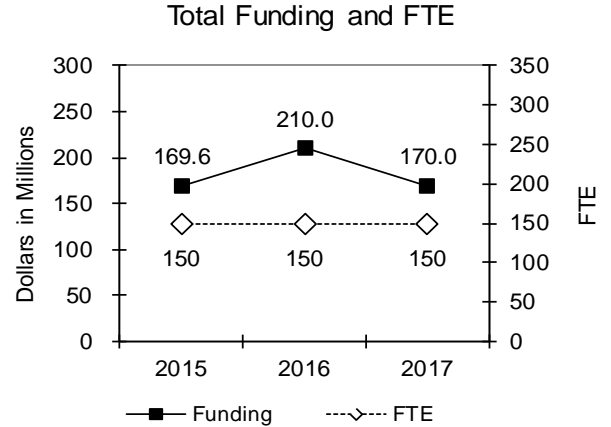
	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>DIRECT OBLIGATIONS</b>								
CRF Mandatory	0	\$0	0	\$0	0	\$100,000	0	\$100,000
NNMI Mandatory	0	0	0	0	0	1,900,000	0	1,900,000
<b>TOTAL DIRECT OBLIGATIONS</b>	0	0	0	0	0	2,000,000	0	2,000,000
<b>TOTAL OBLIGATIONS</b>	0	0	0	0	0	2,000,000	0	2,000,000
<b>FINANCING</b>								
Unobligated balance, start of year		0		0		0		
Unobligated balance, end of year		0		0		0		
<b>TOTAL MANDATORY BUDGET AUTHORITY (Mandatory Funds).</b>		0		0		2,000,000		

**CRF Mandatory** - In addition to the \$95.0 million request in discretionary funds for CRF, authorizing legislation will be proposed that would provide \$100.0 million in mandatory funds to renovate and modernize NIST facilities in order to maintain and enhance current research and development capabilities. This additional investment to renovate R&D facilities, is mandatory funding, because the discretionary levels set by the Bipartisan Budget Act are not sufficient for the nation to take full advantage of the opportunities for R&D investments to create jobs and grow the economy. Mandatory funding is presented in the FY 2017 Budget throughout the Federal R&D enterprise to support research across a range of topics from health to clean energy technologies, reflecting the high priority of R&D in a time of limited discretionary funding.

**NNMI Mandatory** - In addition to the aforementioned \$47.0 million request in discretionary funds for NNMI, NIST proposes \$1.9 billion in mandatory funds to fully fund a network of 45 institutes by FY 2025.

# 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 also provides information and information management services for other federal agencies to assist those agencies in accomplishing the information needs of their constituents. 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

<u>Appropriation</u>	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
NTIS Revolving Fund	\$0	\$0	\$0	\$0
<u>FTE</u>				
Reimbursable	150	150	150	0

## Highlights of Budget Changes

### Appropriation: Salaries and Expenses

#### Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>		
Adjustments to Base	150	\$0
<b>2017 Base</b>	0	0
Program Changes	150	0
<b>2017 APPROPRIATION</b>	0	0
	150	0

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
National Technical Information Service	0	\$0	0	\$0	0	\$0	0	\$0
<b>TOTAL DIRECT OBLIGATIONS</b>	0	0	0	0	0	0	0	0
REIMBURSABLE OBLIGATIONS	150	210,000	150	170,000	150	170,000	0	0
<b>TOTAL OBLIGATIONS</b>	0	210,000	0	170,000	0	170,000	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(14,569)				(14,569)		
Unobligated balance, end of year								
Reinvested administrative savings								
Offsetting collections from:								
Federal funds		(181,631)				(141,631)		
Non-Federal sources		(13,800)				(13,800)		
Subtotal, financing	0	(210,000)			0	(170,000)		
<b>TOTAL BUDGET AUTHORITY</b>	0	0			0	0		

**Performance Indicators**

The following table shows the NTIS performance indicators and its related Departmental strategic goal and objective. Additional details of these indicators and related funding is at the end of the NTIS section of the Department of Commerce budget.

	2015		2016	2017
	Target	Actual	Target	Target
<b>Goal: Data</b>				
<b>Objective 4.1:</b> Transform the Department's data capacity to enhance the value, accessibility and usability of Commerce data for government, business and the public.				
Number of updated items available (annual)	430,000	519,091	440,750	451,769
Number of information products disseminated (annual)	52,910,900	48,794,600	53,900,000	54,900,000
Customer satisfaction	95% - 98%	97.5%	95% - 98%	95% - 98%

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target. .

## National Telecommunications and Information Administration

The National Telecommunications and Information Administration (NTIA) is responsible by law for advising the President on communications and information policy. NTIA's programs focus on developing domestic and international communications and information policy for the executive branch; ensuring the efficient and effective management and use of spectrum by federal agencies; performing state-of-the-art communications research, engineering, and planning; administering and managing broadband grant programs; and establishing a nationwide interoperable public safety broadband network.

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

In FY 2017, NTIA will continue to develop, implement, and advocate **policies** positioning the U.S. to meet growing complexities and political challenges related to Internet governance and the digital economy, Internet openness, Internet intermediaries, interoperability, privacy, security, resiliency, and Internet standard setting activities. The objectives are to advance inclusive multistakeholder methods of developing information policy and preserve an open, interconnected global Internet that supports continued innovation and economic growth, investment, and the trust of its users. NTIA will also help coordinate federal agencies' transition to Internet protocol (IP) technology with the communications industry and support modernization of mutual legal assistance treaties through outreach to key foreign governments and online industry participants in the U.S.

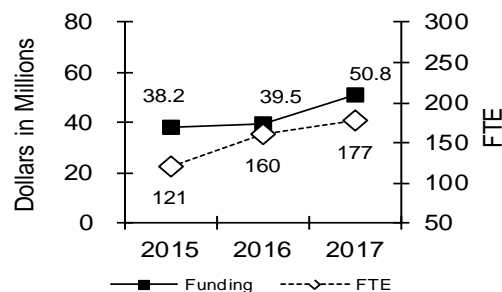
NTIA's FY 2017 Budget will also continue efforts to make available additional **spectrum** for commercial wireless broadband, pursuant to the President's 2010 direction to reallocate 500 MHz of spectrum for commercial broadband. While continuing to oversee federal usage of spectrum government-wide, NTIA will focus attention on advancing a comprehensive strategy for spectrum improvement and innovation based on sharing spectrum between industry and agencies. The Spectrum Pipeline Act of 2015 significantly expands NTIA's role in chairing and administering the Technical Panel that will oversee repurposing of spectrum beyond the 500 MHz initially identified in the Presidential Memorandum of June 28, 2010.

In addition, NTIA will leverage cutting-edge research and testing capabilities to advance efficient use of spectrum and spectrum sharing by strengthening its research, testing, and information-sharing infrastructure. This effort is conducted at **the Center for Advanced Communications** in Boulder, Colorado, in partnership with the National Institute of Standards and Technology (NIST). This partnership aligns the capabilities of both organizations to accelerate research, development, and deployment of innovative technologies and information sharing among industry and government.

With the \$4 billion broadband grants program funded in 2009 coming to a close, NTIA will expand its BroadbandUSA initiative aimed at helping communities across the country take steps to ensure that their citizens have the broadband capacity they need to advance economic development, education, health care, and public safety. Building on the expertise it gained overseeing the grant program, NTIA will share the lessons learned and best practices developed by the companies, state and local governments, and other organizations that received these grants. NTIA will offer online and in-person technical assistance to communities, host a series of regional workshops around the country, and publish guides and toolkits that provide communities with proven solutions to overcome obstacles to **increase broadband access and adoption** in communities looking to expand their communications infrastructure.

