

**The
Department of Commerce
Budget in Brief**

Fiscal Year 2004

Donald L. Evans, Secretary

Samuel W. Bodman, Deputy Secretary

Contents

INTRODUCTION	3
SUMMARY TABLES AND GRAPHS	
Department of Commerce Funding and Employment	6
Budget Authority: FY 2002 – 2004, 2004 – 2008	7
Outlays: FY 2002 – 2004, 2004 – 2008	9
Budget Authority: 1990 – 2004	11
Full-Time Equivalent Employment: 1990 – 2004	11
Actual vs Constant Dollars: 1990 – 2004	11
Total Full-Time Equivalent Employment (Workyears)	12
Bridge from 2003 and 2004 Appropriations to 2003 and 2004 Budget Authority	13
Comparison of 2004 Estimate with 2002 and 2003 Appropriations Enacted to Date	14
Summary of Requirements with Detail of Adjustments to Base	16
Comparison by Bureau of Adjustments to Base	18
Budget Authority by Function	19
BUREAU DESCRIPTIONS	
Departmental Management	21
Office of the Inspector General	32
Economic Development Administration	36
Bureau of the Census	43
Economic and Statistical Analysis	51
International Trade Administration	56
Bureau of Industry and Security	60
Minority Business Development Agency	64
National Oceanic and Atmospheric Administration	68
U.S. Patent and Trademark Office	100
Technology Administration	104
Under Secretary / Office of Technology Policy	106
National Technical Information Service	110
National Institute of Standards and Technology	112
National Telecommunications and Information Administration	121
AUTHORIZING LEGISLATION REQUIRED FOR FY 2004	128
DEPARTMENT-WIDE SUMMARY	130

Unless otherwise noted, all dollar amounts are in thousands

Introduction

The Department of Commerce's budget request of \$5.4 billion supports the President's budget plan to focus resources on several core Commerce services, including:

- Fostering the Nation's economic growth
- Securing our homeland and enhancing public safety
- Upgrading the Department's facilities and infrastructure to support innovation
- Improving and streamlining the Nation's fishery management system to better meet commercial, recreational, and conservation objectives
- Implementing the administration's Climate Change Research initiative to reduce present uncertainties in climate science, and support policy and management decisions to benefit public safety and quality of life

To enhance these services, resources are shifted from various lower priority programs.

Economic Growth

Economic growth is a central theme for the FY 2004 President's Budget and to the mission of the Department of Commerce's bureaus. The Bureau of Economic Analysis (BEA) seeks to strengthen the understanding of the United States economy and its competitive position. BEA accomplishes this task by providing accurate economic accounts data in a timely and cost-effective manner, and by supplying the Nation's key economic statistics, including Gross Domestic Product (GDP). The Department of Commerce requests increased funding of \$5.4 million for BEA to accelerate the release of major economic estimates, to incorporate new international economic data classifications, and to acquire real-time data to improve the quality and timeliness of economic statistics. In conjunction with BEA's request, the Department of Commerce requests an increase of \$9.3 million for the Census Bureau to fill gaps in data collection, to improve methodologies for collecting that information, and to improve the measurement of the Nation's service sector. During FY 2004, Census requests funds to process and to review data from the Economic Census, and to continue planning and designing the 2010 Decennial Census.

To enhance the competitiveness of U.S. businesses in the global economy, the International Trade Administration's (ITA) request for FY 2004 focuses on promoting U.S. exports, fighting unfair foreign trade barriers, and negotiating and implementing multilateral and bilateral trade agreements. The Economic Development Administration (EDA) request will help to accelerate the Nation's economic growth by promoting a favorable business environment to attract private capital investments and higher-skill, higher-wage jobs. For example, a program increase of \$13.8 million is requested for EDA to assist communities that have been severely impacted by plant closures and other mass layoffs. The Minority Business Development Agency (MBDA) will continue to focus on accelerating the competitiveness and growth of minority-owned businesses by closing the gap in economic opportunities and capital access.

As part of the Administration's economic growth policy initiative for FY 2004, the Administration requests \$9.2 million for the National Institute of Standards and Technology (NIST) to implement a program that will provide the Nation's measurement and standards infrastructure in such emerging areas as nanotechnology, quantum computing, and health care quality assurance. Consistent with the Administration's emphasis on shifting resources to reflect changing needs, the FY 2004 budget proposes to terminate the Advanced Technology Program (ATP), and to maintain the FY 2003 policy of significantly reducing Federal funding for the Manufacturing Extension Partnership (MEP). The U.S. Patent and Trademark Office (PTO) request will support a new strategic plan to keep pace with workload growth and to enhance the quality of products and services. The Administration proposes an increase of \$8.9 million to improve patent application processing, and will propose legislation to restructure PTO fees.

Homeland Security

The FY 2004 Budget proposes a \$2.3 million increase for the Bureau of Industry and Security (BIS) to advance national

security and foreign policy interests. Specifically, the budget request addresses vulnerabilities in regulating exports of critical goods and technologies. The request also proposes activities to encourage the growth of legitimate U.S. exports to maintain U.S. global economic leadership. This budget increase will enable BIS to strengthen export enforcement with additional agents and capabilities and to enhance the bureau's analysis of U.S. export control regulations to ensure they reflect the dynamics of 21st century market and technological changes.

The Commerce budget requests a \$10.3 million program increase for NIST to provide the measurement infrastructure necessary for homeland security. This includes developing and disseminating standards for safety and security of buildings, for biometric identification systems, and for radiation systems.

To address increased security issues subsequent to September 11, 2001, the National Oceanic and Atmospheric Administration (NOAA) requests a program increase of \$7.7 million. These funds will facilitate cooperation between the National Weather Service (NWS) and local officials in the development of an All Hazards Weather Radio Warning Network, including the dissemination of all types of emergency warnings and not just warnings for severe weather. NOAA will also use these funds to upgrade physical security at NWS facilities.

The Department of Commerce requests an increase of \$3.7 million to secure core aspects of ITA's worldwide communications network, to defend against unauthorized access, and to create recovery mechanisms should damaging events occur.

Facilities, Infrastructure and Safety

The Department of Commerce, in coordination with the General Services Administration, is initiating a major renovation of the 70-year old Herbert C. Hoover Building. This initiative will extend the useful life of this historic building. In addition to establishing a Renovations Office in FY 2004, the Department will focus on safety issues by instituting a new Occupational Safety and Health Program targeted toward preventing accidents and injuries through incident tracking and proactive prevention.

Important priorities for NIST in FY 2004 are to upgrade facilities and laboratories, to protect critical research data from degradation, and to maintain employee safety and security. The Commerce budget proposes a program increase of \$35.2 million for NIST to address inefficiencies and safety problems at its facilities in Boulder, Colorado and Gaithersburg, Maryland. Valuable research continues to be lost or interrupted by power outages, spikes, and fluctuations. The budget also requests a net increase of \$8.2 million to equip, maintain, and operate NIST's Advanced Measurement Laboratory, and to fund time scale and time dissemination backup elements.

This budget includes a \$21.2 million increase to enable NOAA to address safety and security concerns associated with its buildings, aircraft, and ships, to upgrade weather forecast offices in the continental U.S., Alaska and the Pacific Islands, to modernize the primary NWS telecommunications gateway, to continue construction of the NOAA Satellite Operations Facility in Suitland, Maryland, and to initiate plans for replacement of the World Weather Building to be co-located with a major research institution. During FY 2004, NOAA will continue the tri-agency acquisition (with DOD and NASA) of the next-generation polar-orbiting satellites, and systems design and development for the next-generation geostationary satellite series (GOES R).

To meet increasing demand for Federal wireless communication systems and services, the Department of Commerce requests an increase of \$1 million for the National Telecommunications and Information Administration (NTIA) to establish a paperless system for spectrum issue resolution, certification, satellite coordination and frequency authorization. The FY 2004 budget also proposes to suspend the Public Telecommunications Facilities Planning and Construction (PTFPC) grants, a program reduction of \$41.1 million for NTIA during FY 2004. The Administration is proposing to target funding of \$80 million for digital transition grants for public television stations within the Corporation for Public Broadcasting.

Fisheries

The FY 2004 budget proposes a \$15.9 million increase to modernize and improve the Nation's fishery management system. Specifically, the requested funding addresses the Administration's needs to expand stock assessments, improve socioeconomic data collection, to reduce bycatch in targeted fisheries, to increase fishery observer coverage, to streamline the current fisheries regulatory process, and to implement the Columbia River Biological Opinion effectively. These efforts will increase the understanding of the effects of climate change on marine and coastal ecosystems, and build a national observer program for the collection of high quality fisheries and environmental data. The FY 2004 budget includes a reduction of \$20 million for the Pacific Salmon Treaty for which all U.S. obligations have been met.

The Administration also proposes to restore the National Sea Grant College Program (\$57.4 million) in NOAA's budget.

Climate Change

The Commerce budget request for FY 2004 includes an increase of \$16.9 million for the President's multi-agency Climate Change Research Initiative (CCRI), to reduce the present uncertainties in climate science and advance climate modeling capabilities, and to develop research and data products that will facilitate the use of scientific knowledge to support policy and management decisions.

Budget in Brief

The Budget in Brief provides a summary of the Department of Commerce's programs established to fulfill the core mission and responsibilities of the Department. It provides details on the President's budget and the programs it supports. It identifies the resources necessary to meet the mission and goals of these programs.

The Budget in Brief contains several sections. The **Introduction** highlights how the Department of Commerce supports the President's agenda and the Administration's priorities. It identifies the aggregate resource levels the Department of Commerce seeks for FY 2004 to meet its planned performance targets, and describes the elements that comprise the Department's FY 2004 budget request. The **Summary** contains tables and charts that display the Department's resources. These provide a view of funding and employment trends both short and long term.

The **Bureau by Bureau Descriptions** provide a break down of program activities and performance levels, and the detailed budget request supporting this activities. These chapters include a framework that aligns Commerce's Strategic Plan with the programs' performance goals and measures. Additional information on the Department's performance is provided in the FY 2002 Annual Performance and Accountability Report and the FY 2004 Annual Performance Plan.

The Budget in Brief includes authorizing legislation requirements for FY 2004 and a Department-wide Summary of funding requirements for FY 2004.

Department of Commerce Funding and Employment

	<u>2002</u>	<u>2003</u>	<u>2004</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
BUDGET AUTHORITY				
Discretionary	\$5,441,015	\$5,138,453	\$5,407,210	\$268,757
Mandatory	104,861	166,327	112,181	(54,146)
TOTAL BUDGET AUTHORITY	5,545,876	5,304,780	5,519,391	214,611
 OUTLAYS				
Discretionary	5,310,627	5,622,178	5,738,620	116,442
Mandatory	5,383	169,311	41,427	(127,884)
TOTAL OUTLAYS	5,316,010	5,791,489	5,780,047	(11,442)
 FULL-TIME EQUIVALENT EMPLOYMENT				
Full funding of Federal employee retirement costs	35,273	39,300	38,873	(427)
Full funding of Federal employee retirement costs	123,675	145,197	147,700	2,503

Budget Authority – FY 2002, FY 2003 and FY 2004

	<u>2002</u>	-		<u>Change</u>
	<u>Actual</u>	<u>2003</u>	<u>2004</u>	<u>2003 - 2004</u>
DISCRETIONARY				
Departmental Management	\$48,985	\$48,254	\$57,191	\$8,937
Emergency Steel Loan Guarantee Program	0	(96,000)	(25,948)	70,052
Emergency Oil and Gas Loan Guarantee Program	(5,200)	(920)	0	920
Subtotal, Departmental Management	43,785	(48,666)	31,243	79,909
Inspector General	20,166	22,670	23,378	708
Economic Development Administration	365,541	348,000	364,404	16,404
Bureau of the Census	479,182	705,316	661,961	(43,355)
Economic and Statistical Analysis	62,482	73,220	84,756	11,536
International Trade Administration	355,389	363,678	382,123	18,445
Bureau of Industry and Security	64,686	73,442	78,169	4,727
Minority Business Development Agency	28,373	28,906	29,487	581
National Oceanic & Atmospheric Administration	3,270,712	3,136,093	3,326,133	190,040
Patent and Trademark Office	(23,268)	(192,551)	(99,684)	92,867
Under Secretary / Office of Technology Policy	8,234	7,886	8,015	129
National Institute of Standards & Technology	684,546	563,110	496,818	(66,292)
National Telecommunications & Information Admin.	81,265	60,349	21,407	(38,942)
Offsetting receipts - Fisheries finance, negative subsidy	(78)	(3,000)	(1,000)	2,000
SUBTOTAL, DISCRETIONARY	5,441,015	5,138,453	5,407,210	268,757
MANDATORY				
Departmental Management	927	900	900	0
Emergency Steel Loan Guarantee Program	0	53,749	0	(53,749)
Emergency Oil and Gas Loan Guarantee Program	0	31	0	(31)
Subtotal, Departmental Management	927	54,680	900	(53,780)
Bureau of the Census	20,000	20,000	20,000	0
National Oceanic & Atmospheric Administration	86,802	100,371	96,790	(3,581)
Subtotal	107,729	175,051	117,690	(57,361)
Offsetting receipts	(2,868)	(8,724)	(5,509)	3,215
SUBTOTAL, MANDATORY	104,861	166,327	112,181	(54,146)
TOTAL, DEPARTMENT OF COMMERCE	5,545,876	5,304,780	5,519,391	214,611

Summary of Budget Authority – 2004 -- 2008

(in millions of dollars)

DISCRETIONARY	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Departmental Management	\$57	\$58	\$60	\$61	\$62
Emergency Steel Loan Guarantee Program	(26)	0	0	0	0
Emergency Oil and Gas Loan Guarantee Program	0	0	0	0	0
Subtotal, Departmental Management	31	58	60	61	62
Inspector General	23	23	24	24	25
Economic Development Administration	364	371	378	387	397
Bureau of the Census	662	850	813	842	1,189
Economic and Statistical Analysis	85	87	88	90	93
International Trade Administration	382	389	397	406	416
Bureau of Industry and Security	78	79	81	83	85
Minority Business Development Agency	29	30	30	31	32
National Oceanic & Atmospheric Administration	3,326	3,387	3,458	3,532	3,622
Patent and Trademark Office	(100)	0	0	0	0
Under Secretary / Office of Technology Policy	8	8	8	8	9
National Technical Information Service	0	0	0	1	0
National Institute of Standards & Technology	497	507	518	530	541
National Telecommunications & Inform. Admin.	21	22	23	23	24
Offsetting receipts - Fisheries finance, negative subsidy	(1)	(1)	(1)	(1)	(1)
SUBTOTAL, DISCRETIONARY	5,407	5,810	5,877	6,017	6,494
MANDATORY					
Departmental Management	1	1	1	1	1
Bureau of the Census	20	20	20	20	20
National Oceanic & Atmospheric Administration	97	101	103	105	108
Subtotal	118	122	124	126	129
Offsetting receipts	(6)	(8)	(9)	(9)	(10)
SUBTOTAL, MANDATORY	112	114	115	117	119
TOTAL, DEPARTMENT OF COMMERCE	5,519	5,924	5,992	6,134	6,613

Outlays – FY 2002, FY 2003 and FY 2004

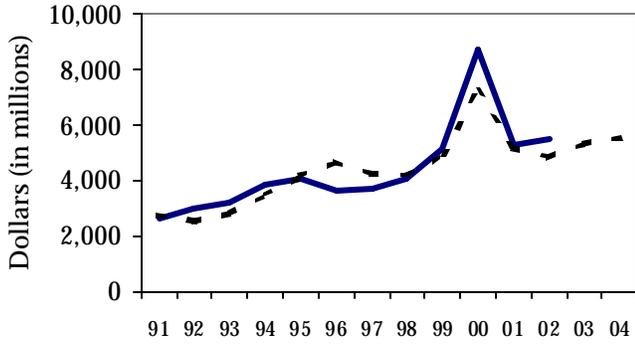
	2002			Change
	<u>Actual</u>	<u>2003</u>	<u>2004</u>	<u>2003 - 2004</u>
DISCRETIONARY				
Departmental Management	\$27,060	\$98,234	\$56,802	(\$41,432)
Emergency Steel Loan Guarantee Program	19,020	1,689	0	(1,689)
Emergency Oil and Gas Loan Guarantee Program	1,764	1,011	0	(1,011)
Subtotal, Departmental Management	47,844	100,934	56,802	(44,132)
Inspector General	20,277	22,699	23,293	594
Economic Development Administration	383,673	459,675	440,380	(19,295)
Bureau of the Census	616,175	773,449	673,971	(99,478)
Economic and Statistical Analysis	60,312	74,123	83,563	9,440
International Trade Administration	350,210	346,494	370,128	23,634
Bureau of Industry and Security	62,890	79,523	77,929	(1,594)
Minority Business Development Agency	27,041	23,260	28,665	5,405
National Oceanic & Atmospheric Administration	2,949,126	3,287,849	3,323,743	35,894
Patent and Trademark Office	10,054	(366,195)	(87,561)	278,634
Under Secretary / Office of Technology Policy	11,088	9,092	7,974	(1,118)
National Technical Information Service	3,762	20,689	(225)	(20,914)
National Institute of Standards & Technology	707,361	675,765	652,532	(23,233)
National Telecommunications & Information Admin.	60,892	117,821	88,426	(29,395)
Offsetting receipts - Fisheries finance, negative subsidy	(78)	(3,000)	(1,000)	2,000
SUBTOTAL, DISCRETIONARY	5,310,627	5,622,178	5,738,620	116,442
MANDATORY				
Departmental Management	4,306	21,455	1,024	(20,431)
Emergency Steel Loan Guarantee Program	0	53,749	0	(53,749)
Emergency Oil and Gas Loan Guarantee Program	0	31	0	(31)
Subtotal, Departmental Management	4,306	75,235	1,024	(74,211)
Economic Development Administration	(2,075)	0	0	0
Bureau of the Census	12,288	20,000	20,000	0
National Oceanic & Atmospheric Administration	(6,268)	82,800	25,912	(56,888)
Subtotal	8,251	178,035	46,936	(131,099)
Offsetting receipts	(2,868)	(8,724)	(5,509)	3,215
SUBTOTAL, MANDATORY	5,383	169,311	41,427	(127,884)
TOTAL, DEPARTMENT OF COMMERCE	5,316,010	5,791,489	5,780,047	(11,442)

Summary of Outlays – 2004 -- 2008

(in millions of dollars)

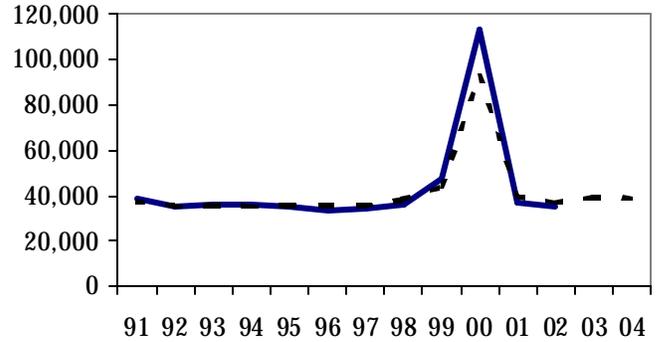
DISCRETIONARY	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Departmental Management	\$57	\$58	\$59	\$60	\$62
Inspector General	23	24	24	25	25
Economic Development Administration	440	418	386	373	377
Bureau of the Census	674	810	820	835	1,115
Economic and Statistical Analysis	84	86	88	90	92
International Trade Administration	370	387	394	402	412
Bureau of Industry and Security	78	79	81	83	85
Minority Business Development Agency	29	30	30	30	31
National Oceanic & Atmospheric Administration	3,324	3,409	3,472	3,572	3,644
Patent and Trademark Office	(88)	(45)	(60)	(53)	(52)
Under Secretary / Office of Technology Policy	8	9	9	9	9
National Technical Information Service	0	0	0	1	0
National Institute of Standards & Technology	653	582	513	523	530
National Telecommunications & Information Admin.	88	53	32	23	24
Offsetting receipts - Fisheries finance, negative subsidy	(1)	(1)	(1)	(1)	(1)
SUBTOTAL, DISCRETIONARY	5,739	5,899	5,847	5,972	6,353
MANDATORY					
Departmental Management	1	1	1	1	1
Bureau of the Census	20	20	20	20	20
National Oceanic & Atmospheric Administration	26	21	20	20	21
Subtotal	47	42	41	41	42
Offsetting receipts	(6)	(8)	(9)	(9)	(10)
SUBTOTAL, MANDATORY	41	34	32	32	32
TOTAL, DEPARTMENT OF COMMERCE	5,780	5,933	5,879	6,004	6,385

**Budget Authority
FY 1990 - FY 2004**



— Actual BA - - - President's Budget

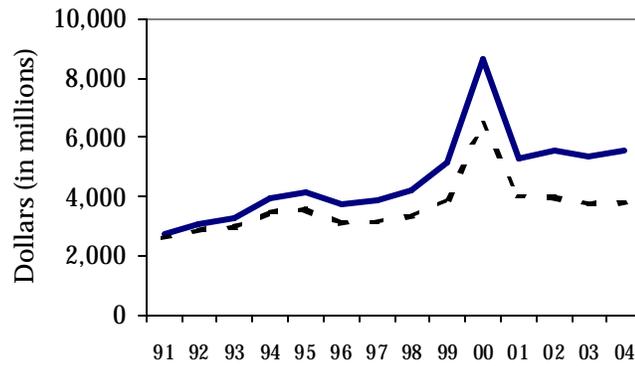
**FTE Employment
FY 1990 - FY 2004**



— Actual FTE - - - President's Budget

Amount excludes oil & gas rescission (-\$114.8M in FY 2001, -\$5.2M in FY 2002 and -\$0.9M in FY 2003), and steel (-\$42M in FY 2003 and -\$26M in FY 2004)

**Actual vs Constant Dollars
FY 1990 - FY 2004**



— Actual - - - Constant

Amount excludes oil & gas rescission (-\$114.8 in FY 2001, -\$5.2 M in FY 2002 and -\$0.9M in FY 2003), and steel (-\$42M in FY 2003, -\$26M in FY 2004)

Full-Time Equivalent Employment – 2002, 2003 and 2004

	<u>2002</u>	<u>2003</u>	<u>2004</u>	Change <u>2003-2004</u>
Departmental Management	876	1,046	1,049	3
Inspector General	136	170	176	6
Economic Development Administration	250	277	277	0
Bureau of the Census	8,420	10,120	9,161	(959)
Economic and Statistical Analysis	488	533	585	52
International Trade Administration	2,255	2,566	2,599	33
Bureau of Industry and Security	358	458	474	16
Minority Business Development Agency	92	120	120	0
National Oceanic and Atmospheric Administration	12,330	12,903	12,937	34
Patent and Trademark Office	6,593	7,453	7,886	433
Under Secretary / Office of Technology Policy	46	50	46	(4)
National Technical Information Service	186	260	260	0
National Institute of Standards & Technology	2,999	3,064	3,024	(40)
National Telecommunications & Information Admin.	244	280	279	(1)
TOTAL, DEPARTMENT OF COMMERCE	35,273	39,300	38,873	(427)

Bridge from 2003 and 2004 Appropriations to 2003 and 2004 Budget Authority

	<u>2003</u>	<u>2004</u>	Change <u>2003-2004</u>
ANNUAL APPROPRIATIONS ACT	\$5,334,004	\$5,507,894	\$173,890
PTO Advanced Appropriations	100,000	0	(100,000)
APPROPRIATION	5,434,004	5,507,894	73,890
 DISCRETIONARY			
Unavailable offsetting collections due to limitation in FY 2003 and becoming available FY 2004	(292,551)	(99,684)	192,867
SUBTOTAL, DISCRETIONARY	(292,551)	(99,684)	192,867
Offsetting receipts - Fisheries finance, negative subsidy receipts	(3,000)	(1,000)	2,000
SUBTOTAL, DISCRETIONARY BUDGET AUTHORITY	5,138,453	5,407,210	268,757
 MANDATORY			
Emergency Steel Loan Guarantee Program	53,749	0	(53,749)
Emergency Oil and Gas Loan Guarantee Program	31	0	(31)
Coastal Zone Management Fund - Offsetting Collections	(3,000)	(3,000)	0
Transfer to Promote and develop fishery products and research pertaining to American fisheries from Dept. of Agriculture	75,238	75,238	0
NOAA Commission Officer Corps Retirement	16,991	18,043	1,052
Environmental Improvement & Restoration Fund	2,724	5,509	2,785
Fishing Finance Program Account	7,418	0	(7,418)
Damage Assessment & Restoration Revolving Fund	1,000	1,000	0
Bureau of the Census - Salaries & Expenses	20,000	20,000	0
SUBTOTAL, MANDATORY	174,151	116,790	(57,361)
Trust Funds	900	900	0
Offsetting receipts	(8,724)	(5,509)	3,215
TOTAL, MANDATORY BUDGET AUTHORITY	166,327	112,181	(54,146)
 DEPARTMENT OF COMMERCE, BUDGET AUTHORITY	5,304,780	5,519,391	214,611

Comparison of 2004 Estimate with 2002 Appropriations Enacted to Date and 2003 Request

	2002 Actual		2003 Estimate		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DEPARTMENTAL MANAGEMENT								
Salaries and Expenses	183	\$42,804	223	\$48,254	239	\$57,191	16	\$8,937
Emergency oil & gas guaranteed loan program	0	(5,200)	0	(920)	0	0	0	920
Emergency steel guaranteed loan program	0	0	0	(96,000)	0	(25,948)	0	70,052
Subtotal, DM	183	37,604	223	(48,666)	239	31,243	16	79,909
OFFICE OF THE INSPECTOR GENERAL	136	20,166	170	22,670	176	23,378	6	708
ECONOMIC DEVELOPMENT ADMINISTRATION								
Salaries & Expenses	239	30,541	270	30,765	270	33,377	0	2,612
Economic Assistance Development Programs	0	335,000	0	317,235	0	331,027	0	13,792
Subtotal, EDA	239	365,541	270	348,000	270	364,404	0	16,404
BUREAU OF THE CENSUS								
Salaries & Expenses	1,926	169,328	2,253	204,996	2,344	220,908	91	15,912
Periodic Censuses & Programs	3,216	309,854	4,491	500,320	3,441	441,053	(1,050)	(59,267)
Subtotal, Census	5,142	479,182	6,744	705,316	5,785	661,961	(959)	(43,355)
ECONOMIC & STATISTICAL ANALYSIS								
Salaries & Expenses	468	62,482	500	73,220	547	84,756	47	11,536
INTERNATIONAL TRADE ADMINISTRATION								
Operations & Administration	2,230	345,369	2,517	363,678	2,550	382,123	33	18,445
BUREAU OF INDUSTRY & SECURITY								
Operations & Administration	358	64,686	454	73,442	470	78,169	16	4,727
MINORITY BUSINESS DEVELOPMENT								
Minority Business Development	92	28,373	120	28,906	120	29,487	0	581
NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION								
Operations, Research & Facilities	11,363	2,264,929	11,578	2,211,277	11,155	2,389,300	(423)	178,023
Procurement, Acquisition and Construction	218	836,189	190	810,728	148	842,399	(42)	31,671
Coastal Impact Assistance Fund	0	0	0	0	0	0	0	0
Coastal and Ocean Activities	0	0	0	0	0	0	0	0
Fishermen's Contingency Fund	0	264	1	954	1	956	0	2
Foreign Fishing Observer Fund	0	124	0	191	0	191	0	0
Fisheries Finance Program Account	0	787	0	(57)	0	287	0	344
Pacific Coastal Salmon Recovery	10	157,419	0	110,000	1	90,000	1	(20,000)
Coastal Zone Management Fund	0	3,000	0	3,000	0	3,000	0	0
Subtotal, NOAA	11,591	3,262,712	11,769	3,136,093	11,305	3,326,133	(464)	190,040
PATENT & TRADEMARK OFFICE								
Salaries & Expenses	6,593	283,245	7,453	100,000	7,886	0	433	(100,000)
UNDER SECRETARY / OFFICE OF TECHNOLOGY POLICY								
Salaries & Expenses	45	8,234	49	7,886	45	8,015	(4)	129

