

**The
Department of Commerce
Budget in Brief
Fiscal Year 2019**

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U.S. Secretary of Commerce**

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Note: A full-year 2018 appropriation was not enacted at the time the FY 2019 Budget was prepared; therefore, the Budget is built off of the Further Continuing Appropriations Act, 2018 (P.L. 115–120). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

Unless otherwise noted, all dollar amounts are in thousands

The total Full-Time Equivalent Employees (FTEs) reflect the total number of straight-time hours (i.e., not including overtime or holiday hours) worked by employees divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave and compensatory time off and other approved leave categories are considered to be “hours worked” for the purposes of defining FTE employment.



Departmental Overview

Promoting Job Creation and Economic Growth

The mission of the U.S. Department of Commerce is to create the conditions for long-term economic growth and opportunity. The Department accomplishes its mission by providing the data necessary to support commerce, promoting fair, reciprocal, and secure trade, ensuring America's national security and technological leadership through export controls and an effective patent system, and fostering innovation by setting standards and conducting foundational research and development.

FY 2019 BUDGET IN CONTEXT

The U.S. Department of Commerce's FY 2019 Budget requests \$9.8 billion in discretionary funding, a \$0.6 billion or 7 percent increase from the FY 2018 Annualized Continuing Resolution (CR) level¹. The FY 2019 Budget Request prioritizes and protects investments in core Government functions such as preparing for the 2020 Decennial Census, providing the observational infrastructure and personnel to produce timely and accurate weather forecasts, enforcing laws that promote fair and secure trade, protecting intellectual property, and managing utilization of spectrum resources. In order to adequately fund these priorities, the Budget proposes targeted reforms to best leverage Federal funding, reduces funding for grants, eliminates duplicative or unnecessary programs, and consolidates others.

Providing the Data Necessary to Support Commerce

The Decennial Census is a constitutional requirement and the Department's highest priority in 2019. The Budget provides \$3.8 billion, an increase of more than \$2.3 billion from the FY 2018 Annualized CR, for the U.S. Census Bureau. In 2019 major field operations for the 2020 Census will begin, which include in-field address canvassing to finalize the nation's address list, the buildout of offices across the country to support field management and temporary staff, and final preparations and refinements to information technology investments for the collection of respondent data in 2020. These operations are essential to conducting a modern, efficient, and accurate 2020 Decennial Census. A full, fair, and accurate Decennial Census is imperative the Decennial Census governs the apportionment of seats in the House of Representatives. These data also play an important role in shaping policy and determining the distribution of government resources. In addition, Census data are used by governmental entities at the State and local levels for defining the representative boundaries for congressional districts, State legislative districts, school districts, and voting precincts.

The Budget also includes \$101 million for the Bureau of Economic Analysis (BEA) to provide timely, accurate, and relevant economic statistics in an objective and cost-effective manner.

The National Oceanic and Atmospheric Administration's (NOAA) FY 2019 Budget of \$4.6 billion prioritizes core government functions that promote national security and public safety while fostering economic opportunity.

This NOAA Budget supports: continuing to promote aquaculture development and rebuild fisheries; maintaining National Weather Service forecasting capabilities while promoting efficient and effective operations; recapitalizing the NOAA fleet to continue at-sea data collection; and fostering safe and efficient marine and coastal navigation.

Advance notice provided by weather forecasts enables the Nation's leaders, decision makers, and media to provide better warnings and advisories to first responders, the public, and businesses. Timeliness and accuracy reduce catastrophic loss of human life and property and damaging effects on the national economy. Polar-orbiting satellites are critical to this mission, providing space-based observations that improve the accuracy of weather predictions. In recognition of the value these satellites provide, the Budget includes \$878 million for the NOAA Polar Weather Satellites. The Budget will allow NOAA to keep these satellites on track for planned launch dates and to maintain continuity of both the polar-orbiting and geostationary satellite constellations. Additionally, the Budget proposes to combine the current polar orbiting satellite program with the planned follow on to allow more efficient management, thereby lowering costs compared to prior estimates without impacting schedule.

¹ A full-year 2018 appropriation was not enacted at the time the FY 2019 Budget was prepared; therefore, the Budget is built off of the Further Continuing Appropriations Act, 2018 (P.L. 115-120). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. All other comparisons and discussions of the budget request and policy will use the Annualized CR as the base.

Ensuring Fair and Secure Trade

To support the Administration's aggressive approach to a global market that allows U.S. businesses to compete fairly, the Budget provides \$440 million for the International Trade Administration (ITA). Within ITA, the Budget requests slightly more than \$90 million for ITA's Enforcement and Compliance unit to expand and enhance the Department's efforts to ensure trade is both fair and reciprocal, with a level playing field for U.S. workers and businesses. This would allow ITA to conduct robust investigations into alleged trade violations, aggressively advocate for U.S. businesses facing tariff and non-tariff barriers abroad, and, increase the capacity to closely review proposed foreign investments in U.S. businesses.

Additionally, the Budget supports \$121 million for the Bureau of Industry and Security (BIS). This funding will augment the Bureau's work efforts to protect national security and safeguard American technology by preventing illegal exports of sensitive products while facilitating secure trade with U.S. allies and close partners.

Fostering Innovation by Setting Standards and Conducting Foundational Research and Development

With a request of \$629 million, the FY 2019 Budget supports the National Institute of Standards and Technology's (NIST) mission to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. Through the NIST Laboratories, the bureau will maintain its core capabilities in measurement science, continuing to provide the measurements and standards that accelerate innovation. The bureau will continue to play a unique role through its R&D capabilities that provide cutting edge measurement science solutions for the industries of the future; and measurement services on which government, industry and academia rely.

The Budget continues to support the National Telecommunications and Information Administration (NTIA) in representing U.S. interests at multi-stakeholder forums on internet governance and digital commerce with a \$34 million request. The Budget supports the commercial sector's development of next generation wireless services, including 5G and the Internet of Things, by funding NTIA's mission of ensuring the most efficient use of spectrum resources by Government users. Ensuring adequate access to scarce spectrum resources by both the commercial and Government sectors is a crucial factor for economic growth and national security.

The \$3.5 billion request (offset by fee collections) for the U.S. Patent and Trademark Office (USPTO) will help American entrepreneurs and businesses secure their intellectual property and bring their inventions to the marketplace. USPTO continues to reduce the number of patent applications awaiting review and the time it takes to issue a final decision. In addition, this Budget reflects the continued development and successful deployment of new IT capabilities to continue retiring legacy systems.

Modernizing Support for Minority Owned Businesses

Minority owned businesses face unique challenges in obtaining the capital and support necessary to start and operate businesses. The Minority Business Development Agency (MBDA) within the Department of Commerce is solely dedicated to addressing these challenges and helping minority businesses thrive. To further this mission, the Budget proposes \$10 million to reform the operations of MBDA to expand its reach and better help it meet its programmatic objectives. These reforms would eliminate the business centers operated by MBDA, which are duplicative of programs operated by other Federal agencies, but, would establish MBDA as a policy office that is positioned to advocate for minority businesses across all Federal programs.

Streamlining Government Operations and Improving Efficiency

The Budget eliminates the Economic Development Administration (EDA), which provides small grants with limited measurable impacts and duplicates other Federal programs, such as Rural Utilities Service grants at the U.S. Department of Agriculture and formula grants to States from the Department of Transportation. By eliminating EDA, the Budget saves approximately \$289 million from the FY 2018 Annualized CR level.

The Budget also eliminates Federal funding for the Manufacturing Extension Partnership (MEP) program within NIST, which subsidizes up to half the cost of State centers that provide consulting services to small- and medium-sized manufacturers. This proposal saves \$127 million from the FY 2018 Annualized CR level, and, directs MEP centers to transition solely to non-Federal revenue sources as originally intended when the program was established.

Departmental Management

The mission of Departmental Management (DM) is to develop and implement policy affecting U.S. and international activities as well as the internal goals and operations of the Department. DM serves as the primary liaison with the executive branch, legislative affairs, and private sector groups. DM also acts as the management and administrative control point for the Department.

DM accomplishes its mission through the following activities:

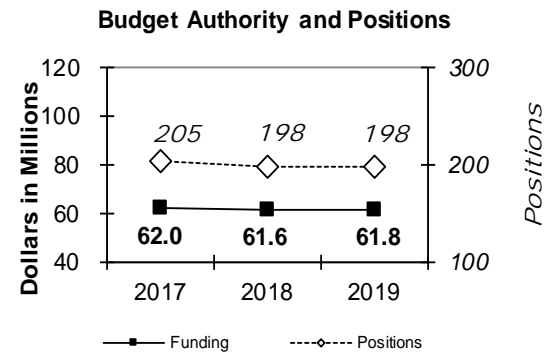
- The Salaries and Expenses (S&E) account provides funding for the Office of the Secretary, the Office of the Deputy Secretary, and support staff.
- The Renovation and Modernization account addresses major building infrastructure deficiencies and security weaknesses.
- The Working Capital Fund (WCF) finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently performed on a centralized basis, such as legal, enterprise services, security, human resources, financial management, building management, information technology, and procurement services.

DM's mission priorities are to provide overall leadership, policy direction, and coordination of bureau programs in furtherance of the Department's mission. In addition, DM provides administrative oversight and operational support in the development, acquisition, deployment, operation and security of information technology, including Cybersecurity; ensures the effective management and security of the facilities and property; recruitment, training, retention, management of a diverse and highly effective workforce; and ensures effective management of fiscal resources as well as business processes to support the Department's mission.

In 2019, DM continues to fulfill its mission by leveraging its highly effective workforce to find alternative solutions to work smarter while maintaining a high-level of customer service. The Salaries and Expenses appropriation provides funding for the development and implementation of Departmental policies, coordinates the bureaus' program activities to accomplish the Departmental mission, and provides funds for the development and implementation of the Department's internal policies, procedures, and other administrative guidelines.

The WCF's mission is to provide central services to the Department's bureaus in the most efficient and economical manner possible. The WCF provides administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its mission. It operates as a revolving fund and does not receive a yearly appropriation, but instead charges services directly to the customer bureaus.

Base funding is requested for the Renovation and Modernization of the Herbert C. Hoover Building (HCHB) to continue to support five positions and the associated costs to benefits, rent, utilities, supplies, and training. The renovation and modernization will upgrade infrastructure, modernize tenant spaces, remove safety hazards, and improve energy efficiency as Commerce optimizes utilization of HCHB space. The General Services Administration and Commerce are each responsible for certain aspects of the project's costs. The request funds construction costs to complete design of Phase 5 and 6 activities and to include 21st Century Workplace Initiative tenant improvements, allowing the Department to maximize HCHB space by reducing the overall footprint.