NTIA's remaining activities are authorized through the **Middle Class Tax Relief and Job Creation Act of 2012 ("Act")**. The Act authorized the creation of an independent authority within NTIA, the **First Responder Network Authority (FirstNet)**, to build, maintain, and operate a nationwide, interoperable public safety broadband network to support first responders. The Act provided \$7 billion to fund the startup of FirstNet through spectrum auction proceeds until the vendor-operated network becomes self-sustaining. Following consultation with regional, state, tribal, and local jurisdictions, FirstNet in FY 2016 issued a request for proposal (RFP) for partners to build and operate its network.

Budget Authority and FTE



The Act also provided \$135 million for grants to states and localities to plan for the build-out of the first responders' network. NTIA continues to administer grants that assist state, regional, tribal, and local jurisdictions in identifying, planning, and implementing the most efficient, effective options for utilizing and integrating infrastructure associated with the nationwide public safety broadband network.

## Summary of Appropriations

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
<b><u>Discretionary Appropriation</u></b>				
Salaries and Expenses	\$38,746	\$39,500	\$50,841	\$11,341
Public Telecommunications Facilities, Planning and Construction	98	935	0	(935)
Information Infrastructure Grants	68	342	0	(342)
<b>DISCRETIONARY APPROPRIATION</b>	<b>38,912</b>	<b>40,777</b>	<b>50,841</b>	<b>10,064</b>
<b>TOTAL BUDGET AUTHORITY</b>	<b>38,912</b>	<b>40,777</b>	<b>50,841</b>	<b>10,064</b>
<b><u>FTE</u></b>				
Salaries and Expenses - Direct	121	160	177	17
Salaries and Expenses - Reimbursable	139	160	170	15
Public Telecommunications Facilities, Planning, and Construction	0	0	0	0
Information Infrastructure Grants	0	0	0	0
<b>Total, Discretionary FTEs</b>	<b>260</b>	<b>315</b>	<b>347</b>	<b>32</b>



## 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>
<b>2016 Enacted</b>			160	\$39,500
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
FY 2016 Pay Raise		\$59		
FY 2017 Pay Raise		258		
Change in compensable days		(151)		
Civil Service Retirement System (CSRS)		(23)		
Federal Employees' Retirement System (FERS)		124		
Thrift Savings Plan		6		
Federal Insurance Contributions Act (FICA) - OASDI		49		
Health insurance		33		
Employee Compensation Fund		13		
Rent payments to GSA		50		
Travel - Per diem		8		
Travel - Mileage		5		
HCHB Electricity		6		
NARA		(5)		
Other services:				
Working Capital Fund		(93)		
General Pricing Level Adjustment:				
Communications, utilities, and miscellaneous charges		3		
Other services		189		
Supplies and materials		4		
Equipment		40		
Subtotal, other cost changes			0	575
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>575</b>
<b>2017 Base</b>			160	40,075
Program Changes			17	10,766
<b>2017 APPROPRIATION</b>			<b>177</b>	<b>50,841</b>

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Domestic & International Policies	35	\$10,887	35	\$9,225	45	\$15,832	10	\$6,607
Spectrum Management	39	8,488	39	8,634	40	8,884	1	250
Advanced Communications Research	50	10,082	50	10,237	56	13,212	6	2,975
Broadband Programs	36	14,243	36	11,979	36	12,913	0	934
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>160</b>	<b>43,700</b>	<b>160</b>	<b>40,075</b>	<b>177</b>	<b>50,841</b>	<b>17</b>	<b>10,766</b>
REIMBURSABLE OBLIGATIONS	155	57,637	156	43,136	170	44,136	14	1,000
<b>TOTAL OBLIGATIONS</b>	<b>315</b>	<b>101,337</b>	<b>316</b>	<b>83,211</b>	<b>347</b>	<b>94,977</b>	<b>31</b>	<b>11,766</b>
<b>FINANCING</b>								
Unobligated balance, start of year (Reimbursable)		(4,200)						
Offsetting collections from:								
Federal funds	(154)	(57,137)			(168)	(43,336)		
Other	(1)	(500)			(2)	(800)		
Subtotal, financing	(155)	(57,637)			(170)	(44,136)		
<b>TOTAL BUDGET AUTHORITY</b>	<b>160</b>	<b>39,500</b>			<b>177</b>	<b>50,841</b>		

**Highlights of Program Changes**

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<b><u>Domestic and International Policies</u></b>	35	\$9,225	10	+\$6,607

The world is becoming more interconnected with the rapid growth of the Internet and the globalization of information technology services and equipment. As the Internet matures and expands internationally, threats to its openness have increased. NTIA is the only agency in the Executive Branch with the mission to advise the President on these critical national and international issues--from cybersecurity and net neutrality to targeted ads, big data, and Internet governance. NTIA requests additional funding for domestic and international policy development to help it assess increasingly complex information policy issues; to help it influence national and international policy to advance U.S. economic and foreign policy objectives, preserve the Internet's openness, and maintain the internet's cultural and economic potentials; and to strengthen the interagency policy development process to advance economic growth while protecting citizens and consumers.

Various communications companies' plans to retire time division multiplexing (TDM) technology and transition in their networks threaten the functionality of hundreds of millions of dollars of federal systems. To ensure a smooth transition without threatening essential public safety and communications public services, it is imperative that NTIA coordinate federal agencies' inventory, evaluation, and planning for the transition to Internet protocol (IP) technology and will serve as liaison between the agencies and the private sector. NTIA must support modernization of mutual legal assistance treaties that facilitate cross-border sharing of electronic data for law enforcement by executing an outreach and education initiative aimed at key online industry participants in the U.S. This effort will include promoting the initiative with foreign governments and emphasizing to U.S. industry the importance of their response to and compliance with foreign law enforcement requests.

NTIA's focused investment will strengthen the Nation's ability to address an ever-growing number of Internet-related policy issues. Much is at stake – including innovation, privacy, free expression, child protection, the integrity of the Internet, and billions in trade. NTIA will collaborate with key interagency stakeholders to ensure a unified approach on global Internet governance issues, with a strategic focus on consensus-based policy development, stakeholder engagement, and coordinated execution.

	<u>FTE</u>	<u>Base Amount</u>	<u>Increase / Decrease</u>	
			<u>FTE</u>	<u>Amount</u>
<b><u>Spectrum Management</u></b>	39	\$8,634	1	\$250

The Spectrum Pipeline Act of 2015 (the Act) significantly expands NTIA's role in chairing and administering the Technical Panel to facilitate repurposing federal spectrum beyond the 500 MHz initially identified in the Presidential Memorandum of June 28, 2010. The Technical Panel, established by the 2012 Tax Relief Act to review federal agencies' Transition Plans on how they plan to relocate from (or share) spectrum identified for auction, will now also be required to review and approve proposals from federal entities seeking funding from the Spectrum Relocation Fund (SRF) for research and development, engineering studies, economic analyses, or other planning activities intended to improve the efficiency and effectiveness of spectrum use. NTIA has no base budget for these activities.

<b><u>Advanced Communications Research</u></b>	50	\$10,237	+6	+\$2,975
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Limits on the availability of spectrum and on the ability to fully utilize the spectrum that is available threaten the tremendous economic growth fueled by the expansion of Internet commerce and spectrum-related technologies. Research on spectrum, approaches for managing spectrum (including spectrum sharing), and technologies that more efficiently use spectrum are critical to making more spectrum available for commercial purposes. It is also critical that this research be conducted rigorously, rapidly, and effectively, and that federal laboratories with capabilities in this area not duplicate but complement each other's work.