	2002 Actual		2003 Estimate		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY								
Scientific & Technical Research & Services	1,913	\$329,963	2,016	\$389,291	2,065	\$387,621	49	(\$1,670)
Industrial Technology Services	338	290,986	248	119,607	182	39,607	(66)	(80,000)
Construction of Research Facilities	49	63,597	51	54,212	53	69,590	2	15,378
Subtotal, NIST	2,300	684,546	2,315	563,110	2,300	496,818	(15)	(66,292)
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION								
Salaries & Expenses	92	14,048	109	16,581	111	18,869	2	2,288
Public Telecommunications Facilities, Planning and Construction	12	51,715	13	43,556	13	2,538	0	(41,018)
Information Infrastructure Grants	17	15,502	3	212	0	0	(3)	(212)
Subtotal, NTIA	121	81,265	125	60,349	124	21,407	(1)	(38,942)
TOTAL, DEPARTMENT OF COMMERCE	29,498	5,723,405	32,709	5,434,004	31,817	5,507,894	(892)	73,890

Summary of Requirements with Detail of Adjustments to Base

	<u>2004 Estimate</u>			
	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Enacted			32,709	\$5,434,004
<u>Transfers</u>				
From Promote & Develop			0	0
To ORF from CZM			0	0
From GSA Federal Bldgs. Fund			0	0
<u>Adjustments to Base</u>				
Restoration of FY 2003 Deobligations	0	\$29,000		
Nonrecurring program increase	(3)	(56,547)		
Transfer of CFO Contract Audits	0	0		
Partial Restoration of Rescissions	0	71,316		
Creation of NOAA Business Management Fund	(733)	0		
Total, Adjustments			(736)	43,769
<u>Financing:</u>				
Fee Collections in 2003	0	1,526,908		
Unavailable Fee Collections in 2003	0	(292,551)		
Total Financing			0	1,234,357
<u>Other Changes</u>				
2003 Pay raise	0	13,693		
2004 Pay raise	0	30,899		
Payment to the Working Capital Fund	0	779		
OMAO Wage Mariners Pay raise	0	137		
Pay Banding (BEA, OAR , NMFS, NESDIS)	0	2,414		
Full year cost in 2004 of positions financed for part year in 2003	380	33,094		
Within-grade step increases	0	24,096		
Wage Mariners Overtime Pay Adjustment	0	91		
Change in Compensable day	0	8,634		
Civil Service Retirement System(CSRS)	0	(3,117)		
Federal Employees' Retirement System(FERS)	0	3,833		
Thrift Savings Plan	0	1,068		
Federal Insurance Contributions Act (FICA) -OASDI	0	1,466		
Health insurance	0	14,868		
Employees' Compensation Fund	0	(2,157)		
Travel:				
Per diem	0	415		
Mileage	0	250		
Passenger Civil Aviation Security Fee	0	430		
Rent payments to GSA	0	6,713		
Postage	0	1,197		
Printing and reproduction	0	1,667		
NARA	0	28		

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Other services:				
Working Capital Fund	0	\$6,362		
Commerce Administrative Management System (CAMS)	0	(6,725)		
NIST Journal Subscriptions	0	76		
Tourism Industries Data Collection	0	30		
Overseas wage increases	0	820		
Overseas price increases	0	193		
International Cooperative Admin Support Service (ICASS)	0	3,398		
General pricing level adjustment				
Transportation of things	0	1,240		
Rental payments to others	0	1,282		
Other services	0	14,066		
Communications, utilities, and miscellaneous	0	1,040		
Supplies	0	1,706		
Equipment	0	1,853		
Grants	0	401		
GSA Building Delegation	0	2,548		
FTE Realignment	227	0		
	<hr/>			
Subtotal, other cost changes			607	\$168,788
Less Amount Absorbed			0	(12,706)
			<hr/>	
TOTAL, ADJUSTMENTS TO BASE			(129)	1,434,208
2004 Base			32,580	6,868,212
Program Changes			(763)	77,775
			<hr/>	
TOTAL REQUIREMENTS			31,817	6,945,987
Fee collections			0	(1,404,130)
Rescission of Unobligated Balances			0	0
Recoveries from prior year obligations			0	(33,963)
Transfers				
From Department of Interior unobligated Balance			0	0
NOAA ORF - Promote and develop Amer. fisheries			0	0
NOAA ORF - Coastal Zone Management Fund			0	0
			<hr/>	
2004 APPROPRIATION			31,817	5,507,894

Comparison by Bureau of Adjustments to Base, 2004 Estimate and Program Changes

BUREAU	Net Adjustments To Base		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Departmental Management	0	\$72,606	223	\$23,940	239	\$31,243	16	\$7,303
Office of the Inspector General	0	(336)	170	22,334	176	23,378	6	1,044
Economic Development Administration	0	1,404	270	349,404	270	364,404	0	15,000
Bureau of the Census	46	17,104	6,790	722,420	5,785	674,124	(1,005)	(48,296)
Economic and Statistical Analysis	22	6,088	522	79,308	547	84,756	25	5,448
International Trade Administration	30	14,700	2,547	378,378	2,550	382,123	3	3,745
Bureau of Industry and Security	5	2,434	459	75,876	470	78,169	11	2,293
Minority Business Development Agency	0	581	120	29,487	120	29,487	0	0
United States Travel & Tourism Admin.	0	0	0	0	0	0	0	0
National Oceanic & Atmospheric Admin.	(462)	69,048	11,307	3,205,141	11,305	3,343,133	(2)	137,992
Patent and Trademark Office	213	1,294,107	7,666	1,394,107	7,886	1,404,130	220	10,023
Under Secretary / Office of Technology Policy	0	254	49	8,140	45	8,015	(4)	(125)
National Technical Information Service	0	0	0	0	0	0	0	0
National Inst. of Standards & Technology	16	(44,362)	2,331	518,748	2,300	501,618	(31)	(17,130)
National Telecommunications and Info. Admin.	1	580	126	60,929	124	21,407	(2)	(39,522)
TOTAL REQUIREMENTS	(129)	1,434,208	32,580	6,868,212	31,817	6,945,987	(763)	77,775
Fee collections				(1,404,130)		(1,404,130)		
Recoveries from prior year obligations				(33,963)		(33,963)		
Transfers								
NOAA ORF - Promote and develop American fisheries								
NOAA Orf- Coastal Management Fund								
2004 APPROPRIATION			32,580	5,430,119	31,817	5,507,894		

Budget Authority by Function

FUNCTION / PROGRAM	2002	2003	2004	Change 2003 - 2004
300 NATURAL RESOURCES AND ENVIRONMENT				
306 Other natural resources				
National Oceanic & Atmospheric Administration	\$3,337,161	\$3,210,196	\$3,399,890	\$189,694
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement and regulation of Commerce				
Departmental Management	43,785	(48,666)	31,243	79,909
Inspector General	20,166	22,670	23,378	708
Bureau of the Census	479,182	705,316	661,961	(43,355)
Economic and Statistical Analysis	62,482	73,220	84,756	11,536
International Trade Administration	355,389	363,678	382,123	18,445
Bureau of Industry and Security	64,686	73,442	78,169	4,727
Minority Business Development Agency	28,373	28,906	29,487	581
National Oceanic & Atmospheric Administration	(66,527)	(77,103)	(74,757)	2,346
Patent and Trademark Office	(23,268)	(192,551)	(99,684)	92,867
Under Secretary / Office of Technology Policy	8,234	7,886	8,015	129
National Institute of Standards & Technology	684,546	563,110	496,818	(66,292)
National Telecommunications & Information Administration	14,048	16,581	18,869	2,288
Subtotal, Commerce and Housing Credit	1,671,096	1,536,489	1,640,378	103,889
450 COMMUNITY AND REGIONAL DEVELOPMENT				
452 Area and regional development				
Economic Development Administration	365,541	348,000	364,404	16,404
500 EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES				
503 Research and general education aids				
National Telecommunications & Information Admin.	67,217	43,768	2,538	(41,230)
SUBTOTAL, DISCRETIONARY	5,441,015	5,138,453	5,407,210	268,757

	2002	2003	2004	Change 2003 - 2004
MANDATORY				
300 NATURAL RESOURCES AND ENVIRONMENT				
302 Conservation and land management				
National Oceanic & Atmospheric Administration	\$20,995	\$2,724	\$5,509	\$2,785
306 Other natural resources				
National Oceanic & Atmospheric Administration	(8,700)	14,991	16,043	1,052
Subtotal, Natural Resources and Environment	12,295	17,715	21,552	3,837
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement & regulation of Commerce				
Departmental Management	927	54,680	900	(53,780)
Bureau of the Census	20,000	20,000	20,000	0
National Oceanic & Atmospheric Administration	76,559	76,656	75,238	(1,418)
Subtotal, Commerce and Housing Credit	97,486	151,336	96,138	(55,198)
900 NET INTEREST				
908 Other interest				
National Oceanic & Atmospheric Administration	(4,920)	(2,724)	(5,509)	(2,785)
SUBTOTAL, MANDATORY	104,861	166,327	112,181	(54,146)
TOTAL, DEPARTMENT OF COMMERCE	5,545,876	5,304,780	5,519,391	214,611

Departmental Management

Within Departmental Management, the Salaries and Expenses account provides funding for the Secretary, Deputy Secretary and support staff. Responsibilities involve policy development and implementation affecting U.S. and international activities as well as establishing internal goals and operations of the Department. The functions include serving as the primary liaison with the executive branch, and Congressional and private sector groups, and acting as the management and administrative control point for the Department. The Salaries and Expenses account contains Executive Direction that develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Departmental mission and Departmental Staff Services that develops and implements the Department's internal policies, procedures, and other administrative guidelines.

Departmental Management houses the non-appropriated accounts for Advances and Reimbursements and Working Capital Fund. The Advances and Reimbursements account provides a centralized collection source for special tasks or costs and their billing to users. Working Capital Fund finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis. Bureau funding is provided for centralized services such as legal advice, security, printing, building management, information technology, and procurement services.

Departmental Management also contains the Emergency Steel, Oil and Gas Loan Guarantee Programs, enacted in FY 1999 to assist the steel, oil and gas industries.

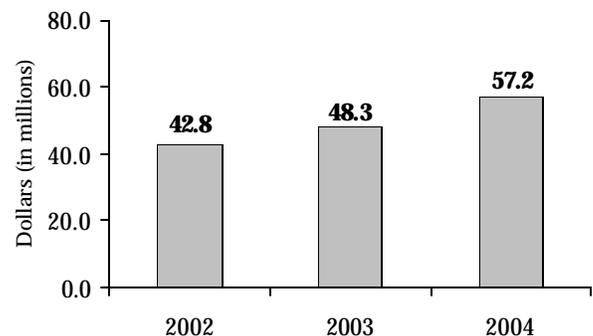
DM Performance Measures

The Department has reexamined the performance measures used to monitor its progress in providing policy oversight and administrative support services, which represent the bulk of its activity under Departmental Management. Substantial changes have been made to better reflect our most significant activities and to more closely correspond to the government-wide management initiatives established in the President's Management Agenda for FY 2004.

- Performance Goal 1: Ensure Effective Resource Stewardship in Support of the Department's Programs
- Performance Goal 2: Strategic Management of Human Capital
- Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

A more detailed presentation of goals, objectives and performance measures is found in the Department's FY 2004 Annual Performance Plan.

DM S&E Funding



Funding Requirements by Performance Goal (Obligations in millions)

	2002	2003	2004
Ensure effective resource stewardship in support of the Department's programs	\$38	\$36	\$36
Strategic management of human capital	4	4	4
Acquire and manage the technology resources to support program goals	7	13	17
Total	49	53	57

Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	2003 <u>Estimate</u>	2004 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$42,804	\$48,254	\$57,191	\$8,937
Emergency Oil and Gas Guar. Loan Program	(5,200)	(920)	0	920
Emergency Steel Guar. Loan Program	0	(96,000)	(25,948)	70,052
Total Appropriation	37,604	(48,666)	31,243	79,909
Transfer of AID Funds (22 USC 2392(a))	6,181			0
TOTAL BUDGET AUTHORITY	43,785	(48,666)	31,243	79,909
Mandatory: (Credit Reestimate)				
Emergency Steel Guar. Loan Program	0	53,749	0	(53,749)
Emergency Oil & Gas Guar. Loan Program	0	31	0	(31)
Total Discretionary Budget Authority	43,785	5,114	31,243	26,129
FTE				
Salaries and Expenses	183	223	239	16
Reimbursable	60	98	84	(14)
Working Capital Fund	608	694	695	1
Franchise Fund	25	31	31	0
Total Appropriation	876	1,046	1,049	3

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			223	\$48,254
Adjustments to Base				
Adjustments				
Transfer of CFO Contract Audits				19
Other Changes				
2003 Pay raise		\$178		
2004 Pay raise		338		
Payment to the Working Capital Fund		91		
Within-grade step increases		231		
Change in compensable day		86		
Civil Service Retirement System (CSRS)		9		
Federal Employees Retirement System (FERS)		(27)		
Thrift Savings Plan		(29)		
Federal Insurance Contributions Act (FICA) -OASDI		(16)		
Health insurance		58		
Employees' Compensation Fund		(36)		
Travel:				
Mileage		1		
Passenger Civil Aviation Security Service Fee		7		
Rent payments to GSA		113		
Postage		6		
Printing and reproduction		1		
NARA		2		
Other services:				
Working Capital Fund		565		
General Pricing Level Adjustments:				
Rental payments to others		1		
Communications, utilities & misc. charges		3		
Other services		141		
Supplies and materials		3		
Equipment		34		
Subtotal, other cost changes			0	1,760
Less Amount Absorbed				(145)
TOTAL, ADJUSTMENTS TO BASE			0	1,634
2004 Base			223	49,888
Program Changes			16	7,303
2004 APPROPRIATION			239	57,191

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Executive Direction	89	\$18,867	89	\$14,335	101	\$16,003	12	\$1,668
Departmental Staff Services	134	34,382	134	35,553	138	41,188	4	5,635
TOTAL DIRECT OBLIGATIONS	223	53,249	223	49,888	239	57,191	16	7,303
ADVANCES & REIMBURSEMENTS								
COMMITTS	8	82,909	8	82,200	8	82,200	0	0
GSA Rent		38,800		39,900		39,900	0	0
Other	90	16,900	90	17,200	76	15,047	(14)	(2,153)
Total Reimbursible Obligations	98	138,609	98	139,300	84	137,147	(14)	(2,153)
TOTAL OBLIGATIONS	321	191,858	321	189,188	323	194,338	2	5,150
FINANCING								
Unobligated balance, start of year		(5,704)						
Offsetting collections from:								
Federal funds	(98)	(137,900)			(84)	(137,147)		
Subtotal, financing	(98)	(143,604)			(84)	(137,147)		
TOTAL BUDGET AUTHORITY /	223	48,254			239	57,191		
APPROPRIATION								

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Executive Direction</u>	89	\$14,335	+12	+\$1,668
Transfer of White House Liaison & External Affairs Offices from A&R to S&E			+12	+\$1,668

This transfer will move the Office of White Liaison and the Office of External Affairs from the Advances and Reimbursements (A&R) account (funded by DOC bureaus) to the Salaries and Expenses (S&E) account. There will be a commensurate change in the A&R account. These offices are within the Office of the Secretary's Immediate Office. DOC bureaus receive no "direct" benefit from these offices and should not be charged for them. These charges are not part of the bureau's budget requests and bureaus have been forced to absorb these costs. This increase will provide the funding for these two offices within S&E. The Office of White House Liaison reports directly to the Chief of Staff. It oversees the appointment process for executive positions throughout the Department, prepares special reports, and manages specific projects at the request of Secretarial Officers. The Office of External Affairs plans and coordinates the external scheduling for the Secretary of Commerce. This office is responsible for logistical support for the Secretary's domestic and international meetings, conferences, and special activities and initiatives.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Departmental Staff Services</u>	134	\$35,553	+4	+\$5,635

Herbert C. Hoover Building Renovations & Modernization Project

+2 +\$993

This program increase will establish a Renovations Project Management Office to oversee renovations within the 70-year old Herbert C. Hoover Building (HCHB). The proposed HCHB renovations will bring the facility into compliance with Federal codes, industry standards, public laws, and GSA policy, and will extend the useful life and utility of the structure for the next 30 years. GSA is responsible for the design and construction of the base building and systems. The remaining design responsibilities and construction costs are the responsibility of the DOC. DOC is responsible for some of the interior tenant improvement construction costs; contractor space planning, architect, engineer, communications and relation planning support services; and furniture requirements.

Transfer of GPRA from A&R to S&E

+2 +\$485

This transfer will move the Government Performance and Results Act (GPRA) project from the Advances and Reimbursements (A&R) account (funded by DOC bureaus) to the Salaries and Expenses (S&E) account. There will be a commensurate change in the A&R account. The GPRA office is within the Office of Budget. DOC bureaus receive no “direct” benefit from this office and should not be charged for it. These charges are not part of the bureau’s budget requests and bureaus have been forced to absorb these costs. This increase will provide the funding for this office within S&E. The GPRA office fulfills the three mandates set forth in the GPRA including the Department’s Strategic Plan, Annual Performance Plan, and Annual Performance and Accountability Report. The office works closely with all bureaus to draft, provide quality control, and complete necessary documentation.

E-Government Initiatives

0 +\$4,157

This increase will fund initiatives related to expanding Electronic Government. The President has made expanding E-Government integral to a five-part Management Agenda for making government more focused on citizens and results. These initiatives integrate agency operations and IT investments. Other E-Government initiatives, directly relating to NOAA activities are being funded in the NOAA accounts. Department-wide coordination and oversight is provided by the Department’s CIO.

1. International Trade Process Streamlining Program - \$1,474 – Will provide a one-stop web portal for U.S. Government export promotion services and reduce the paperwork burden on businesses seeking international trade.
2. E-Training - \$590 - Will result in a premier e-training web portal for enhanced one-stop access to high quality training and development opportunities for government employees, and provide increased access to common need e-training courses (i.e., computer security, ethics, prevention of sexual harassment, and diversity).
3. E-Travel - \$546 - To establish a government-wide, web-based, end-to-end travel management service that reduces capital investment and total cost per transaction based on best travel management practices.
4. Integrated Acquisition - \$400 - Will allow agencies to begin sharing common data elements to enable more informed procurement, logistical, payment and performance assessment decisions.
5. E-Authentication - \$1,147 - Will provide a systematic means of “e-Authentication,” that is, authenticating the identity of the remote party to an E-government transaction over the Internet and World Wide Web. Many Government services require that agencies know with some certainty with whom they are dealing with over the Internet, thus requiring authentication.

Operating Fund: Working Capital Fund

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			694	\$121,511
Adjustments to Base				
Other Changes				
2003 Pay raise		\$344		
2004 Pay raise		819		
Within-grade step increases		481		
Change in compensable day		211		
Civil Service Retirement System(CSRS)		23		
Federal Employees' Retirement System(FERS)		(65)		
Thrift Savings Plan		(12)		
Federal Insurance Contributions Act (FICA) -OASDI		(43)		
Health insurance		267		
Travel		1		
Rent payments to GSA		199		
Postage		13		
Printing and reproduction		7		
Other Services:				
HCHB Delegation Program		1,580		
General Pricing Level Adjustment:				
Communications, utilities, & misc.		45		
Other services		621		
Supplies and materials		35		
Equipment		14		
Subtotal, other cost changes			0	4,540
TOTAL, ADJUSTMENTS TO BASE			0	4,540
2004 Base			694	126,051
Program Changes			1	3,382
2004 OPERATING LEVEL			695	129,433

Comparison by Activity

REIMBURSABLE OBLIGATIONS	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
General Counsel	203	\$27,253	203	\$28,153	203	\$28,153	0	\$0
Public Affairs	15	2,276	15	2,338	15	2,338	0	0
Departmental Staff Services	476	96,240	476	95,560	477	98,942	1	3,382
TOTAL REIMBURSABLE OBLIGATIONS	694	125,769	694	126,051	695	129,433	1	3,382
OBLIGATIONS FINANCING								
Unobligated balance, start of year		(4,258)						
Offsetting collections from:								
Federal funds		(121,511)				(129,433)		
Subtotal, financing	0	(125,769)			0	(129,433)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	694	0			695	0		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Departmental Staff Services</u>	476	\$95,560	+1	+\$3,382

Occupational Safety & Health Program

+1 +\$544

This program increase in the Occupational Safety and Health Program supports the Secretary's commitment to provide a comprehensive occupational safety and health program to prevent accidents and injuries. It focuses on implementing a program that includes major initiatives in workplace surveys and assessments, behavior-based accident prevention, ergonomics and training, accident and injury reporting, and expanded health services.

Acquisition Career Management Program

+\$95

This program increase in the Office of Acquisition Management will help develop, coordinate, and maintain the policies and procedures that govern acquisition of all supplies and services required by the Department through the recruitment and training of acquisition personnel.

WEB-Based Time & Attendance System

+\$159

This program increase supports report development, licenses and on-going maintenance for full implementation of a web-based Time and Attendance system (WebTA). This increase supports the Administration's initiatives for Strategic Management of Human Capital, Expanded Electronic Government, and Improved Financial Performance. This initiative improves efficiency, data access, and service delivery to clients, enhances data exchange, and assists in modernizing the human resources information system infrastructure.

	<u>FTE</u>	<u>Base Amount</u>	<u>Increase / Decrease</u>	<u>FTE</u>	<u>Amount</u>
Learning Management System & Online Training					+\$148

This program increase will provide in excess of 1,000 courses including business, professional development, human resources, performance management courseware, and information technology. It will reduce or eliminate redundancies in training and provide cost-effective economies for the delivery of e-training services. This program increase includes the purchase and testing of all software, set up fee, training, class scheduler, courseware, and customer support, and is available for employees with disabilities.

Commerce Standard Acquisition Reporting System (CSTARS)					+\$700
---	--	--	--	--	--------

This program increase will provide for a financial interface between the Commerce Administrative Management System (CAMS) Core Financial System and Commerce Standard Acquisition Reporting System (CSTARS). This initiative includes costs for license renewal and maintenance to support over 500 users and increased costs related to migration to a web-enabled application. The CSTARS Program supports e-Commerce activities promoted by Executive Order, the President's Management Council, the Department's Chief Information Officer, and the Chief Financial Officer. Plans are underway to interface CSTARS with the Department's CAMS/Core Financial System to help ensure "clean financial audits."

National Finance Center					+\$1,558
-------------------------	--	--	--	--	----------

This program increase will support the e-payroll effort to transform the current Federal payroll service delivery environment. The National Finance Center (NFC) is one of the major cross-servicing payroll providers. It is one of the most experienced and successful franchising service providers in the Federal government. NFC provides centralized, automated, integrated systems and support services for payroll, personnel, accounts receivable, administrative payments, property management, budget, and accounting activities. This initiative will cover costs to conduct an intensive payroll data integrity review and undergo massive data analyses.

Integrated Acquisition Environment					+\$178
------------------------------------	--	--	--	--	--------

This program increase will fund Commerce's participation in the Integrated Acquisition Environment (IAE) which consolidates the Federal government's common acquisition functions within a shared services environment. The IAE will create a common, integrated business process and increased data sharing to enable better business decisions in procurement, logistics, payment and performance assessment. The IAE will create a secure business environment for acquisition that will facilitate and support the cost-effective acquisition of goods and services to meet the Department's mission needs. This increase will cover anticipated costs to support implementation of these initiatives within the Department during FY 2004.

Direct Cost by Office

Offices	2004 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	52	\$16,799
Civil Rights	20	2,197
Executive Budgeting and Assistance Management	34	2,945
Financial Management	48	17,323
Security	145	22,361
Administrative Services	115	25,294
Acquisition Management	25	6,107
Chief Information Office	36	5,755
Management and Organization	2	161
Subtotal, Departmental Staff Services	477	98,942
General Counsel	203	28,153
Public Affairs	15	2,338
Total Working Capital Fund	695	129,433

Distribution by Bureau

Bureaus	FY 2004
	<u>Amount</u>
Office of the Secretary	\$9,508
Office of Inspector General	1,613
Economic Development Administration	1,973
Bureau of the Census	23,761
Economic and Statistical Analysis	2,731
International Trade Administration	24,969
Bureau of Industry and Security	6,814
Minority Business Development Agency	1,620
National Oceanic and Atmospheric Administration	38,758
Patent and Trademark Office	1,041
Technology Administration	1,119
National Institute of Standards and Technology	10,262
National Technical Information Service	608
National Telecommunications and Information Administration	3,857
Office of Computer Services	427
Total Commerce Bureaus	129,061
Other Agencies	372
Total	129,433

Appropriation: Emergency Steel Loan Guarantee Program

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate				(\$96,000)
Adjustments				
Adjustments for Proposed FY 2003 Rescission				96,000
Financing				
Rescission of Unobligated Balances				(25,948)
2004 Base			<u>0</u>	<u>(25,948)</u>
Program Changes			<u>0</u>	<u>0</u>
2004 APPROPRIATION				(25,948)

Comparison by Activity

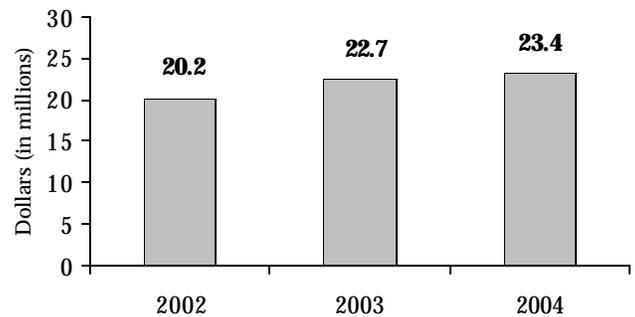
	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Guarantee Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Admin. Expenses	0	572	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	572	0	0	0	0	0	0
Credit Reestimates		53,749						
TOTAL DIRECT OBLIGATIONS	0	54,321			0	0		
FINANCING								
Unobligated balance, start of year		(122,520)				(25,948)		
Unobligated balance, end of year		25,948						
Subtotal, financing	0	(96,572)			0	(25,948)		
TOTAL DISCRETIONARY	0	(96,000)			0	(25,948)		
BUDGET AUTHORITY								
TOTAL, MANDATORY BUDGET AUTHORITY		53,749						

Office of the Inspector General

Public officials and others entrusted with public resources are responsible for applying those resources economically, efficiently, and effectively to achieve established goals. The Office of the Inspector General is responsible for ensuring government employees and others managing federal resources comply with applicable laws and regulations and actively work to prevent fraud, waste, and abuse in program operations. Through audits, inspections, evaluations, and investigations, the Office of Inspector General monitors and tracks the use of taxpayer dollars in federally funded programs. Our purpose is to keep the head of the various Commerce units, the Office of the Secretary, and Congress fully and currently informed about issues, problems and deficiencies relating to administration of programs and operations and the need for corrective action.