Summary of Appropriations

	2017	2018	2019	Increase
	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>(Decrease)</u>
<u>Discretionary Appropriation</u>				
Salaries and Expenses	\$58,000	\$57,606	\$58,994	\$1,388
Renovation and Modernization	4,000	3,973	2,796	(1,177)
Total, Appropriation	62,000	61,579	61,790	211
<u>Budget Authority</u>				
Salaries and Expenses	58,000	57,606	58,994	1,388
Renovation and Modernization	4,000	3,973	2,796	(1,177)
Total, Budget Authority	62,000	61,579	61,790	211
<u>Mandatory Appropriation</u>				
Gifts & Bequests Trust Fund	3,188	3,500	3,500	0
Total, Mandatory Appropriation	3,188	3,500	3,500	0
<u>Positions</u>				
Salaries and Expenses - Direct	200	193	193	0
Salaries and Expenses - Reimbursable	77	78	78	0
Renovation and Modernization - Direct	5	5	5	0
Working Capital Fund - Reimbursable	672	665	665	0
Total	954	941	941	0
<u>Civilian Full-Time Equivalent Employment</u>				
Salaries and Expenses - Direct	158	178	178	0
Salaries and Expenses - Reimbursable	77	78	78	0
Renovation and Modernization - Direct	5	5	5	0
Working Capital Fund - Reimbursable	539	532	532	0
Total	779	793	793	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			193	\$57,606
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$127		
Civil Service Retirement System (CSRS)		(32)		
Federal Employees' Retirement System (FERS)		49		
Thrift Savings Plan (TSP)		16		
Federal Insurance Contributions Act (FICA) - OASDI		32		
Health insurance		89		
Compensable Day		111		
Employee Compensation		(8)		
Travel - Per Diem		3		
Rent payments to GSA		44		
Printing and reproduction		3		
Working Capital Fund (WCF)		657		
General Pricing Level Adjustment:				
Transportation of things		1		
Communications and miscellaneous		4		
Other services		284		
Supplies and materials		5		
Equipment		3		
Subtotal, other changes			0	1,388
Total, Adjustments to Base			0	1,388
2019 Base			193	58,994
Program Changes			0	0
2019 Appropriation			193	58,994

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
Direct Obligations								
Operations and Administration	193	\$57,663	193	\$58,994	193	\$58,994	0	\$0
Total Direct Obligations	193	57,663	193	58,994	193	58,994	0	0
Reimbursable Authority	78	107,695	78	107,557	78	107,557	0	0
TOTAL OBLIGATIONS	271	165,358	271	166,551	271	166,551	0	0
FINANCING								
Unoblig.bal. start of year (Direct)		(57)						
Unoblig.bal. start of year (Reimbur)		(138)						
Offsetting collections	(78)	(107,557)			(78)	(107,557)		
Subtotal, financing	(78)	(107,752)			(78)	(107,557)		
TOTAL BUDGET AUTHORITY /	193	57,606			193	58,994		
APPROPRIATION								

Highlights of Program Changes

<u>Operations and Administration</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
	0	0	0	0

Departmental Management is not proposing any program changes for this account in FY 2019.

Appropriation: Renovation and Modernization

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			5	\$3,973
<u>Adjustments to Base</u>				
Adjustments				
Non-recurring Construction Base				(3,109)
Other Changes				
FY 2018 Pay raise		\$4		
Change in Compensable Days		3		
Health insurance		1		
General Pricing Level Adjustments:				
Other services		52		
Subtotal, other changes			0	60
Total, Adjustments to Base			0	(3,049)
2019 Base			5	924
Program Change			0	1,872
2019 Appropriation			5	2,796

Comparison by Activity

BUDGET AUTHORITY	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
Renovation & Modernization	5	\$3,973	5	\$924	5	\$2,796	0	\$1,872
TOTAL BUDGET AUTHORITY	5	3,973	5	924	5	2,796	0	1,872

Highlights of Program Changes

<u>Renovation and Modernization Project</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
	5	\$924	0	+\$1,872

This account funds the Commerce Department's portion of expenses associated with renovating and modernizing the Herbert C. Hoover Building (HCHB). The renovation and modernization will upgrade infrastructure, modernize tenant spaces, remove safety hazards, and improve energy efficiency as Commerce optimizes utilization of HCHB space. The General Services Administration and Commerce are each responsible for certain aspects of the project's costs. The request funds construction for the 21st Century Workplace Initiative improvements, allowing the Department to maximize HCHB space.

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Estimate			665	\$223,803
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$444		
Civil Service Retirement System (CSRS)		(79)		
Federal Employees' Retirement System (FERS)		155		
Thrift Savings Plan (TSP)		50		
Federal Insurance Contributions Act (FICA) - OASDI		17		
Health insurance		240		
Compensable Day		354		
Travel - Per diem		12		
Rent payments to GSA		1,093		
Printing and reproduction		7		
General Pricing Level Adjustment:				
Transportation of things		3		
Communications and miscellaneous		42		
Other services		1,774		
Supplies and materials		21		
Equipment		49		
Subtotal, other changes			0	4,182
Total, Adjustments to Base			0	4,182
2019 Base			665	227,985
Program Changes			0	0
2019 Operating Level			665	227,985

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
OPERATING LEVEL								
Operations and Administration	665	\$236,449	665	\$227,985	665	\$227,985	0	\$0
TOTAL OPERATING LEVEL	665	236,449	665	227,985	665	227,985	0	0
FINANCING								
Unobligated balance, start of year		(12,646)						
Offsetting collections from:								
Federal funds		(223,803)				(227,985)		
Subtotal, financing		(236,449)				(227,985)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	665	0			665	0		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	
0	0	0	0	

Departmental Management is not proposing any program changes for this account in FY 2019.

Direct Costs by Office

Offices	2019 Estimate	
	<u>Positions</u>	<u>Amount</u>
Human Resources Management	61	\$13,846
Civil Rights	10	2,778
Financial Management	62	33,119
Security	124	29,354
Facilities and Environmental Quality	69	19,091
Acquisition Management	9	4,055
Privacy and Open Government	4	1,022
General Counsel	214	47,650
Chief Information Officer	42	35,892
Enterprise Services	52	36,789
Executive Direction	18	4,389
Total Working Capital Fund	665	227,985

Distribution by Bureau

Bureaus	<u>Amount</u>
Departmental Management	\$13,036
International Trade Administration	33,384
Economic Development Administration	1,398
National Telecommunications and Information Administration	7,473
National Technical Information Service	1,834
Bureau of the Census	43,000
Bureau of Economic Analysis	3,321
National Oceanic and Atmospheric Administration	55,249
National Institute of Standards and Technology	26,317
U.S. Patent and Trademark Office	20,124
Minority Business Development Agency	4,593
Bureau of Industry and Security	12,632
Office of the Inspector General	2,933
Total Commerce Bureaus	225,294
Other Agencies	2,691
Total Working Capital Fund	227,985

Performance Indicators

The following table shows the DM performance indicators. Additional details appear at the end of the DM section of the Department of Commerce budget.

	2017 <u>Target</u>	2017 <u>Actual</u>	2018 <u>Target</u>	2019 <u>Target</u>
Score on the Employee Engagement index	69%	71%	71%	71%
Score on the New Inclusion Quotient	64%	66%	66%	66%
Percentage of high-volume processes with customer feedback elements	100%	100%	100%	100%
Score on the Results-Oriented Performance Culture Index	61%	62%	62%	62%
Cybersecurity Cross-Agency Priority Goal average for the Department	95%	TBD	TBD	TBD
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2017 A-123 assessment of internal controls	The significant deficiency (FISCAM) from FY 2016 remains and a material weakness was identified. Completed FY 2017 A-123 assessment of Internal Controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2018 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2019 A-123 assessment of internal controls
Unmodified Audit opinion	Unmodified	Unmodified	Unmodified	Unmodified
For each administrative / business system, maintain compliance and alignment with OMB initiatives	Maintain compliance	Maintained compliance	Maintain compliance	Maintain compliance
Dollars awarded using high-risk contracting authorities	Maintain 10% reduction in the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities	\$222M	Maintain 10% reduction in the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities	Maintain 10% reduction in the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities
Savings achieve thru more effective acquisition practices (millions)	\$18	\$36	\$17	\$31
Veteran Hires	26%	10.2%	23.2%	TBD
Mission-Critical Occupation Staffing	5%	9%	5%	5%
Permanent Attrition	7%	7%	7%	7%
Hiring Timeline	65	89	65	65
Candidate Quality	70%	54%	70%	70%
Disability Hires	13.0%	21.9%	13.5%	14.0%

	2017 Target	2017 Actual	2018 Target	2019 Target
Demonstrate effective management of information technology resources including cyber security	IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.	On average, for its major IT investments, the Department was within a 20% positive variance (under budget) and was within a 30% schedule variance.	IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.	IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.
	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	The Enterprise Security Operations Center implemented a Departmental Incident Management System to report, track, and manage all Commerce cyber incidents. Hardware Asset Management:83%; Software Asset Management: 81%; Vulnerability Management: 92%; Configuration Management: 96%;	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)
	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)	Privileged users: 97% Unprivileged users: 89%	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)
	Trusted Internet Connection Consolidation – ensures external Internet traffic and passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS provider (100%)	TIC Consolidation is at 100% via MTIPs and TICAP for all bureaus.	Trusted Internet Connection Consolidation – ensures external Internet traffic and passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS provider (100%)	Trusted Internet Connection Consolidation – ensures external Internet traffic and passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS provider (100%)
	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	NOAA's TIC 2.0 compliance at 98% (59/60) based on the DHS FY17 TIC Capability Validation (TCV) report critical controls	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)
	Perform IT Security compliance review of all OUs and 20 assessments	Conducted 27 analyses, reviews, and assessments, including an RMF Continuous Monitoring Check of all 270 Department of Commerce FISMA-reportable systems.	Perform IT Security compliance review of all OUs and 20 assessments	Perform IT Security compliance review of all OUs and 20 assessments

Office of the Inspector General

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

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

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

The OIG mission priorities are to provide a unique, independent voice to the Secretary of Commerce, the Department's senior leaders, and to Congress. OIG combats fraud, waste, abuse, and mismanagement, and improves the efficiency, effectiveness, and economy of Department operations. The OIG has authority to inquire into all program and administrative activities of the Department, including individuals or organizations performing under contracts, grants, cooperative agreements, and other financial assistance awards. The Inspector General Act of 1978, as amended and other legislation authorizes the specific functions and programs that make up these broad activities.

In FY 2019, OIG requests a total of \$40.9 million—\$32.0 million in direct appropriations and transfers of \$2 million from the U.S. Patent and Trademark Office, \$1.3 million from National Oceanic and Atmospheric Administration for satellite oversight; and a transfer of \$3.6 million from the Census Bureau, an increase of \$1 million as well as \$2.0 million from the Public Safety Trust Fund for the oversight of First Responders Network Authority (FirstNet).