NTIA seeks an increase to ensure that its research programs are appropriately coordinated with NIST and other federal partners and to effectively leverage federal investments in spectrum research and technology development. More specifically, the Center for Advanced Communications will expand access to a variety of test-bed resources and the infrastructure necessary to catalyze accelerated development, testing, and deployment of advanced communications technologies in support of both commercial and government applications. In addition, NTIA will develop proven collaboration technologies and tools to improve communications between federal agencies and between federal and non-government organizations. NTIA will establish and manage a repository for research results on specified focus areas and technologies. This clearinghouse will create a common base of knowledge and socialize the exchange of technical information and ideas, using web-based technology, organized forums, and meetings. This clearinghouse also will highlight promising technologies and technical approaches and target this information directly at those institutions interested in collaborating on advanced communication technologies. The knowledge base will allow rapid dissemination of both positive and negative outcomes, allowing researchers to leverage each organization's experiences to avoid duplication of effort.

### **Broadband Programs**

<b><i>Broadband Programs Administration</i></b>	20	\$6,235	-14	-\$3,178
<b><i>BroadbandUSA</i></b>	16	\$5,744	+14	+\$4,112

While NTIA will reduce overall spending in its Broadband Programs in FY 2017 as a result of the ramp-down of the broadband grant programs funded by the 2009 Recovery Act, the demands for faster broadband infrastructure are greater than ever. NTIA will continue to leverage the momentum of its \$4.4 billion broadband investment in the Recovery Act by intensifying efforts under its community broadband program, BroadbandUSA. The program will build coalitions, share information and capacity-building tools, and provide technical expertise to promote expansion of broadband in communities nationwide. As grant administration and oversight work winds down, NTIA will redirect a portion of existing base resources towards a strategy that utilizes public/private partnerships and builds on strong working relationships NTIA has developed with broadband providers, municipal organizations, innovation economy firms, non-profit organizations, foundations, and other federal stakeholders.

**Appropriation: Public Telecommunications Facilities, Planning and Construction**

*Note: This program has been discontinued. However, NTIA has permission to use recoveries and unobligated balances of funds previously appropriated to administer all open grants until their expiration.*

**Summary of Requirements**

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2016 Enacted</b>			0	\$0
<b>Adjustments to Base</b>			0	0
<b>2017 Base</b>			0	0
Program Changes			0	0
<b>2017 APPROPRIATION</b>			0	0

**Comparison by Activity**

	2016 Enacted		2017 Base		2017 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>
<b>DIRECT OBLIGATIONS</b>								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	0	935	0	0	0	0	0	0
<b>TOTAL DIRECT OBLIGATIONS</b>	0	935	0	0	0	0	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(935)						
Unobligated balance, end of year		0						
Unobligated balance, rescinded		0						
<b>TOTAL BUDGET AUTHORITY</b>	0	0			0	0		

## Appropriation: Information Infrastructure Grants

### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Enacted</b>	0	\$0
<b>Adjustments to Base</b>	0	0
<b>2017 Base</b>	0	0
Program Changes	0	0
<b>2017 APPROPRIATION</b>	0	0

### Comparison by Activity

	2016 Enacted		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Technology Opportunity Program								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	0	342	0	0	0	0	0	0
<b>TOTAL DIRECT OBLIGATIONS</b>	0	342	0	0	0	0	0	0
<b>FINANCING</b>								
Unobligated balance, start of year		(342)				0		
Unobligated balance, end of year		0				0		
<b>TOTAL BUDGET AUTHORITY</b>	0	0			0	0		

## Performance Indicators

(Dollars reflect obligations in Millions)

The following table shows the NTIA performance indicators and the related Departmental strategic goals and objectives. Additional details of these indicators and related funding is at the end of the NTIA section of the Department of Commerce budget.

	2015 Target	2015 Actual	2016 Target	2017 Target
<b>Goal: Trade and Investment</b>				
<b>Objective 1.1: Increase opportunities for U.S. companies by opening markets globally.</b>				
Percentage of NTIA positions substantially adopted or successful at international meetings	75%	95%	75% of NTIA positions substantially adopted or successful at international meetings	75% of NTIA positions substantially adopted or successful at international meetings
<b>Goal: Innovation</b>				
<b>Objective 2.3: Strengthen the Nation's digital economy by championing policies that will maximize the potential of the Internet, expanding broadband capacity, and enhancing cybersecurity.</b>				
Identify up to 500 MHz of spectrum to support wireless broadband	Meet 66% of milestones regarding the identification of 500 MHz for wireless broadband	80%	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	6 public forums and proceedings	10	6 public forums and proceedings	6 public forums and proceedings
Number of government and private test-bed facilities partnering with the Center for Advanced Communications	2	0	2	8
Increase in sales for small businesses and small manufacturers by engaging in e-commerce due to NTIA's assistance		New	\$5M	\$10M
Communities to which NTIA provides technical assistance	175	337	250	250
Number of times research publications are downloaded annually	7,300	8,960	7,500	8,000
Successfully completed deliverables under reimbursable agreements (on time, on budget, and accepted)	95%	99%	>95%	>95%
Delivery by FirstNet and acceptance of each state's network plans or, alternatively, FCC approval of a state's plan required for the implementation of the Public Safety Boardband Network	RFP Development and Consultation with regional, state, tribal and local jurisdictions	Draft RFP and Special Notice released, Operational Architecture released. Special Notice and Cyber Security appendix released. Completed first round consultations with 50 of the 56 States and Territories.	Issue RFP(s)	Plans to award a contract
Miles of broadband networks deployed (Infrastructure Projects)	118,000	115,565	116,000	116,000
Community anchor institutions connected (Infrastructure Projects) <sup>1</sup>	23,500	25,766	Retired	

<sup>1</sup>This indicator is being retired because NTIA will have met its final target

**Definition of Metric Range:** The Department of Commerce adheres to the following standard when determining whether a target has been exceeded, met or not met: Exceeded = > 100% of target; Met = 90-100% of target; Not met = < 90% of target.

## ***Public Safety Broadband Network***

The Middle Class Tax Relief Act of 2012, P.L.112-96, established the Public Safety Trust Fund (PSTF), the Network Construction Fund, and the State and Local Implementation Fund and provided \$7 billion to establish a nationwide interoperable public safety broadband network for first responders. The investment is now supported by proceeds from specified spectrum auctions conducted by the Federal Communications Commission, with all proceeds net of certain costs deposited into the PSTF. Funding will be expended in support of programs specified in the Act, including the development of the public safety broadband network in the 700 MHz band and research and development of standards, technologies, and applications to advance wireless public safety and communications.

The Act also provided \$135 million for a grant program to assist State, regional, tribal, and local jurisdictions to identify, plan, and implement the most efficient, effective way to utilize and integrate the infrastructure, equipment, and other architecture associated with the nationwide public safety broadband network.