The audit function provides for internal audits (performance and financial statements audits) and external audits (contracts, grants, and other financial assistance agreements). Internal audits review and evaluate facets of agency operations. Contract audits provide advice to agency contracting officials and managers on accounting and financial matters related to the negotiation, award, administration, pricing and settlement of contracts. Inspections provide timely insight and detailed evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. The OIG concentrates on programs and operations that have the greatest potential for identifying fraud, recovering funds, precluding unnecessary outlays, and improving management.

IG Funding



Funding Requirements by Performance Goal (Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Ensure that OIG's work and related activities emphasize maximal efficiency and effectiveness of critical programs and operations of the Department of Commerce.	\$2.0	\$2.3	\$1.9
Perform quality audits, inspections, evaluations, and investigations and complete them within appropriate time frames.	16.5	17.9	18.9
Effectively communicate with DOC official, Congress, and other stakeholders, as appropriate, to keep them informed of OIG's work plans, activities, and results.	2.4	2.7	2.8
Total	20.9	22.9	23.6

Summary of Appropriations

(Dollars in thousands)

<u>Funding Levels</u>		2003	2004	Increase
Appropriation	<u>2002</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Inspector General	\$20,166	\$22,670	\$23,378	\$708
FTE				
Inspector General	136	170	176	6

Highlights of Budget Changes

Appropriation: Office of the Inspector General

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			170	\$22,670
Adjustments to Base				
Adjustments				
Transfer of CFO contract funds to bureaus			0	(1,122)
Other Changes				
2003 Pay raise		\$97		
2004 Pay raise		243		
Within-grade step increases		101		
Change in compensable day		62		
Civil Service Retirement System (CSRS)		2		
Federal Employees' Retirement System (FERS)		(29)		
Thrift Savings Plan		(6)		
Federal Insurance Contributions Act (FICA) -OASDI		(21)		
Health insurance		84		
Employees' Compensation Fund		(4)		
Travel:				
Mileage		8		
Per diem		1		
Passenger Civil Aviation Security Service Fee		2		
Rent payments to GSA		49		
Printing and reproduction		1		
Postage		1		
Other services:				
Working Capital Fund		116		
General Pricing Level Adjustment				
Communications, Utilities, & misc.		1		
Other services		77		
Supplies and materials		1		
Subtotal, other cost changes			0	786
TOTAL, ADJUSTMENTS TO BASE			0	(336)
2004 Base			170	22,334
Program Changes			6	1,044
2004 APPROPRIATION			176	23,378

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Inspector General	170	\$22,670	170	\$22,334	176	\$23,378	6	\$1,044
TOTAL DIRECT OBLIGATIONS	170	22,670	170	22,334	176	23,378	6	1,044
REIMBURSABLE OBLIGATIONS		200		200		200	0	0
TOTAL OBLIGATIONS	170	22,870	170	22,534	176	23,578	6	1,044
FINANCING								
Offsetting collections from:								
Federal funds		(200)				(200)		
TOTAL BUDGET AUTHORITY /	170	22,670			176	23,378		
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Strengthen Information Technology Security	170	\$22,334	6	+\$1,044

This program increase request for \$1,044,000 and 6 FTEs will allow us to address information security in six of the Department's bureaus or line offices. Last year's work by OIG and the General Accounting Office in identifying numerous weaknesses in Commerce security and management of IT projects underscored the importance and enormity of this task. This funding would enable us to test and evaluate more systems, including increasing "penetration" testing, and to provide greater focus on protecting the Department's essential systems under the critical infrastructure protection program. Various secure systems and data maintained by the Department are essential components of the nation's critical infrastructure. For example, NOAA's satellite, radar, and other weather forecasting systems are critical to protecting lives and property; BIS's export license data is essential in controlling export of dual-use commodities; and USPTO's patent and trademark data is essential to administering patent and trademark laws and promoting industrial and technical progress. Loss of or serious damage to any one of the Department's critical systems could have massive and devastating impacts. It is also important to emphasize that our assessments leverage the investments made throughout the Department in information security activities and improvements. With the requested program increase we can conduct reviews to ensure that line offices and operating units are spending information security funding efficiently and effectively and to ensure the CIO's program provides effective oversight and complies with applicable laws, policies and guidelines.

IGs are required by the law succeeding FISMA, the Federal Information Security Management Act of 2002 (FISMA), to test the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems. With the requested resources, we will enhance our ability to adequately test systems, including financial systems, in FY 2004. We will also validate the corrections that have been made to Commerce's systems in response to last year's GAO audit. The OIG takes seriously its responsibility to report on IT security to the Administration and the Congress.

Economic Development Administration

The Economic Development Administration (EDA) helps our partners across the nation (states, regions, and communities) create wealth and minimize poverty by promoting a favorable business environment to attract private capital investments and higher-skill, higher-wage jobs through capacity building, planning, infrastructure investments, research grants, and strategic initiatives. EDA carries out its Economic Development Assistance Program (EDAP) through a network of headquarters and regional personnel that work directly with local organizations and leaders to identify and invest in projects that demonstrate potential for the greatest economic impact in distressed communities.

EDA programs serve as a catalyst for assisting the nation's distressed communities in achieving their long-term economic potential through the strategic investment of resources based upon locally and regionally developed priorities. EDA works in partnership with other federal agencies, state and local governments, regional economic development districts, public and private non-profit organizations, Native American Indian Tribes, and Alaska Native Villages to accomplish its mission. EDA investments assist communities characterized by substantial and persistent unemployment levels, low income, low population growth, loss of jobs, out-migration, and long-term economic deterioration. EDA will continue to place priority on investments that drive economic growth, enhance regional competitiveness, and diversify the regional and local economy while also seeking to greater target funds to our nation's communities of highest distress.

Public Works investments support the construction or expansion of infrastructure and development facilities that are needed for industrial and commercial development, including water and sewer systems; telecommunications and other electronic commerce infrastructure; industrial parks; skill-training facilities; business incubator facilities that support entrepreneurial development; eco-industrial development projects; and brownfields redevelopment.

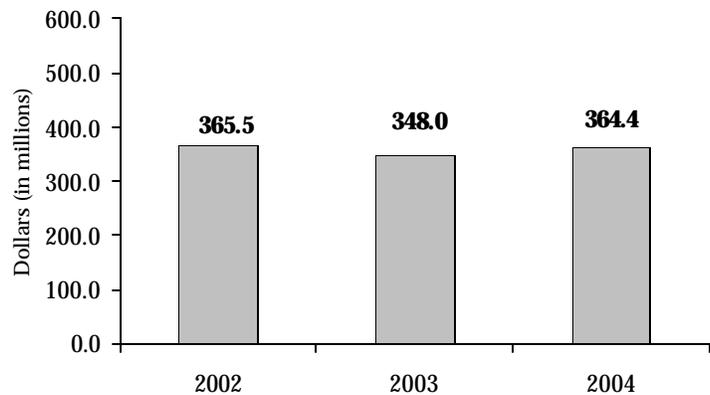
Planning investments support the design and implementation of effective economic development policies, programs and strategies of local economic development organizations, states, regional planning authorities, and communities. EDA funds a network of over 320 Economic Development Districts, which are multi-county development organizations, composed of various representatives of the area, including, but not limited to, local government, private sector, and community representatives. These organizations work in a local partnership to develop a Comprehensive Economic Development Strategy (CEDS) for their area.

Technical Assistance investments provide technical assistance and expertise, such as feasibility and industry studies for economic development efforts. EDA also supports a nationwide network of 69 university centers that utilize the resources of institutions of higher education for the purpose of promoting private sector job creation and economic development in communities in their service areas.

EDA's **Trade Adjustment Assistance Program** provides assistance to U.S. firms and industries injured as a result of international trade competition. EDA investments support a nationwide system of Trade Adjustment Assistance Centers strategically located to help firms and industries injured by imports to develop and implement economic recovery strategies.

Economic Adjustment investments help communities adjust to gradual erosion or a sudden downturn in economic conditions that can cause structural damage to the underlying economic base, including communities adversely impacted by major catastrophic disasters, by providing long-term economic recovery assistance.

EDA Funding



Research and Evaluation funds provide a coordinated, comprehensive information gathering and distribution process, and serve as the agency's conduit and repository for best practices in economic development. This program also tracks the benefits provided by EDA projects, including the number of jobs created and private sector dollars leveraged. EDA continues a series of evaluations to gauge the effectiveness of its efforts.

EDA Performance Measures

EDA performance measures and targets focus on program measures, some of which are generated over a period of years following EDA investment and project completion. Performance targets for the promotion of private sector investment and job creation are based on evaluations conducted by a consortium of independent research institutions led by Rutgers University. The "Public Works Program: Performance Evaluation" (May 1997) reported on public works projects (205) whose last payment was received in FY 1990. The methodology for evaluating results ensured that projects were completed and in operation long enough to assess results. The evaluation showed that actual results can be quantified at project completion (typically three years after the awarding of the grant), and increase substantially over the next six years, resulting in a median of 3,058 EDA dollars per job and a leveraging ratio of 10.08 private dollars for each EDA dollar (1997 dollars). Targets are discounted pending availability of more complete trend data.

EDA has established an ongoing reporting system, beginning with FY 1997 grant awards, to track long-term program outcomes for private sector investment and job creation in distressed communities. This reporting system is designed to obtain data on actual performance that are comparable to the baseline evaluations and long-term performance projections as discussed above. EDA will collect data (snapshots of actual performance) at three-year intervals for up to nine years following the awarding of the grant. This reporting system will enable EDA to develop a database with multi-year trend data on jobs and private sector investment generated by EDA projects. FY 2004 investments for construction and revolving loan fund projects are expected to create or retain 52,729 jobs, and leverage \$1.81 billion in private sector investment by FY 2013.

In FY 2004, EDA will continue to move from a culture of compliance to a culture of performance. Consistent with the findings of performance-based analysis, EDA will continue to examine its role within the context of overall economic development efforts and market conditions. EDA will focus on performance measures that are proven indicators of the taxpayers' and EDA's return on investment in America's distressed communities.

A more detailed presentation of goals, objectives and performance measures is found in the Department's FY 2004 Annual Performance Plan.

Funding Requirements by Performance Goal (Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Promote private enterprise and job creation in economically distressed communities	\$296.6	\$279.1	\$289.9
Build community capacity to achieve and sustain growth	68.8	68.9	74.5
Total	365.4	348.0	364.4

Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	2003 <u>Estimate</u>	2004 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$30,541	\$30,765	\$33,377	\$2,612
EDAP	335,000	317,235	331,027	13,792
TOTAL APPROPRIATION	365,541	348,000	364,404	16,404

FTE

Salaries and Expenses	239	270	270	0
Reimbursable	11	7	7	0
EDAP	0	0	0	0
Total	250	277	277	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			270	\$30,765
Adjustments to Base				
Adjustments				
Transfer of CFO Contract Audits				190
Other Changes				
2003 Pay raise		\$138		
2004 Pay raise		321		
Payment to Working Capital Fund		11		
Within-grade step increases		148		
Change in Compensable Days		82		
Civil Service Retirement System (CSRS)		(68)		
Federal Employees' Retirement System (FERS)		84		
Thrift Savings Plan		16		
Federal Insurance Contributions Act (FICA) - OASDI		44		
Health insurance		127		
Employees' Compensation Fund		1		
Travel:				
Per diem		9		
Mileage		13		
Passenger Civil Aviation Security Service Fee		5		
Rent payments to GSA		73		
Postage		4		
Printing and reproduction		2		
Other services:				
Working Capital Fund		102		
NARA		2		
General Level Pricing Adjustment:				
Rental payments to others		2		
Other services		92		
Supplies and materials		3		
Equipment		3		
Subtotal, other cost changes			0	1,214
TOTAL, ADJUSTMENTS TO BASE			0	1,404
2004 Base			270	32,169
Program Changes			0	1,208
2004 APPROPRIATION			270	33,377

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Salaries & Expenses	270	\$32,693	270	\$32,169	270	\$33,377	0	\$1,208
TOTAL DIRECT OBLIGATIONS	270	32,693	270	32,169	270	33,377	0	1,208
REIMBURSABLE OBLIGATIONS	7	2,482	7	909	7	909	0	0
TOTAL OBLIGATIONS	277	35,175	277	33,078	277	34,286	0	1,208
FINANCING								
Unobligated balance, start of year	0	(1,928)						
Offsetting collections from:								
Federal funds	(7)	(2,482)			(7)	(909)		
Subtotal, financing	(7)	(4,410)			(7)	(909)		
TOTAL BUDGET AUTHORITY /	270	30,765			270	33,377		
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Salaries and Expenses	270	\$32,169	0	+\$1,208

An increase (+\$1,208) is requested to cover overall operations support and maintenance costs associated with the implementation of new technologies and to implement the second phase of the Economic Development Communications and Management System (EDCOMS). EDCOMS II will provide workflow automation of grants processing and implement modifications to EDA's Operations Planning Control System, which will allow it to communicate with a government-wide e-grant system. EDA recognizes that Information Technology (IT) plays a vital role in accomplishing its mission. EDA's IT vision is to provide a virtual environment to allow streamlined delivery of services to its staff, constituents, and partners, as well as a mechanism for the flexible and immediate exchange of information among economic development practitioners.

Appropriation: Economic Development Assistance Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			0	\$317,235
Adjustments to Base			0	0
2004 Base			0	317,235
Program Changes			0	13,792
2004 APPROPRIATION			0	331,027

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Public Works		\$234,187		\$232,100		\$232,100	0	\$0
Planning		22,349		22,300		22,300	0	0
Technical Assistance		8,559		8,435		8,435	0	0
Research and Evaluation		552		500		500	0	0
Trade Adjustment Assistance		13,000		13,000		13,000	0	0
Economic Adjustment		44,375		40,900		54,692	0	13,792
Subtotal	0	323,022	0	317,235	0	331,027	0	13,792
Alaska Title IX (P.L. 105-277)		1,760						
1996 Floods (P.L. 104-134)		1,016						
Tri-State Floods (P.L. 103-317)		747						
1997 Upper Midwest Floods (P.L. 105-18)		907						
Hurricane Andrew Grants (P.L. 102-368)		210						
S. California Earthquake (P.L. 103-211)		125						
Northeast Fisheries (P.L. 103-211)		585						
Defense Adjustment Assistance (P.L. 102-172)		699						
Hurricane Fran and Hortense (P.L. 104-208)		867						
Hurricane Floyd (P.L. 106-246)		20						
Norton Sound Fishery Disaster (P.L. 106-78)		2,103						
TOTAL DIRECT OBLIGATIONS	0	332,061			0	331,027		
REIMBURSABLE OBLIGATIONS		16,498				17,900		
TOTAL OBLIGATIONS	0	348,559			0	348,927		
FINANCING								
Unobligated balance, start of year		(14,826)						
Offsetting collections from:								
Federal funds		(16,498)				(17,900)		
Subtotal, financing	0	(31,324)			0	(17,900)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	317,235			0	331,027		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Economic Development Assistance Programs (EDAP)	0	\$317,235	0	+\$13,792

An increase (+\$13,792) is requested for EDAP's Economic Adjustment program to provide assistance to areas that demonstrate the highest levels of economic distress. Funds will be invested in projects such as brownfields redevelopment and high-technology development and manufacturing, along with incubators to foster such development. EDA will also fund innovative regional strategy projects, such as eco-industrial parks and high tech incubators as well as traditional types of investments. Investments will be based on regional strategies that have the greatest impact in terms of quality job creation, private leveraging and overall economic impacts.

Bureau of the Census

The Census Bureau's mission is to collect and provide high quality statistics about the American people and economy. To deliver high value, the Bureau must target measurement on those trends and segments of our population and economy most critical to continued American success and prosperity.

Census' FY 2004 budget request will enable the Census Bureau to achieve the four goals developed for the FY 2004 Annual Performance Plan [See: Census Performance Measures]. We plan to continue our cyclical programs, which set the benchmark for critical national data. This includes the Economic Census and the Census of Governments, conducted every five years, with the completion of data processing activities and product preparations in FY 2004. While the Census 2000 will have been completed in FY 2003, the deliberate, gradual ramp up to the re-engineered 2010 Census will continue. The 2010 Census preparations include focusing on early testing and development efforts; improving the accuracy of map feature locations; and continuing implementation of the American Community Survey. Underlying these censuses and assuring the continued high quality of the on-going current surveys, is the cyclical Demographic Surveys Sample Redesign activities. Samples used in the surveys are re-identified every decade after the Decennial Census to assure that they are actually representative of the American population. This is an activity the Census Bureau conducts on behalf of all federal statistical agencies with support from these agencies.

In addition to these cyclical changes in activity, the Census Bureau is requesting funding in FY 2004 to launch new program specific initiatives that will significantly improve the breadth and quality of the information it collects and provides to the country. The Census Bureau has carefully identified major segments of our economy and population that are not currently adequately measured. This gap hinders effective policy and decision-making across a broad spectrum of interests. The Bureau believes that a relatively modest investment will yield tremendous gains in understanding complex interactions affecting millions of people and jobs

The Census Bureau is funded through the following appropriations:

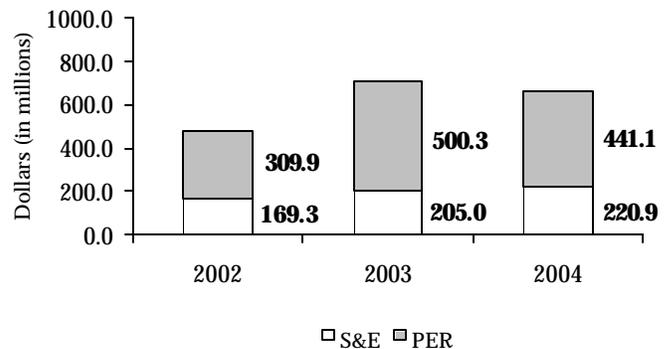
The **Salaries and Expenses** appropriation provides for monthly, quarterly and annual surveys, and other programs that require a constant annual funding level. The Bureau's current population and housing surveys and analysis provide detailed and integrated information on the social, demographic, economic and housing conditions of the U.S. These programs are used for planning by both the public and private sectors.

The **Survey of Program Dynamics** (SPD) was established and funded through mandatory appropriations by the Personal Responsibility and Work Opportunity Reconciliation Act of FY 1996 (P.L. 104-193). The SPD provides policy makers with socioeconomic data on the impact of the welfare provisions of the Act.

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

The **Periodic Censuses and Programs** appropriation funds the decennial census conducted every ten years, the economic censuses and the census of governments, which are conducted every five years, and other programs that are conducted on a cyclical schedule.

CENSUS Funding



The **Working Capital Fund** is a non-appropriated account used to finance services within the Census Bureau. These services are more efficiently performed on a centralized basis and include reimbursable work Census performs for other Federal agencies, state and local governments, foreign governments and the private sector.

CENSUS Performance Measures

In order to achieve the Census Bureau's mission, the Bureau developed a new Strategic Plan covering FY 2004 to FY 2008, featuring four strategic and performance goals:

- Meet the needs of policymakers, businesses, nonprofit organizations, and the public for current measures of the U.S. population, economy, and governments;
- Support the economic and political foundations of the United States by producing benchmark measures of the economy and population for the administration and equitable funding of federal, state, and local programs;
- Meet constitutional and legislative mandates by implementing a reengineered 2010 Census that is cost-effective, provides more timely data, improves coverage, and reduces operational risk;
- Foster an environment that supports innovation, reduces respondent burden, and ensures individual privacy.

In addition to the four strategic and performance goals listed above, the Strategic Plan also contains an enabling goal that supports the Bureau's internal operations as well as the President's Management Agenda:

- Maintain a high quality and motivated workforce and provide the environment to support them.

The Bureau must target measurement on those trends and segments of our population and economy most critical to continued American success and prosperity. In FY 2004, the Census Bureau will focus activities in these areas through a variety of priority program efforts that continue and improve ongoing statistical programs. These include planning the 2010 Census, obtaining comprehensive economic data through the 2002 Economic Censuses and the 2002 Census of Governments, improving measures of Gross Domestic Product by improving measurement of the service sector of the economy, and expanding electronic government by permitting businesses to file electronically in any one of almost 100 current economic surveys. A more detailed presentation of goals and performance measures can be found in the Department's FY 2004 Annual Performance Plan.

Funding Requirements by Performance Goal (Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Meet The Needs Of Policy Makers, Businesses And Non-Profit Organizations, And The Public For Current Measures Of The U.S. Population, Economy, And Governments	\$184.7	\$220.6	\$263.4
Support The Economic And Political Foundations Of The United States By Producing Benchmark Measures Of The Economy And Population For The Administration And Equitable Funding Of Federal, State, And Local Programs.	250.8	260.3	102.6
Meet Constitutional And Legislative Mandates By Implementing A Re-Engineered 2010 Census That Is Cost-Effective, Provides More Timely Data, Improves Coverage Accuracy, And Reduces Operational Risk	64.3	214.5	272.4
Foster An Environment That Supports Innovation , Reduces Respondent Burden, And Ensures Individual Privacy	72.8	118.6	82.7
Total	572.6	813.9	694.1

Summary of Appropriations

(Dollars in thousands)

Funding Levels

Discretionary Appropriations	<u>2002</u>	2003 <u>Estimate</u>	2004 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$169,328	\$204,996	\$220,908	\$15,912
Periodic Censuses and Programs	309,854	500,320	441,053	(59,267)
Total Discretionary Appropriation	<u>479,182</u>	<u>705,316</u>	<u>661,961</u>	<u>(43,355)</u>

Permanent Appropriation

Survey of Program Dynamics	10,000	10,000	10,000	0
State Children's Health Insurance Program	10,000	10,000	10,000	0
Salaries and Expenses	189,328	224,996	240,908	15,912
Periodic Censuses and Programs	309,854	500,320	441,053	(59,267)
TOTAL BUDGET AUTHORITY	<u>499,182</u>	<u>725,316</u>	<u>681,961</u>	<u>(43,355)</u>

FTE

Salaries and Expenses	1,926	2,253	2,344	91
Periodic Censuses and Programs	3,216	4,491	3,441	(1,050)
Total, Discretionary FTE	<u>5,142</u>	<u>6,744</u>	<u>5,785</u>	<u>(959)</u>
Mandatory	238	290	290	0
Working Capital Fund	3,040	3,086	3,086	0
Total FTE	<u>8,420</u>	<u>10,120</u>	<u>9,161</u>	<u>(959)</u>

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>
2003 Estimate			2,253	\$204,996
Adjustments to Base				
<u>Adjustments</u>				
Transfer of CFO Contract Audits				255
<u>Other Changes</u>				
2003 Pay raise		\$803		
2004 Pay raise		1,853		
Payment to the Working Capital Fund		143		
Full-year cost in 2004 of positions financed for part of year in 2003	46	2,800		
Within Grade Increase		1,441		
Change in compensable day		470		
Civil Service Retirement System(CSRS)		271		
Federal Employees' Retirement System(FERS)		(465)		
Thrift Savings Plan		132		
Federal Insurance Contributions Act (FICA) -OASDI		(295)		
Health insurance		1,389		
Employees' Compensation Fund		140		
Travel:				
Per diem		41		
Mileage		149		
Passenger Civil Aviation Security Service Fee		52		
Rental payments to GSA		197		
Postage		178		
Printing and reproduction		30		
Other services:				
NARA		22		
Working Capital Fund		1,288		
CAMS		(2,696)		
General Pricing Level Adjustment:				
Transportation of things		5		
Communications, Utilities & misc.		7		
Other services		338		
Supplies and materials		23		
Equipment		89		
GSA Building Delegation		994		
Subtotal, other cost changes		9,399	46	(1,042)
Less Amount Absorbed				(1,042)
TOTAL, ADJUSTMENTS TO BASE			46	8,612
2004 Base			2,299	213,608
Program Changes			45	7,300
2004 APPROPRIATION			2,344	220,908

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Current surveys and statistics								
Current economic statistics	1,419	\$141,849	1,465	\$148,982	1,510	\$156,282	45	\$7,300
Current demographic statistics	788	58,743	788	60,083	788	60,083	0	0
Survey development & data serv.	46	4,404	46	4,543	46	4,543	0	0
Subtotal, Discretionary Obligations	2,253	204,996	2,299	213,608	2,344	220,908	45	7,300
Survey of Program Dynamics	119	10,000	119	10,000	119	10,000	0	0
Children's Health Insurance Program	171	10,000	171	10,000	171	10,000	0	0
TOTAL DIRECT OBLIGATIONS	2,543	224,996	2,589	233,608	2,634	240,908	45	7,300
TOTAL DISCRETIONARY BA	2,543	224,996	2,589	233,608	2,634	240,908	45	7,300
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Current Economic Statistics	1,465	\$148,982	+45	+\$7,300
Improved Measurement of Services			+39	+\$4,000

The first phase of this initiative included activities covered in the FY 2003 budget request for Improved Measurement of Services in the New Economy. Phase 2, covered by this FY 2004 initiative, will provide BEA with new key source data on the service sector needed to improve the critical quarterly and annual estimates of our Nation's GDP. This initiative will expand annual coverage of services industries, increase coverage of the new quarterly principal economic indicator of service industry activity, and provide annual merchandise line data for selected retail and wholesale trade industries. This expansion provides a comprehensive framework for gathering information on services and improves the periodicity and detail of service sector statistics.

Electronic Government	+6	+\$3,300
-----------------------	----	----------

This initiative responds to business demands for e-government services by permitting businesses to file electronically in any one of almost 100 economic surveys. This initiative provides new tools for collecting data and improving data quality. The Bureau expects electronic reporting to increase response rates in our principal economic indicators and estimates that we can reduce the annual business-reporting burden by at least 5 percent or 50,000 hours starting in FY 2005, with an additional 5 percent reduction thru FY 2007.