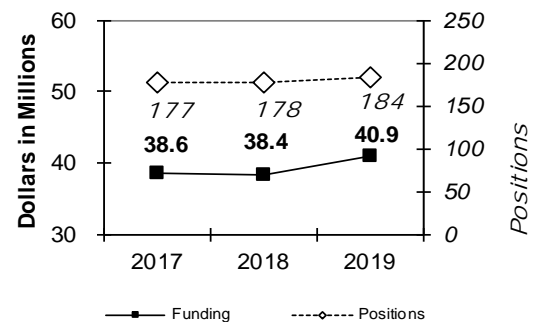
OIG's base resources of \$38.9 million will enable OIG to continue:

- Working on criminal and civil investigations.
- Conducting annual audits of the Department's financial statements and information security program and practices.
- Conducting annual risk-based audits/reviews of DOC offices, programs, and activities, in which reports and recommendations for improving DOC's operations are issued.
- Maintaining the OIG Hotline to monitor and process allegations of waste, fraud, abuse, or mismanagement.

The additional \$1 million from the Census Bureau and \$2.0 million from the Public Safety Trust Fund would permit OIG to provide additional oversight to the 2020 decennial census and the First Responder Network Authority (FirstNet) without reducing oversight for DOC's other programs. OIG currently has no dedicated FirstNet funding to conduct oversight.

OIG's budget request attempts to balance providing oversight for DOC's 99 programs while increasing oversight of the 2020 decennial census and FirstNet.

Budget Authority and Positions



Summary of Appropriations

Appropriation	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations and Administration	\$32,744	\$32,522	\$32,030	(\$492)
Total, Appropriation	32,744	32,522	32,030	(492)
Transfer from Census	2,580	2,562	3,556	994
Transfer from NOAA	1,302	1,294	1,302	8
Transfer from USPTO	2,000	1,986	2,000	14
Transfer from FirstNet PSTF	0	0	2,000	2,000
Total, Budget Authority	38,626	38,364	40,888	2,524
 <u>Positions</u>				
Operations and Administration - Direct	177	178	184	6
Operations and Administration - Reimbursable	2	2	2	0
Total	179	180	186	6
 <u>Civilian Full-Time Equivalent Employment</u>				
Operations and Administration - Direct	162	177	181	4
Operations and Administration - Reimbursable	2	2	2	0
Total	164	179	183	4

Highlights of Budget Changes

Appropriation: Office of the Inspector General

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			178	\$32,522
<u>Adjustments to Base</u>				
Other Changes				
2018 Pay raise		\$144		
Civil Service Retirement System (CSRS)		(15)		
Federal Employees' Retirement System (FERS)		30		
Thrift Savings Plan		4		
Federal Insurance Contributions Act (FICA) - OASDI		8		
Health insurance		52		
Compensable Day		101		
Travel - Per diem		3		
Rent payments to GSA		36		
Working Capital Fund		122		
General Pricing Level Adjustment				
Communications and miscellaneous		5		
Other Services		54		
Supplies and materials		2		
Equipment		19		
Subtotal, other changes			0	565
Total, Adjustments to Base			0	565
2019 Base			178	33,087
Program Change			6	(1,057)
2019 Appropriation			184	32,030

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
Direct Obligations								
Inspector General	178	\$44,668	178	\$38,929	184	\$40,888	6	\$1,959
Total Direct Obligations	178	44,668	178	38,929	184	40,888	6	1,959
Reimbursable Authority	2	3,500	2	3,500	2	3,500	0	0
TOTAL OBLIGATIONS	180	48,168	180	42,429	186	44,388	6	1,959
FINANCING								
Unobligated balance, start of year		(6,304)						
Offsetting collections	(2)	(3,500)	(2)	(3,500)	(2)	(3,500)	0	0
Subtotal, financing	(2)	(9,804)	(2)	(3,500)	(2)	(3,500)	0	0
TOTAL BUDGET AUTHORITY	178	38,364	178	38,929	184	40,888	6	1,959
Transfers from other accounts		(5,842)		(5,842)		(8,858)	0	(3,016)
TOTAL APPROPRIATION	178	32,522	178	33,087	184	32,030	6	(1,057)

Highlights of Program Changes

	Base		Increase / Decrease	
	Positions	Amount	Positions	Amount
Office of the Inspector General	178	\$38,929	+6	+\$1,959
Increased Census Oversight			+6	\$1,016

OIG requests an increased transfer of \$1,016,000 and 6 positions for increased oversight of 2020 Census activities for two years, for a total transfer from the Census Bureau of \$3.556 million.

OIG will add six personnel to handle the short-term increased workload. Additional funding would allow for the necessary oversight of multiple 2020 decennial census operations, hotline and investigative support, and result in 5 to 10 additional oversight products each year. For the 2020 decennial census, OIG will identify potential problem areas by obtaining Bureau datasets (for example, production, payroll, and financial) throughout the operations to identify high-risk areas and take targeted action. By synthesizing information, OIG will analyze office performance across numerous variables, identify outliers, and visit offices with concerning trends.

To achieve these goals and provide targeted oversight of the Bureau without reducing the level of oversight to other areas of the Department, OIG will require an increase in audit and investigation staff in FY 2019, as 2020 decennial census operations are starting. This increase will position OIG to meet the extensive oversight demands of the census.

Increased FirstNet Oversight	+7	\$2,000
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The U.S. Department of Commerce (DOC), Office of Inspector General (OIG) requests an increase of \$2.0 million from the First Responder Network Authority (FirstNet) to fund dedicated oversight. Due to the scope, complexity, and financial magnitude for FirstNet—as well as the Department’s current lack of experience in this area—FirstNet requires more thorough oversight to ensure the Department successfully implements the Nationwide Public Safety Broadband Network (NPSBN). OIG requires this funding to ensure sufficient oversight of FirstNet.

Decreased General Oversight	-7	-\$1,057
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OIG requests a program decrease of \$1,057,000 from general oversight operations. This decrease will result in a personnel reduction of 7 positions and three audit products.

Performance Indicators

The following table shows the OIG performance indicators. Additional details appear at the end of the OIG section of the Department of Commerce budget.

	2017 Target	2017 Actual	2018 Target	2019 Target
% of OIG recommendations accepted by Departmental and bureau management	95%	95%	95%	95%
Dollar value of financial benefits identified by OIG (millions)	\$70	\$56.4	\$70	\$70
% of investigative cases completed within 365 days	70%	70%	70%	70%

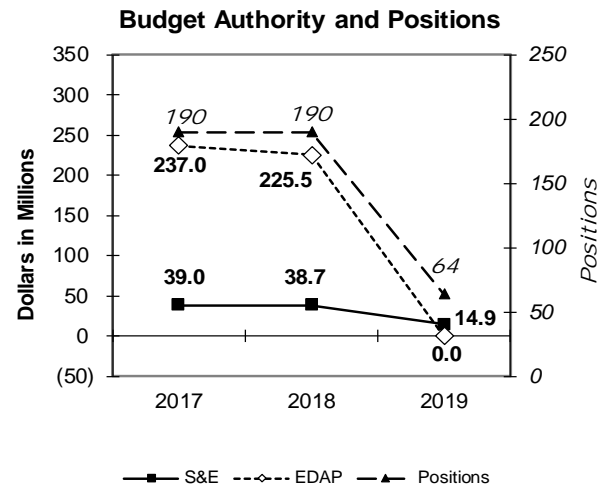
Economic Development Administration

The Administration's 2019 Budget prioritizes rebuilding the military and making critical investments in the Nation's security. It also identifies the savings and efficiencies needed to keep the Nation on a responsible fiscal path. The Administration has made the necessary tradeoffs and choices inherent in pursuing these goals. This means changing the role and size of the Federal Government and prioritizing the programs that provide a good return for the taxpayer, as well as those that serve the most critical functions, while consolidating or eliminating duplicative, ineffective or less critical programs. Many difficult decisions were necessary to reach the funding level provided in this budget, and the elimination of the Economic Development Administration (EDA) is one of them.

In support of these goals, the EDA FY 2019 budget requests program decreases to provide offsets to rebuild the military and make critical investments in the Nation's security. This budget requests \$14.9 million to cover the costs associated with closing down the agency.

In light of the proposal to close down EDA, the Administration is also including in the general provisions for the Department of Commerce, specific language to allow for the defederalization of its Revolving Loan Fund grants. This language is necessary for the orderly close down of EDA's operations. Without the authority, EDA or any successor operating unit within the Department, would have to administer and monitor these grants in perpetuity because the federal interest in this type of grant does not end.

Since EDA's inception 52 years ago, EDA has led the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA is proud of the investments it has made in economically distressed regions, based on their locally-driven strategies and needs, and the outcomes of those investments which spurred local innovation and entrepreneurship creating and saving jobs and leveraging private investments.



Summary of Appropriations

<u>Appropriation</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$39,000	\$38,735	\$14,937	(\$23,798)
Economic Development Assistance Programs	237,000	235,458	0	(235,458)
Total, Appropriation	276,000	274,194	14,937	(259,257)
Rescission		(10,000)	(40,000)	(30,000)
Total, Budget Authority	276,000	264,194	(25,063)	(289,257)
<u>Positions</u>				
Salaries and Expenses - Direct	190	190	64	(126)
Salaries and Expenses - Reimbursable	1	1	0	(1)
Total	191	191	64	(127)
<u>Civilian Full-Time Equivalent Employment</u>				
Salaries and Expenses - Direct	184	184	58	(126)
Salaries and Expenses - Reimbursable	0	0	0	0
Total	184	184	58	(126)

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			190	\$38,735
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$50		
Civil Service Retirement System (CSRS)		(6)		
Federal Employees' Retirement System (FERS)		23		
Thrift Savings Plan		2		
Federal Insurance Contributions Act (FICA) - OASDI		18		
Health insurance		19		
Compensable Day		43		
Employee Compensation Fund		(56)		
Travel - Mileage		(2)		
Travel - Per diem		5		
Rent payments to GSA		18		
NARA		5		
Working Capital Fund		(2,650)		
General Pricing Level Adjustment				
Rental payments to others		3		
Other Services		51		
Supplies and materials		1		
Subtotal, other changes			0	-2,477
Total, Adjustments to Base			<u>0</u>	<u>-2,477</u>
2019 Base			190	36,258
Program Change			(126)	(21,321)
2019 Appropriation			64	14,937