## Summary of Appropriations

### Appropriation, Mandatory

	2015 <u>Actual</u>	2016 <u>Estimate</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
<b>Public Safety Trust Fund</b>				
Appropriation (Special or Trust Fund)	\$18,627,803	\$8,096,010	\$0	(\$8,096,010)
Portion Applied to Repay Debt Appropriation previously unavailable	(779,000)	0	0	0
Transfer to Treasury (Deficit Reduction)	137,376	372,300	21,420	(350,880)
Appropriations Temporarily Reduced	(12,618,990)	(7,781,010)	0	7,781,010
	(372,300)	(21,420)	0	21,420
<b>Mandatory Appropriation</b>	4,994,889	665,880	21,420	(644,460)

### **State and Local Implementation Fund**

Offsetting Collections (Receipts from Public Safety Trust Fund)	130,874	0	0	0
Spending Authority from offsetting collections applied to repay debt	(40,000)	0	0	0
Spending authority from offsetting collections substituted for borrowing authority	(84,265)	0	0	0
<b>Spending Authority from offsetting collections</b>	6,609	0	0	0

### **Network Construction Fund**

Offsetting Collections (Receipts from Public Safety Trust Fund)	6,396,612	365,000	0	(365,000)
<b>Spending Authority from offsetting collections</b>	6,396,612	365,000	0	(365,000)

### FTE

Public Safety Trust Fund	32	93	108	15
State and Local Implementation Fund	4	4	3	(1)
Network Construction Fund	67	132	162	30
<b>Total</b>	103	229	273	44



## Highlights of Budget Changes

### Appropriation: Public Safety Trust Fund

#### Summary of Requirements

	Summary	
	FTE	Amount
<b>2016 Estimate</b>	93	\$665,880
<b>Adjustments to Base</b>	0	0
<b>2017 Base</b>	93	665,880
<b>Program Changes</b>	15	(644,460)
<b>2017 Mandatory Budget Authority</b>	108	21,420

#### Comparison by Activity

DIRECT OBLIGATIONS	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Public Safety Trust Fund	0	\$367,269	0	\$367,269	0	\$0	0	(\$367,269)
First Responder Network Authority	84	11,338	84	11,338	99	12,637	15	1,299
NTIA Programmatic and Oversight	9	3,404	9	3,404	9	7,900	0	4,496
NIST Public Safety Wireless Research	0	193,700	0	193,700	0	13,600	0	(180,100)
Next Generation E-911 (DOT)	0	104,560	0	104,560	0	7,820	0	(96,740)
Next Generation E-911 (NTIA)	0	2,620	0	2,620	0	0	0	(2,620)
<b>TOTAL DIRECT OBLIGATIONS</b>	93	682,891	93	682,891	108	41,957	15	(640,934)
<b>FINANCING</b>								
Unobligated balance, start of year		(157,258)				(140,247)		
Unobligated balance, end of year		140,247				0		119,710
<b>TOTAL MANDATORY BUDGET AUTHORITY (Mandatory Funds).</b>	93	665,880			108	21,420		

#### Highlights of Program Changes

	FTE	Base	Increase / Decrease	
		Amount	FTE	Amount
<b>Public Safety Trust Fund</b>	0	\$0	0	+\$0

The Act established FirstNet 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, including development of the public safety broadband network and research and development of standards, technologies, and applications to advance wireless public safety and communications. NTIA borrowed \$2 billion in FY 2014 as authorized by the Act. Also in FY 2014 the FCC transferred \$1.2 billion in auction proceeds from the H block auction to the PSTF. In FY 2015 the FCC transferred

\$19 billion from the Advanced Wireless Services 3 (AWS-3) auction. This amount enabled full re-payment of all funds borrowed from Treasury by NTIA for FirstNet start-up costs and NTIA programmatic and oversight responsibilities. It also allowed start-up funding for public safety communications research at NIST and payment to Treasury of \$12.6 billion for deficit reduction.

NTIA is anticipating the remaining \$10 billion from this auction will be transferred in FY 2016, providing additional funding for deficit reduction, public safety communications research at NIST, and Next Generation E-911 work at NTIA and the Department of Transportation.

The amounts presented in the budget schedules for this account for FY 2017 reflect projections of obligations and outlays for NTIA oversight and FirstNet administrative costs. Programmatic work for FirstNet network construction and grants to States authorized by Section 6302 of the Act are presented in the Network Construction Fund. Administration of grants previously awarded to states for planning activities associated with implementation of the network are presented in the State and Local Implementation Fund.

As of February 2016, FirstNet had not determined final obligation and outlay requirements for FY 2017. The Administration, NTIA, and FirstNet will provide the appropriate Congressional Committees and the public an estimate of FY 2017 financing immediately upon approval of requirements by FirstNet.

## Highlights of Budget Changes

### Appropriation: State and Local Implementation Fund

#### Comparison by Activity

	2016 Estimate		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>REIMBURSABLE OBLIGATIONS</b>								
State and Local Implementation Program	4	\$3,523	4	\$3,523	2	\$1,897	(2)	(\$1,626)
<b>TOTAL REIMBURSABLE OBLIGATIONS</b>	4	3,523	4	3,523	2	1,897	(2)	(1,626)
<b>FINANCING</b>								
Unobligated balance, start of year (Reimbursable)		6,673				3,150		
Offsetting collections from:								
Federal funds	0	0			0	0		
Non-Federal sources	0	0						
Subtotal, financing		6,673			0	3,150		
<b>TOTAL /MANDATORY BUDGET AUTHORITY (offsetting collections)</b>	0	3,150			0	1,253		

Auction proceeds were transferred from the Public Safety Trust Fund in FY 2015. Within guidelines established in the Act, NTIA repaid all borrowings for the State and Local Implementation Fund and funded costs related to administering grants previously awarded.

## Highlights of Budget Changes

### Mandatory Funds: Network Construction Fund

#### Comparison by Activity

	2016 Estimate		2017 Base		2017 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>
<b>REIMBURSABLE OBLIGATIONS</b>								
First Responder Network	126	\$114,767	126	\$114,767	148	\$6,526,000	22	\$6,411,233
NTIA/Opt-out	4	3,400	4	3,400	5	3,200	1	(200)
<b>TOTAL REIMBURSABLE OBLIGATIONS</b>	<b>130</b>	<b>118,167</b>	<b>130</b>	<b>118,167</b>	<b>153</b>	<b>6,529,200</b>	<b>23</b>	<b>6,411,033</b>
<b>FINANCING</b>								
Unobligated balance, start of year (Reimbursable)		6,321,994				6,570,827		
Offsetting collections from:								
Federal funds		367,000						
Non-Federal sources	0	0						
Subtotal, financing	0	6,570,827			0	6,570,827		
<b>TOTAL /MANDATORY BUDGET AUTHORITY (offsetting collections)</b>	<b>130</b>	<b>367,000</b>			<b>153</b>	<b>41,627</b>		

#### Highlights of Program Changes

<u>Network Construction Fund</u>	<u>FTE</u>	<u>Base</u>		<u>Increase / Decrease</u>	
		<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	
	110	\$149,500	-105	-\$144,734	

Auction proceeds deposited into the PSTF were transferred to this account to cover FirstNet and NTIA costs related to building, operating, and maintaining the Public Safety Broadband Network.

## Department of Commerce Funding and Employment

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Increase <u>(Decrease)</u>
<b>BUDGET AUTHORITY</b>				
Discretionary	\$8,483,099	\$9,259,577	\$9,745,024	\$485,447
Mandatory	5,506,439	923,023	2,312,315	1,389,292
<b>TOTAL BUDGET AUTHORITY</b>	<b>13,989,538</b>	<b>10,182,600</b>	<b>12,057,339</b>	<b>1,874,739</b>
 <b>OUTLAYS</b>				
Discretionary	8,793,000	9,906,000	9,431,000	(475,000)
Mandatory	(18,463,000)	(12,294,000)	(12,241,000)	53,000
<b>TOTAL OUTLAYS</b>	<b>(9,670,000)</b>	<b>(2,388,000)</b>	<b>(2,810,000)</b>	<b>(422,000)</b>
 <b>FULL-TIME EQUIVALENT EMPLOYMENT</b>				
	40,720	44,427	45,876	1,449