Appropriation: Periodic Censuses and Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			4,491	\$500,320
Adjustments to Base				
Adjustments				
Restoration of FY 2003 deobligation offset				4,000
Other Changes				
2003 Pay raise		\$475		
2004 Pay raise		1,406		
Within grade step increases		4,827		
Change in compensable day		362		
Civil Service Retirement System(CSRS)		213		
Federal Employees' Retirement System(FERS)		(366)		
Thrift Savings Plan		104		
Federal Insurance Contributions Act (FICA) -OASDI		(224)		
Health insurance		1,114		
Employees' Compensation Fund		(2,072)		
Travel				
Per diem		25		
Mileage		7		
Passenger Civil Aviation Security Service Fee		79		
Rent payments to GSA		128		
Postage		521		
Printing and reproduction		19		
General Pricing Level Adjustment:				
Transportation of things		2		
Communications, Utilities & misc.		32		
Other services		704		
Supplies		59		
Equipment		69		
GSA Building Delegation		1,554		
Subtotal, other cost changes			0	9,038
Less Amount Absorbed				(4,546)
TOTAL, ADJUSTMENTS TO BASE			0	8,492
2004 Base			4,491	508,812
Program Changes			(1,050)	(55,596)
Total Requirements			3,441	453,216
Recoveries of prior year obligations				(12,163)
2004 APPROPRIATION			3,441	441,053

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Economic statistics programs:								
Economic censuses	932	\$87,392	932	\$90,958	547	\$73,749	(385)	(\$17,209)
Census of governments	72	6,556	72	6,837	67	6,333	(5)	(504)
Subtotal, Economic statistics	1,004	93,948	1,004	97,795	614	80,082	(390)	(17,713)
Demographic statistics programs:								
Intercensal demographics est's	88	9,079	88	9,455	88	9,455	0	0
2000 Decennial census	524	141,786	524	93,210	0	0	(524)	(93,210)
2010 Decennial census	2,362	214,476	2,362	216,248	2,268	272,363	(94)	56,115
Subtotal, Demographic statistics	2,974	365,341	2,974	318,913	2,356	281,818	(618)	(37,095)
Continuous measurement	0	0	0	0	0	0	0	0
Sample redesign	108	15,386	108	15,901	66	13,113	(42)	(2,788)
Electronic Information Collection	21	6,396	21	6,541	21	6,541	0	0
Geographic support	384	39,072	384	40,563	384	40,563	0	0
Data processing system	0	28,753	0	29,099	0	31,099	0	2,000
Suitland Federal Center Office Space Renovation/Construction	0	40,000	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	4,491	588,896	4,491	508,812	3,441	453,216	(1,050)	(55,596)
FINANCING								
Unobligated balance, start of year	0	(84,576)	0	0	0	0	0	0
Recovery of prior obligations	0	(4,000)	0	(12,163)	0	(12,163)	0	0
Subtotal, financing	0	(88,576)	0	(12,163)	0	(12,163)	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	4,491	500,320	4,491	496,649	3,441	441,053	(1,050)	(55,596)

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Economic Census	932	\$90,958	-385	-\$17,209

The Economic Census provides data on manufacturing, mining, retail and wholesale trade and service industries, construction, and transportation. The censuses are conducted every fifth year. 2004 is the fifth year in the 2002 Economic Census Cycle. The focus in FY 2004 is on Headquarters processing, including editing, review, and product preparations associated with data dissemination of results from the core census programs. In addition, information about the characteristics of almost 2.5 million businesses will be collected during FY 2004 as part of the Survey of Business Owners.

Census of Governments	72	\$6,837	-5	-\$504
-----------------------	----	---------	----	--------

The Census of Governments provides information on state and local government taxes, tax valuations, governmental receipts, expenditures, indebtedness, and number of employees. This census is taken every five years. Fiscal year 2004 is the fifth year in the five-year cycle of the 2002 Census of Governments. The focus for 2004 will be on completing the employment and finance phases of the census, including production of both printed and Internet products.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2000 Decennial Census	524	\$93,210	-524	-\$93,210

No funds are requested for the 2000 Decennial Census in FY 2004 as all activities will be completed in FY 2003 as planned.

2010 Decennial Census	2,362	\$216,248	-94	+\$56,115
-----------------------	-------	-----------	-----	-----------

In order to take advantage of Census 2000 assessments and build on improvements made for Census 2000, the Census Bureau has begun a major testing and development process for the next decennial census. The reengineered plan for the 2010 Census features three key components that focus on reducing operational risks, improving accuracy, providing more relevant data, and containing cost:

- Establishment of an early design and planning process that will allow the Census Bureau to test major elements of a simplified, streamlined census designed to collect the basic “short form” data needed to fulfill important constitutional and legal mandates.
- Implementation of the American Community Survey (ACS) to collect long form data on an on-going basis rather than waiting for once-a-decade decennial long form data; and
- Enhancing the Census Bureau’s geographic database and associated address list, referred to as MAF/TIGER, by replacing the internally developed MAF/TIGER system with one that uses street and address information from state, local, and tribal governments, Global Positioning System technology and aerial photography to update and improve the address and street information gathered manually at great expense for Census 2000.

Activities in these three areas are highly integrated, complement each other, and form the basis for reengineering the 2010 Census.

In FY 2004, the Census Bureau will focus its early testing and development efforts on conducting the 2004 Census Test and other critical testing and development activities, continuing implementation of the American Community Survey, and on correcting the accuracy of map feature locations in 600 of the Nation’s 3,232 counties.

Demographic Survey Sample Redesign	108	\$15,901	-42	-\$2,788
------------------------------------	-----	----------	-----	----------

While the budgetary needs of the Sample Redesign program for FY 2004 decrease, it is essential that the program be fully funded in FY 2004 to allow for work in several vital activities. These activities include: programming and production work to select and maintain sample households within selected geographic areas; enhancing/modifying new automated systems and procedures to collect address, map feature, group quarters information, and other metadata for the surveys; and the training of field representatives for the introduction of new systems for address listing.

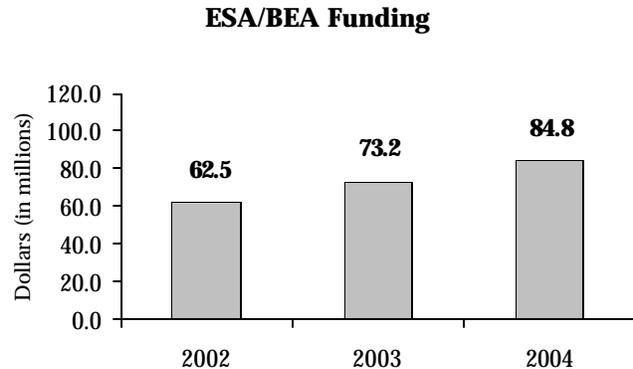
Data Processing Systems	0	\$29,099	0	+\$2,000
-------------------------	---	----------	---	----------

Funds requested for FY 2004 provide for the purchase and renting of hardware and software needed for the Bureau’s general purpose computing facilities. The requested increase will provide funding to prevent disruptions to critical data systems in the event of a disaster and protect sensitive data.

Economic and Statistical Analysis

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

The United States is widely recognized as the world's economic information leader, due in large part to the timely and accurate data and analyses produced by the Economics and Statistics Administration (ESA)'s Bureau of Economic Analysis (BEA) and the Bureau of the Census. The BEA produces such key economic measures as the gross domestic product (GDP) and the balance of payments; the Census Bureau 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 dramatically impacts the decision making of the President and Congress, as well as business leaders, and affects the lives of all Americans.



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

The Bureau of the Census receives its funding from a separate congressional appropriation; therefore, its budget is not tied to ESA and is discussed in a separate section of this document.

ESA Headquarters consists of the Office of the Under Secretary for Economic Affairs, the Policy Support staff, and STAT-USA. The Office of the Under Secretary provides leadership and executive oversight of all ESA activities. The Office of Administration provides management, financial, and administrative services to all ESA agencies. The Policy Support staff provides economic policy analysis and conducts research on such topics as the factors contributing to U.S. industrial strength and the relationship between industry performance and economic growth, including recent major studies on the scope and economic impacts of electronic commerce. STAT-USA provides data dissemination services through an easy-to-use, "one-stop shop" that provides a focal point for business, economic, and trade statistics. STAT-USA operates under a revolving fund account that requires no government funding.

The Bureau of Economic Analysis (BEA) seeks to strengthen the understanding of the U.S. economy and its competitive position by providing the most relevant and accurate GDP and economic accounts data in a timely and cost-effective manner. Although a relatively small agency, BEA produces some of the most closely watched economic statistics that influence the decisions made by policy makers, business leaders, households and individuals. BEA's economic statistics, which provide a comprehensive, up-to-date picture of the U.S. economy, are key ingredients in critical decisions affecting interest and exchange rates, tax and budget projections, and business investment plans. The cornerstone of BEA's statistics is the National Income and Product Accounts (NIPA's), which feature the estimates of the GDP and related measures. Since the NIPA's were first published, BEA has developed and extended its estimates to cover a wide range of economic activities. Today, BEA prepares national, regional, industry and international accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships and the Nation's position in the world economy.

BEA Performance Measures

BEA's core responsibility is defined by the goal set by the Department of Commerce, to develop relevant, accurate and timely, national and community economic and household statistics for decision-making. This goal is reflected in the four objectives of BEA's 5-year Strategic Plan:

- (1) Make BEA's economic accounts and services more responsive to the needs of its customers and partners;
- (2) Attract, develop and retain a highly qualified, diverse workforce prepared to innovate and improve BEA's statistics;
- (3) Upgrade resource management to support BEA's strategic goals; and
- (4) Upgrade BEA's economic statistics by improving statistical methodologies and source data and by using new technologies.

Each of these objectives aims to insure that the data products of BEA are the best and most relevant in the world. BEA's budget requests are closely tied to the milestones set to provide BEA direction in order to achieve each of these objectives and performance measures. The milestones are defined to measure these successes. For FY 2004, BEA has seven aggregate performance measures to gauge BEA's success. Six of these measures are consistent with past measures with two being directly tied to budget initiatives. The seventh is a new, overall measure recommended by the Office and Management and Budget (OMB) to provide a quantitative measure of the accuracy of the gross domestic product (GDP) and related accounts.

BEA is faced with the challenge of upgrading and improving its economic accounts to keep pace with the rapidly changing and increasingly complex U.S. economy. With funding increases received in FY 2001 and FY 2002, and requested for FY 2003, BEA has made significant improvements in the accuracy of its accounts. Funding for FY 2004 will further improve the timeliness and accuracy of some of the Nation's most important economic measures.

A more detailed presentation of goals, objectives and performance measures is found in the Department's FY 2002 Annual Program Performance Report.

Funding Requirements by Performance Goal

(Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Develop relevant, accurate, and timely GDP and economic accounts statistics	\$57.1	\$67.9	\$78.3

Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	2003 <u>Estimate</u>	2004 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$62,482	\$73,220	\$84,756	\$11,536
FTE				
Salaries and Expenses	468	500	547	47
Reimbursable	8	18	23	5
Revolving Fund	12	15	15	0
Total	488	533	585	52

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	FTE	Amount	FTE	Amount
2003 Estimate			500	\$73,220
Adjustments to Base				
Adjustments				
Transfer to CFO Contract Audits			0	32
Other Changes				
2003 Pay raise		\$263		
2004 Pay raise		649		
Payment to Working Capital Fund		16		
Full-year cost in 2004 of positions financed for part-year 2003	22	2,350		
Within-grade step increases		411		
Change in compensable day		170		
Civil Service Retirement System (CSRS)		(114)		
Federal Employees' Retirement System (FERS)		142		
Thrift Savings Plan		58		
Federal Insurance Contributions Act (FICA) -OASDI		73		
Health insurance		250		
Travel:				
Per diem		3		
Passenger Civil Aviation Security Service fee		1		
Rent payments to GSA		1,710		
Postage		1		
Printing and reproduction		5		
Other services:				
Working Capital Fund		161		
General Pricing Level Adjustments				
Transportation of things		1		
Communications, Utilities, & misc.		7		
Other services		143		
Supplies		9		
Equipment		25		
Subtotal, other cost changes			22	6,334
Less Amount Absorbed				(278)
Total, Adjustments to Base			22	6,088
2004 Base			522	79,308
Program Changes			25	5,448
2004 APPROPRIATION			547	84,756

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Bureau of Economic Analysis	448	\$67,878	470	\$72,844	495	\$78,292	25	\$5,448
Policy Support	52	6,824	52	6,464	52	6,464	0	0
TOTAL DIRECT OBLIGATIONS	500	74,702	522	79,308	547	84,756	25	5,448
REIMBURSABLE OBLIGATIONS	18	1,572	18	1,458	23	1,861	5	403
TOTAL OBLIGATIONS	518	76,274	540	80,766	570	86,617	30	5,851
FINANCING								
Unobligated balance, start of year		(1,596)						
Offsetting collections from:								
Federal funds	(16)	(1,338)			(21)	(1,731)		
Non-Federal sources	(2)	(120)			(2)	(130)		
Subtotal, financing	(18)	(3,054)			(23)	(1,861)		
TOTAL BUDGET AUTHORITY /	500	73,220			547	84,756		
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Bureau of Economic Analysis	470	\$72,844	+25	+\$5,448

The recent economic uncertainties facing our nation have challenged BEA to provide economic measures that are more relevant, accurate, and timely than ever before. Federal, State and local government budget forecasts; interest and exchange rate changes; and business investment strategies rely on these measures as the foundation for their decisions. To meet these challenges, BEA has implemented a 5-year Strategic Plan to drive activities that will significantly improve the accuracy of our most important estimates, accelerate the release of our key economic measures, and continue to meet our international obligations.

Funds provided in FY 2002 allowed BEA to accomplish all of its stated goals to improve the quality of our measures and repair our failing processing systems. During the year, BEA incorporated better estimates of wages and salaries and improved indexes for brokerages services and federal consumption expenditures into the Gross Domestic Product (GDP) and related accounts which significantly improved their accuracy. IT funding allowed BEA to begin replacing its antiquated and stovepiped processing systems and begin the multi-year implementation of a comprehensive, integrated system to handle the more complex and difficult calculations being required of it.

The FY 2004 budget request for BEA mirrors the activities laid out in BEA's 5-year Strategic Plan. The request builds on past improvements and seeks to meet the challenges being made of BEA to provide the essential tools to make fundamental decisions that affect the economic lives of all Americans.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Generate More Timely Economic Data/ Met U.S. International Obligations			+18	+\$3,830

Generate More Timely Economic Data: The economic data produced by BEA are among the most timely economic statistics in the world. Even as the world leader, BEA must meet the demands of its own users that require more accurate, timely and relevant data at home. The recession of 2001 demonstrated this need. Policymakers and business leaders alike scrambled to fully understand the macro-economic picture in order to set monetary and fiscal policy and determine investment strategies. More timely and accurate measures from BEA are required. This challenge is being met head-on by BEA in its FY 2004 initiatives. BEA seeks to build on the work planned for FY 2003 and accelerate its hallmark GDP measure by two weeks as well as accelerate personal income and outlays and county area personal income estimates. Incorporating this acceleration with the plan to acquire real-time data to improve the accuracy of these measures (see below) will dramatically improve the usefulness of these measures.

Met U.S. International Obligations: The second component of this multi-year initiative seeks to ensure the Nation's compliance with international statistical obligations. The U.S. and the IMF have stated that past debt crises resulted in large part because timely and accurate data about worsening economic conditions were unavailable. U.S.'s leadership to comply with the "Special Data Dissemination Standards" (SDDS) will help ease this data gap and encourage other nations to maintain their compliance. The SDDS were developed under an international agreement to increase the transparency of data on economic conditions, particularly of country that wish to borrow internationally. FY 2004 funds will allow BEA to meet this U.S. commitment as well by updating the U.S. Balance of Payments to recognize derivatives and other new financial instruments important to the U.S. and world financial markets.

Acquire Real-Time Data to Improve Quality			+7	+\$1,618
---	--	--	----	----------

Investments in purchasing real-time data have shown large potential to dramatically improve macro-economic measures such as the GDP. For example, the July 2002 revisions of the GDP and National Accounts incorporated a new method for estimating brokerage receipts using a mix of monthly public and private real-time data that better captured changes in pricing practices. This additional data significantly lowered measured growth in that dynamic industry. As a result, BEA's revision showed a recession that started earlier and lasted longer than BEA had initially estimated. Incorporating real-time data is a simple, proven method of improving the GDP and national accounts. FY 2004 funds will improve the economic accounts by allowing BEA to acquire monthly real-time data from private sources to fill data gaps in current measures.

International Trade Administration

The International Trade Administration (ITA) strives to create economic opportunity for U.S. workers and firms by promoting international trade, opening foreign markets, ensuring compliance with trade laws and agreements, and supporting U.S. commercial interests at home and abroad. ITA's objectives are accomplished through the following five program areas:

Trade Development (TD) is the home of the Advocacy Center and the Department's advocacy program on behalf of U.S. industry in the global competition for overseas contracts. Through such programs as the Trade Information Center (1-800-USA TRADE), TD uses its unique industry sector expertise to counsel American businesses and promote trade. TD is responsible for negotiating and enforcing industry sector trade agreements such as those on autos, textiles and aircraft.

Market Access and Compliance (MAC) identifies market access barriers and the means to overcome them, assists in the formulation of U.S. bilateral and multilateral trade policies to achieve greater market access, and provides counseling and assistance to U.S. businesses seeking access to markets in specific countries or regions. Through the Trade Compliance Center (TCC), ITA systematically monitors, investigates, and evaluates foreign compliance with multilateral, bilateral, and other international trade agreements.

Import Administration (IA) defends American firms from injurious practices by administering the U.S. antidumping and countervailing duty laws in a manner consistent with U.S. international obligations.

The United States and Foreign Commercial Service (US&FCS) provides export counseling and export promotion services to U.S. businesses through a network of offices in 47 States, Puerto Rico and 80 foreign countries. The US&FCS develops and distributes information products and conducts trade shows and trade fairs overseas.

Administration and Executive Direction provides policy leadership and administrative services for ITA's four other subdivisions, including office automation and information technology support systems, human resources services, financial management, and general administrative assistance.

For FY 2004, ITA's budget includes an increase request for information technology (IT) security improvements needed to meet Federal IT security mandates, such as the Government Information Security Reform Act (GISRA).

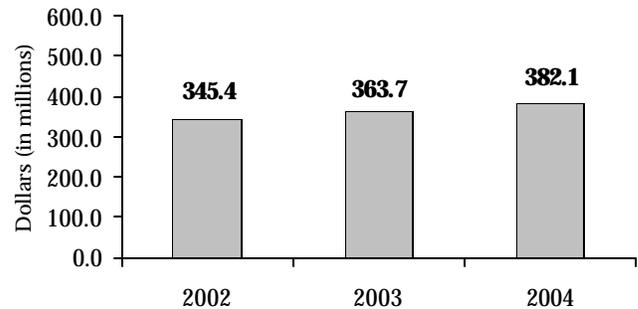
ITA undertook a fee study in FY 2002/2003. Recommended actions include exploring a private-sector financial advisors model for export services.

Recognizing that legislative approval is necessary, funding for the Office of Space Commercialization has been taken out of the Technology Administration budget and will be provided through the International Trade Administration.

ITA Performance Measures

For FY 2004, ITA is continuing to refine the series of performance measures implemented in FY 2002. These measures can be used to better assess the impact of its program activities. This list of measures concentrates on ITA's priority programs and activities while focusing on outcomes and results. In addition, the list of measures can be expected to evolve over time, as ITA, its programs, the Department of Commerce, and the Federal Government as a whole continue to refine and

ITA Funding



enhance their capacity to develop performance measures, to improve data sources, and fully implement the President's Management Agenda. Most measures cut across ITA organizational lines, and thus the list contains mostly functional (rather than organizational) activities. A more detailed presentation of goals, objectives, and performance measures is found in the Department's FY 2004 Annual Performance Plan and ITA's budget justification.

Funding Requirements by Performance Goal

(Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Increase Trade Opportunities for U.S. Firms	\$81.5	\$87.6	\$86.8
Broaden and Deepen U.S. Exporter Base	75.3	76.0	75.9
Ensure Fair Competition in International Trade	92.8	107.6	102.3
Advance the United States International Commercial and Strategic Interest	28.4	24.6	23.9
Improve Customer and Stakeholder Satisfaction	65.5	79.7	83.4
Improve the U.S. Competitive Advantage Through Global E-Commerce	33.1	46.2	45.8
Total	376.6	421.7	418.1

Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	2003 <u>Estimate</u>	2004 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations and Administration	\$345,369	\$363,678	\$382,123	\$18,445
Transfer from USAID	10,020			
TOTAL BUDGET AUTHORITY	355,389	363,678	382,123	18,445

FTE

Operations and Administration	2,230	2,517	2,550	33
Reimbursable	25	49	49	0
Total	2,255	2,566	2,599	33

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>
2003 Estimate			2,517	\$363,678
Adjustments to Base				
Adjustments				
Transfer of CFO Contract Audit			0	179
Other Changes				
2003 Pay raise	0	\$992		
2004 Pay raise	0	2,243		
Payment to Working Capital Fund	0	153		
Full year cost in FY 2004 of positions financed for part year in FY 2003	30	2,481		
Within-grade step increases	0	1,542		
Change in compensable day	0	659		
Civil Service Retirement System(CSRS)	0	(334)		
Federal Employees' Retirement System(FERS)	0	511		
Thrift Savings Plan	0	81		
Federal Insurance Contributions Act (FICA) -OASDI	0	168		
Health insurance	0	972		
Employees' Compensation Fund	0	201		
Travel:				
Mileage	0	19		
Passenger Civil Aviation Security Service Fee	0	28		
Rent payments to GSA	0	533		
Postage	0	62		
Printing and reproduction	0	40		
Other services:				
NARA	0	3		
Working Capital Fund	0	1,249		
Overseas wage increases	0	820		
Overseas price increases	0	193		
General Pricing Level Adjustment:				
Transportation of things	0	29		
Rent payments to others	0	96		
Communications, Utilities & misc.	0	5		
Other services	0	585		
Supplies	0	41		
Equipment	0	62		
International Cooperative Administrative Support Services	0	3,398		
Tourism Industries Data Collection	0	30		
Subtotal, other cost changes			30	16,862
Less Amount Absorbed				(2,341)
TOTAL, ADJUSTMENTS TO BASE			30	14,700
2004 Base			2,547	378,378
Program Changes			3	3,745
2004 NET APPROPRIATION			2,550	382,123

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Trade Development	403	\$56,049	403	\$57,209	403	\$57,209	0	\$0
Market Access and Compliance	280	49,656	290	37,250	290	37,250	0	0
Import Administration	396	51,279	406	53,437	406	53,437	0	0
U.S. & Foreign Commercial Service	1,276	203,279	1,286	204,518	1,286	204,518	0	0
Administration	162	25,433	162	25,964	165	29,709	3	3,745
TOTAL DIRECT OBLIGATIONS	2,517	385,696	2,547	378,378	2,550	382,123	3	3,745
REIMBURSABLE OBLIGATIONS	49	36,000	49	36,000	49	36,000	0	0
TOTAL OBLIGATIONS	2,566	421,696	2,596	414,378	2,599	418,123	3	3,745
FINANCING								
Unobligated balance, start of year		(22,018)						
Offsetting collections from:								
Federal funds		(4,650)				(4,650)		
Non-Federal sources		(31,350)				(31,350)		
Subtotal, financing	0	(58,018)			0	(36,000)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	2,566	363,678			2,599	382,123		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Executive Direction/Administration</u>	162	\$25,964	3	+\$3,745

An increase (3 FTE/+\$3,745) is requested to ensure all ITA Information Technology assets are protected from both internal and external threats inherent in a globally interconnected environment. The security improvements to be accomplished with these funds will provide proper safeguards.

In FY 2003, ITA proposed increasing fee collections by \$10 million. Of these funds, Trade Development requested an increase (+\$5,500) for updating and improving existing domestic trade data gathering processes and its analysis on a statewide basis. U.S. & Foreign Commercial Service requested an increase (+\$1,650) for increasing trade promotion and support in the Caribbean Basin region, while Market Access and Compliance requested an increase (+\$850) to analyze regional trade prospects and growth opportunities. Trade Development requested an increase (+\$2,000) to promote exports of technologies that generate a clean environment and increase energy efficiency. ITA proposes to continue these fee-funded programs in FY 2004 to the extent of actual collections.

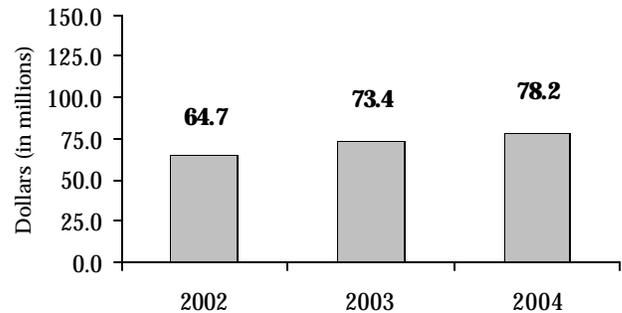
Bureau of Industry and Security

The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic interests. BIS's activities include regulating the export of sensitive goods and technologies in an effective and efficient manner, and enforcing U.S. antiboycott laws. BIS also assists U.S. industry in complying with international arms control agreements and monitors the viability of the U.S. defense industrial base. In addition, BIS cooperates with other countries in developing export, transshipment, and strategic trade controls. The events of September 11, 2001 continue to underscore the importance of BIS's activities, including efforts to prevent the illegal export of items that could be used by terrorists to harm U.S. interests or could contribute to weapons of mass destruction programs in countries of concern.

BIS's principal activities include:

- Administering U.S. dual-use export controls. BIS imposes controls on exports of dual-use goods and technology to counter proliferation of weapons of mass destruction (WMD) and to pursue other national security and foreign policy goals (such as combating terrorism). BIS administers this export control system through the promulgation and implementation of a regulatory, licensing, and reporting regime. A major goal of the Administration is to secure enactment by Congress of a long-term legal framework that will simplify and update export controls, reducing the burden on U.S. industry while protecting our national security more effectively.
- Enforcing U.S. export control and antiboycott laws. BIS enforcement agents investigate and help prosecute potential violations of U.S. export control and antiboycott laws that can result in the imposition of civil and criminal sanctions. BIS also engages in preventive enforcement to deter potential violations.
- Ensuring compliance with arms control treaties imposing requirements on U.S. industry. BIS serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC), managing inspections by the Organization for the Prohibition of Chemical Weapons at U.S. industrial sites. BIS also works with U.S. industry in the context of the Biological and Toxin Weapons Convention.
- Monitoring the viability of the defense industrial and technology base, and seeking to ensure that it is capable of satisfying U.S. national security and homeland security needs. As the Defense Department increases its reliance on dual-use goods, BIS seeks to ensure that the U.S. remains competitive in those industry sectors and sub-sectors critical to the national security. To this end, BIS discharges responsibilities under the Defense Production Act and other laws, including administration of the federal government's Defense Priorities Allocations System, assessing threats to U.S. national security deriving from imports, and promoting U.S. defense companies competing for international sales opportunities.
- Assisting key countries that export or serve as transit points for sensitive commodities and technologies to develop effective export control systems. The effectiveness of U.S. export controls can be severely undercut if other nations export sensitive goods and technologies or permit re-export or transshipment of such items to countries or end-users of concern. A number of such countries require assistance to establish effective export control programs of their own. BIS directly provides technical assistance to this end in cooperation with other U.S. Government agencies.