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
Direct Obligations								
Salaries and Expenses	190	\$38,735	190	\$36,258	64	\$14,937	(126)	(\$21,321)
Total Direct Obligations	190	38,735	190	36,258	64	14,937	(126)	(21,321)
Reimbursable Authority	0	950	1	950	0	0	(1)	(950)
TOTAL OBLIGATIONS	190	39,685	191	37,208	64	14,937	(127)	(22,271)
FINANCING								
Unoblig. balance, start of year		0						
Offsetting collections	0	(950)			0	0		
Subtotal, financing	0	(950)			0	0		
TOTAL BUDGET AUTHORITY	190	38,735			64	14,937		
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Salaries and Expenses	190	\$37,208	-126	-\$22,271

EDA proposes a program decrease of \$22.3 million for a total of \$14.9 million and a decrease of 126 positions for a total of 64 positions for the Salaries and Expenses Program. This funding level supports the elimination of EDA and covers the anticipated costs associated with closing down the agency such as severance payments, lump sum leave payments, termination fees, legal fees, and other costs. The close down plan includes the reduction of staff through involuntary separation and the transfer to another federal agency the monitoring and servicing of open grants and loans until their closeout date. EDA estimates it will take an additional six years to close the 2,387 open grants and loans remaining open as of November 2017. There will be continued costs to the organization monitoring and servicing EDA's grants and loans until they are all closed. After the grants are closed, there is post-close-out work that will need to occur through the useful life of the projects, often up to 20 years. This monitoring will also need to be performed by the federal grant making organization designated to assume EDA's grant and management functions

Appropriation: Economic Development Assistance Programs

Summary of Requirements

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR	0	\$225,458
Adjustments to Base	0	0
2019 Base	0	225,458
Program Changes	0	(225,458)
2019 Appropriation	0	0

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Public Works	0	\$120,000	0	\$120,000	0	\$0	0	(\$120,000)
Partnership Planning	0	33,000	0	33,000	0	0	0	(33,000)
Technical Assistance	0	10,000	0	10,000	0	0	0	(10,000)
Research and Evaluation	0	1,400	0	1,400	0	0	0	(1,400)
Trade Adjustment Assistance	0	13,000	0	13,000	0	0	0	(13,000)
Economic Adjustment Assistance	0	44,000	0	44,000	0	0	0	(44,000)
Assistance to Coal Communities	0	30,000	0	30,000	0	0	0	(30,000)
Innovative Technologies in Manufacturing Loan Guarantees	0	0	0	0	0	0	0	0
Regional Innovation	0	17,000	0	17,000	0	0	0	(17,000)
TOTAL OBLIGATIONS	0	268,400	0	268,400	0	0	0	(268,400)
Adjustments for								
Recoveries		(36,433)		(36,433)		(32,000)		4,433
Unobligated balance, start of year		(43,950)		(43,950)		(27,441)		16,509
Unobligated balance, end of year		27,441		27,441		19,441		(8,000)
Unobligated Balance Rescission		10,000		10,000		40,000		30,000
TOTAL APPROPRIATION	0	225,458	0	225,458	0	0	0	(225,458)

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Economic Development Assistance Programs	0	\$225,458	+0	-\$225,458

The Administration proposed eliminating EDA and is not requesting funding for its grant programs in FY 2019.

Performance Indicators

The table below shows the EDA performance Indicators. Additional details appear at the end of the EDA section of the Department of Commerce budget.

	<u>2017 Target</u>	<u>2017 Actual</u>	<u>2018 Target</u>	<u>2019 Target</u>
Number of grants that support place-based export strategies	53	76	NA	NA
Dollar amount of grants that support place-based export strategies (millions)	\$61.0	\$85.1	NA	NA
Recipient estimated number of jobs generated as a result of grants that support inward investment	3,907	9,766	NA	NA

Economic Development Administration

	2017 Target	2017 Actual	2018 Target	2019 Target
Recipient estimated dollar amount of private investment generated as a result of grants that support inward investment (millions)	\$1,300.0	\$4,295.47	NA	NA
Number of grants that support innovation-based capacity building activities	209	354	NA	NA
Dollar amount of grants that support innovation-based capacity building activities (millions)	\$100.0	\$168.4	NA	NA
Number of jobs generated as a result of infrastructure for industry-driven skills training	4,506	6,024	NA	NA
Dollar amount of private investment generated as a result of infrastructure for industry-driven skills training (millions)	\$157.4	\$70.4	NA	NA
Number of grants that support resiliency in communities and regions	270	407	NA	NA
Dollar amount of grants that support resiliency in communities and regions (millions)	\$71.3	\$97.1	NA	NA
Private sector dollars invested in distressed communities as a result of EDA investments	\$176 M from FY 2014 funding	\$793 M from FY 2014 funding	\$323 M from FY 2015 funding	\$346 M from FY 2016 funding
	\$561 M from FY 2011 funding	\$199 M from FY 2011 funding	\$525 M from FY 2012 funding	\$391 M from FY 2013 funding
	\$1,223 M from FY 2008 funding	\$4,233 M from FY 2008 funding	\$2,186 M from FY 2009 funding	\$1,303 M from FY 2010 funding
Jobs created or retained in distressed communities as a result of EDA investments	4,037 from FY 2014 funding	5,510 from FY 2014 funding	7,322 from FY 2015 funding	7,779 from FY 2016 funding
	13,392 from FY 2011 funding	18,114 from FY 2011 funding	12,348 from FY 2012 funding	9,082 from FY 2013 funding
	31,280 from FY 2008 funding	27,029 from FY 2008 funding	55,915 from FY 2009 funding	31,667 from FY 2010 funding
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	95%	73%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	89%	92%	89%	89%
% of University Center (UC) clients taking action as a result of UC assistance	75%	94%	75%	75%
% of those actions taken by UC clients that achieve the expected results	83%	89%	83%	83%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	90%	81%	90%	90%
% of those actions taken by TAAC clients that achieve the expected results	95%	97%	95%	95%

Bureau of the Census

The mission of the Bureau of the Census (Census) is to serve as the leading source of quality data about the Nation's people and economy.

To accomplish this mission, Census measures and disseminates information about the Nation's dynamic economy, society, and institutions, fostering economic growth and advancing scientific understanding, and facilitating informed decisions. It does this through the following appropriations:

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

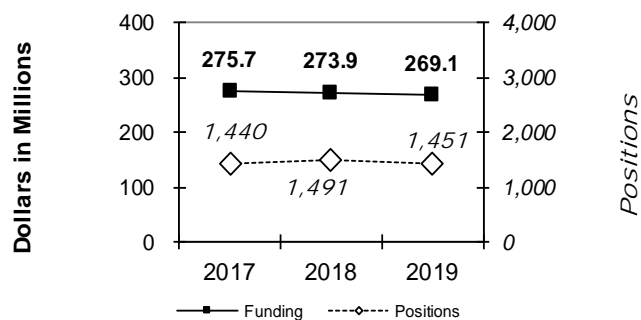
The **Periodic Censuses and Programs** appropriation funds the Decennial Census, which is conducted every ten years, and the Economic Census, and the Census of Governments, which are conducted every five years. It also funds the American Community Survey (ACS), which produces annual, detailed community-level demographic socio-economic estimates, permitting the Decennial Census to collect only minimal demographic information; and the Geographic Support program, which provides the address lists, geospatial data products, and processing systems that support all Census Bureau programs, as well as local governments and businesses that use Census Bureau place-based data. Finally, the Enterprise Data Collection and Dissemination Systems programs provide critical systems infrastructure to Census Bureau surveys and censuses.

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

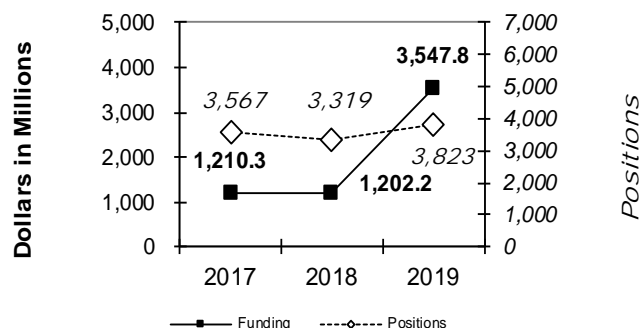
The **Working Capital Fund (WCF)** is a revolving fund account funded by contributions from appropriated and reimbursable accounts used to finance services within Census, which are more efficiently performed on a centralized basis. The WCF also includes funds received by Census to perform work for other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

In the 2020 Census, the Census Bureau is concluding the operational design and implementation phase and entering the execution phase. The Census Bureau will release the final design and methodologies for the 35 census operations at the very end of FY 2018. The 2020 Census IT solution architecture will be finalized as well. Final refinements will be made to all systems to ensure they meet all requirements, are secured in line with best practices, tested, and are seamlessly integrated well in advance of the 2020 Census operations. The field offices and other nationwide field infrastructure must be stood up this year, with the first 40 offices opening between January and March of 2019. Key partnerships and other local relationships must be cultivated to ensure the Census Bureau can maximize self-response across all localities and

**Current Surveys and Programs
Budget Authority and Positions**



**Periodic Censuses and Programs
Budget Authority and Positions**



population groups. Several 2020 Census operations continue. The Redistricting Data Program, In-Office Address Canvassing, and the Local Update of Census Addresses, have been meeting critical milestones. In 2019, the Census Bureau will conduct its first major field operation – In-Field Address Canvassing – as it continues to build out the final address list, or frame, of the 2020 Census accurately and efficiently. Together, In-Office and In-Field Address Canvassing create the strong foundation that is required to conduct an accurate decennial census.

The funding request for FY 2019 reflects the massive scope of work that must be completed prior to the start of FY 2020. At the start of FY 2019, the scope and design of the 2020 Census can no longer be altered. If the Census Bureau does not receive the funding requested for the entirety of this work, the quality of the 2020 Census will suffer. Executing a decennial census requires the proper integration of multiple IT systems with operational plans, methods, and procedures to be successful. If any of these elements fail or do not integrate properly, operations may be disrupted, costs could rise, data could be lost, or data quality could be compromised. To further emphasize the need to mitigate risk, the FY 2019 budget includes a risk reserve in line with Government Accountability Office best practices for a program of this importance and complexity. Mandated deadlines do not allow 2020 Census operations to be delayed; this makes appropriate contingency planning and funding even more critical.

A key piece of enabling technology that underpins the 2020 Census is the Census Enterprise Data Collection and Processing (CEDCaP) program. With CEDCaP, Census is creating an integrated and standardized suite of systems that offers shared data collection and processing services across the enterprise. Census will consolidate costs by retiring unique, survey-specific systems and redundant capabilities. The enterprise solution will be mature and proven for the 2020 Census, becoming a permanent enterprise data collection and processing environment. CEDCaP works in concert with the 2020 Census program, which funds several of the systems that, combined, move Census toward common enterprise solutions for data collection and processing functions.