## Budget Authority — FY 2015, FY 2016 and FY 2017

	2015	2016	2017	Change
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>2016 - 2017</u>
<b><u>DISCRETIONARY</u></b>				
Departmental Management	\$56,000	\$58,000	\$74,503	\$16,503
HCHB Renovation and Modernization	4,950	19,062	12,224	(6,838)
Subtotal, Departmental Management	60,950	77,062	86,727	9,665
Inspector General	35,449	36,853	43,049	6,196
Economic Development Administration	250,000	261,000	258,454	(2,546)
Bureau of the Census	1,086,449	1,368,449	1,631,026	262,577
Economic and Statistical Analysis	100,000	109,000	114,643	5,643
International Trade Administration	472,000	493,000	531,421	38,421
Bureau of Industry and Security	102,500	112,500	126,945	14,445
Minority Business Development Agency	30,000	32,000	35,613	3,613
National Oceanic & Atmospheric Administration	5,447,607	5,772,213	5,849,287	77,074
Patent and Trademark Office	(2,000)	(2,000)	(2,000)	0
National Technical Information Service	0	0	0	0
National Institute of Standards & Technology	869,850	970,000	1,019,018	49,018
National Telecommunications & Information Admin.	38,200	39,500	50,841	11,341
Subtotal, Discretionary	8,491,005	9,269,577	9,745,024	475,447
<b><u>Recission</u></b>				
DM: Franchise Fund	(2,906)	0	0	0
Economic Development Administration	(5,000)	(10,000)	0	10,000
<b>TOTAL, DISCRETIONARY</b>	8,483,099	9,259,577	9,745,024	485,447
<b><u>Offsetting receipts:</u></b>				
NOAA: Fisheries finance, negative subsidy	(6,000)	(6,000)	(410)	5,590

## Budget Authority — FY 2015, FY 2016 and FY 2017

<b><u>MANDATORY APPROPRIATIONS</u></b>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Estimate</u>	<u>2017</u> <u>Estimate</u>	<u>Change</u> <u>2016 - 2017</u>
Departmental Management				
Gifts and Bequests Trust Fund	\$4,119	\$4,500	\$4,500	\$0
Economic Development Administration	0	0	50,000	50,000
Bureau of the Census	30,000	30,000	30,000	0
National Oceanic & Atmospheric Administration	479,621	224,003	206,395	(17,608)
National Institute of Standards and Technology:				
National Network for Manufacturing Innovation	0	0	1,900,000	1,900,000
Construction of Research Facilities	0	0	100,000	100,000
National Telecommunications and Information Admin.				
Public Safety Trust Fund	4,994,889	665,880	21,420	(644,460)
<b>SUBTOTAL, MANDATORY</b>	<b>5,508,629</b>	<b>924,383</b>	<b>2,312,315</b>	<b>1,387,932</b>
<b>Mandatory Sequestered</b>				
Bureau of the Census	(2,190)	(1,360)	0	1,360
<b>TOTAL, MANDATORY</b>	<b>5,506,439</b>	<b>923,023</b>	<b>2,312,315</b>	<b>1,389,292</b>
<b>TOTAL, DEPARTMENT OF COMMERCE</b>	<b>13,989,538</b>	<b>10,182,600</b>	<b>12,057,339</b>	<b>1,874,739</b>

## Outlays — FY 2015, FY 2016 and FY 2017

	2015	2016	2017	Change
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>2016 - 2017</u>
Departmental Management	61,000	145,000	93,000	(52,000)
Inspector General	36,000	41,000	43,000	2,000
Economic Development Administration	320,000	403,000	306,000	(97,000)
Bureau of the Census	1,079,000	1,465,000	1,551,000	86,000
Economic and Statistical Analysis	98,000	112,000	114,000	2,000
International Trade Administration	463,000	403,000	510,000	107,000
Bureau of Industry and Security	94,000	134,000	123,000	(11,000)
Minority Business Development Agency	28,000	29,000	36,000	7,000
National Oceanic & Atmospheric Administration	5,464,000	5,962,000	5,723,000	(239,000)
Patent and Trademark Office	23,000	120,000	(92,000)	(212,000)
National Technical Information Service	1,000	(39,000)	10,000	49,000
National Institute of Standards & Technology	869,000	1,022,000	957,000	(65,000)
National Telecommunications & Information Admin.	263,000	115,000	57,000	(58,000)
Offsetting Receipts:				
Fisheries finance, negative subsidy	(6,000)	(6,000)	0	6,000
<b>TOTAL, DISCRETIONARY</b>	<b>8,793,000</b>	<b>9,906,000</b>	<b>9,431,000</b>	<b>(475,000)</b>

## Outlays — FY 2015, FY 2016 and FY 2017

	2015	2016	2017	Change
<b><u>MANDATORY APPROPRIATIONS</u></b>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>2016 - 2017</u>
<b>MANDATORY</b>				
Departmental Management/Gifts & Bequests	6,000	6,000	5,000	(\$1,000)
Economic Development Administration	(2,000)	(1,000)	28,000	29,000
Bureau of the Census	28,000	28,000	20,000	(8,000)
International Trade Administration	5,000	0	0	0
National Technical Information Service	0	0	0	0
National Institute of Standards & Technology	(93,000)	4,000	43,000	39,000
National Oceanic & Atmospheric Administration	64,000	146,000	346,000	200,000
Fisheries Enforcement Asset Forfeiture Fund	2,000	4,000	3,000	(1,000)
National Telecommunications & Information Admin.	185,000	467,000	684,000	217,000
Subtotal	195,000	654,000	1,129,000	475,000
Offsetting receipts	(18,658,000)	(12,948,000)	(13,370,000)	(422,000)
<b>TOTAL MANDATORY</b>	(18,463,000)	(12,294,000)	(12,241,000)	53,000
<b>TOTAL, DEPARTMENT OF COMMERCE</b>	(8,793,725)	(2,405,229)	(12,241,000)	423,000



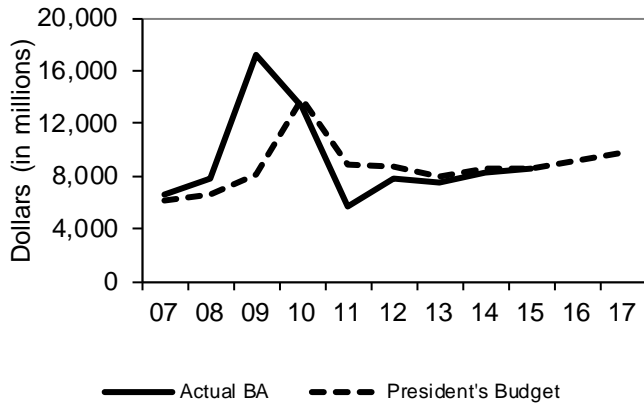
## Full-Time Equivalent Employment — FY 2015, FY 2016 and FY 2017

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Change <u>2016-2017</u>
Departmental Management	781	820	833	13
Inspector General	155	183	210	27
Economic Development Administration	206	225	225	0
Bureau of the Census	9,013	10,580	11,692	1,112
Economic and Statistical Analysis	506	533	546	13
International Trade Administration	1,661	1,778	1,828	50
Bureau of Industry and Security	391	416	437	21
Minority Business Development Agency	54	70	73	3
National Oceanic and Atmospheric Administration	11,769	12,965	12,972	7
Patent and Trademark Office	12,469	12,757	12,835	78
National Technical Information Service	150	150	150	0
National Institute of Standards & Technology	3,202	3,401	3,455	54
National Telecommunications & Information Admin.	363	549	620	71
<b>TOTAL, DEPARTMENT OF COMMERCE</b>	<b>40,720</b>	<b>44,427</b>	<b>45,876</b>	<b>1,449</b>

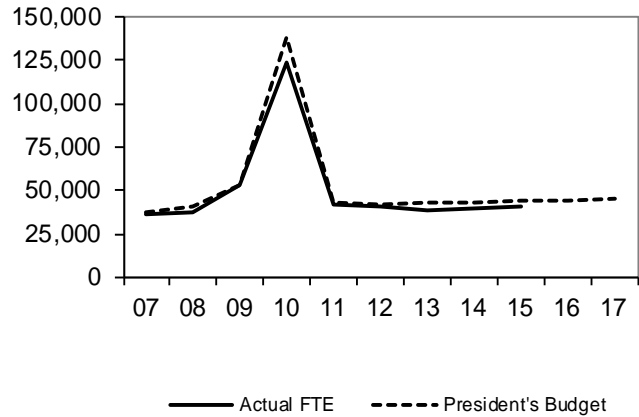
Note: In this table, FTE includes Discretionary and Mandatory, both Direct and Reimbursables, and Working Capital Funds (DM, Census, and NIST).