BIS Funding



BIS Performance Measures

BIS continued to refine its performance measures to: (1) focus on results instead of outputs, (2) measure work under its control, (3) use representative instead of distorted data (median versus average), and (4) create new measures to support new initiatives/programs and budget increases.

Funding Requirements by Performance Goal

(Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Enhance the efficiency of the export control system while protecting U.S. national security interests.	\$27.6	\$31.1	\$31.5
Ensure U.S. industry compliance with the Chemical Weapons Convention (CWC) and, when approved, Additional Protocol to the International Atomic Energy (IAEA) Agency Safeguards Agreement .	4.5	10.9	7.3
Detect illegal export transactions and penalize violators.	30.0	36.9	38.9
Assist key nations to establish effective export control programs.	5.5	8.8	6.3
Total	<u>67.6</u>	<u>87.7</u>	<u>84.0</u>

Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	<u>2003</u> <u>Estimate</u>	<u>2004</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Operations and Administration	\$64,686	\$73,442	\$78,169	\$4,727
FTE				
Operations and Administration	358	454	470	16
Reimbursable	0	4	4	0
Total	<u>358</u>	<u>458</u>	<u>474</u>	<u>16</u>

Funds Reported in the Department of Homeland Security

Appropriation

Operations and Administration	\$5,928	\$26,756	---	---
FTE	20	35	---	---

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			454	\$73,442
Adjustments to Base				
Transfer				
Transfer of CFO Contract Audit				37
Other Changes				
2003 Pay raise		\$234		
2004 Pay raise		524		
Payment to Working Capital Fund		46		
Full year cost in FY 2004 of positions financed for part year in FY 2003	5	86		
Within-grade step increases		458		
Civil Service Retirement System (CSRS)		(97)		
Federal Employees' Retirement System (FERS)		179		
Thrift Savings Plan		23		
Federal Insurance Contributions Act (FICA) -OASDI		55		
Health insurance		24		
Compensable Day		142		
Employees' Compensation Fund		(29)		
Travel:				
Mileage		2		
Per diem		0		
Passenger Civil Aviation Security Service fee		4		
Rent payments to GSA		164		
Postage		24		
Printing and reproduction		4		
Other services:				
Working Capital Fund		305		
General Pricing Level Adjustment				
Transportation of things		1		
Communications, Utilities & misc.		10		
Other services		197		
Supplies		18		
Equipment		23		
Subtotal, other cost changes			5	2,397
TOTAL, ADJUSTMENTS TO BASE			5	2,434
2004 Base			459	75,876
Program Changes			11	2,293
2004 APPROPRIATION			470	78,169

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Management & Policy Coordination	26	\$6,792	27	\$6,978	27	\$6,978	0	\$0
Export Administration	211	38,035	212	34,471	216	35,471	4	1,000
Export Enforcement	217	33,805	220	34,427	227	35,720	7	1,293
TOTAL DIRECT OBLIGATIONS	454	78,632	459	75,876	470	78,169	11	2,293
REIMBURSABLE OBLIGATIONS	4	9,032	4	5,767	4	5,767	0	0
TOTAL OBLIGATIONS	458	87,664	463	81,643	474	83,936	11	2,293
FINANCING								
Unobligated balance, start of year		(5,190)						
Offsetting collections from:								
Federal funds	(4)	(8,282)			(4)	(5,017)		
Non-Federal sources		(750)				(750)		
Subtotal, financing	(4)	(14,222)			(4)	(5,767)		
TOTAL BUDGET AUTHORITY /	454	73,442			470	78,169		
APPROPRIATION								

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Office of Technology Evaluation (OTE)	212	\$34,471	4	+\$1,000

The OTE will specifically be charged with (1) identifying sensitive new technologies for potential inclusion on the Commerce Control List in order to protect U.S. national security; (2) assessing whether items currently controlled are available abroad or on a mass market basis; (3) conducting a thorough, systematic review of the Commerce Control List to ensure that items are appropriately controlled for the protection of U.S. national security; and (4) reviewing the effectiveness of multilateral export control regimes and of the control systems of regime members.

Enhanced Export Enforcement	220	\$34,427	7	+\$1,293
-----------------------------	-----	----------	---	----------

Consistent with the President's mandate and broader federal law enforcement initiatives, the last year has brought a renewed emphasis within BIS on the prevention and prosecution of any diversion of sensitive dual-use items to terrorist groups and countries of concern. These initiatives have placed – and promise to continue to place – an increased demand on BIS's resources. To meet the demand, BIS will focus on recruiting: (1) additional staff for its computer evidence recovery program; (2) additional agents for its Intelligence and Field Support Division; and (3) additional agents for its field offices in New York and Chicago.

Minority Business Development Agency

The Minority Business Development Agency (MBDA) has the lead role in the Federal Government of coordinating all minority business programs. The Agency provides a variety of direct and indirect business assistance services through public - private sector partnerships. The mission of the agency is to achieve economic parity for minority businesses by actively promoting their ability to grow and compete in the global economy. MBDA is reengineering its organizational structure to become an entrepreneurially focused and innovative organization committed to empowering minority business enterprises in wealth creation.

For FY 2004, MBDA will continue to define its program strategy through goals and objectives that promote job creation, economic growth and sustainable development for the growing minority business population in the United States. The goals are:

Goal 1: Improve opportunities for minority-owned businesses to have access to the marketplace. To accomplish this goal, MBDA will:

- Provide electronic access to growth markets by automated matching of firm capabilities with public and private sector opportunities;
- Promote the expansion of opportunities for minority owned businesses in the global marketplace;
- Assist minority owned businesses to identify and commercialize new technologies that offer unique potential for business success;
- Advocate an increase in the use of electronic commerce by minority owned businesses; and
- Provide management and technical assistance resources electronically for use by local, state and non-profit organizations.

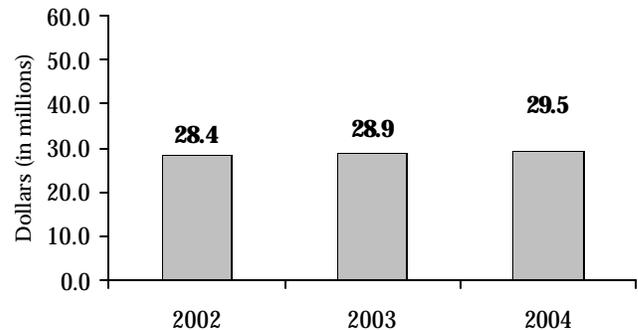
Goal 2: Improve opportunities for minority owned businesses to pursue financing. MBDA will:

- Use electronic components of its Internet portal to develop databases from a variety of public and private sector sources. The databases provide timely on-line market and resource information to minority business owners regarding available business opportunities; and
- Promote an increase in the availability of financial capital for firms expanding into new or growing markets.

Goal 3: Improve Organizational Effectiveness, Responsiveness, and Efficiencies. To accomplish this goal, MBDA will:

- Engage in National Strategic Partnerships to leverage internal and external assets and enhance business development activities;
- Establish interagency and interdepartmental initiatives and agreements to ensure the maximum impact of all federal expenditures to increase minority business development;
- Study the viability of conducting an independent program performance evaluation and an annual survey of minority-owned business enterprises to provide more timely, frequent and comprehensive statistical data about the minority business universe;
- Measure utilization of the Minority Business Internet Portal to substantiate MBDA's investigation of a process to measure success and benchmark for empirical data; and
- Initiate a continuous improvement strategy for staff training.

MBDA Funding



The goals and objectives listed above support the Department's strategic goal involving promotion of economic growth.

MBDA plans to use the Internet as a vehicle to establish an information clearinghouse and National referral center for minority owned businesses of any size, to access the network of public and private business development resources. The Agency will also expand the automated capabilities of matching firms with contracting opportunities.

MBDA will continue to use the Business Development Centers (BDCs), Native American Business Development Centers (NABDCs), and Minority Business Opportunity Committees (MBOCs) to provide management and technical assistance. The BDCs are a crucial part of the Internet outreach program. The new Geographic Business Information system will be available through both the Internet and BDCs. The BDCs will provide more in-depth information and assistance.

MBDA Performance Measures

Key performance measures that demonstrate MBDA's ability to develop an entrepreneurial innovative market focus economy and improve minority owned business access to financing include:

- The number and dollar value of contracts awarded.
- The number and dollar value of financing packages received.

MBDA's performance measures focus on measuring program impact and contribution toward meeting the agency's goals listed above. MBDA will continue to develop and refine the performance measures as a key management tool and as part of ongoing program evaluation. A more detailed presentation of goals, objectives, and performance measures is found in the Department's FY 2004 Annual Performance Plan.

Funding Requirements by Performance Goal (Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Improve the opportunities for minority-owned businesses to have access to the Marketplace	\$8.2	\$8.8	\$9.0
Improve the opportunities for minority-owned businesses to pursue financing	10.5	10.6	10.7
Improve organizational effectiveness, responsiveness and efficiencies	9.7	10.1	10.3
Total	28.4	29.5	30.0

Summary of Appropriations (Dollars in thousands)

Funding Levels

	<u>2002</u>	<u>2003</u> Estimate	<u>2004</u> Estimate	Increase (Decrease)
Appropriation				
Minority Business Development	\$28,373	\$28,906	\$29,487	\$581
FTE				
Minority Business Development	92	120	120	0

Highlights of Budget Changes

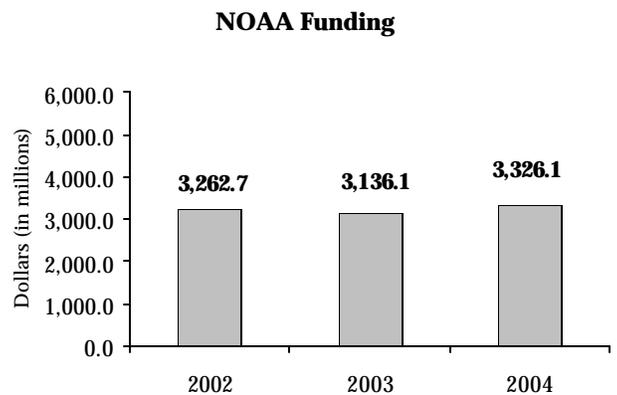
Appropriation: Minority Business Development

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			120	\$28,906
Adjustments to Base				
Transfer of CFO Contract Audits				15
Other Changes				
2003 Pay raise		\$71		
2004 Pay raise		119		
Payment to the Working Capital Fund		12		
Within-grade step increases		33		
Change in Compensable Days		30		
Civil Service Retirement System(CSRS)		(13)		
Federal Employees' Retirement System(FERS)		11		
Thrift Savings Plan		2		
Federal Insurance Contributions Act (FICA) -OASDI		4		
Health insurance		48		
Employees' Compensation Fund		45		
Travel:				
Per diem		6		
Mileage		2		
Passenger Civil Aviation Security Service Fee		2		
Rent payments to GSA		50		
Postage		6		
Printing and reproduction		2		
Other services:				
Security		0		
Working Capital Fund		53		
General Pricing Level Adjustments				
Communications, Utilities, & misc.		1		
Other services		78		
Supplies		1		
Equipment		3		
Subtotal, other cost changes		0	566	
TOTAL, ADJUSTMENTS TO BASE			0	581
2004 Base			120	29,487
Program Changes			0	0
2004 APPROPRIATION			120	29,487

National Oceanic and Atmospheric Administration

The budget for the National Oceanic and Atmospheric Administration (NOAA) is divided into two primary accounts, Operations, Research and Facilities (ORF) and Procurement, Acquisition and Construction (PAC). Other accounts also include the Pacific Coastal Salmon Recovery Fund, Coastal Impact Assistance Fund, Fishermen's Contingency Fund, Foreign Fishing Observer Fund, Fisheries Financing Program, Promote and Develop American Fishery Products and Research Pertaining to American Fisheries Fund, Damage Assessment and Restoration Revolving Fund, Coastal Zone Management Fund, Federal Ship Financing Fund, Environmental Improvement and Restoration Fund, and NOAA Business Management Fund.



Operations, Research and Facilities Activities

National Ocean Service (NOS):

NOS provides for the management of ocean and coastal resources, particularly in the 200-mile Exclusive Economic Zone (EEZ), and for improvements in quality, quantity, geographic distribution and timeliness of ocean observations. Mapping and charting activities produce nautical charts and supporting documents that are compiled and sold to the public and other Federal agencies. Understanding of the coastal environment is enhanced through the coastal science and the coastal zone management programs. NOS also establishes marine sanctuaries and estuarine research reserves of national significance.

National Marine Fisheries Service (NMFS):

NMFS manages fisheries within the 200-mile Exclusive Economic Zone (EEZ) to ensure the health of commercial and recreational fishery stocks. Fishery stocks are surveyed, catch data are collected, and research is conducted to better understand the variables affecting the abundance and variety of marine fisheries. Protection of endangered marine species, restoration of coastal and estuarine fishery habitats, and enforcement of fishery regulations are also primary bureau activities. Research is conducted in conjunction with states on interjurisdictional and anadromous fishery resources.

Oceanic and Atmospheric Research (OAR):

OAR provides the research and technology development necessary to improve NOAA weather services, seasonal climate outlooks, solar-terrestrial forecasts and marine services. OAR provides the scientific basis for national policy decisions in areas such as climate change, air quality and stratospheric ozone depletion. OAR promotes economic growth through efforts in marine biotechnology; sustainable usage of coastal, marine and Great Lakes resources; and development of environmental observing technologies.

National Weather Service (NWS):

NWS provides weather and flood warnings and forecasts to the general public and other users. Weather satellites and staffed and automated stations on land and at sea gather meteorological observations of the atmosphere and the Earth's surface. Based on these observations, NWS meteorologists prepare warnings and forecasts for dissemination to the public.

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

NESDIS provides for the operation of the polar-orbiting and geostationary operational environmental satellites, development of the converged polar-orbiting satellite series with the Department of Defense and NASA, as well as management of NOAA's environmental data collections for use in studying long-term environmental change. The polar and geostationary satellites provide meteorological data to the National Weather Service for use in developing warnings and forecasts. Environmental data and information are collected from NOAA and other sources, disseminated and archived for future use.

Program Support (PS):

Program Support includes Corporate Services, Facilities and the Office of Marine and Aviation Operations (OMAO). Through Corporate Services, NOAA provides centralized management concerning policy and planning objectives, individual program operations, legal counsel, Congressional relations and public affairs. NOAA also provides management services to NOAA/DOC field offices through the regional Administrative Support Centers. The Facilities subactivity provides for the maintenance, repair and minor modification to existing NOAA-wide facilities, facilities planning and design, energy management and environmental compliance. OMAO is responsible for operating and maintaining NOAA's ships and aircraft using them to collect data to support NOAA's mission. OMAO also provides technical and management support through the NOAA Commissioned Corps and assists with outsourcing for ship and aircraft support and planning and implementing the modernization of the NOAA fleet.

Other NOAA Accounts:

The Pacific Coastal Salmon Recovery Fund was established in FY 2000 to fund a new Pacific Coastal Salmon Recovery initiative for the purpose of sharing the costs of state, local, and tribal salmon conservation initiatives. Utilization of this fund supports NOAA's contribution to a broad interdepartmental initiative bolstering Federal capabilities to assist in the conservation of at-risk salmon runs in the western states of California, Washington, Oregon and Alaska. Grants are matched by 25% with non-Federal contributions. The funds are made available through agreements with the Governors of each state for distribution to state, local and tribal efforts. The Secretary established terms and conditions to ensure effective use of the funds as well as specific reporting requirements to ensure full accountability by users of the fund.

The Coastal Impact Assistance Fund was established in FY 2001 to provide coastal states involved in oil and gas production with additional resources needed to protect and maintain the sustainable use of ocean and coastal resources. There is no funding proposed for this account.

The Fishermen's Contingency Fund is used 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 are derived from fees collected annually by the Secretary of the Interior from the holders of leases, explorations, permits, easements, and rights of way.

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

The Fisheries Finance Program Account provides direct loans to fishermen that promote the goal of building sustainable fisheries. The program will be used for the following purposes in FY 2004: fishing capacity reduction, individual fishing quotas, aquaculture facilities, reconditioning of fishing vessels for the purpose of reducing bycatch or reducing capacity in an overfished fishery, and the purchase of assets sold at foreclosure. The re-authorization of the Magnuson-Stevens Fisheries Conservation and Management Act in October 1996 changed the program to provide direct loans rather than loan guarantees previously made under the Fishing Vessel Obligation Guarantee appropriation.

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. A portion of these funds is used to offset marine fishery resource programs in the "Operations, Research and Facilities" appropriation in FY 2004. The remainder of the funds are used to promote industry development through competitively-awarded external grants for innovative research and development of projects in the fishing industry and for internal research that complements the external program.

The Damage Assessment and Restoration Revolving Fund (DARRF) receives proceeds from claims against responsible parties, as determined through court settlements or agreements, for damages to natural resources for which NOAA serves as trustee. In FY 1999 and prior, funds were transferred to the Operations, Research and Facilities account for purposes of damage assessment and restoration. Beginning in FY 2000, funds were expended in the DARRF and treated as mandatory budget authority.

The Coastal Zone Management Fund (CZM) was established under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101--158, Sec. 6201-6216) to receive repayments from the coastal energy impact program. These payments are used for CZM programs and administration as authorized by section 308 of the Coastal Zone Management Act (CZMA), and will offset CZM administration costs in the ORF account.

The Federal Ship Financing Fund compensates domestic fishermen for damage or loss of fishing gear or vessels due to obstructions related to oil or gas exploration, development, and production on the Outer Continental Shelf. 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 Environmental Improvement and Restoration Fund (EIRF) was created by the Department of the Interior and Related Agencies Act, 1998, for the purpose of carrying out marine research activities in the North Pacific. These funds will provide grants to Federal, State, private or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean.

The Business Management Fund (BMF) will become operational in FY 2004. It will provide for centralized services at rates that return in full all expenses of operations and services provided.

NOAA Performance Measures

For FY 2004, NOAA has identified a series of performance measures that can be used to assess the effectiveness of its program activities. This list of measures focuses on NOAA's priority programs and program goals and can be expected to evolve over time as NOAA, the Department, and the Administration continue to refine and develop effective performance measures to use as a key management tool, and to implement the Government Performance and Results Act.

NOAA contributes to the third of the Departmental Strategic Themes: Observe and Manage the Earth's Environment to Promote Sustainable Growth. NOAA has developed the following seven performance goals that encompass its programs: 1) Build Sustainable Fisheries; 2) Sustain Healthy Coasts; 3) Recover Protected Species; 4) Advance Short-term Warnings and Forecasts; 5) Implement Seasonal to Interannual Climate Forecasts; 6) Predict and Assess Decadal to Centennial Change; and 7) Promote Safe Navigation.

To track progress in the implementation of NOAA's Strategic Plan for 1995 - 2005 and its annual performance, NOAA developed performance measures for each of the seven performance goals. NOAA has strived to make these measures an indication of the outcomes of its programs, and they are among important benchmarks used by NOAA to track progress in meeting its goals and objectives. A more detailed description of these performance goals and measures can be found in the Department's FY 2004 Annual Performance Plan.

Funding Requirements by Performance Goal

(Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Build sustainable fisheries	\$532,798	\$537,979	\$597,203
Sustain healthy coasts	634,088	356,738	380,726
Recover protected species	342,484	315,675	319,986
Advance short-term warnings and forecasts	1,445,949	1,599,439	1,816,430
Implement seasonal to interannual climate forecasts	156,828	148,361	159,233
Predict and assess decadal to centennial change	120,841	143,068	170,520
Promote safe navigation	158,465	153,875	170,288
Total	3,391,454	3,255,135	3,614,386

Summary of Appropriations

(Dollars in thousands)

<u>Appropriation</u>	<u>2002</u>	2003 <u>Estimate</u>	2004 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	\$2,264,929	\$2,211,277	\$2,389,300	\$178,023
Procurement, Acquisition & Construction (PAC)	836,189	810,728	842,399	31,671
Coastal Zone Management Fund	3,000	3,000	3,000	0
Fishermen's Contingency Fund	264	954	956	2
Foreign Fishing Observer Fund	124	191	191	0
Fisheries Finance Program Account	787	(57)	287	344
Pacific Coastal Salmon Recovery	157,419	110,000	90,000	(20,000)
TOTAL APPROPRIATION	3,262,712	3,136,093	3,326,133	190,040
Transfers:				
<u>Operations, Research & Facilities</u>				
FROM: Promote & Develop Fishery Products	68,000	75,000	75,000	0
Coastal Zone Management Fund	3,000	3,000	3,000	0
Subtotal, ORF	71,000	78,000	78,000	0
<u>Procurement, Acquisition & Construction (PAC)</u>				
FROM: Coastal and Ocean Activities - GSA Federal Buildings Fund	8,000			
<u>Fisheries Finance Program Account</u>				
FROM: ORF	500			
<u>Operations, Research and Facilities</u>				
TO: Fisheries Finance Program Account	(500)			
<u>Coastal Zone Management Fund</u>				
TO: ORF	(3,000)	(3,000)	(3,000)	0
<u>Promote & Develop American Fishery Products (P&D)</u>				
TO: ORF	(68,000)	(75,000)	(75,000)	0
FROM: Department of Agriculture	79,127	75,238	75,238	0
Subtotal, P&D	11,127	238	238	0
TOTAL TRANSFERS	87,127	75,238	75,238	0
Damage Assessment & Restoration Revolving Fund	236	1,000	1,000	0
Federal Ship Financing Fund	0	0	0	0
Fisheries Finance Program Account	1,164	7,418	0	(7,418)
Environmental Improvement and Restoration Fund	15,211	2,724	5,509	2,785
CZMF mandatory offsetting collections	(28,410)	(3,000)	(3,000)	0
NOAA Corps Retirement Pay	16,155	16,991	18,043	1,052
Limited Access System Administration	3,319	0	0	0
TOTAL BUDGET AUTHORITY	3,357,514	3,236,464	3,422,923	186,459
Mandatory Funds	86,802	100,371	96,790	(3,581)
DISCRETIONARY BUDGET AUTHORITY	3,270,712	3,136,093	3,326,133	190,040

Summary of FTE

	<u>2002</u>	<u>2003</u> <u>Estimate</u>	<u>2004</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	11,363	11,578	11,155	(423)
ORF Reimbursable	724	1,115	849	(266)
Procurement, Acquisition & Construction (PAC)	218	190	148	(42)
NOAA Business Management Fund	0	0	763	763
Damage Assessment & Restoration Fund	11	15	16	1
Promote & Develop American Fishery Products	4	4	4	0
Pacific Coastal Salmon Recovery	10	0	1	1
Fishermen's Contingency Fund	0	1	1	0
TOTAL	12,330	12,903	12,937	34

Highlights of Budget Changes

Appropriation: Operations, Research and Facilities

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			11,578	\$2,211,277
Transfers				
From Promote and Develop American Fisheries		\$75,000		
From Coastal Zone Management Fund		3,000		
Subtotal, Transfers			0	78,000
Adjustments to Base:				
Adjustments				
Restoration of FY 2003 Deobligations		17,000		
Transfer from PAC for CAMS		15,229		
Creation of NOAA Business Management Fund		0		
Subtotal, Adjustments	(733)		(733)	32,229
Other Cost Changes				
2003 Pay raise		5,364		
2004 Pay raise		10,821		
Payment to Working Capital Fund		228		
Pay banding		2,019		
Wage mariners overtime pay adjustment		137		
OMAO Wage Marine Overtime on NOAA Ships		91		
Full year costs in FY 2004 of positions financed for part-year in FY 2003	44	2,133		
Within-grade step increases		6,908		
Change in compensable day		3,264		
Civil Service Retirement System(CSRS)		(1,599)		
Federal Employees' Retirement System(FERS)		1,948		
Thrift Savings Plan		357		
Federal Insurance Contributions Act (FICA) -OASDI		1,064		
Health insurance		6,066		
Employees' Compensation Fund		(364)		
Travel:				
Per diem		230		
Mileage		47		
Passenger Civil Aviation Security Service Fee		195		
Rent payments to GSA		1,623		
Postage		349		
Printing and reproduction		113		
Other services:				
NARA		(4)		
Working Capital Fund		1,944		
CAMS		400		
General Pricing Level Adjustment:				
Transportation of things		186		
Rental payments to others		148		
Communications, utilities and miscellaneous		389		
Other services		6,056		
Supplies		980		

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Equipment		\$787		
Grants		401		
Subtotal, other cost changes			44	\$52,281
FTE Realignment			268	
Less Amount Absorbed			0	(3,779)
TOTAL, ADJUSTMENTS TO BASE			(421)	158,731
2004 Base			11,157	2,370,008
Program Changes			(2)	112,292
TOTAL REQUIREMENTS			11,155	2,482,300
Recoveries from prior year obligations in FY 2004				(15,000)
Transfers:				
From Promote and Develop American Fishery Products and Research				(75,000)
From Coastal Zone Management Fund				(3,000)
2004 APPROPRIATION			11,155	2,389,300

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
National Ocean Service	1,233	\$378,512	1,222	\$384,532	1,222	\$391,032	0	\$6,500
National Marine Fisheries Service	2,436	587,940	2,780	605,088	2,790	620,958	10	15,870
Oceanic & Atmospheric Research	779	290,853	773	296,351	796	366,501	23	70,150
National Weather Service	4,671	696,829	4,575	716,900	4,532	720,950	(43)	4,050
National Environmental Satellite, Data & Information Service	689	146,366	735	150,317	735	150,317	0	0
Program Support	1,770	205,777	1,072	216,820	1,080	232,542	8	15,722
NOAA Corps retirement pay (mandator.	0	16,991	0	18,043	0	18,043	0	0
TOTAL DIRECT OBLIGATIONS	11,578	2,323,268	11,157	2,388,051	11,155	2,500,343	(2)	112,292
REIMBURSABLE OBLIGATIONS								
Offsetting Collections		219,000				219,000		
TOTAL OBLIGATIONS	11,578	2,542,268			11,155	2,719,343		
FINANCING								
Federal Funds		(7,000)				(7,000)		
Non-Federal Funds		(212,000)				(212,000)		
Subtotal, Financing	0	(219,000)			0	(219,000)		
TOTAL BUDGET AUTHORITY (B.A.)	11,578	2,323,268			11,155	2,500,343		
Transfers/Mandatory Funds/Deobligati	0	(111,991)			0	(111,043)		
APPROPRIATION, ORF	11,578	2,211,277			11,155	2,389,300		

Highlights of Program Changes

<u>National Ocean Service (NOS)</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Navigation Services	606	\$121,555	0	+\$6,500

An increase is requested to research, develop, and implement new oceanographic models for key ports (0 FTE; +\$1,000) and to maintain the existing suite of Electronic Navigation Charts and expand the suite by 100 (0 FTE; +\$2,000). An increase is requested to extend the use of a vessel lease or time charter for hydrographic surveying in the Gulf of Mexico and Alaska (+0 FTE; +\$2,000). An increase is also requested to repair the degraded National Water Level Observation Network and begin to upgrade the network with real-time capabilities (0 FTE; +\$1,500).