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

Finally, in FY 2019, the Census Bureau will continue implementation and begin data releases from the reengineered 2017 Economic Census and the 2017 Census of Governments. These important programs set the baseline for critical monthly, quarterly, and annual economic indicators. The design of 2017 censuses will reduce respondent burden through the use of Internet data collection and administrative records, automate operations to improve productivity, and improve data products to reflect the dynamic US economy. The first Economic Census data will be released in 2019 and the Census of Governments will release data on the finances of state and local governments.

The President's FY 2019 budget request enables the Department of Commerce to achieve its goal of generating jobs, increasing trade, and advancing scientific understanding by providing timely, relevant, trusted, and accurate data needed by policymakers and public and private decision makers.

Summary of Appropriations

	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
<u>Discretionary Appropriations</u>				
Current Surveys and Programs	\$270,000	\$268,166	\$249,125	(\$19,041)
Periodic Censuses and Programs	1,200,000	1,191,868	3,551,388	2,359,520
Total Appropriation	1,470,000	1,460,034	3,800,513	2,340,479
<u>Permanent Appropriations</u>				
State Children's Health Insurance Program	20,000	20,000	20,000	0
Transfers from other accounts to Mandatory	0	0	0	0
Sequestration from Mandatory	(1,380)	(1,320)	0	1,320
Transfers from CS&P to other accounts	(12,925)	(12,925)	0	12,925
Transfers from other accounts to PC&P	12,925	12,925	0	(12,925)
Transfers from PC&P to other accounts	(2,580)	(2,580)	(3,556)	(976)
<u>Budget Authority</u>				
Current Surveys and Programs	275,695	273,921	269,125	(4,796)
Periodic Censuses and Programs	1,210,345	1,202,213	3,547,832	2,345,619
Total Budget Authority	1,486,040	1,476,134	3,816,957	2,340,823

Positions and Civilian Full-Time Equivalent Employment

	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase (Decrease)
<u>Positions</u>				
Current Surveys and Programs - Direct Discretionary, Total				
Full Time Permanent	1,375	1,427	1,387	(40)
Other Than Full Time Permanent	535	575	542	(33)
Subtotal	1,910	2,002	1,929	(73)
Periodic Censuses and Programs - Direct Discretionary, Total				
Full Time Permanent	3,567	3,319	3,823	504
Other Than Full Time Permanent	3,278	4,178	87,963	83,785
Subtotal	6,845	7,497	91,786	84,289
Total, Discretionary Positions	8,755	9,499	93,715	84,216
Current Surveys and Programs - Direct Mandatory, Total				
Full Time Permanent	65	64	64	0
Other Than Full Time Permanent	307	488	488	0
Subtotal	372	552	552	0
Working Capital Fund - Reimbursable, Total				
Full Time Permanent	1,424	1,424	1,607	183
Other Than Full Time Permanent	3,914	3,745	5,304	1,559
Subtotal	5,338	5,169	6,911	1,742
Total, Positions	14,465	15,220	101,178	85,958
<u>Civilian Full-Time Equivalent Employment</u>				
Current Surveys and Programs - Direct Discretionary, Total				
Full Time Permanent	1,319	1,339	1,299	(40)
Other Than Full Time Permanent	212	313	280	(33)
Subtotal	1,531	1,652	1,579	(73)
Periodic Censuses and Programs - Direct Discretionary, Total				
Full Time Permanent	3,442	3,133	3,530	397
Other Than Full Time Permanent	1,292	2,156	10,872	8,716
Subtotal	4,734	5,289	14,402	9,113
Total, Discretionary FTE	6,265	6,941	15,981	9,040
Current Surveys and Programs - Direct Mandatory, Total				
Full Time Permanent	62	55	55	0
Other Than Full Time Permanent	121	232	232	0
Subtotal	183	287	287	0
Working Capital Fund - Reimbursable, Total				
Full Time Permanent	1,374	1,169	1,592	423
Other Than Full Time Permanent	1,539	1,556	1,976	420
Subtotal	2,913	2,725	3,568	843
Total, FTE	9,361	9,953	19,836	9,883

Highlights of Budget Changes

Appropriation: Current Surveys and Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			1,427	\$268,166
Transfer to PC&P				(12,925)
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$974		
Civil Service Retirement System (CSRS)		(171)		
Federal Employees' Retirement System (FERS)		335		
Thrift Savings Plan (TSP)		326		
Federal Insurance Contributions Act (FICA) - OASDI		154		
Health insurance		459		
Employees' Compensation Fund		(251)		
Compensable Day		669		
Travel - Per Diem		15		
Travel - Mileage		(24)		
Rent payments to GSA		211		
Postage		56		
Printing and reproduction		11		
National Archives and Records Administration (NARA)		(114)		
Other Services:				
Commerce Business System		99		
Working Capital Fund (DM)		1,396		
General Pricing Level Adjustment:				
Transportation of things		3		
Rental payments to others		2		
Communications, utilities and miscellaneous		10		
Other services		609		
Supplies and materials		13		
Equipment		12		
Subtotal, other changes			0	4,794
Total, Adjustments to Base			0	(8,131)
2019 Base			1,427	260,035
Program Changes			(40)	(10,910)
2019 Appropriation			1,387	249,125

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
DISCRETIONARY BUDGET AUTHORITY								
Current Surveys and Statistics								
Current Economic Statistics	1,088	\$171,891	1,079	\$173,986	1,079	\$173,986	0	\$0
Current Demographic Statistics	339	83,350	348	86,049	308	75,139	(40)	(10,910)
Total, Discretionary Budget Authority	1,427	255,241	1,427	260,035	1,387	249,125	(40)	(10,910)
MANDATORY BUDGET AUTHORITY								
State Children's Health Insurance Program	64	18,680	64	20,000	64	20,000	0	0
Total, Mandatory Budget Authority	64	18,680	64	20,000	64	20,000	0	0
TOTAL BUDGET AUTHORITY /	1,491	273,921	1,491	280,035	1,451	269,125	(40)	(10,910)
FINANCING								
Transfers to other accounts		12,925				0		
Sequestration		1,320				0		
Less Permanent Appropriation	(64)	(20,000)			(64)	(20,000)		
TOTAL APPROPRIATION	1,427	268,166			1,387	249,125		

Highlights of Program Changes

Current Demographic Statistics	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Current Demographic Statistics	348	\$86,049	-40	-\$10,910

In FY 2019, the Current Demographic Statistics programs funding levels will allow for Current Population Survey data collection, the production of a Supplemental Poverty Measure (SPM), and the production of Small Area Health Insurance Estimates (SAHIE); and will allow the first wave of the new FY 2019 SIPP Panel to include approximately 31,900 households. In addition, the national population projections will be calculated once every four years, and outreach and benchmarking work for international migration will be prioritized to meet the most critical needs. Finally, the Census Bureau will also move from biannual to annual processing of MAF updates for current demographic surveys, reduce resources for hardware and software updates and maintenance, and prioritize research initiatives focused on reducing costs and increasing quality for the current demographic surveys.

Appropriation: Periodic Censuses and Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			3,319	\$1,191,868
Transfer to OIG			0	(2,580)
Transfer from CS&P			0	12,925
Recoveries offsetting request for Base Budget Authority			0	(36,406)
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$2,509		
Civil Service Retirement System (CSRS)		(512)		
Federal Employees' Retirement System (FERS)		1,002		
Thrift Savings Plan (TSP)		973		
Federal Insurance Contribution Act (FICA) - OASDI		461		
Health Insurance		1,160		
Employees' Compensation Fund		(540)		
Compensable Day		1,958		
Travel - Per Diem		18		
Travel - Mileage		(122)		
Rent payments to GSA		850		
Postage		498		
Printing and reproduction		97		
General pricing level adjustment:				
Transportation of things		17		
Rental payments to others		8		
Communications, utilities, and miscellaneous charges		90		
Other services		8,217		
Supplies and materials		46		
Equipment		722		
Subtotal, other changes			0	17,452
Total Adjustments to Base			0	(18,954)
2019 Base			3,319	1,183,259
Program Changes			504	2,364,573
Transfer to OIG				3,556
2019 APPROPRIATION			3,823	3,551,388

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
BUDGET AUTHORITY								
Periodic Economic Statistics	643	108,806	643	79,013	970	108,299	327	29,286
Decennial Census	2,269	982,255	1,957	880,991	2,164	3,226,551	207	2,345,560
Geographic Support	262	58,562	262	59,725	262	59,725	0	0
Enterprise Data Collection and Dissemination Systems	145	52,590	457	163,530	427	153,257	(30)	(10,273)
TOTAL BUDGET AUTHORITY /	3,319	1,202,213	3,319	1,183,259	3,823	3,547,832	504	2,364,573
Transfer from CS&P		(12,925)						
Transfer to OIG		2,580				3,556		
TOTAL APPROPRIATION	3,319	1,191,868			3,823	3,551,388		

Highlights of Program Changes

Periodic Economic Statistics

	Base		Increase / Decrease	
	Positions	Amount	Positions	Amount
Economic Census	593	\$72,885	+278	+\$26,588

FY 2019 represents the fifth year of the six-year 2017 Economic Census cycle. Efforts in FY 2019 include continued collection and processing of the data as well as analytical review and initial publication of data. The Census Bureau will conduct follow-up activities to increase response, will finish data collection, close out the Business Register; begin analytical data review, and release advance data by late FY 2019. This work includes collecting the data via the Internet, follow-up reminders through mail and telephone, providing phone and web assistance for internet respondents, continuing to process the data, resolution of questionable data and edit referrals, and review of tabulated data. The Economic Census will leverage a new data dissemination system being developed for the Census Bureau. Additionally, work will continue on the development of standardized data review guidelines, continued improvement of data analysis systems, exploring the use of "big data" to supplement data received from businesses, and new strategies for publicizing and disseminating survey results. This will be followed in FY 2020 by continued data review and dissemination activities (micro and macro review of data at detailed levels, preparation for and actual release of data). In addition to the budget authority requested for the Economic Census, an additional \$28.5 million in budgetary resources will be derived from recoveries of prior year obligations from programs across the Periodic Censuses and Programs account.

Census of Governments	50	\$6,128	+49	+\$2,698
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FY 2019 is the fourth year of the five-year cycle for the 2017 Census of Governments. Efforts in FY 2019 shift from preparatory activities, like designing the operations and determining the content, to collection and processing of the data. In FY 2019, the Census Bureau will continue processing of the 2017 Census of Governments' Organization and Finance components. The Census Bureau will also begin evaluations of the 2017 Census of Governments to inform planning for the 2022 Census of Governments. The Census Bureau will leverage enterprise solutions when feasible to increase cost-effectiveness. The Census Bureau will also continue to develop and implement more effective data editing strategies to increase efficiencies of data processing. In addition to the budget authority requested for the Census of Governments, an additional \$2.9 million in budgetary resources will be derived from recoveries of prior year obligations from programs across the Periodic Censuses and Programs account.