## Historical Summary of Resources

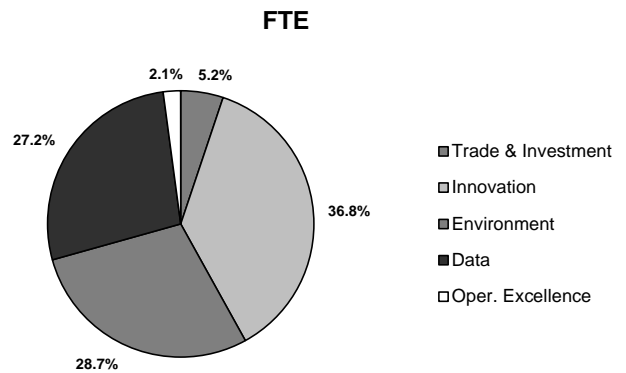
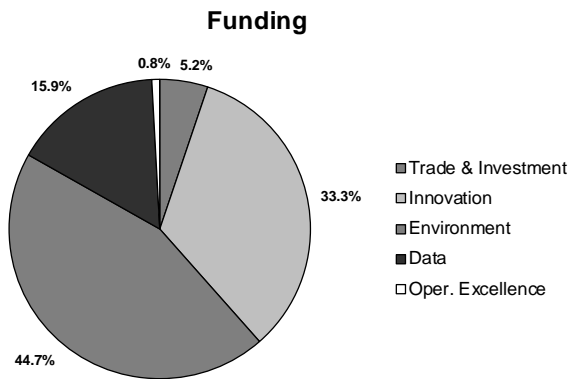
Budget Authority  
FY 2007 - FY 2017



FTE Employment  
FY 2007 - FY 2017



## Percentage Funding and FTE by Strategic Goal



## Bridge from FY 2016 and FY 2017 Appropriations to FY 2016 and FY 2017 Budget Authority

	2016 <u>Enacted</u>	2017 <u>Estimate</u>	Change <u>2015-2016</u>
<b><u>ANNUAL APPROPRIATIONS ACT</u></b>	\$9,243,577	\$9,730,525	\$486,948
<b>SUBTOTAL, APPROPRIATIONS ACT</b>	9,243,577	9,730,525	486,948
Transfers:			
Election Assistance Commission to NIST/STRS	1,500	1,500	0
DOJ Community Oriented Policing Services to NIST/STRS	4,500	2,999	(1,501)
Adjustment:			
Net of Fees and Collections (ITA)	10,000	10,000	0
<b>*TOTAL, DISCRETIONARY BUDGET AUTHORITY</b>	9,259,577	9,745,024	485,447
* Excludes NOAA Offsetting Receipts	(6,000)	(410)	5,590
<b><u>MANDATORY</u></b>			
DM - Trust Funds - Gifts and Bequests	4,500	4,500	0
Economic Development Administration	0	50,000	50,000
Bureau of the Census			
Survey of Program Dynamics	10,000	10,000	0
State Children's Health Insurance Program	18,640	20,000	1,360
National Oceanic and Atmospheric Administration			
Damage Assessment & Restoration Revolving Fund	5,968	5,968	0
Fisheries Finance Program Account	11,819	0	(11,819)
Environmental Improvement and Restoration Fund	9,359	4,172	(5,187)
Sanctuaries Asset Forfeiture Fund	125	120	(5)
Transfer to Promote and Develop Fisheries - fishery products and research pertaining to American fisheries from Dept. of Agriculture	146,389	145,811	(578)
NOAA Commissioned Officer Corps Retirement	29,375	29,375	0
Limited Access System Administration Fund	12,507	12,579	72
Western Pacific Sustainable Fisheries	391	400	9
Fisheries Asset Forfeiture Fund	4,020	4,000	(20)
North Pacific Observer Fund	4,050	3,970	(80)
National Institute of Standards and Technology			
National Network for Manufacturing Innovation	0	1,900,000	1,900,000
Construction of Research Facilities	0	100,000	100,000
National Telecommunications and Information Administration			
Public Safety Trust Fund	665,880	21,420	(644,460)
<b>TOTAL, MANDATORY BUDGET AUTHORITY</b>	923,023	2,312,315	1,389,292
<b>DEPARTMENT OF COMMERCE, BUDGET AUTHORITY</b>	10,182,600	12,057,339	1,874,739

## Comparison of FY 2017 Estimate with FY 2015 Actual and FY 2016 Enacted

	2015 Actual		2016 Enacted		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DEPARTMENTAL MANAGEMENT</b>								
Salaries and Expenses	156	\$56,000	156	\$58,000	161	\$74,503	5	16,503
HCHB Renovation and Modernization	5	4,500	5	19,062	5	12,224	0	(6,838)
Franchise Fund	0	(2,906)	0	0	0	0	0	0
Subtotal, DM	161	57,594	161	77,062	166	86,727	5	9,665
<b>OFFICE OF THE INSPECTOR GENERAL</b>								
	149	30,596	177	32,000	208	37,167	31	5,167
<b>ECONOMIC DEVELOPMENT ADMINISTRATION</b>								
Salaries & Expenses	205	37,000	224	39,000	224	43,454	0	4,454
Economic Assistance Development Programs	0	208,000	0	212,000	0	215,000	0	3,000
Subtotal, EDA	205	245,000	224	251,000	224	258,454	0	7,454
<b>BUREAU OF THE CENSUS</b>								
Salaries & Expenses	1,493	268,642	1,899	270,000	1,665	285,287	(234)	15,287
Periodic Censuses & Programs	3,481	819,358	5,421	1,100,000	6,170	1,348,319	749	248,319
Subtotal, Census	4,974	1,088,000	7,320	1,370,000	7,835	1,633,606	515	263,606
<b>ECONOMIC &amp; STATISTICAL ANALYSIS</b>								
Salaries & Expenses	470	100,000	499	109,000	512	114,643	13	5,643
<b>INTERNATIONAL TRADE ADMINISTRATION</b>								
Operations & Administration	1,625	462,000	1,735	483,000	1,785	521,421	50	38,421
<b>BUREAU OF INDUSTRY &amp; SECURITY</b>								
Operations & Administration	390	102,500	414	112,500	435	126,945	21	14,445
<b>MINORITY BUSINESS DEVELOPMENT AGENCY</b>								
Minority Business Development	54	30,000	70	32,000	73	35,613	3	3,613
<b>NATIONAL OCEANIC &amp; ATMOSPHERIC ADMIN</b>								
Operations, Research & Facilities	10,833	\$3,202,398	11,860	\$3,305,813	11,863	\$3,494,180	3	188,367
Procurement, Acquisition and Construction	277	2,179,225	342	2,400,416	345	2,270,123	3	(130,293)
Fishermen's Contingency Fund	0	350	0	350	0	350	0	0
Fisheries Finance Program Account	0	0	0	0	0	0	0	0
Pacific Coastal Salmon Recovery	2	65,000	2	65,000	2	65,000	0	0
Fisheries Disaster Assistance Fund	0	0	0	0	0	9,000	0	9,000
National Oceans and Coastal Security Fund	0	0	0	0	0	10,000	0	10,000
Medicare-Eligible Retiree Healthcare Fund	0	1,936	0	1,936	0	1,936	0	0
Subtotal, NOAA	11,112	5,448,909	12,204	5,773,515	12,210	5,850,589	6	77,074
<b>PATENT &amp; TRADEMARK OFFICE</b>								
Salaries & Expenses	12,469	0	12,757	0	12,835	0	78	0
<b>NATIONAL INSTITUTE OF STANDARDS &amp; TECHNOLOGY</b>								
Scientific & Technical Research & Services	2,373	675,500	2,477	690,000	2,523	730,533	46	40,533
Industrial Technology Services	80	138,100	97	155,000	96	188,991	(1)	33,991
Construction of Research Facilities	83	50,300	120	119,000	120	94,995	0	(24,005)
Subtotal, NIST	2,536	863,900	2,694	964,000	2,739	1,014,519	45	50,519
<b>NATIONAL TECHNICAL INFORMATION SERVICE</b>								
	150	0	150	0	150	0	0	0
<b>NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMIN</b>								
Salaries & Expenses	121	38,200	160	39,500	177	50,841	17	11,341
Subtotal, NTIA	121	38,200	160	39,500	177	50,841	17	11,341
<b>TOTAL, DEPARTMENT OF COMMERCE</b>								
	34,416	8,466,699	38,565	9,243,577	39,349	9,730,525	784	486,948