National Marine Fisheries Service (NMFS)

Fisheries Research and Management Services	1,805	\$351,988	0	+\$11,020
--	-------	-----------	---	-----------

Increases are requested to further the understanding of the effects of climate change on marine and coastal ecosystems (0 FTE; \$2,000); to reduce bycatch in seven targeted fisheries (0 FTE; \$2,800); to modernize and expand annual stock assessments (0 FTE; +\$3,000); to continue expansion of a multi-year comprehensive social sciences program within NMFS (+0 FTE; +\$220); to continue building a national observer program for the collection of high quality fisheries and environmental data to assess impacts on marine resources and fishing communities, particularly in the New England Groundfish fishery (0 FTE; +\$3,000); and to streamline the current fisheries regulatory process (0 FTE; +\$1,500). A reduction is requested for the Science and Technology base line item (0 FTE; -\$1,500).

Protected Resources Research and Management Services	644	\$155,640	+10	+\$5,100
--	-----	-----------	-----	----------

Increased resources are requested to further implement the Columbia River system biological opinion (0 FTE; +\$3,100) and to perform an increased number of Section 7 consultations (+10 FTE; +\$2,000).

Enforcement and Surveillance Services	229	\$50,948	0	-\$250
---------------------------------------	-----	----------	---	--------

A decrease is requested for a fisheries enforcement vessel in New Hampshire, which was a one-time project.

Oceanic and Atmospheric Research (OAR)

Climate Research	360	\$171,382	+8	+\$13,400
------------------	-----	-----------	----	-----------

An increase is requested for the President's multi-agency Climate Change Research Initiative (8 FTE; +\$13,400).

Weather and Air Quality Research	256	\$58,208	-8	-\$1,650
----------------------------------	-----	----------	----	----------

Increases are requested for the U.S. Weather Research Program for: the Administration's Energy Security Program (0 FTE; +\$1,200); and for THORPEX (0 FTE; +1,300).

An offset is requested for the FSL Wind Profiler (-8 FTE; -\$4,150).

Oceanic and Atmospheric Research (OAR)

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Ocean, Coastal, and Great Lakes Research	144	\$53,816	+23	+\$58,400

Increases are requested to reflect the transfer of the National Sea Grant College Program which was requested in the National Science Foundation budget for FY 2003 (23 FTE; +\$57,400); and for NISA/Prevent and Control Invasive Species (0 FTE; +\$1,000).

National Weather Service (NWS)

Operations and Research (O&R)	4,393	\$625,700	-43	+4,050
-------------------------------	-------	-----------	-----	--------

Increases are requested for the following: to restore funding for the Susquehanna River Basin Flood System (0 FTE; +\$1,300); to continue Pacific Islands Weather Observation support (0 FTE; +\$3,550); and to support improved weather office facilities physical security (0 FTE; +\$2,200).

A decrease is requested in the Local Warnings and Forecast Base to reflect workforce savings resulting from the completion of Weather Service Modernization (-43 FTE; -\$3,000).

Program Support

Corporate Services	162	\$87,906	+0	+\$6,000
--------------------	-----	----------	----	----------

An increase is requested for the Under Secretary and Associate Offices to maintain a minimum level of funding necessary to provide centralized executive management (0 FTE; +\$2,000); for program planning and integration (0 FTE; +\$1,000); and for Government-wide e-government initiatives in combination with other Departmental funding (0 FTE; +\$3,000).

Facilities	15	\$24,500	0	+\$5,000
------------	----	----------	---	----------

An increase is requested for the following activities: a multi-year plan to eliminate the current maintenance backlog at various NOAA facilities (0 FTE; +\$3,000); and for environmental compliance at NOAA facilities (0 FTE; +2,000).

Marine and Aviation Operations	910	\$104,414	+8	+\$4,722
--------------------------------	-----	-----------	----	----------

All costs of on-going maintenance, minor repairs, and planning for future fleet modernization and replacement efforts are accounted for in this subactivity. Expenditures for future fleet modernization activities are accounted for in the Procurement, Acquisition and Construction (PAC) account.

Increased funding is requested for increased NOAA Corps strength and for standards of training (+8 FTE; +\$1,000); for operations and maintenance on the NOAA ship FAIRWEATHER (0 FTE; +\$1,950); and for aviation operations to cover maintenance on the Gulfstream IV airplane, routine maintenance on aircraft scientific instruments, general maintenance, and for crew training and documentation to meet FAA requirements (0 FTE; +\$1,772).

Detailed Comparison by Activity

NATIONAL OCEAN SERVICE	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Navigation Services:								
Mapping & Charting	341	\$46,509	308	\$47,977	308	\$50,977	0	\$3,000
Address survey backlog	6	30,300	10	30,300	10	32,300	0	2,000
Subtotal	347	76,809	318	78,277	318	83,277	0	5,000
Geodesy	183	24,539	183	25,201	183	25,201	0	0
Tide and Current Data	102	17,709	105	18,077	105	19,577	0	1,500
Total, Navigation Services	632	119,057	606	121,555	606	128,055	0	6,500
Ocean Resources Conservation & Assessment:								
Estuarine & Coastal Assessment								
Ocean assessment program	222	73,403	227	74,580	227	74,580	0	0
Response and restoration	105	17,711	112	17,903	112	17,903	0	0
Oceanic & coastal research	67	10,093	57	10,384	57	10,384	0	0
Subtotal	394	101,207	396	102,867	396	102,867	0	0
Coastal Ocean Science								
Coastal ocean program	24	18,581	17	18,663	17	18,663	0	0
Subtotal	24	18,581	17	18,663	17	18,663	0	0
Total, Ocean Res. Conservation & Assessment	418	119,788	413	121,530	413	121,530	0	0
Ocean & Coastal Management:								
Coastal Management								
CZM grants	0	68,963	0	68,963	0	68,963	0	0
CZM program administration	58	6,483	51	7,247	51	7,247	0	0
Estuarine research reserve system	0	16,400	0	16,400	0	16,400	0	0
Non-point pollution control	0	10,000	0	10,000	0	10,000	0	0
Marine Protected Areas	8	3,000	8	3,000	8	3,000	0	0
Subtotal	66	104,846	59	105,610	59	105,610	0	0
Ocean Management								
Marine sanctuary program	117	34,821	144	35,837	144	35,837	0	0
Subtotal	117	34,821	144	35,837	144	35,837	0	0
Total, Ocean & Coastal Management	183	139,667	203	141,447	203	141,447	0	0
TOTAL, NOS	1,233	378,512	1,222	384,532	1,222	391,032	0	6,500

NATIONAL MARINE FISHERIES SERVICE	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Fisheries Research & Management Services								
Science and Technology	1,095	\$169,564	1,425	\$173,821	1,425	\$180,121	0	\$6,300
Alaskan groundfish surveys	0	7,996	0	7,996	0	7,996	0	0
Cooperative research	0	9,500	0	9,500	0	9,500	0	0
Driftnet Act implementation	0	2,400	0	2,400	0	2,400	0	0
Fisheries information networks/data coll	7	24,875	8	24,875	8	25,095	0	220
Observers/training	4	16,955	5	16,955	5	19,955	0	3,000
Subtotal	1,106	231,290	1,438	235,547	1,438	245,067	0	9,520
Conservation and Management	281	57,429	367	65,926	367	67,426	0	1,500
Interjurisdictional fisheries grants	0	2,590	0	2,590	0	2,590	0	0
International fisheries commission	0	400	0	400	0	400	0	0
Interstate fisheries commissions	0	8,000	0	8,000	0	8,000	0	0
Regional councils	0	15,547	0	15,547	0	15,547	0	0
Columbia River hatcheries and facilities	0	16,522	0	16,522	0	16,522	0	0
Pacific Salmon Treaty	0	7,456	0	7,456	0	7,456	0	0
Subtotal	281	107,944	367	116,441	367	117,941	0	1,500
Total, Fisheries Research & Management Services	1,387	339,234	1,805	351,988	1,805	363,008	0	11,020
Protected Resources Research & Management Services								
Science and Technology	490	14,523	310	15,775	310	15,775	0	0
Antarctic research	0	1,550	0	1,550	0	1,550	0	0
Atlantic salmon	0	2,427	0	2,427	0	2,427	0	0
Pacific salmon	9	27,749	9	27,749	9	29,349	0	1,600
Sea turtles	3	9,550	3	9,550	3	9,550	0	0
Marine mammals - Steller sea lions	0	22,150	0	22,150	0	22,150	0	0
Marine mammals - other	1	24,895	1	24,895	1	24,895	0	0
Subtotal	503	102,844	323	104,096	323	105,696	0	1,600

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Conservation and Management	179	\$19,901	312	\$21,144	322	\$23,144	10	\$2,000
Atlantic salmon	0	2,600	0	2,600	0	2,600	0	0
Pacific salmon	9	22,500	9	22,500	9	24,000	0	1,500
Marine mammals - other	0	4,350	0	4,350	0	4,350	0	0
Native Alaskan marine mammals	0	950	0	950	0	950	0	0
Subtotal	188	50,301	321	51,544	331	55,044	10	3,500
Tot. Protected Resources Research and Management Services	691	153,145	644	155,640	654	160,740	10	5,100
Habitat Conservation Research & Management Services								
Sustainable Habitat Management	125	21,471	74	22,353	74	22,353	0	0
Coral reefs	0	11,000	0	11,000	0	11,000	0	0
Subtotal	125	32,471	74	33,353	74	33,353	0	0
Fisheries Habitat Restoration	37	13,056	28	13,159	28	13,159	0	0
Subtotal	37	13,056	28	13,159	28	13,159	0	0
Tot., Habitat Conservation Research and Management Services	162	45,527	102	46,512	102	46,512	0	0
Enforcement and Surveillance Services:								
Enforcement	196	35,009	229	35,923	229	35,923	0	0
Partnerships in enforcement	0	15,025	0	15,025	0	14,775	0	(250)
Tot., Enforcement & Surveillance Service	196	50,034	229	50,948	229	50,698	0	(250)
TOTAL, NMFS	2,436	587,940	2,780	605,088	2,790	620,958	10	15,870

OCEANIC & ATMOSPHERIC RESEARCH	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Climate Research:								
Laboratories and joint institutes	248	\$51,896	253	\$54,261	253	\$54,261	0	\$0
Climate and Global Change Program	101	72,708	79	73,051	79	73,051	0	0
Climate observations & services	6	41,550	25	41,996	33	55,396	8	13,400
Other partnership programs	2	2,000	3	2,074	3	2,074	0	0
Total, Climate Research	357	168,154	360	171,382	368	184,782	8	13,400
Weather and Air Quality Research								
Laboratories and joint institutes	242	45,971	237	47,093	229	42,943	(8)	(4,150)
USWRP	7	9,905	17	10,114	17	12,614	0	2,500
Other partnership programs	2	1,000	2	1,001	2	1,001	0	0
Total, Weather and Air Quality Research	251	56,876	256	58,208	248	56,558	(8)	(1,650)
Ocean, Coastal and Great Lakes Research:								
Laboratories and joint institutes	149	20,024	123	20,585	123	20,585	0	0
National Sea Grant College Program	0	0	0	0	23	57,400	23	57,400
National Undersea Research Program	5	13,838	6	13,878	6	13,878	0	0
Ocean exploration	10	14,105	11	14,194	11	14,194	0	0
Other partnership programs	0	5,056	4	5,159	4	6,159	0	1,000
Total, Ocean, Coastal & Great Lakes Res.	164	53,023	144	53,816	167	112,216	23	58,400
Information, Technology, R&D and Science Education								
HPCC	7	12,800	13	12,945	13	12,945	0	0
Tot., Info Tech., R&D, & Science Educ.	7	12,800	13	12,945	13	12,945	0	0
TOTAL, OAR	779	290,853	773	296,351	796	366,501	23	70,150

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
NATIONAL WEATHER SERVICE								
Operations & Research:								
Local Warnings & Forecasts	4,168	\$545,078	4,094	\$562,290	4,051	\$566,340	(43)	\$4,050
AHPS	0	6,098	0	6,098	0	6,098	0	0
Aviation safety	0	2,500	0	2,500	0	2,500	0	0
WFO maintenance	0	7,390	0	7,390	0	7,390	0	0
Weather radio transmitters	0	2,320	0	2,320	0	2,320	0	0
Subtotal	4,168	563,386	4,094	580,598	4,051	584,648	(43)	4,050
Central Forecast Guidance	291	43,525	299	45,102	299	45,102	0	0
Total, Operations & Research	4,459	606,911	4,393	625,700	4,350	629,750	(43)	4,050
Systems Operation and Maintenance:								
Public Warning & Forecast Systems								
NEXRAD	133	41,735	114	43,017	114	43,017	0	0
ASOS	37	8,134	32	8,134	32	8,134	0	0
AWIPS	42	37,049	36	37,049	36	37,049	0	0
NWSTRG backup - CIP	0	3,000	0	3,000	0	3,000	0	0
Total, Systems Oper. & Main.	212	89,918	182	91,200	182	91,200	0	0
TOTAL, NWS	4,671	696,829	4,575	716,900	4,532	720,950	(43)	4,050
NATIONAL ENVIRONMENTAL SATELLITE								
DATA & INFORMATION SERVICE								
Environmental Satellite Observing Systems:								
Satellite command and control	211	\$35,947	180	\$36,871	180	\$36,871	0	0
Product processing and distribution	124	26,771	139	27,554	139	27,554	0	0
Product developm't, readiness & appl.	98	24,995	101	25,594	101	25,594	0	0
Commercial remote sensing licensing and enforcement	0	1,200	0	1,224	0	1,224	0	0
Total, Environmental Satellite Observing Systems	433	88,913	420	91,243	420	91,243	0	0
NOAA Data Centers & Information Services:								
Archive, access & assessment	256	40,605	304	42,007	304	42,007	0	0
Coastal data development	0	4,513	0	4,598	0	4,598	0	0
Regional climate centers							0	0
Environmental data sys. modernization	0	12,335	11	12,469	11	12,469	0	0
Tot., NOAA Data Centers & Info. Serv.	256	57,453	315	59,074	315	59,074	0	0
TOTAL, NESDIS	689	146,366	735	150,317	735	150,317	0	0

PROGRAM SUPPORT	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Corporate Services:								
Under Secretary and associate offices	232	\$25,392	162	\$16,524	162	\$19,524	0	\$3,000
Policy Formulation and Direction	709	54,338	0	71,382	0	74,382	0	3,000
Total, Corporate Services	941	79,730	162	87,906	162	93,906	0	6,000
Facilities:								
NOAA maintenance, repairs & service	6	11,537	0	11,950	0	14,950	0	3,000
Environmental compliance	9	2,000	0	2,000	0	4,000	0	2,000
Project planning and execution	0	10,550	0	10,550	0	10,550	0	0
Total, Facilities	15	24,087	0	24,500	0	29,500	0	5,000
Office of Marine and Aviation Operations (OMAO)								
Marine Operations								
Marine Services	719	72,659	805	74,747	813	77,347	8	2,600
Fleet planning & maintenance	3	11,913	3	11,977	3	12,327	0	350
Subtotal	722	84,572	808	86,724	816	89,674	8	2,950
Aviation Operations								
Aircraft services	92	16,193	102	16,495	102	18,267	0	1,772
Subtotal	92	16,193	102	16,495	102	18,267	0	1,772
NOAACorps pension & health benefits	0	1,195	0	1,195	0	1,195	0	0
Total, OMAO	814	101,960	910	104,414	918	109,136	8	4,722
TOTAL PROGRAM SUPPORT	1,770	205,777	1,072	216,820	1,080	232,542	8	15,722
DIRECT OBLIGATIONS	11,578	2,306,277	11,157	2,370,008	11,155	2,482,300	(2)	112,292
NOAA Corps retirement pay (mandatory)	0	16,991	0	18,043	0	18,043	0	0
TOTAL DIRECT OBLIGATIONS	11,578	2,323,268	11,157	2,388,051	11,155	2,500,343	(2)	112,292

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
REIMBURSABLE OBLIGATIONS								
Offsetting collections	1,115	\$219,000	849	\$219,000	849	\$219,000	0	\$0
Subtotal, Reimbursable Obligations	1,115	219,000	849	219,000	849	219,000	0	0
TOTAL OBLIGATIONS	12,693	2,542,268	12,006	2,607,051	12,004	2,719,343	(2)	112,292
FINANCING								
Federal funds	0	(7,000)	0	(7,000)	0	(7,000)	0	0
Non-Federal funds	0	(212,000)	0	(212,000)	0	(212,000)	0	0
De-obligations (direct)	0	(17,000)	0	(15,000)	0	(15,000)	0	0
Subtotal, Financing	(1,115)	(236,000)	(849)	(234,000)	(849)	(234,000)	0	0
TOTAL BUDGET AUTHORITY, ORF	11,578	2,306,268	11,157	2,373,051	11,155	2,485,343	(2)	112,292
FINANCING FROM:								
NOAA Corps retirement pay (mandatory)	0	(16,991)	0	(18,043)	0	(18,043)	0	0
Promote & develop American fisheries	0	(75,000)	0	(75,000)	0	(75,000)	0	0
Coastal zone management fund	0	(3,000)	0	(3,000)	0	(3,000)	0	0
Subtotal, Transfers	0	(94,991)	0	(96,043)	0	(96,043)	0	0
APPROPRIATION, ORF	11,578	2,211,277	11,157	2,277,008	11,155	2,389,300	(2)	112,292

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>
2003 Estimate			190	\$810,728
Adjustments to Base				
Adjustments				
Restoration of FY 2003 deobligations		\$3,200		
FTE Realignment	(42)	(15,229)		
Total Adjustments				(12,029)
TOTAL, ADJUSTMENTS TO BASE			(42)	(12,029)
2004 Base			148	798,699
Program Changes				45,700
TOTAL REQUIREMENTS			148	844,399
Recoveries from prior year obligations (FY 2004)				(2,000)
2004 APPROPRIATION			148	842,399

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
National Ocean Service								
Systems Acquisition								
Construction								
NERRS construction & land acq.	0	\$10,012	0	\$10,012	0	\$10,000	0	(\$12)
Marine Sanctuaries	0	10,000	0	10,000	0	10,000	0	0
Subtotal	0	20,012	0	20,012	0	20,000	0	(12)
Total, NOS PAC	0	20,012	0	20,012	0	20,000	0	(12)
National Marine Fisheries Service								
Systems Acquisition								
Construction								
Galveston Lab renovation phase III	0	2,000	0	2,000	0	2,000	0	0
Honolulu	0	15,000	0	15,000	0	12,000	0	(3,000)
Subtotal	0	17,000	0	17,000	0	14,000	0	(3,000)
Total, NMFS PAC	0	17,000	0	17,000	0	14,000	0	(3,000)
Oceanic and Atmospheric Research								
Systems Acquisition								
Comprehensive Large Array Data Stewardship System	0	3,600	0	3,600	0	3,600	0	0
Stone lab	0	0	0	0	0	0	0	0
Research supercomputing (GFDL)	0	6,984	0	6,984	0	10,484	0	3,500
Total, OAR PAC	0	10,584	0	10,584	0	14,084	0	3,500
National Weather Service								
Systems Acquisition								
ASOS	0	5,125	0	5,125	0	5,125	0	0
AWIPS	55	16,264	54	16,264	54	14,134	0	(2,130)
NEXRAD	0	8,260	0	8,260	0	12,000	0	3,740
Radiosonde network replacement		6,989	0	6,989	0	6,989	0	0
Weather & climate supercomputing	0	21,160	0	21,160	0	19,285	0	(1,875)
Weather & climate CIP supercomputing	0	7,148	0	7,148	0	7,148	0	0
NWSTG legacy replacement	0	0	0	0	0	2,870	0	2,870
Coastal Global Observing Sys.	0	0	0	0	0	2,000	0	2,000
All Hazard NWR Warning Network:	0	0	0	0	0	5,500	0	5,500
Subtotal	55	64,946	54	64,946	54	75,051	0	10,105
Construction								
WFO construction	0	10,630	0	10,630	0	13,630	0	3,000
NOAA Science Center	0	0	0	0	0	10,400	0	10,400
Subtotal	0	10,630	0	10,630	0	24,030	0	13,400
Total, NWS PAC	55	75,576	54	75,576	54	99,081	0	23,505

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
National Environmental Satellite, Data & Information Service:								
Systems Acquisition								
NESDIS CIP - single pt. of failure	0	\$2,800	0	\$2,800	0	\$2,800	0	\$0
Geostationary satellites	50	227,398	47	227,398	47	277,554	0	50,156
Polar satellites	50	359,538	47	359,538	47	391,083	0	31,545
EOS data processing & archiving	0	3,000	0	3,000	0	3,000	0	0
Coastal Remote Sensing Imager	0	6,000	0	6,000	0	0	0	(6,000)
Subtotal	100	598,736	94	598,736	94	674,437	0	75,701
Construction								
Continuity of critical facilities	0	4,550	0	4,550	0	4,550	0	0
Suitland facility	0	8,890	0	8,890	0	8,217	0	(673)
Subtotal	0	13,440	0	13,440	0	12,767	0	(673)
Total, NESDIS PAC	100	612,176	94	612,176	94	687,204	0	75,028
Program Support/Office of Marine and Aviation Operations								
Systems Acquisition								
CAMS	35	16,121	0	892	0	892	0	0
Subtotal	35	16,121	0	892	0	892	0	0
Fleet Replacement								
Fisheries Research Vessel replacement	0	50,874	0	50,874	0	0	0	(50,874)
Whiting MRP	0	3,185	0	3,185	0	0	0	(3,185)
Subtotal	0	54,059	0	54,059	0	0	0	(54,059)
Aircraft Replacement								
G-IV Instrumentation Upgrades	0	8,400	0	8,400	0	4,600	0	(3,800)
Regulatory Upgrades	0	0	0	0	0	1,343	0	1,343
Turbo Commander Replacement	0	0	0	0	0	1,550	0	1,550
WP-3D Navigation Upgrade	0	0	0	0	0	1,645	0	1,645
Total, PS/AS PAC	0	8,400	0	8,400	0	9,138	0	738
Total, Program Support, PAC	35	78,580	0	63,351	0	10,030	0	(53,321)
TOTAL OBLIGATIONS, PAC	190	813,928	148	798,699	148	844,399	0	45,700
De-obligations		(3,200)		(2,000)		(2,000)	0	0
DISCRETIONARY BA / APPROPRIATION, PAC	190	810,728	148	796,699	148	842,399	0	45,700

Highlights of Program Changes

Procurement, Acquisition and Construction (PAC)

The PAC account captures the cost of acquiring and improving capital assets used by NOAA in carrying out its varied missions. This account is grouped by line office into three common activities: "Systems Acquisition" which contains projects associated with modernizing NOAA's weather and climate programs, including satellite procurement; "Construction" which contains projects involving new construction, or major modification of existing facilities; and "Fleet and Aircraft Replacement" which contains funding to support modernization of NOAA's fleet of ships and aircraft either through new construction, major modification to existing assets, or long term acquisition of capacity from third parties.

National Ocean Service (NOS)

	<u>FTE</u>	<u>Base Amount</u>	<u>Increase / Decrease FTE</u>	<u>Amount</u>
Construction	0	\$20,012	0	-\$12

A minimal decrease in funding is requested for the National Estuarine Research Reserve System (NERRS) construction and land acquisition needs and opportunities for partnership (0 FTE; -\$12).

National Marine Fisheries Service (NMFS)

Construction	0	\$17,000	0	-\$3,000
--------------	---	----------	---	----------

The budget continues support for construction of a new Honolulu fisheries laboratory including possible consolidation with a new Pacific Islands Regional Office (0 FTE; -\$3,000).

Oceanic and Atmospheric Research (OAR)

Systems Acquisition	0	\$10,584	0	+\$3,500
---------------------	---	----------	---	----------

Increased funding is required at the Geophysical Fluids Dynamics Laboratory (GFDL) to maintain a multi-year acquisition for a state-of-the-art high performance computing system associated with the Climate Change Research Initiative (0 FTE; +\$3,500).

National Weather Service (NWS)

Systems Acquisition	54	\$64,946	0	+\$10,105
---------------------	----	----------	---	-----------

Increased funding is required to accelerate NEXRAD Product Improvements to increase lead time warnings for severe storms (0 FTE; +\$3,740); to replace the equipment of the NWS Telecommunications Gateway to increase its capacity and reliability (0 FTE; +\$2,870); to begin implementing an integrated NWS Coastal Global Observing System (0 FTE; +\$2,000); and to develop an All Hazards NOAA Weather Radio Warning Network (0 FTE; +\$5,500).

Decreased funding is requested for AWIPS with the completion of Build 5.0 (0 FTE; -\$2,130); and a decrease is proposed for the NWS Weather and Climate Supercomputing to capture savings as the project moves from acquisition of new equipment to steady state (0 FTE; -\$1,875).

Construction	0	\$10,630	0	+\$13,400
--------------	---	----------	---	-----------

This activity funds renovation and replacement of weather forecast offices in the continental U.S., Alaska and the Pacific Islands.

Increased funding is requested to accelerate Weather Forecast Office Construction to renovate and replace substandard housing and offices (0 FTE; +\$3,000); and to fund above standard lease costs for a NOAA Science Center which will replace the inadequate World Weather Building (0 FTE; +\$10,400).

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>
Systems Acquisition	94	\$598,736	0	+\$75,701

Increased funding is requested to continue the tri-agency acquisition of the next generation polar-orbiting satellites (NPOESS) (0 FTE; +\$31,545); and to fund systems design and development for the GOES R geostationary satellite series (0 FTE; +\$50,156).

Decreased funding is requested reflecting the non-recurring development of a Coastal Remote Sensing Imager (0 FTE; -\$6,000).

Construction	0	\$13,440	0	-\$673
--------------	---	----------	---	--------

A decrease is requested for the Suitland satellite operations command and control center as this project nears completion (0 FTE; -\$673).

Fleet Replacement	0	\$54,059	0	-\$54,059
-------------------	---	----------	---	-----------

Reduced funding is requested for major repair of the WHITING hydrographic survey vessel (0 FTE; -\$3,185) and for acquisition and for delaying the option on the third Fisheries Research Vessel (FRV) (0 FTE; -\$50,874).

Aircraft Replacement	0	\$8,400	0	+\$738
----------------------	---	---------	---	--------

Increased funding is requested for required regulatory upgrades to aircraft (0 FTE; +\$1,343); to replace the aging airframe for the Turbo Commander (0 FTE; +\$1,550); and for navigation upgrades on both WP-3D aircraft (0 FTE; +\$1,645).

Reduced funding is requested to upgrade the instrumentation on the Gulfstream IV hurricane surveillance aircraft to improve storm-tracking forecasts (0 FTE; -\$3,800).