<u>Decennial Census</u>	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2020 Census	1,062	\$662,841	+240	+\$2,352,303

After a decade of intensive research, testing, and operational planning, the Census Bureau is approaching the peak operations of the 2020 Census. In FY 2019, the 2020 Census will conduct its first major field operation – the in-field address canvassing operation – and thousands of temporary employees will be hired to carry out this crucial final update of the 2020 Census address list. Forty field offices will open to support this operation in January 2019 and the remainder of the planned 248 offices will open in the Summer. Key partnerships and other local relationships will be formed to ensure that the Census Bureau can maximize self-response throughout the Nation, and media buys for the 2020 Census will begin. Final refinements to each of the systems supporting 2020 data collection and processing operations will be completed and the systems will be secured to protect the data that the Nation provides. Decisions will be made about which households will get a paper 2020 Census questionnaire and which will be invited to respond over the Internet. Materials inviting households to respond will be printed, as will multi-language fact sheets and brochures that will enable all to respond. Finally, dozens of smaller operations, like the Local Update of Census Addresses, the Redistricting Data Program, the Group Quarters Operation, and 2020 Census data collection operations in Puerto Rico and the Island Areas, will either be underway or in the final planning stages.

American Community Survey	895	\$218,150	-33	-\$6,743
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In FY 2019, the ACS will use three modes of data collection (i.e., mail, internet, and Computer-Assisted Personal Interview). To improve the efficiency of the survey, the ACS is terminating the Computer-Assisted Telephone Interviewing (CATI) of nonresponse follow-up operations. In addition to the budget authority requested for the ACS, an additional \$5.0 million in budgetary resources will be derived from recoveries of prior year obligations from programs across the Periodic Censuses and Programs account.

Enterprise Data Collection and Dissemination Systems

Center for Enterprise Dissemination Services and Consumer Information

	97	\$37,526	+22	+\$19,287
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The Census Bureau has embarked upon a multiyear, innovative effort to transform and expand the dissemination of datasets and statistics. Through the Center for Enterprise Dissemination Services and Consumer Innovation (CEDSCI), the initiative empowers data users to discover, to access, to connect, and to use data in new ways that better inform decision making. In FY 2019, the CEDSCI program will complete development of the Census Bureau's new data dissemination platform in time to support dissemination of data from the 2020 Census, offering a vastly improved customer experience for data users. The legacy American Fact Finder will be retired and CEDSCI will become the primary data dissemination system for the Census Bureau.

Census Enterprise Data Collection and Processing	295	\$103,477	-30	-\$24,638
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FY 2019 is the fifth year of the CEDCaP initiative. Timing and delivery of the CEDCaP components are sequenced to ensure readiness for use by the 2020 Census. Development of CEDCaP capabilities is funded by the Enterprise Data Collection and Dissemination Systems, while the scaling of systems for 2020 Census operational workloads is funded in the 2020 Census program. In FY 2019, the program will resolve the appropriate technical defects, bugs, or issues discovered during the 2018 Decennial Census End-to-End Test in preparation for the use of the systems during 2020 Census operations deliver capabilities in support of the 2020 Census Address Canvassing operation, and support the Decennial program with performance and integration testing.

Administrative Records Clearinghouse	40	\$9,446	-22	-\$4,922
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The Administrative Records Clearinghouse (Electronic Data Interface and Interchange (EDII)), provides policymakers access to powerful new insights and evidence for sound decision-making. EDII will continue to expedite the acquisition of Federal and federally-sponsored administrative data sources by improving the techniques used to document and link the various data sets to each other, ensuring that the data are safeguarded and that use is closely monitored to ensure privacy and confidentiality. In FY 2019, planned enhancements to data management and analytic capacity will be reduced, although work will continue to progress on evidence building pilots involving veterans, manufacturing, employment, and student loans. EDII will also continue to prototype activities to acquire more data, improve infrastructure, and improve access.

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



ESTABLISH WHERE TO COUNT

Identify all addresses
where people could live

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

Minimize in-field work
with in-office updating

Use multiple data sources
to identify areas with
address changes

Get local government input



MOTIVATE PEOPLE TO RESPOND

Conduct a nation-wide
communications and
partnership campaign

Work with trusted sources
to increase participation

Maximize outreach using
traditional and new media

Target advertisements to
specific audiences



COUNT THE POPULATION

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

Make it easy for people to
respond anytime, anywhere

Encourage people to use the
online response option

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

Streamline in-field
census-taking

Knock on doors only
when necessary



RELEASE CENSUS RESULTS

Process and provide
Census data

Deliver apportionment counts
to the President by
December 31, 2020

Release counts for
redistricting by April 1, 2021

Make it easier for the public
to get information

Performance Indicators

The following table shows the Census Bureau performance indicators. Additional details appear at the end of the Census Bureau section of the Department of Commerce budget.

	2017 Target	2017 Actual	2018 Target	2019 Target
2020 Decennial planned operational efficiencies and program milestones met	1) Complete the 2016 address canvassing test; 2) Conduct a nationwide mail-out test of self-response 3) Begin building a partnership database in FY 2017 and begin planning of 2020 Census Integrated Communications	1) Completed the 2016 address canvassing test; 2) Conducted a nationwide mail-out test of self-response; 3) Began building a partnership database in FY 2017 and began planning of 2020 Census Integrated Communications	1) Finalize the Language Support Plan and non-English questionnaire materials for the 2020 Census; 2) Implement the LUCA for the 2020 Census; 3) Conduct Self Response operations for the 2018 End-to-End Census Test; 4) Deliver Census Questions to Congress; 5) Open 2020 Regional Census Centers; 6) Identify space, sign leases, and design/buildout Wave 1 and 2 Area Census Offices; 7) Complete Authorization to Operate process related to the 2020 Census as scheduled with less than 15% of Plans of Action and Milestones exceeding their completion date	1) Conduct the Address Canvassing Operations for 2020 Decennial Census; 2) Open Area Census Offices; 3) Ensure that the final 2020 Census Architecture and IT Roadmap reflects the latest Census system design; 4) Deliver final 2020 Census Operational Plan; 5) Complete Authorization to Operate process related to the 2020 Census as scheduled with less than 15% of Plans of Action and Milestones exceeding their completion date
Milestones met in developing Census IT enterprise to enhance collection, processing, and dissemination of data	1) Release CEDCaP capabilities for the 2017 Economic Census; 2) Release CEDCaP capabilities for the 2017 Census test (Decennial); 3) Release CEDCaP capabilities for the 2018 Address Canvassing End-to-End Test	1) Released CEDCaP capabilities for the 2017 Economic Census 2) Released CEDCaP capabilities for the 2017 Census test (Decennial); 3) Released CEDCaP capabilities for the 2018 Address Canvassing End-to-End Test (Decennial)	1) Release CEDCaP capabilities for the 2018 End-to-End Test (Decennial) 2) Release 75% of American Fact Finder datasets via the Census Enterprise Dissemination Services and Consumer Information (CEDSCI)	1) Release systems into production in support of the early 2020 Census Operations including Address Canvassing 2) Release 100% of American Fact Finder dataset via CEDSCI and 10% of non-American Fact Finder datasets released
Percentage of key data products for Census Bureau programs released on time to support effective decision-making of policymakers, businesses and the public	1) 100% of Economic Indicators; 2) 90% of other key products	1) 100% of Economic Indicators; 2) 85% of other key products	85% of key products	85% of key products
Complete key activities in support of the Economic Census and Census of Governments on time (NEW)	Majority of key activities completed by the end of the fiscal year: 1) Economic Census and 2) Census of Governments	Majority of key activities completed by the end of the fiscal year: 1) Economic Census and 2) Census of Governments	Majority of key activities completed by the end of the fiscal year: 1) Economic Census and 2) Census of Governments	Majority of key activities completed by the end of the fiscal year: 1) Economic Census and 2) Census of Governments

	2017 Target	2017 Actual	2018 Target	2019 Target
Percentage of key activities for cyclical census programs completed on time to support effective decision-making by policymakers, businesses and the public	90%	100%	Discontinued	
Percentage of principal economic indicators released on time (NEW)	100% of Economic Indicators	100% of Economic Indicators	100% of Economic Indicators	100% of Economic Indicators
Percentage of key activities for cyclical census programs completed on time to support effective decision-making by policymakers, businesses, and the public	90%	100%	Discontinued	

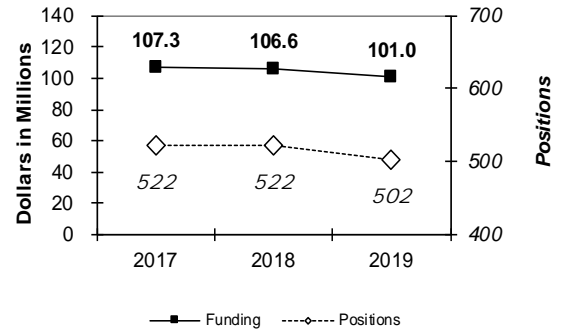
Bureau of Economic Analysis

Bureau of Economic Analysis (BEA). Although a relatively small agency, BEA produces some of the most closely watched and influential economic indicators, such as gross domestic product (GDP) and the trade balance, that directly affect decisions made by policy makers, business leaders, and the American public. BEA is an independent, principal Federal statistical agency that promotes a better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data in an objective and cost-effective manner. BEA's national, industry, regional, and international economic accounts present valuable information on U.S. economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy. Some of the widely used statistical measures produced by BEA include GDP, personal income and outlays, corporate profits, GDP by state and by metropolitan area, balance of payments, and GDP by industry. These statistics are used by Federal, state, and local governments for budget development and projections; by the Federal Reserve for monetary policy; by the business sector for planning and investment; and by the American public to follow and understand the performance of the Nation's economy. BEA's strategic vision is to remain the world's most respected producer of economic accounts. Strategies for achieving this vision include improving the scope, timeliness and accuracy of BEA's statistics, are described in the Bureau's strategic plan.

In FY 2019, BEA will continue to fulfill its mission to preserve the timeliness, relevance, and accuracy of economic statistics while taking necessary steps to reduce duplication, streamline operations, and realize efficiencies. As part, BEA will continue to explore new and nontraditional data sources to improve the accuracy and coverage of its official statistics, research expanding the geographic detail of GDP to over 3,100 U.S. counties and work to accelerate key data sources for the initial estimates of GDP for more accurate early reads of U.S. economic growth.