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

	2016 Estimate			
	Detailed		Summary	
	FTE	Amount	FTE	Amount
<b>2016 Enacted</b>			38,565	\$9,243,577
<b>2016 Estimate (Fee Collections)</b>			0	3,100,812
Other Income / Recoveries (USPTO)			0	32,257
USPTO Funding from operating reserve			0	112,171
<b>Transfers</b>				
From Department of Agriculture (PDF)	0	\$145,811		
FY Transfer to DOC OIG	0	(2,853)		
From PDF to ORF	0	(38,939)		
From PAC to ORF	0	38,939		
Total, Transfers			0	142,958
<b>Adjustments</b>				
Restoration of FY 2016 deobligations (NOAA, NIST)		18,500		
Restoration of Base (DM)		3,587		
Restoration of Rescission (EDA)		10,000		
Adjustment for DOC Working Capital Fund (NOAA)		25,568		
Non-recurring adjustments (DM)		(17,981)		
Adjustment for DOC Accounting System (NOAA)		1,478		
Base realignment for Census WCF rate structure	(436)	0		
Subtotal, Adjustments			(436)	41,152
<b>Financing:</b>				
Recoveries of prior year obligations (NOAA, NIST)	0	(18,500)		
Total Financing			0	(18,500)
<b>Other Changes</b>				
FY 2016 Pay raise		13,493		
FY 2017 Pay raise		48,182		
Full-year cost in 2017 of positions financed for part-year in FY 2016	55	7,033		
Change in compensable days		(37,374)		
Civil Service Retirement System (CSRS)		(4,146)		
Federal Employees' Retirement System (FERS)		10,516		
Thrift Savings Plan		3,514		
Federal Insurance Contributions Act (FICA) - OASDI		4,853		
Health insurance		7,756		
Employees' Compensation Fund		(857)		
Travel:				
Domestic Per diem		49		
Foreign Per diem (ITA)		321		
Mileage		204		
Rent payments to GSA		7,660		
Postage		322		
Printing and reproduction		2,616		

**Summary Tables**

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
HCHB Electricity		\$64		
Electricity rate decrease (NIST)		(1,513)		
Natural gas rate increase (NIST)		165		
NARA		(947)		
Other services:				
Working Capital Fund		9,857		
Commerce Business System		7,998		
Capital Security Cost Sharing Program (ITA)		(1,797)		
Data systems maintenance (NIST)		851		
General pricing level adjustment				
Transportation of things		311		
Rental payments to others		998		
Communications, utilities, and miscellaneous		2,422		
Other services		34,717		
Supplies		3,188		
Equipment		6,467		
Federal Protective Service		398		
Post-Retirement Benefits to OPM (USPTO)		2,533		
Other compensation adjustments (USPTO)		57,399		
Overseas price increases (ITA)		240		
International Cooperative Admin Support Service (ICASS) (ITA)		326		
Non ICASS local guard service (ITA)		14		
Military Pouch (ITA)		8		
Fuel (BIS)		(48)		
Activities in support of licensing programs (BIS)		2,357		
Scientific journal subscriptions (NIST)		267		
HMEP Center Salaries (NIST)		697		
Ship and Aircraft fuel costs (NOAA)		1,237		
Grants (NOAA)		753		
Implementation of Locally Engaged Staff (LES) Wage Thaw (ITA)		2,350		
Subtotal, other cost changes			55	\$195,453
<b>TOTAL, ADJUSTMENTS TO BASE</b>			(380)	191,059
<b>2017 Base</b>			<b>38,185</b>	<b>12,849,880</b>
Non-recurring adjustment (MBDA)			0	(2,000)
Program Changes			1,165	282,428
FY 2017 Transfer to DOC OIG (Census, NOAA, USPTO)			0	3,882
<b>TOTAL REQUIREMENTS</b>			<b>39,350</b>	<b>13,134,190</b>
Offsetting Fee Collections (ITA, USPTO)			0	(3,333,024)
Other Income (USPTO)			0	(22,257)
Funding to operating reserve (USPTO)			0	97,427
<b>Transfers</b>				
Transfer From Department of Agriculture (NOAA)			0	(145,811)
<b>2017 APPROPRIATION</b>			<b>39,349</b>	<b>9,730,525</b>

## Comparison by Bureau of Adjustments to Base, FY 2017 Estimate and Program Changes

BUREAU	Net Adjustments To Base		2017 Base		2017 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Departmental Management	0	(\$11,176)	161	\$65,886	166	\$86,727	5	\$20,841
Office of the Inspector General	0	767	177	32,767	208	37,167	31	4,400
Economic Development Administration	0	11,804	224	262,804	224	258,454	0	(4,350)
Bureau of the Census	(428)	23,123	6,892	1,391,572	7,835	1,633,606	943	242,034
Economic and Statistical Analysis	0	2,552	499	111,552	512	114,643	13	3,091
International Trade and Investment Administration	2	5,475	1,737	500,475	1,785	533,421	48	32,946
Bureau of Industry and Security	6	6,525	420	119,025	435	126,945	15	7,920
Minority Business Development Agency	0	1,022	70	33,022	73	35,613	3	2,591
National Oceanic & Atmospheric Admin.	8	47,600	12,212	5,992,670	12,210	5,996,400	(2)	3,730
Patent and Trademark Office	19	87,906	12,776	3,321,146	12,835	3,245,854	59	(75,292)
National Technical Information Service	0	0	150	0	150	0	0	0
National Inst. of Standards & Technology	13	14,886	2,707	978,886	2,739	1,014,519	32	35,633
National Telecommunications and Info. Admin.	0	575	160	40,075	177	50,841	17	10,766
<b>TOTAL REQUIREMENTS</b>	<b>(380)</b>	<b>191,059</b>	<b>38,185</b>	<b>12,849,880</b>	<b>39,349</b>	<b>13,134,190</b>	<b>1,164</b>	<b>284,310</b>
Offsetting Fee Collections (ITA, USPTO)					0	(3,333,024)		
Other Income (USPTO)					0	(22,257)		
Funding to operating reserve (USPTO)					0	97,427		
Transfer From Department of Agriculture (NOAA)					0	(145,811)		
<b>2017 APPROPRIATION</b>					<b>39,349</b>	<b>9,730,525</b>		