Appropriation: Pacific Coastal Salmon Recovery

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate	0	\$110,000
Financing		
FTE Realignment	1	0
2004 Base	<u>1</u>	<u>110,000</u>
Program Changes	0	(20,000)
2004 APPROPRIATION	<u>1</u>	<u>90,000</u>

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Grants	0	\$110,000	1	\$110,000	1	\$90,000	0	(\$20,000)
TOTAL OBLIGATIONS	<u>0</u>	<u>110,000</u>	<u>1</u>	<u>110,000</u>	<u>1</u>	<u>90,000</u>	<u>0</u>	<u>(20,000)</u>
FINANCING								
Unobligated balance, start of year				0		0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	<u>0</u>	<u>110,000</u>	<u>1</u>	<u>110,000</u>	<u>1</u>	<u>90,000</u>	<u>0</u>	<u>(20,000)</u>

The Pacific Coastal Salmon Recovery account was established in FY 2000 to share the costs of state, local and tribal salmon conservation initiatives. This fund supports NOAA's contribution to a broad interdepartmental initiative to bolster and integrate Federal capabilities to assist in the conservation of at-risk salmon runs in California, Oregon, Washington and Alaska. Grants are matched 25 percent with non-Federal contributions. The fund was established under the Secretary of Commerce's existing authorities under the Endangered Species Act, and is made available through agreements with the Governors of each state for distribution to state, local and tribal efforts. The Secretary has established terms and conditions to ensure effective use of the funds, as well as specific reporting requirements to ensure full accountability by users of the fund. Funds in this account support NOAA's strategic plan goal to recover protected species.

NOAA is requesting a decrease of \$20.0 million from the FY 2003 request level because the U.S. Government's Pacific Salmon Treaty financial obligations were resolved with the FY 2003 request

Appropriation: Coastal Impact Assistance Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate	0	\$0
Adjustments to Base	0	0
2004 Base	0	0
Program Changes	0	0
2004 APPROPRIATION	0	0

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	0	\$6,944	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	6,944	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year	0	(6,944)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0	0	0	0	0	0	0

The Coastal Impact Assistance Fund was established for one year in FY 2001 to enable states to better address the impacts of coastal development and resources use, especially states currently involved in oil and gas production. The Fund provided grants to coastal states and territories to implement activities consistent with the Coastal Zone Management Plans and that increase protection and sustainable management of coastal resources.

Appropriation: Fishermen's Contingency Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate	1	\$954
Adjustments to Base		
Other Changes		
2004 Pay raise	0	2
TOTAL, ADJUSTMENTS TO BASE	<u>0</u>	<u>2</u>
2004 Base	1	956
Program Changes	0	0
2004 APPROPRIATION	<u>1</u>	<u>956</u>

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Administrative Expenses	1	\$954	1	\$956	1	\$956	0	\$0
Payment of Claims & Other Services	0	1,702	0	0	0	0	0	0
TOTAL OBLIGATIONS	<u>1</u>	<u>2,656</u>	<u>1</u>	<u>956</u>	<u>1</u>	<u>956</u>	<u>0</u>	<u>0</u>
FINANCING								
Unobligated balance, start of year	0	(1,702)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	<u>1</u>	<u>954</u>	<u>1</u>	<u>956</u>	<u>1</u>	<u>956</u>	<u>0</u>	<u>0</u>

The Fishermen's Contingency Fund is used 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 are derived from fees collected annually by the Secretary of the Interior from the holders of leases, explorations, permits, easements and rights of way.

Appropriation: Foreign Fishing Observer Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate	0	\$191
Adjustments to Base	0	0
2004 Base	<hr/> 0	<hr/> 191
Program Changes	0	0
2004 APPROPRIATION	<hr/> 0	<hr/> 191

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	0	\$1,905	0	\$191	0	\$191	0	\$0
TOTAL OBLIGATIONS	<hr/> 0	<hr/> 1,905	<hr/> 0	<hr/> 191	<hr/> 0	<hr/> 191	<hr/> 0	<hr/> 0
FINANCING								
Unobligated balance, start of year		(1,714)						
TOTAL BUDGET AUTHORITY / APPROPRIATION	<hr/> 0	<hr/> 191	<hr/> 0	<hr/> 191	<hr/> 0	<hr/> 191	<hr/> 0	<hr/> 0

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

Appropriation: Fisheries Finance Program Account

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate	0	(\$57)
Adjustments to Base		
Restoration of FY 2003 Rescission	0	344
2004 Base	<u>0</u>	<u>287</u>
2004 APPROPRIATION	<u>0</u>	<u>287</u>

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Credit Reestimates	0	\$7,418	0	\$0	0	\$0	0	\$0
Cost of Loan Subsidy	0	(57)	0	287	0	287	0	0
TOTAL OBLIGATIONS	<u>0</u>	<u>7,361</u>	<u>0</u>	<u>287</u>	<u>0</u>	<u>287</u>	<u>0</u>	<u>0</u>
FINANCING								
Mandatory Appropriation	0	(7,418)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	<u>0</u>	<u>(57)</u>	<u>0</u>	<u>287</u>	<u>0</u>	<u>287</u>	<u>0</u>	<u>0</u>

This account was established in FY 1997 to cover the cost of financing direct loans as authorized by Title XI of the Merchant Marine Act of 1936. The President's Request includes \$287,000 for the subsidy cost of the loans in the program pursuant to the Federal Credit Reform Act. This subsidy amount will allow NOAA to provide approximately \$30 million in new loans, and these loans are planned to be distributed for the following priorities: individual fishing quotas (\$5 million), aquaculture facilities (\$19.35 million), reconditioning of fishing vessels for the purpose of reducing bycatch or reducing capacity in an overfished fishery (\$2 million), and the purchase of assets sold at foreclosure (\$3.65 million). This program supports the NOAA strategic plan goal to build sustainable fisheries.

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

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			4	\$0
Transfers				
From Department of Agriculture		\$75,238		
To NOAA ORF		(75,000)		
Total, Transfers			0	238
Adjustments to Base			0	0
2004 Base			4	238
Program Changes			0	0
TOTAL REQUIREMENTS			4	238
Transfers				
From Department of Agriculture			0	(75,238)
To NOAA ORF			0	75,000
2004 APPROPRIATION			4	0

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS	4	\$11,363	4	\$238	4	\$238	0	\$0
TOTAL OBLIGATIONS	4	11,363	4	238	4	238	0	0
FINANCING								
Unobligated balance, start of year		(11,125)						
TOTAL BUDGET AUTHORITY	4	238	4	238	4	238	0	0
TRANSFERS								
From Dept of Agriculture	0	(75,238)	0	(75,238)	0	(75,238)	0	0
To NOAA ORF	0	75,000	0	75,000	0	75,000	0	0
TOTAL APPROPRIATION	4	0	4	0	4	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 2003 budget estimate of the transfer is \$75.2 million. Of this amount, \$0.2 million will be used for the grants program and the remaining \$75 million will be transferred to offset the ORF appropriation. This program supports the NOAA strategic plan goal to build sustainable fisheries.

Appropriation: Damage Assessment and Restoration Revolving Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate	15	\$0
Financing		
Transfer from Department of Interior	0	1,000
Adjustments to Base		
FTE Realignment	1	0
2004 Base	<u>16</u>	<u>1,000</u>
Program Changes	0	0
TOTAL MANDATORY BUDGET AUTHORITY	<u>16</u>	<u>1,000</u>

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	15	\$21,582	16	\$4,000	16	\$4,000	0	\$0
REIMBURSABLE OBLIGATIONS	0	1,500	0	1,500	0	1,500	0	0
TOTAL OBLIGATIONS	15	23,082	16	5,500	16	5,500	0	0
FINANCING								
Estimated collections	0	(1,500)	0	(1,500)	0	(1,500)	0	0
Unobligated balance, start of year	0	(17,582)	0	0	0	0		
Transfer of unobligated balances from DOI	0	(3,000)	0	(3,000)	0	(3,000)	0	0
TOTAL MANDATORY BUDGET AUTHORITY	15	1,000	16	1,000	16	1,000	0	0

This fund was established in 1990 to facilitate oil and hazardous material spill response, damage 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 source of these funds are settlements and awards by the courts. Receipts from settlements are expected to be \$1.5 million in FY 2004.

Appropriation: Coastal Zone Management Fund

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate		\$3,000
Adjustments to Base		0
Transfer to ORF		(3,000)
2004 Base	0	0
Program Change	0	0
TOTAL BUDGET AUTHORITY	0	0
Transfer to ORF		3,000
2004 APPROPRIATION	0	3,000

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL APPROPRIATION		3,000		3,000		3,000	0	0
Transfer to ORF	0	(3,000)	0	(3,000)	0	(3,000)		
Budget Authority, Discretionary		0	0	0	0	0	0	0
Less: Offsetting collections, Mandatory		(3,000)	0	(3,000)	0	(3,000)	0	0
TOTAL MANDATORY BUDGET AUTHORITY	0	(3,000)	0	(3,000)	0	(3,000)	0	0

In FY 2004, NOAA proposes to continue the transfer of authorized funding in the Coastal Zone Management Fund to the ORF account for obligation to facilitate operation of the Fund, which is expected to experience declining receipts.

Appropriation: Environmental Improvement and Restoration Fund

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2003 Estimate	0	\$2,724
Adjustments to Base		2,785
2004 Base	<hr/>	<hr/>
	0	5,509
Program Change	0	0
TOTAL MANDATORY APPROPRIATION	<hr/>	<hr/>
	0	5,509

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS	0	\$7,936	0	\$5,509	0	\$5,509	0	\$0
TOTAL OBLIGATIONS	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	0	7,936	0	5,509	0	5,509	0	0
FINANCING								
Unobligated balance, start of year		(5,212)						
TOTAL MANDATORY	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	0	2,724	0	5,509	0	5,509	0	0

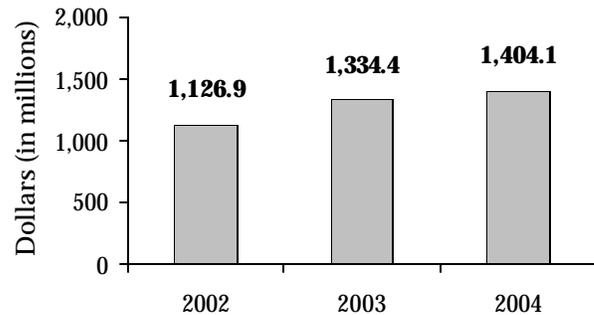
This fund was established by Title IV of P.L. 105-83, the Department of the Interior and Related Agencies Appropriations Act, 1998. Twenty percent of the interest earned from this fund is made available to the Department of Commerce. Funds are to be used to provide grants to federal, state, private or 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 sustain healthy coasts.

U.S. Patent and Trademark Office

The U. S. Patent and Trademark Office (USPTO) is charged with administering the patent and trademark laws of the United States. USPTO examines patent applications, grants patent protection for qualified inventions and disseminates technological information disclosed in patents. USPTO also examines trademark applications and provides Federal registration to owners of qualified trademarks.

In FY 2004, the second year of the 5-year Business Plan, the USPTO will spend \$1,404 million to increase the quality of patent and trademark products and services, keep pace with workload growth and promote e-Government activities. Offsetting collections will total \$1,504 million in FY 2004 from fees charged pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376. In addition, the Administration will propose legislation in 2003 to restructure the statutory fees charged for products and services. Relative to current law, the restructuring is expected to raise fee collections by \$201 million. These additional funds will provide significant new investments in automation and examiner resources in order to reduce pendency and improve the quality of USPTO products.

PTO Program Level



USPTO Performance Measures

In order to achieve the USPTO's mission, the Agency developed a new strategic plan covering FY 2004- FY 2008. This plan transforms the USPTO into a more agile, capable, and productive organization. Congress, owners of intellectual property, the Patent Bar, and the public-at-large have told the USPTO that it must (1) improve patent and trademark quality, (2) aggressively implement e-Government to handle the workload associated with the 21st Century economy, and (3) reduce patent and trademark pendency. The USPTO has identified three strategic themes that correspond directly to these challenges:

1. Agility: Address the 21st Century Economy by Becoming a More Agile Organization

The USPTO will create a flexible organization and work processes that can handle the increasing expectations of our markets, the growing complexity and volume of our work, and the globalization that characterize the 21st Century economy. The Office will work, both bilaterally and multilaterally, with our partners to create a stronger, better-coordinated and more streamlined framework for protecting intellectual property around the world. The USPTO will transform its workplace by radically reducing labor-intensive paper processing.

2. Capability: Enhance Quality through Workforce and Process Improvements

The USPTO will make patent and trademark quality its highest priority by emphasizing quality in every component of its strategic plan. Through the timely issuance of high-quality patents and trademarks, the Office will respond to market forces by promoting advances in technology, expanding business opportunities and creating jobs.

3. Productivity: Accelerate Processing Times Through Focused Examination

The USPTO will reduce patent and trademark pendency, reduce time to first office action, and recover the investments in people, processes, and technology.

In FY 2004, the USPTO aims to achieve these goals through a number of priority efforts that improve or transform existing programs. These include delivering an operational system to process patent applications electronically, completing the transition of the trademark operations to a fully electronic environment, enhancing the current quality assurance programs by integrating reviews to cover all stages of examination, and achieving greater examiner productivity by reducing the prior art search burden. A more detailed presentation of goals and performance measures can be found in the Department's FY 2004 Annual Performance Plan.

Funding Requirements by Performance Goal

(Obligations in millions)

	2002	2003	2004
Agility	\$0	\$69.2	\$96.3
Capability	0	19.2	19.8
Productivity	0	34.6	39.6
Operations	1,126.9	1,211.4	1,248.4
Total	\$1,126.9	\$1,334.4	\$1,404.1

Summary of Appropriations

(Dollars in thousands)

Funding Levels

	2002	2003 Estimate	2004 Estimate	Increase (Decrease)
From New Offsetting Collections	\$843,146	\$1,234,357	\$1,404,130	\$169,773
From General Fund	1,500			0
From Prior Year Offsetting Collections	277,744	100,000		(100,000)
From Prior Year-1 Offsetting Collections	4,556			0
Program Level	1,126,946	1,334,357	1,404,130	69,773
Fee Collections	(1,150,214)	(1,526,908)	(1,503,814)	23,094
2001 Fee Collections Not Available Until FY 2003	100,000			0
2003 Fee Collections Not Available	206,513	292,551	99,684	(192,867)
TOTAL APPROPRIATION	283,245	100,000	0	(100,000)
Unavailable Offsetting Collections due to limitation in current year and becoming available in following year(s)	(306,513)	(292,551)	(99,684)	192,867
TOTAL BUDGET AUTHORITY	(23,268)	(192,551)	(99,684)	92,867
FTE	6,593	7,453	7,886	433

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate				
Fee collections in 2003			7,453	\$1,526,908
Available offsetting collections from prior year				100,000
Unavailable offsetting collections				(292,551)
Funds Currently Available, 2003			7,453	1,334,357
Adjustments to Base				
<u>Other Changes</u>				
2003 Pay raise		\$3,820		
2004 Pay raise		9,368		
Full year cost of positions financed in FY 2003	213	22,773		
Within-grade step increases		6,473		
One more compensable day		2,531		
Civil Service Retirement System (CSRS)		(1,029)		
Federal Employees' Retirement System (FERS)		1,400		
Thrift Savings Plan		262		
Federal Insurance Contributions Act (FICA) -OASDI		370		
Health insurance		3,646		
Travel		2		
Rent payments to GSA		2,011		
Printing and reproduction		1,435		
Other services:				
NARA		4		
General Pricing Level Adjustment:		6,310		
Communications, Utilities and misc.		374		
Subtotal, other cost changes			213	59,750
TOTAL, ADJUSTMENTS TO BASE			213	59,750
2004 Base			7,666	1,394,107
Program Changes			220	10,023
TOTAL REQUIREMENTS			7,886	1,404,130
Total Offsetting Fee Collections				(1,503,814)
Portion Not Available for Obligation (Limitation on Obligation)				99,684
2004 APPROPRIATION			7,886	0

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Patents	6,593	\$1,190,496	6,806	\$1,250,957	7,026	\$1,259,850	220	\$8,893
Trademarks	860	143,861	860	143,150	860	144,280	0	1,130
TOTAL OBLIGATIONS	7,453	1,334,357	7,666	1,394,107	7,886	1,404,130	220	10,023
FINANCING								
Fees		(1,526,908)				(1,503,814)		
Prior year recoveries/Reimbursements						0		
Unobligated Balance, Start of Year						0		
Offsetting Collections Not Available for Obligation		292,551				99,684		
TOTAL APPROPRIATION	7,453	100,000			7,886	0		
Unavailable Offsetting Collections due to limitation in current year and becoming available in following year(s)		(292,551)				(99,684)		
TOTAL BUDGET AUTHORITY	7,453	(192,551)			7,886	(99,684)		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Patent Process	6,806	1,250,957	+220	+\$8,893

An increase (+220 FTE; +\$8,893) is requested in support of the Patent Business goals to minimize patent application processing time and enhance the quality of products and services. Resources will be used to hire additional examination staff, address electronic filing of applications, and improve the quality of products by addressing certification and recertification of patent examiners.

Trademark Process	860	143,150	0	+\$1,130
-------------------	-----	---------	---	----------

An increase (+0 FTE; +\$1,130) is requested in support of the Trademark Business goals to minimize trademark application processing time and enhance the quality of products and services. Resources will be used to implement the Madrid Protocol, address certification of employees in Trademark processes, and pursue outsourcing of specific processes.

Technology Administration

The Technology Administration (TA) works with U.S. industry to maximize technology's contribution to U.S. economic growth. Led by the Under Secretary for Technology (US), TA fulfills its broad responsibilities through its component organizations: the Office of Technology Policy (OTP), the National Institute of Standards and Technology (NIST), and the National Technical Information Service (NTIS).

TA Performance Measures

The activities under the TA accounts support Commerce's strategic goal to provide infrastructure for innovation to enhance American competitiveness.

US/OTP's focus is on the following performance goal: Provide leadership in promoting national technology policies that facilitate U.S. preeminence in key areas of science and technology and leverage technological innovation to strengthen American global competitiveness. US/OTP's FY 2003 APP identified three key action areas: outreach, analysis/education, and advocacy. These continue to be the broad areas in which US/OTP plans to accomplish its goals, and they have been incorporated into the FY 2004 plan within the following four general goals and objectives:

- Support and improve the American innovation system.
- Advance the role technology plays in U.S. economic growth and homeland security.
- Strengthen the competitive position of American technology industries.
- Strengthen US/OTP's organization, capabilities, and resources to maximize the effectiveness of its activities and services.

NIST focuses on six performance goals; the first three are grouped together since they cover NIST's laboratory activities and are combined for budgetary purposes. The remaining three cover activities in the Advanced Technology Program, the Manufacturing Extension Partnership Program and the Baldrige National Quality Award Program.

- Research and develop the measurements and standards needed to support emerging science and technology-intensive industries.
- Develop and efficiently disseminate the measurements and standards needed to support the nation's strategic interests in homeland security.
- Assure the availability and efficient transfer of measurements and standards capabilities essential to established industries.
- Accelerate private investment in and development of high-risk, broad-impact technologies.
- Raise the productivity and competitiveness of small manufacturers.
- Catalyze and reward quality and performance improvement practices in U.S. businesses and other organizations.

NTIS's focus is on the following performance goal: Enhance public access to worldwide scientific and technical information through improved acquisition and dissemination activities.

A more detailed presentation of all of the TA goals, objectives, and performance measures is found in the Department's FY 2004 Annual Performance Plan and in the budget justifications.

Funding Requirements by Performance Goal

(Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Provide leadership in promoting national technology policies that facilitate U.S. preeminence in key areas of science and technology and leverage technological innovation to strengthen American global competitiveness. (US/OTP)	\$8.1	\$8.3	\$8.4
NIST Laboratory Performance Goals (three goals combined)	566.0	642.1	622.6
Accelerate private investment in and development of high-risk, broad-impact technologies. (NIST-ATP)	198.1	145.3	31.1
Raise the productivity and competitiveness of small manufacturers. (NIST-MEP)	108.5	18.5	12.9
Catalyze and reward quality and performance improvement practices in U.S. businesses and other organizations. (NIST-BNQP)	5.1	8.0	7.6
Enhance public access to world wide scientific and technical information through improved acquisition and dissemination activities. (NTIS)	27.7	50.9	41.5
Total	913.5	873.1	724.1

Summary of Appropriations

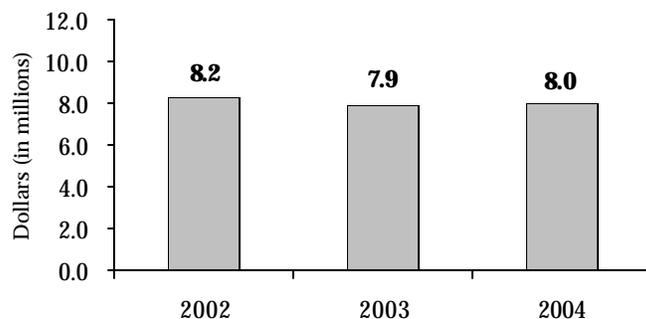
(Dollars in thousands)

<u>Funding Levels</u>	<u>2002</u>	<u>2003</u> <u>Estimate</u>	<u>2004</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Under Secretary / Office of Technology Policy	\$8,234	\$7,886	\$8,015	\$129
National Technical Information Service	0	0	0	0
National Institute of Standards and Technology	684,546	563,110	496,818	(66,292)
<u>FTE</u>				
Under Secretary / Office of Technology Policy	46	50	46	(4)
National Technical Information Service	186	260	260	0
National Institute of Standards and Technology	2,999	3,064	3,024	(40)

Office of the Under Secretary / Office of Technology Policy

The Office of the Under Secretary for Technology provides policy guidance to the Secretary of Commerce and the Technology Administration's component agencies (NIST and NTIS) and serves as an advocate for innovation and industrial competitiveness within and outside government. The Under Secretary serves on the Executive Committee of the Committee on Technology within the President's National Science and Technology Council, coordinates the civilian technology efforts of federal agencies, and helps to shape federal civilian R&D priorities based upon the needs of industry. The Under Secretary also provides counsel to the Secretary of Commerce on all matters affecting innovation and coordinates with counterpart offices in the trade and economic agencies to create unified, integrated trade and technology policies. Pursuant to these roles, the Under Secretary oversees and utilizes the analytical, outreach, and policy development expertise of the Office of Technology Policy (OTP).

US/OTP Funding



The Office of Technology Policy works in partnership with the private sector to develop and advocate national policies and initiatives to build America's economic strength. The OTP administers the National Medal of Technology, the highest honor awarded by the President of the United States for technological innovation. Also within the OTP, the Office of Technology Competitiveness promotes domestic technological competitiveness in four interrelated policy areas: technology development and transfer, business innovation, state and local efforts to promote technology-based economic growth, and work force preparation for a technology-driven future. The Office works closely with industry, conducts issue analyses, disseminates reports and other useful information, and supports the Assistant Secretary in developing and advocating policy tools that can advance U.S. innovation, technological growth, and competitiveness. Within OTP, the Office of International Technology promotes international technology partnerships to strengthen U.S. competitiveness, and advocates policies to advance U.S. technology in the global economy.

Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	2003 <u>Estimate</u>	<u>2004</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$8,234	\$7,886	\$8,015	\$129
FTE				
Salaries and Expenses	45	49	45	(4)
Reimbursable	1	1	1	0
Total	46	50	46	(4)

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>
2003 Estimate			49	\$7,886
Adjustments to Base				
Other Changes				
2003 Pay raise		\$27		
2004 Pay raise		59		
Payment to the Working Capital Fund		5		
Within grade step increases		6		
Change in compensable day		14		
Civil Service Retirement System(CSRS)		(13)		
Federal Employees' Retirement System(FERS)		18		
Thrift Savings Plan		3		
Federal Insurance Contributions Act (FICA) -OASDI		4		
Health insurance		16		
Travel:				
Per diem		3		
Passenger Civil Aviation Security Service Fee		1		
Rent payments to GSA		22		
Postage		2		
Printing and reproduction		1		
Other services:				
Working Capital Fund		49		
General pricing level adjustment:				
Communications, utilities, & misc.		1		
Other services		31		
Supplies and materials		3		
Equipment		2		
Subtotal, other cost changes			0	254
TOTAL, ADJUSTMENTS TO BASE			0	254
2004 Base			49	8,140
Program Changes			(4)	(125)
2004 APPROPRIATION			45	8,015

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Under Secretary / Office of Technology Policy	49	\$7,886	49	\$8,140	45	\$8,015	(4)	(\$125)
TOTAL DIRECT OBLIGATIONS	49	7,886	49	8,140	45	8,015	(4)	(125)
REIMBURSABLE OBLIGATIONS	1	407	1	407	1	407	0	0
TOTAL OBLIGATIONS	50	8,293	50	8,547	46	8,422	(4)	(125)
FINANCING								
Offsetting collections from:								
Federal funds	(1)	(407)			(1)	(407)		
TOTAL BUDGET AUTHORITY	49	7,886			45	8,015		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Under Secretary for Technology/Office of Technology Policy</u>	49	\$8,140	-4	-\$125

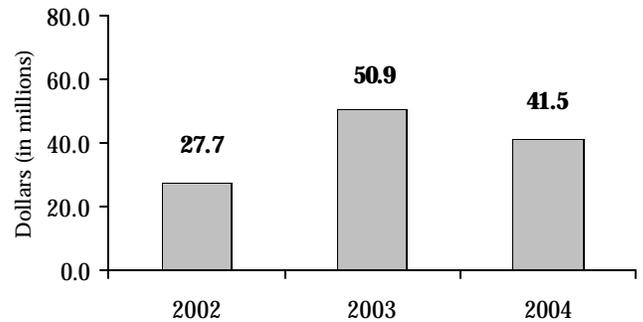
Workforce restructuring: A decrease (-5 FTE, -\$450) is requested to effect the transfer of the Office of Space Commercialization to the International Trade Administration and provide training to US/OTP personnel to develop the skills needed to address technology policy issues. Recognizing that legislative approval is necessary, funding for the Office of Space Commercialization has been taken out of the Technology Administration budget and will be provided through the International Trade Administration.

Supporting capacity building around the world – Digital Freedom Initiative (DFI): An increase (+1 FTE, +\$325) is requested for US/OTP to serve a leadership role in a White House initiative that leverages U.S. leadership in the Information and Communication Technology (ICT) arena to advise entrepreneurs in developing nations as they plan to increase their efficiency and participate in the global economy.

National Technical Information Service

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

NTIS Total Obligations



Summary of Appropriations

Funding Levels

Appropriation	2002	2003	2004	Increase
		Estimate	Estimate	(Decrease)
NTIS Revolving Fund	\$0	\$0	\$0	\$0
FTE				
Reimbursable	186	260	260	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			260	\$0
Adjustments to Base			0	0
2004 Base			260	0
Program Changes			0	0
2004 APPROPRIATION			260	0

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
National Technical Information Serv	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL DIRECT OBLIGATIONS	0	0	0	0	0	0	0	0
REIMBURSABLE OBLIGATIONS	260	50,930	260	41,500	260	41,500	0	0
TOTAL OBLIGATIONS	260	50,930	260	41,500	260	41,500	0	0
FINANCING								
Unobligated balance, start of year		(9,930)						
Offsetting collections from:								
Federal funds		(21,000)		(22,000)		(22,000)		0
Non-Federal sources		(20,000)		(19,500)		(19,500)		0
Subtotal, financing	0	(50,930)	0	(41,500)	0	(41,500)	0	0
TOTAL BUDGET AUTHORITY	260	0	260	0	260	0	0	0

National Institute of Standards and Technology

The National Institute of Standards and Technology (NIST) is responsible for the measurement foundation that supports U.S. industry, government and scientific establishments. NIST develops and promotes measurements, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life. NIST carries out this mission through four major programs.