Under Secretary for Economic Affairs. The FY 2018 Budget proposed the consolidation of the Economics and Statistics Administration's (ESA) administrative functions within BEA, the Census Bureau, and the Office of the Under Secretary for Economic Affairs. The FY 2019 Budget carries forward this efficiency while also supporting 9 positions that directly assist the Under Secretary for Economic Affairs in carrying out official oversight responsibilities of BEA and the Census Bureau in recognition of the criticality of and heightened attention to major initiatives within these bureaus, such as the 2020 Decennial Census. The Under Secretary for Economic Affairs will continue to provide leadership and policy guidance to the Department's economic and statistical community. As the chief economic advisor to the Secretary, the Under Secretary also provides analysis on economic developments, domestic fiscal and monetary policies, and analyzes economic conditions and policy initiatives of major trading partners.

Budget Authority and Positions



Summary of Appropriations

<u>Appropriation</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$107,300	\$106,571	\$100,987	(\$5,584)
Total Appropriation / Budget Authority	107,300	106,571	100,987	(5,584)
<u>Positions</u>				
Salaries and Expenses - Direct	522	522	502	(20)
Salaries and Expenses - Reimbursable	51	26	11	(15)
Total	573	548	513	(35)
<u>Civilian Full-Time Equivalent Employment</u>				
Salaries and Expenses - Direct	497	497	490	(7)
Salaries and Expenses - Reimbursable	26	26	11	(15)
Total	523	523	501	(22)

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			522	\$106,571
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$272		
Civil Service Retirement System (CSRS)		(82)		
Federal Employees' Retirement System (FERS)		150		
Thrift Savings Plan		23		
Federal Insurance Contributions Act (FICA) - OASDI		109		
Health insurance		20		
Compensable Day		283		
Employees' Compensation Fund		(47)		
Travel: Per Diem		3		
Rental payments to GSA		203		
Printing and reproduction		1		
NARA		(2)		
Other services:				
Working Capital Fund		(265)		
General Pricing Level Adjustments				
Transportation of things		3		
Communications, utilities, and miscellaneous charges		14		
Other services		278		
Rental payments to others				
Supplies		30		
Equipment		12		
Subtotal, other changes			0	1,005
Total, Adjustments to Base			0	1,005
2019 Base			522	107,576
Program Changes			(20)	(6,589)
2019 Appropriation			502	100,987

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
Direct Obligations								
Bureau of Economic Analysis	506	\$103,121	506	\$104,126	494	\$97,987	(12)	(\$6,139)
Policy Support	16	\$3,450	16	\$3,450				
Under Secretary for Economic Affairs					9	3,000	9	3,000
Total Direct Obligations	522	106,571	522	107,576	503	100,987	(19)	(6,589)
Reimbursable Authority	26	5,165	11	2,515	11	2,515	0	0
TOTAL OBLIGATIONS	548	111,736	533	110,091	514	103,502	(19)	(6,589)
FINANCING								
Offsetting collections from:								
Federal funds	(25)	(4,754)			(10)	(2,104)		
Non-Federal sources	(1)	(411)			(1)	(411)		
Subtotal, financing	(26)	(5,165)			(11)	(2,515)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	522	106,571			503	100,987		

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Bureau of Economic Analysis	506	104,126	-12	-6,139

To realize budgetary savings at the FY19 funding level while preserving the timeliness, relevance, and accuracy of some of the Nation's most critical economic statistics the budget proposes three programmatic reductions. BEA will discontinue efforts to separately measure the impact of small businesses on the U.S. economy; research aimed at incorporating new, improved measures of health care into the core Gross Domestic Product accounts; and provide more frequent and detailed trade in services data for some of the most dynamic industries of the U.S. economy.

Policy Support	16	3,450	-16	-3,450
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In an effort to reduce duplication, streamline operations, and realize budget efficiency, the budget consolidates the Economics and Statistics Administration (ESA) as a Bureau within BEA, the Office of the Secretary, and the Census Bureau. Due to this consolidation, \$0 is requested for Economic Policy Support in FY 2019.

Under Secretary for Economic Affairs	0	0	9	3,000
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The Under Secretary for Economic Affairs will reside as a discrete office to directly support the Secretary to ensure that Commerce economic and statistical analysis programs align with Departmental goals and will provide program support, policy guidance, and oversight. The Under Secretary leads and has oversight of both BEA and the Census Bureau on high priority management, budget, employment, and risk management issues, integrating such work with the priorities and requirements of the Department and other government entities. Such support includes advising the Secretary and other Government officials on matters related to economic developments, and the development of positions relating to economic policy and participation in White House policy councils and the Secretary's role on the Board of the Pension Benefit Guaranty Corporation (PBGC). The resources devoted to these efforts by BEA are shown in the functional table below under direct obligations.

Performance Indicators

The following table shows BEA's performance indicators. Additional details appear at the end of the Bureau of Economic Analysis section of the Department of Commerce budget.

	<u>2017 Target</u>	<u>2017 Actual</u>	<u>2018 Target</u>	<u>2019 Target</u>
Reliability of delivery of economic data (number of scheduled releases issued on time)	74	74	74	74
Customer satisfaction with quality of products and services (mean rating on a 5-point scale)	4.0	4.2	4.0	4.0
Percent of GDP estimates correct	85%	88%	85%	85%
Improvement of GDP and the economic accounts	Successful completion of Strategic Plan milestones	Met	Successful completion of Strategic Plan milestones	Successful completion of Strategic Plan milestones
Milestones met to explore and examine future economic data sources	Evaluate effectiveness of agreements and extend / modify / cancel as appropriate	Two agreements under Negotiation	Discontinued	N/A
Milestones met to explore and examine future economic products and datasets	Execute POA&M	POA&M Executed	Discontinued	N/A

International Trade Administration

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

ITA accomplishes its mission through the integrated efforts of four organizational units and their mission priorities:

Industry and Analysis: Industry and Analysis (I&A) provides unique sectoral and analytical expertise that underpins USG objectives on competitiveness, trade policy, and trade promotion. I&A also makes data, analytical tools, and market intelligence easily available to U.S. businesses and government agencies to empower informed decision-making on complex trade issues and level the playing field for U.S. firms. I&A plays a unique role in the U.S. Government by:

- Employing industry, standards, and economic expertise to advocate for the removal of the barriers to U.S. products and services in foreign markets;
- Providing expert economic analysis to model complex policy responses to unfair trade practices and ensure that policy responses to unfair foreign trade actions support U.S. companies and American workers;
- Coordinating the Department's participation on the interagency Committee of Foreign Investment in the United States (CFIUS);
- Developing innovative market intelligence products that provide critical information directly to the public and businesses to inform decision making and help companies succeed in foreign markets; and,
- Ensuring that thousands of businesses can continue transferring data to foreign markets through the design and administration of the U.S.-EU and U.S.-Swiss Privacy Shield Programs and by preventing data localization rules that would unfairly disadvantage U.S. business in other markets.

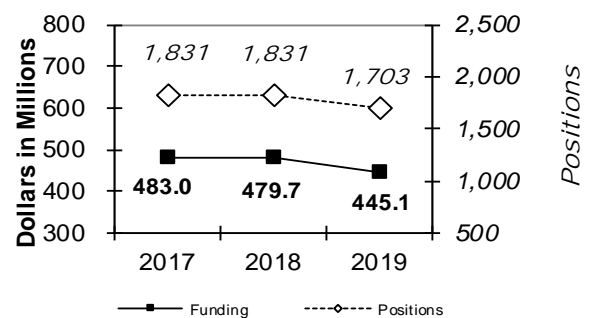
Enforcement and Compliance: Enforcement and Compliance (E&C) takes prompt, aggressive action against unfair foreign trade practices and foreign-government imposed trade barriers by enforcing U.S. trade laws, monitoring and seeking compliance with existing trade agreements, and aiding in the negotiation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

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

Global Markets: Global Markets (GM) provides a comprehensive suite of export promotion services and market access advocacy for U.S. firms, and promotes investment in the United States. GM delivers these services through a network of domestic, overseas, and headquarters offices, giving U.S. business and state and local entities unparalleled access to a network of international trade experts. The GM unit:

- Levels the international playing field for American exporters and workers;
- Seeks to remove market barriers and unfair trading practices, so U.S. business can compete and win in the global marketplace;
- Links U.S. exporters to global opportunities and distribution channels, especially for small and medium-sized enterprises (SMEs); and,
- Attracts inward investment into the United States.

Direct Budget Authority and Positions



GM is integral to the U.S. Government’s interagency effort to develop and implement market access and compliance strategies to remove foreign trade barriers, enforce trade agreements, and promote U.S. business growth in global markets.

Executive Direction and Administration: Executive Direction and Administration (ExAd) supports both enforcement and compliance with U.S. trade laws, and U.S. trade and investment expansion. ExAd does this through executive leadership; strategic planning to ensure efficient and effective execution and management of resources; and, the integration and coordination of policy and operations across ITA. ExAd directs information management and information technology strategy; provides development and maintenance services on the platforms that enable the ITA mission and management functions; and, ensures continuous operation and maintenance of the network infrastructure.

In FY 2019, ITA will strengthen trade enforcement and compliance including anti-dumping and countervailing duty investigations, while at the same time rescaling the agency’s export promotion and trade analysis activities. To complement these efforts, ITA is implementing plans to transform ITA operations to strengthen outcomes, improve efficiency, and meet trade and investment priorities. ITA’s transformational actions will be rooted in maximizing the delivery of ITA’s full value to clients, providing timely and actionable information and service to U.S. business (particularly SMEs), eliminating or reducing lower-priority functions and activities, strengthening higher priority activities, and modernizing information management.