## Budget Authority by Function

	2015	2016	2017	Change
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>2016 - 2017</u>
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>				
<b>050 DEFENSE-RELATED ACTIVITIES</b>				
054 Defense-related activities				
Bureau of Industry and Security	\$36,000	\$36,000	\$36,000	\$0
<b>300 NATURAL RESOURCES AND ENVIRONMENT</b>				
306 Other natural resources				
National Oceanic & Atmospheric Administration	5,563,607	5,902,377	5,979,451	77,074
<b>370 COMMERCE AND HOUSING CREDIT</b>				
376 Other advancement and regulation of Commerce				
Departmental Management	58,044	77,062	86,727	9,665
Inspector General	35,449	36,853	43,049	6,196
Bureau of the Census	1,086,449	1,368,449	1,631,026	262,577
Economic and Statistical Analysis	100,000	109,000	114,643	5,643
International Trade Administration	472,000	493,000	531,421	38,421
Bureau of Industry and Security	66,500	76,500	90,945	14,445
Minority Business Development Agency	30,000	32,000	35,613	3,613
National Oceanic & Atmospheric Administration	(116,000)	(130,164)	(130,164)	0
Patent and Trademark Office	(2,000)	(2,000)	(2,000)	0
National Institute of Standards & Technology	869,850	970,000	1,019,018	49,018
National Telecommunications & Information Administration	38,200	39,500	50,841	11,341
<b>Subtotal, Commerce and Housing Credit</b>	<b>2,638,492</b>	<b>3,070,200</b>	<b>3,471,119</b>	<b>400,919</b>
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>				
452 Area and regional development				
Economic Development Administration	245,000	251,000	258,454	7,454
<b>TOTAL, DISCRETIONARY</b>	<b>8,483,099</b>	<b>9,259,577</b>	<b>9,745,024</b>	<b>485,447</b>



	2015	2016	2017	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>2016 - 2017</u>
<b>MANDATORY APPROPRIATIONS</b>				
<b>300 NATURAL RESOURCES AND ENVIRONMENT</b>				
302 Conservation and land management				
National Oceanic & Atmospheric Administration	\$705	\$9,359	\$4,172	(\$5,187)
306 Other natural resources				
National Oceanic & Atmospheric Administration	42,016	46,744	47,922	1,178
<b>Subtotal, Natural Resources and Environment</b>	<b>42,721</b>	<b>56,103</b>	<b>52,094</b>	<b>(4,009)</b>
<b>370 COMMERCE AND HOUSING CREDIT</b>				
376 Other advancement & regulation of Commerce				
Departmental Management	4,119	4,500	4,500	0
Bureau of the Census	27,810	28,640	30,000	1,360
National Oceanic & Atmospheric Administration	436,900	167,900	154,301	(13,599)
National Institute of Standards & Technology	0	0	2,000,000	2,000,000
National Telecommunications & Information Administration	4,994,889	665,880	21,420	(644,460)
<b>Subtotal, Commerce and Housing Credit</b>	<b>5,463,718</b>	<b>866,920</b>	<b>2,210,221</b>	<b>1,343,301</b>
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>				
452 Area and regional development				
Economic Development Administration	0	0	50,000	50,000
<b>TOTAL, MANDATORY</b>	<b>5,506,439</b>	<b>923,023</b>	<b>2,312,315</b>	<b>1,389,292</b>
<b>TOTAL, DEPARTMENT OF COMMERCE</b>	<b>13,989,538</b>	<b>10,182,600</b>	<b>12,057,339</b>	<b>1,874,739</b>

## Authorizing Legislation Required for 2017

	FY 2017 Request
<b>APPROPRIATION AND ACTIVITY</b>	
<b><u>Bureau of the Census</u></b>	
Salaries and Expenses	
State Childrens Health Insurnace Program, 42 USC 1397ii(b)(1)(4) ,expires 9/30/15	\$20,000
<b><u>Economic Development Administration</u></b>	
Salaries and Expenses	43,454
Public Works and Economic Development Act of 1965, as ammended by the the Economic Development Administration Reauthorization Act of 2004 (Pub. L. 108–373, 118 Stat. 1756), expired 9/30/08. Authorization by Appropriation is provide each fiscal year within the funding appropriation.	
Economic Development Assistance Programs (Public Works, Partnership Planning, Technical Assistance, Research and Evaluation, and Economic Adjustment Assistance Programs)	205,000
Public Works and Economic Development Act of 1965, as ammended by the the Economic Development Administration Reauthorization Act of 2004 (Pub. L. 108–373, 118 Stat. 1756), expired 9/30/08. Authorization by Appropriation is provide each fiscal year within the funding appropriation.	
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, as amended by the Consolidated and Furthering Continuing Appropriations Act, 2015, P.L. 113-235, expires 12/31/2015. Authorization by Appropriation is provide each fiscal year within the funding appropriation.	
Subtotal, EDA	258,454
<b><u>Bureau of Industry and Security</u></b>	
Export Administration Act of 1979, P.L. 106-508, expired 8/20/01	126,945
<b><u>International Trade Administration</u></b>	
Export Promotion, P.L. 103-392, expired 9/30/96	420,780
<b><u>National Institute of Standards &amp; Technology</u></b>	
National Institute of Standards & Technology Authorization Act of 2010, P.L. 111-358, expired 9/30/2013	
Scientific & Technical Research & Services	730,533
Industrial Technology Services	188,991
Construction of Research Facilities	94,995
Subtotal, NIST	1,014,519
<b><u>National Oceanic and Atmospheric Administration</u></b>	
<b><u>Operations, Research and Facilities</u></b>	
<i>National Ocean Service</i>	
Coral Reef Conservation Act, P.L.106-562, expired 9/30/04	26,100
Hydrographic Services Improvement Act, P.L.107-372, expired 9/30/07	197,806
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	167,493
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	49,800

	FY 2017 Request
<b>APPROPRIATION AND ACTIVITY</b>	
<i>National Marine Fisheries Service</i>	
Endangered Species Act Amendments of 1988, P.L. 100-478, expired 9/30/92	\$236,735
Marine Mammal Protection Act, P.L. 103-238, expired 9/30/99	47,213
NOAA Marine Fisheries Program Authorization Act, P.L. 104-297, expired 9/30/00	124,083
Interjurisdictional Fisheries Act, P.L. 109-479, expired 9/30/12	3,748
Magnuson-Stevens Fishery Conservation and Management Act , P.L. 109-479, expires 9/30/13	571,110
Estuary Restoration Act, P.L.110-114, expires 9/30/2012	500
<i>Oceanic and Atmospheric Research</i>	
National Sea College Program, P.L.107-299, expires 9/30/08	68,900
Ocean Exploration 33 USC 3406; P.L. 111-11, expires 9/30/15	19,568
Federal Ocean Acidification Research and Monitoring Act of 2009 33 USC 3708; P.L. 111-11, expired 9/30/2012	21,775
National Integrated Drought Information System Act of 2006 15 USC 313d note; P.L. 109-430, sec. 4, expired 9/30/2012	13,500
<u>Procurement, Acquisition and Construction</u>	
<i>National Ocean Service</i>	
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	2,000
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	1,700
<b>Subtotal, NOAA</b>	<u>1,552,031</u>
<u><b>National Telecommunications and Information Administration</b></u>	
Salaries and Expenses	50,841
Telecommunications Authorization Act of 1992, P.L. 102-538, expired 9/30/93	
<b>TOTAL, AUTHORIZATION REQUIRED</b>	<u>3,443,570</u>
<b>PROGRAMS AUTHORIZED</b>	<u>6,286,955</u>
<b>TOTAL, DEPARTMENT OF COMMERCE APPROPRIATIONS</b>	<u>9,730,525</u>