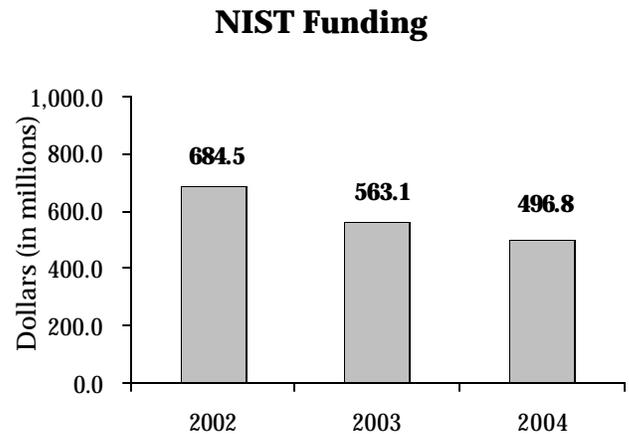
The **NIST Laboratories** research program focuses on providing the measurements, standards, verified data, and test methods required for new technologies and competing in the global economy. The world-class scientific and technical staff works closely with private industry, academic researchers, and other government agencies.

The **Advanced Technology Program (ATP)** assists industry to invest in and develop high-risk, innovative technologies that promise broad benefits for the nation.

The **Manufacturing Extension Partnership (MEP) Program** assists small manufacturing establishments in assimilating new technologies and manufacturing practices through government-industry partnerships and extension services.

The **Baldrige National Quality Program (BNQP)** is a highly visible quality management program focused on instilling the principles of continuous quality improvement in U.S. businesses and educational and healthcare organizations.

In addition, NIST has initiated a long-term program to upgrade and maintain its physical plant. Significant and sustained investment to upgrade existing facilities, which are 35 to 45 years old, is required to support NIST research in the 21st century.



Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	<u>2003</u> <u>Estimate</u>	<u>2004</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
Scientific and Technical Research and Services	\$329,963	\$389,291	\$387,621	(\$1,670)
Industrial Technology Services	290,986	119,607	39,607	(80,000)
Construction of Research Facilities	63,597	54,212	69,590	15,378
Total Appropriation	684,546	563,110	496,818	(66,292)

Working Capital Fund	[282]	[4,482]	[7,772]	[3,290]
----------------------	-------	---------	---------	---------

TOTAL BUDGET AUTHORITY	684,546	563,110	496,818	(66,292)
-------------------------------	----------------	----------------	----------------	-----------------

FTE

Scientific and Technical Research and Services	1,913	2,016	2,065	49
Industrial Technology Services	338	248	182	(66)
Construction of Research Facilities	49	51	53	2
Working Capital Fund	699	749	724	(25)
Total	2,999	3,064	3,024	(40)

Highlights of Budget Changes

Appropriation: Scientific and Technical Research and Services

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			2,016	\$389,291
Adjustments to Base				
Transfers				
Transfer of CFO Contract Audit				353
Adjustments				
Restoration of FY 2003 Deobligation Offset		\$1,000		
One-time AML equipment request		(35,000)		
One-time reactor nuclear instrumentation request		(835)		
Subtotal, adjustments			0	(34,835)
Other Changes				
2003 Pay raise		1,127		
2004 Pay raise		2,718		
Payment to the Working Capital Fund		48		
Full year cost in FY 2004 of positions financed for part year in FY 2003	15	0		
Within-grade step increases		1,725		
Change in compensable day		701		
Civil Service Retirement System (CSRS)		(304)		
Federal Employees' Retirement System (FERS)		374		
Thrift Savings Plan		70		
Federal Insurance Contributions Act (FICA) -OASDI		198		
Health insurance		997		
Employees' Compensation Fund		(40)		
Travel:				
Mileage		8		
Per diem		88		
Passenger Civil Aviation Security Service Fee		50		
Rental payments to GSA		2		
Postage		40		
Printing and reproduction		12		
Other services:				
Working Capital Fund		325		
Commerce Administrative Management System		(4,429)		
NARA		(1)		
Supplies and materials:				
NIST journal subscriptions		76		
General pricing level adjustment:				
Transportation of things		16		
Rental payments to others		35		
Communications, utilities, & miscellaneous charges		205		
Other services		1,180		
Supplies and materials		201		
Equipment		740		
Subtotal, other cost changes			15	6,162
TOTAL, ADJUSTMENTS TO BASE			<u>15</u>	<u>(28,320)</u>

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2004 Base			2,031	\$360,971
Program Changes			34	27,650
TOTAL REQUIREMENTS			<u>2,065</u>	<u>388,621</u>
Recoveries from Prior Year Obligations				(1,000)
2004 APPROPRIATION			<u>2,065</u>	<u>387,621</u>

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Electronics & electrical engineering	251	\$43,103	251	\$44,180	251	\$44,180	0	\$0
Manufacturing engineering	124	21,560	124	21,838	124	21,838	0	0
Chemical science & technology	243	40,123	244	40,602	246	41,177	2	575
Physics	177	37,307	179	38,361	203	48,821	24	10,460
Materials science & engineering	358	69,851	363	66,475	363	66,475	0	0
Building & fire research	112	19,342	114	19,265	119	23,265	5	4,000
Computer science & applied math.	364	54,905	365	56,291	368	57,291	3	1,000
Technology assistance	107	19,051	107	19,105	107	19,105	0	0
National quality program	55	6,217	55	5,795	55	5,795	0	0
Research support activities	225	84,079	229	46,202	229	52,902	0	6,700
TOTAL DIRECT OBLIGATIONS	<u>2,016</u>	<u>395,538</u>	<u>2,031</u>	<u>358,114</u>	<u>2,065</u>	<u>380,849</u>	<u>34</u>	<u>22,735</u>
FINANCING								
Unobligated balance, start of year		(9,729)						
Recovery of prior year obligations		(1,000)		(1,000)		(1,000)		0
Subtotal, financing	<u>0</u>	<u>(10,729)</u>	<u>0</u>	<u>(1,000)</u>	<u>0</u>	<u>(1,000)</u>	<u>0</u>	<u>0</u>
TOTAL BUDGET AUTHORITY	<u>2,016</u>	<u>384,809</u>	<u>2,031</u>	<u>357,114</u>	<u>2,065</u>	<u>379,849</u>	<u>34</u>	<u>22,735</u>
Transfers		4,482		2,857		7,772		4,915
TOTAL APPROPRIATION	<u>2,016</u>	<u>389,291</u>	<u>2,031</u>	<u>359,971</u>	<u>2,065</u>	<u>387,621</u>	<u>34</u>	<u>27,650</u>

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Chemical Science and Technology</u>	244	\$40,602	+2	+\$1,000

An increase (+2 FTE, +\$1,000) is requested to provide the advanced measurements, standards, and data that health care providers and researchers need to improve health care quality and reduce costs.

Of this amount, a transfer of \$425 will be made to the NIST Working Capital Fund.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Physics</u>	179	\$38,361	+24	+\$14,950

An increase (+1 FTE, +\$1,450) is requested to provide the necessary critical back-up elements for the NIST Time Scale and Time Dissemination services. The NIST Time scale provides the official U.S. time and synchronization of millions of clocks everyday for purposes ranging from consumer electronic products, to stock market transactions, to navigation.

Of this amount, a transfer of \$1,190 will be made to the NIST Working Capital Fund.

An increase (+9 FTE, +\$5,200) is requested to develop the measurements, standards, and data the private sector and other agencies need to support research and development (R&D) and accelerate the production of nanotechnology-based products and services in most major industrial sectors, such as health care, semiconductors, information technology, communications, defense, biotechnology, and magnetic data storage.

Of this amount, a transfer of \$1,800 will be made to the NIST Working Capital Fund.

An increase (+9 FTE, +\$5,300) is requested to strengthen the national measurement infrastructure for radiation applications in homeland security. Improved radiation measurements are needed to better detect nuclear and radiological weapons of mass destruction before they are smuggled into the U.S.; to detect radiation threats such as explosives; and to safely and effectively sterilize containers potentially containing biowarfare agents such as anthrax.

Of this amount, a transfer of \$500 will be made to the NIST Working Capital Fund.

An increase (+5 FTE, +\$3,000) is requested to provide measurements, standards, data, and testing methods to accelerate the development of quantum information technology with applications in homeland security (cryptography and secure communications) and revolutionary computing.

Of this amount, a transfer of \$1,000 will be made to the NIST Working Capital Fund.

<u>Building and Fire Research</u>	114	\$19,265	+5	+\$4,000
-----------------------------------	-----	----------	----	----------

An increase (+5 FTE, +\$4,000) is requested to develop and implement, through a public-private program, the standards, technology, and practices needed for cost-effective safety and security of buildings, including emergency response.

<u>Computer Science and Applied Mathematics</u>	365	\$56,291	+3	+\$1,000
---	-----	----------	----	----------

An increase (+3 FTE, +\$1,000) is requested to provide standard methods for measurement of the accuracy of biometric identification systems in compliance with the USA PATRIOT Act of 2001.

<u>Research Support Activities</u>	229	\$46,202	0	+\$6,700
------------------------------------	-----	----------	---	----------

An increase (+\$1,200) is requested to provide funding for outsourcing the maintenance and operation of NIST's Advanced Measurement Laboratory (AML).

An increase (+\$5,500) is requested to provide the additional research equipment needed to realize the capabilities of NIST's Advanced Measurement Laboratory (AML). When completed in 2004, the AML will be the world's best measurement laboratory, helping provide the measurements and standards needed by industry and science in key 21st century technologies.

Appropriation: Industrial Technology Services

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			248	\$119,607
Adjustments to Base:				
Adjustments				
Restoration of FY 2003 deobligation offset				3,800
TOTAL, ADJUSTMENTS TO BASE			0	3,800
2004 Base			248	123,407
Program Changes			(66)	(80,000)
TOTAL REQUIREMENTS			182	43,407
Recoveries from Prior Year Obligations				(3,800)
2004 APPROPRIATION			182	39,607

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Advanced Technology Program	159	\$144,993	159	\$110,807	93	\$30,807	(66)	(\$80,000)
Manufacturing Extension Partnership	89	18,178	89	12,600	89	12,600	0	0
TOTAL DIRECT OBLIGATIONS	248	163,171	248	123,407	182	43,407	(66)	(80,000)
FINANCING								
Unobligated balance, start of year		(39,764)						
Recovery of prior obligations		(3,800)		(3,800)		(3,800)		0
Unobligated balance, end of year		0						
Subtotal, financing		(43,564)		(3,800)		(3,800)		0
TOTAL BUDGET AUTHORITY	248	119,607	248	119,607	182	39,607	(66)	(80,000)
Transfer to Working Capital Fund		0		0		0		0
TOTAL APPROPRIATION	248	119,607	248	119,607	182	39,607	(66)	(80,000)

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Advanced Technology Program</u>	159	\$110,807	-66	-\$80,000

A decrease (-66 FTE, -\$80,000) is included. Consistent with the Administration's emphasis on shifting resources to reflect changing needs, the 2004 Budget proposes to terminate the Advanced Technology Program (ATP). Funding is provided for administrative costs and closeout.

Appropriation: Construction of Research Facilities

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			51	\$54,212
Adjustments to Base				
Adjustments				
AML fit-up and relocation		(\$15,000)		
Boulder primary electrical service		(5,500)		
Subtotal, adjustments			0	(20,500)
Other Changes				
2003 Pay raise		28		
2004 Pay raise		72		
Full year cost in FY 2004 of positions financed for part year in FY 2003	1	0		
Within-grade step increases		47		
Change in compensable day		18		
Civil Service Retirement System(CSRS)		(8)		
Federal Employees' Retirement System(FERS)		10		
Thrift Savings Plan		2		
Federal Insurance Contributions Act (FICA) -OASDI		5		
Health insurance		24		
General pricing level adjustment:				
Communications, utilities, and misc.		1		
Other services		446		
Supplies and materials		11		
Equipment		2		
Subtotal, other cost changes			1	658
TOTAL, ADJUSTMENTS TO BASE			1	(19,842)
2004 Base			52	34,370
Program Changes			1	35,220
2004 APPROPRIATION			53	69,590

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Construction & Major Renovations	51	\$70,362	52	\$34,370	53	\$69,590	1	\$35,220
TOTAL DIRECT OBLIGATIONS	51	70,362	52	34,370	53	69,590	1	35,220
FINANCING								
Unobligated balance, start of year		(16,150)						
Unobligated balance, end of year		0						
Subtotal, financing	0	(16,150)			0	0		
TOTAL BUDGET AUTHORITY	51	54,212			53	69,590		
Transfer to Working Capital Fund		0						
TOTAL, APPROPRIATION	51	54,212			53	69,590		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Construction and Major Renovations</u>	52	\$34,370	+1	+\$35,220

An increase (+\$21,300) is requested to proceed with the next steps necessary to complete several urgently needed construction and major renovations projects on NIST's Boulder, Colorado, site. The construction and renovation projects include: completion of the Central Utility Plant (\$10.8 million); design and limited renovation of Building 4 (\$4.0 million); and renovation design of Building 1 (\$6.5 million).

An increase (+\$3,360) is requested to design the renovation of Building 220 at the Gaithersburg, Maryland, site.

An increase (+ 1 FTE, +\$10,560) is requested to increase NIST's safety, capacity, maintenance, and major repairs base funding to an annual level of approximately \$33 million to maintain NIST's Gaithersburg, Maryland, and Boulder, Colorado, sites.

Appropriation: Working Capital Fund

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Direct Obligations		\$4,482		\$2,857		\$7,772	0	\$4,915
Reimbursable Obligations	749	156,483	734	151,178	724	151,178	(10)	0
WCF Investments		23,818		21,371		21,371	0	0
TOTAL OBLIGATIONS	749	184,783	734	175,406	724	180,321	(10)	4,915
FINANCING								
Unobligated balance, start of year		(94,163)		(34,209)		(34,209)		0
Unobligated balance, end of year		34,209		32,331		32,331		0
Offsetting collections from:								
Federal funds		(80,064)		(130,992)		(130,992)		0
Non-Federal sources		(40,283)		(39,679)		(39,679)		0
Subtotal, financing	0	(180,301)	0	(172,549)	0	(172,549)	0	0
TOTAL BUDGET AUTHORITY	749	4,482	734	2,857	724	7,772	(10)	4,915
TRANSFERS								
From STRS		(4,482)		(2,857)		(7,772)		(4,915)
TOTAL, APPROPRIATION	749	0	734	0	724	0	(10)	0

National Telecommunications and Information Administration

The National Telecommunications and Information Administration (NTIA) is responsible for the development of domestic and international telecommunications and information policy for the Executive Branch; for ensuring the efficient and effective management and use of the Federal radio spectrum; for performing state-of-the-art telecommunications research, engineering, and planning; and for administering the Federal program that supports telecommunications facilities for public broadcasting.

For 2004, NTIA requests the funds necessary to address some of the basic research, analytical, and management topics of prime interest to the telecommunications and information sectors. The Salaries and Expenses budget includes funding to maintain ongoing programs for domestic and international policy development, federal spectrum management, and related research.

The Public Telecommunications Facilities, Planning, and Construction (PTFPC) program, in conjunction with the Corporation for Public Broadcasting, has provided support for public broadcasting's digital conversion. NTIA will suspend all grants under this program in FY 2004. Alternatively, the Administration is proposing to target funding of \$80 million for digital transition grants for public television stations within the Corporation for Public Broadcasting.

Information Infrastructure Grants This program is proposed for termination.

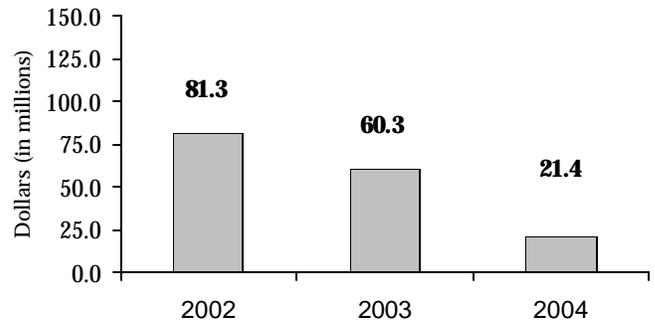
NTIA Performance Measures

NTIA's strategic planning process is designed to improve the management and effectiveness of the agency and continue to address impediments to the development of innovative telecommunications services by the private sector. NTIA's spectrum management and research activities promote innovative technologies and uses of spectrum resources for affordable, alternative communications services. Facilitating broadband deployment is also a major focus of NTIA's efforts. This promising technology has the potential to revolutionize e-commerce, educational opportunities, and health care.

Funding Requirements by Performance Goal (Obligations in millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Promote competition within the telecommunications sector and promote universal access to telecommunications services for all Americans	\$4.2	\$4.6	\$4.5
Ensure allocation of radio spectrum provides the greatest benefit to all people	23.4	29.5	38.6
Promote the availability and support new sources of advanced telecommunications and information services	68.6	62.4	10.4
Total	96.3	96.5	53.4

NTIA Funding



Summary of Appropriations

(Dollars in thousands)

Funding Levels

Appropriation	<u>2002</u>	<u>2003</u> <u>Estimate</u>	<u>2004</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Salaries and Expenses	\$14,048	\$16,581	\$18,869	\$2,288
Public Telecommunications Facilities, Planning & Construction	51,715	43,556	2,538	(41,018)
Information Infrastructure Grants	15,502	212	0	(212)
Total APPROPRIATION	81,265	60,349	21,407	(38,942)

FTE

Salaries and Expenses	92	109	111	2
Reimbursable	123	155	155	0
Public Telecommunications Facilities, Planning & Construction	12	13	13	0
Information Infrastructure Grants	17	3	0	(3)
Total	244	280	279	(1)

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			109	\$16,581
Adjustments to Base				
Adjustments				
Transfer of CFO Contract Audits				42
Other Changes				
2003 Pay raise		\$63		
2004 Pay raise		151		
Payment to Working Capital Fund		14		
Full-year cost in FY 2004 of positions financed for part-year 2003	4	471		
Within-grade step increases		137		
Change in compensable day		38		
Civil Service Retirement System(CSRs)		(29)		
Federal Employees' Retirement System(FERS)		37		
Thrift Savings Plan		7		
Federal Insurance Contributions Act (FICA) -OASDI		18		
Health insurance		53		
Employees' Compensation Fund		1		
Travel:				
Per diem		1		
Passenger Civil Aviation Security Service Fee		3		
Rent payments to GSA		34		
Postage		2		
Printing and reproduction		2		
Other services:				
Working Capital Fund		150		
General Pricing Level Adjustment:				
Communications, Utilities & misc.		4		
Other services		29		
Supplies and materials		3		
Equipment		12		
Subtotal, other cost changes			4	1,201
Less Amount Absorbed			(4)	(575)
TOTAL, ADJUSTMENTS TO BASE			0	668
2004 Base			109	17,249
Program Changes			2	1,620
2004 APPROPRIATION			111	18,869

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Domestic & International Policies	37	\$4,721	37	\$4,597	37	\$4,597	0	\$0
Spectrum Management	26	4,931	26	4,808	28	6,428	2	1,620
Telecommunication Sciences Res.	46	7,556	46	7,844	46	7,844	0	0
TOTAL DIRECT OBLIGATIONS	109	17,208	109	17,249	111	18,869	2	1,620
REIMBURSABLE OBLIGATIONS	155	25,362	155	25,532	155	32,012	0	6,480
TOTAL OBLIGATIONS	264	42,570	264	42,781	266	50,881	2	8,100
FINANCING								
Unobligated balance, start of year (Direct)		(627)						
Unobligated balance, start of year (Reimbursable)		(6,323)						
Offsetting collections from:								
Federal funds	(152)	(18,539)			(152)	(31,512)		
Non-Federal sources	(3)	(500)			(3)	(500)		
Subtotal, financing	(155)	(25,989)			(155)	(32,012)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	109	16,581			111	18,869		

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Paperless System for Spectrum Policy	26	\$4,808	0	+\$1,000

To meet increasing demand for Federal wireless communication systems and services, most notably for public safety requirements within the reduced spectrum resources available, NTIA will establish a paperless system for spectrum issue resolution, certification, satellite coordination and frequency authorization. This request will be matched with \$4.0 million in reimbursements from the Federal agencies that use spectrum.

Spectrum Efficiency and Planning - Interference Determination Methods	26	\$4,808	+2	+\$620
---	----	---------	----	--------

Interference determination methods will support more efficient use of the radio spectrum, a critical requirement as available spectrum becomes more and more scarce due to increasing requirements for spectrum access. This program will provide spectrum managers, radiocommunication designers and developers, and radiocommunication users with the capabilities, tools and procedures to minimize interference to and from their systems. Techniques and methods to define the electromagnetic environment, to define the interference effects from this environment; and to prevent and minimize these interference effects will be surveyed and documented.

In the national and international arena, interference problems are also beginning to surface with greater regularity as the search goes on to identify spectrum for an ever-expanding number of new and innovative radio-based telecommunication and radar services. Billions of dollars of investment are contingent on the availability of spectrum where in-band and adjacent-band interference concerns are resolved either through proper coordination or by innovative equipment designs. Within this environment of increased spectrum requirements and new and innovative radiocommunication systems, the single most challenging issue is the question of how to address the interference problems effectively relative to existing and emerging technologies.

Appropriation: Public Telecommunications Facilities, Planning and Construction

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			13	\$43,556
Adjustments to Base				
Other Changes				
2003 Pay raise		\$13		
2004 Pay raise		19		
Payment to Working Capital Fund		5		
Within-grade step increases		3		
Change in compensable day		5		
Civil Service Retirement System(CSRS)		(4)		
Federal Employees' Retirement System(FERS)		6		
Thrift Savings Plan		1		
Federal Insurance Contributions Act (FICA) -OASDI		4		
Travel:				
Passenger Civil Aviation Security Service Fee		1		
Rent payments to GSA		4		
Printing and reproduction		0		
Postage		1		
Other services:				
Working Capital Fund		55		
General Pricing Level Adjustment:				
Other services		9		
Equipment		2		
Subtotal, other cost changes			0	124
TOTAL, ADJUSTMENTS TO BASE			0	124
2004 Base			13	43,680
Program Changes			0	(41,142)
2004 APPROPRIATION			13	2,538

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$47,146	0	\$41,108	0	\$0	0	(\$41,108)
Program Management	13	2,971	13	2,572	13	2,538	0	(34)
TOTAL DIRECT OBLIGATIONS	13	50,117	13	43,680	13	2,538	0	(41,142)
FINANCING								
Unobligated balance, start of year		(6,561)						
TOTAL BUDGET AUTHORITY / APPROPRIATION	13	43,556			13	2,538		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Public Telecommunications Facilities Planning & Construction (PTFPC)	13	\$43,680	0	-\$41,142

NTIA will suspend all grants under this program in FY 2004. Instead, the Administration is proposing to make \$80 million available for digital transition grants for public television stations within the Corporation for Public Broadcasting's already enacted 2004 funding. Funds for PTFPC for FY 2004 are requested for monitoring existing grants and administrative costs. Prior year unobligated balances may be made available for grants for projects for which applications have been submitted and approved during any fiscal year.

Appropriation: Information Infrastructure Grants

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2003 Estimate			3	\$212
Adjustments to Base				
Adjustments				
NTIA Shutdown costs			(3)	(212)
TOTAL, ADJUSTMENTS TO BASE			<u>(3)</u>	<u>(212)</u>
2004 Base			0	0
Program Changes			0	0
2004 APPROPRIATION			<u>0</u>	<u>0</u>

Comparison by Activity

	2003 Estimate		2004 Base		2004 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Technology Opportunity Program								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	3	3,779	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	<u>3</u>	<u>3,779</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FINANCING								
Unobligated balance, start of year	0	(3,567)			0	0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	<u>3</u>	<u>212</u>			<u>0</u>	<u>0</u>		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Technology Opportunities Program Grants	0	0	0	0

This program is proposed for termination. The use of deobligations and unobligated balances is requested for monitoring existing grants and close-out costs.

Authorizing Legislation Required for 2004

	2004 <u>Request</u>
APPROPRIATION AND ACTIVITY	
Economic Development Administration	
Salaries and Expenses	\$33,377
Economic Development Assistance Programs	331,027
Public Works and Economic Development Act of 1965, P.L.105-393, expires 9/30/03	
International Trade Administration	
Export Promotion, P.L. 103-392, expired 9/30/96	328,686
Bureau of Industry and Security	
Export Administration Act of 1979, Reauthorization P.L. 106-508, expired 8/20/01	73,269
Defense Production Act of 1950, P.L.107-47, expires 9/30/03	4,900
National Oceanic and Atmospheric Administration	
<u>Operations, Research and Facilities</u>	
National Marine Fisheries Service	
Endangered Species Act Amendments of 1988 P.L. 100-478, expired 9/30/92	118,538
Marine Mammal Protection Act P.L. 103-238, expired 9/30/99	28,695
International Dolphin Conservation Program Act, P.L. 105-42, expired 9/30/01	3,300
Magnuson-Stevens Fisheries Conservation Act, P.L. 104-297, expired 9/30/99	296,219
NOAA Marine Fisheries Program Authorization Act, P.L. 104-297, expired 9/30/00	168,600
National Ocean Service	
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	95,610
Coastal Zone Management Act, P.L. 101-506 section 6217, Coastal Nonpoint Source Program expired 9/30/95	10,000
<u>Pacific Coastal Salmon Recovery</u>	
Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund and Southern Boundary Restoration and Enhancement fund, P.L.106-553, expires 9/30/03	90,000
Subtotal, NOAA	810,962
Under Secretary / Office of Technology Policy	
American Technology Preeminence Act of 1991, P.L. 102-245, expired 9/30/93	8,015
National Institute of Standards & Technology	
Scientific & Technical Research & Services	387,621
Industrial Technology Services	39,607
Construction of Research Facilities	69,590
American Technology Preeminence Act of 1991, P.L. 102-245, expired 9/30/93	
Subtotal, NIST	496,818

	2004
<u>National Telecommunications and Information Administration</u>	<u>Request</u>
Salaries and Expenses	\$18,869
Public Telecommunications Facilities, Planning and Construction	2,538
Public Telecommunications Authorization Act of 1992, P.L. 102-356, exp 9/30/94	
Subtotal, NTIA	<hr/> 21,407
TOTAL, AUTHORIZATION REQUIRED	<hr/> 2,108,461
PROGRAMS AUTHORIZED	<hr/> 3,399,433
TOTAL, DEPARTMENT OF COMMERCE APPROPRIATIONS	<hr/> 5,507,894