Summary of Appropriations

Appropriation	<u>2017 Actual</u>	<u>2018 Annualized CR</u>	<u>2019 Estimate</u>	<u>Increase (Decrease)</u>
Operations and Administration	\$483,000	\$479,720	\$440,147	(\$39,573)
Total, Appropriation	483,000	479,720	440,147	(39,573)
Transfer			5,000	
Reimbursable - Other	14,826	14,000	14,000	0
Reimbursable - Fees	11,000	11,000	11,000	0
Total, Budget Authority	508,826	504,720	470,147	(39,573)
Positions				
Operations and Administration - Direct	1,831	1,831	1,703	(128)
Operations and Administration - Reimbursable	49	49	49	0
Total	1,880	1,880	1,752	(128)
Civilian Full-Time Equivalent Employment				
Operations and Administration - Direct	1,615	1,647	1,530	(117)
Operations and Administration - Reimbursable	36	36	36	0
Total	1,651	1,683	1,566	(117)

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	Detailed		Summary	
	Positions	Amount	Positions	Amount
2018 Annualized CR			1,831	\$479,720
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$931		
Civil Service Retirement System(CSRS)		(114)		
Federal Employees' Retirement System(FERS)		206		
Thrift Savings Plan		33		
Federal Insurance Contributions Act (FICA) - OASDI		89		
Health insurance		422		
Compensable Day		866		
Travel - Domestic per diem		22		
Travel - Foreign per diem		63		
Travel - Mileage		(2)		
Rent payments to GSA		339		
Postage		1		
Printing and reproduction		27		
NARA		(15)		
Other services:				
Working Capital Fund		1,240		
Commerce Business System		21		
General Pricing Level Adjustment:				
Transportation of things		63		
Rental payments to others		8		
Other Services		840		
Supplies		48		
Equipment		140		
Overseas price increases		472		
Subtotal, other changes			0	5,700
Total, Adjustments to Base			0	5,700
Less Amount Absorbed				0
2019 Base			1,831	485,420
Program Changes			(128)	(40,273)
2019 Appropriation			1,703	445,147
Transfer from other accounts				(5,000)
2019 NET APPROPRIATION			1,703	440,147

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
<u>Direct Obligations</u>								
Industry and Analysis	227	\$54,977	227	\$55,648	214	\$52,286	(13)	(\$3,362)
Enforcement and Compliance	351	84,877	351	85,798	379	90,610	28	4,812
Global Markets	1,137	317,073	1,137	320,960	1,004	276,479	(133)	(44,481)
Executive Direction / Administration	116	22,793	116	23,014	106	20,772	(10)	(2,242)
Survey of International Air Travelers	0	0	0	0	0	5,000	0	5,000
Total Direct Obligations	1,831	479,720	1,831	485,420	1,703	445,147	(128)	(40,273)
Reimbursable Authority	49	25,000	49	25,000	49	25,000	0	0
TOTAL OBLIGATIONS	1,880	504,720	1,880	510,420	1,752	470,147	(128)	(40,273)
FINANCING								
Offsetting collections from:								
Federal funds		(14,000)				(14,000)		
Non-Federal sources								
Subtotal, financing		(14,000)				(14,000)		
TOTAL BUDGET AUTHORITY	1,880	490,720			1,752	456,147		
Less Transfers from other Accounts	0	0			0	(5,000)		
Less Fee collections	0	(11,000)			0	(11,000)		
TOTAL APPROPRIATION	1,880	479,720			1,752	440,147		

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>Strengthen Trade Enforcement & Analysis</u>				
<i>Industry and Analysis</i>	227	\$55,648	+10	+\$1,963
<i>Enforcement and Compliance</i>	351	\$85,798	+28	+\$4,812

ITA will strengthen trade enforcement and analysis capacity to address unfair trade practices impacting U.S. business. A total of \$3.2 million of new resources within I&A and E&C will be used to meet current/anticipated workload demands associated Committee on Foreign Investment in the United States (CFIUS) enforcement cases, as well as the support of Section 201 and Section 232 cases. Within these resources, E&C will establish a team specifically dedicated to enforcement and administration of Section 232 cases. ITA will also strengthen industry and economics analytical capacity to meet unfair competition within emerging industries critical to the U.S. economy.

A total of \$3.6 million in new resources continues a proposal within the Administration's priorities to enhance E&C capacity to assist U.S. manufacturers and their workers through self-initiation of anti-dumping (AD) and countervailing duty (CVD) investigations.

<u>Efficiency, Reprioritization, and Rescaling Operations</u>	<u>Positions</u>	<u>Base</u>		<u>Increase / Decrease</u>	
			<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<i>Industry and Analysis</i>	227		\$55,648	-23	-\$5,325
<i>Global Markets</i>	1,137		\$320,960	-133	-\$44,481
<i>Executive Direction and Administration</i>	116		\$23,014	-10	-\$2,242

ITA is implementing plans to transform ITA operations to strengthen outcomes, improve efficiency, and meet trade and investment priorities by maximizing the delivery of ITA's full value to clients; providing timely and actionable information and service to U.S. business (especially small and medium-sized enterprises); eliminating or reducing lower-priority functions and activities; strengthening higher priority activities including trade enforcement and compliance; and, modernizing information management.

Within I&A, this effort primarily includes streamlining trade promotion and other programs, eliminating the Market Development Cooperator Program (MDCP), and replacing discretionary appropriations funding the Survey of International Air Travelers (SIAT) with fee revenue.

Within Global Markets this effort encompasses rescaling export promotion and trade analysis efforts by closing overseas and domestic offices and reducing both headquarters and field staff.

Within Executive Direction and Administration this effort encompasses reductions in proportion with the rescaling of operations being undertaken by other ITA program units.

<u>Survey of International Air Travelers</u>	<u>Positions</u>	<u>Base</u>		<u>Increase / Decrease</u>	
			<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<i>Survey of International Air Travelers (SIAT)</i>	0		\$0	0	\$5,000

ITA will administer the SIAT, which provides data used by existing tourism marketing organizations to encourage increased travel and tourism to the United States, to reflect a transfer of funds from the Trade Promotion Act fee revenue maintained by the Department of Homeland Security, U.S. Customs and Border Protection.

Performance Indicators

The following table shows the ITA performance indicators. Additional details appear at the end of the ITA section of the Department of Commerce budget.

	2017 Target	2017 Actual	2018 Target	2019 Target
Number of foreign trade barriers removed, reduced or avoided	80	115	126	136
Number of commercial diplomacy / advocacy wins	330	459	240	240
Export impact of prevention, reduction or removal of trade barriers – Dollars of exports created or retained (millions)	\$1,800	TBD	\$1,800	\$1,800
Dollar exports generated from Export Trading Companies (billions)	\$24.0	\$23.5	\$24.0	\$24.0
Exports generated annually from public-private partnerships (millions)	\$138	\$325	N/A	N/A
Percentage of clients highly likely to recommend GM assistance	82%	86%	83%	83%
Number of clients assisted by GM	28,000	30,110	24,000	24,000
Percentage of GM clients that achieved their export objectives	75%	78%	74%	74%
Number of investment clients assisted	2,400	6,671	2,800	3,040
Percentage of Compliance and Market Access cases initiated that are reviewed for agreement relevancy within the established time frame	90%	100%	90%	90%
Percent of antidumping duty (AD) and countervailing duty (CVD) determinations issued with statutory and/or regulatory deadlines	91%	97%	91%	91%
Percent of AD/CVD cash deposit and liquidation instructions issued accurately to U.S. Customs & Border Protection (CBP)	86%	99%	86%	86%
Percent of AD/CVD cash deposit and liquidation instructions issued timely to CBP	88%	96%	88%	88%
Number of trade agreement compliance cases resolved successfully	34	36	35	36
Number of AD/CVD petition counseling sessions	298	1,038	343	343
Percent of identified unfair trade practices affecting U.S. parties addressed through informal/formal intervention or dispute settlement	22%	27%	22%	22%
Percent of identified foreign trade remedy proceedings affecting and of interest to U.S. parties that are addressed through informal/formal intervention or dispute settlement	90%	92%	90%	90%

Bureau of Industry and Security

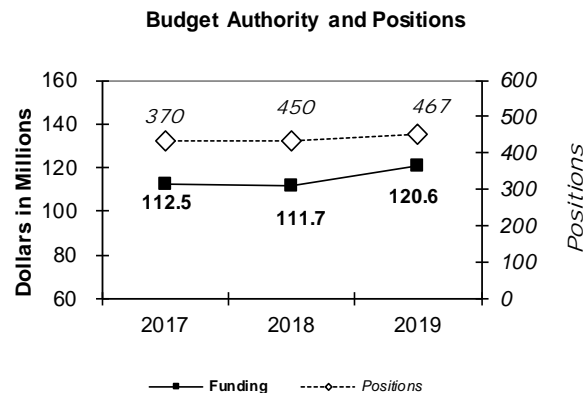
The Bureau of Industry and Security (BIS) advances U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system, and by promoting continued U.S. leadership in strategic technologies. BIS accomplishes its mission by maintaining and strengthening adaptable, efficient, effective export controls and treaty compliance systems, along with active leadership and involvement in international export control regimes.

BIS administers and enforces controls on the export of: (1) dual-use items having chiefly commercial uses but which could be used in conventional arms, weapons of mass destruction, terrorism, or by others who engage in illegal activities or human rights abuses; (2) less sensitive military items, and (3) certain other items such as those controlled for short supply. Controls are implemented in coordination with several other agencies through the Export Administration Regulations (EAR). The EAR set forth license requirements and licensing policy for exports of these items, and incorporate controls established by the four major multilateral export control regimes: the Australia Group (chemical and biological nonproliferation), the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement (conventional arms and related goods, software, and technologies).

Enforcement of the EAR is an essential aspect of the BIS mission. Enforcement efforts serve to encourage compliance, prevent and deter violators, disrupt illicit activities, and bring violators to justice. BIS's law enforcement approach evaluates not only the parties engaged in the export, re-export, and transfer of sensitive commodities, software, and technology, but also the proposed end uses, end users, and destinations of concern. BIS actively enforces prohibitions related to certain foreign boycotts.

BIS carries out activities to support the U.S. defense industrial base, including: conducting industry sector surveys and analyses, investigating threats to national security from specific imports, participating in the interagency Committee on Foreign Investment in the United States (CFIUS) process, and administering the Defense Priorities and Allocation System (DPAS). BIS consults closely with industry on the development of regulatory policy through its Technical Advisory Committees (TACs). The TACs provide valuable industry and academic input on trends in technology, and the likely impact of export control developments. BIS also conducts numerous outreach events throughout the United States and overseas to educate and update the public on export controls, as well as on policy.

The 2019 President's budget increase of \$7.1 million will ensure that BIS has the capacity to conduct comprehensive reviews of investment activities to protect against foreign control of critical U.S. businesses, and to complete effectively studies related to the U.S. defense industrial base, and investigations identifying the impacts imports may have on U.S. national security.



Summary of Appropriations

<u>Appropriation</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase/ <u>Decrease</u>
Operations and Administration	\$114,507	\$111,736	\$120,647	\$8,911
TOTAL, Budget Authority / Appropriation	114,507	111,736	120,647	8,911

Positions

Operations and Administration - Direct	370	450	467	17
Operations and Administration - Reimbursable	2	2	2	0
Total	372	452	469	17

Civilian Full-Time Equivalent Employment

Operations and Administration - Direct	367	432	449	17
Operations and Administration - Reimbursable	2	2	2	0
Total	369	434	451	17

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			450	\$111,736
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$275		
Full year cost in 2019 of positions financed for part year in 2018		755		
Federal Employees' Retirement System (FERS)		86		
Thrift Savings Plan		12		
Federal Insurance Contributions Act (FICA/OASDI)		38		
Health insurance		133		
Compensable Day		241		
Employee Compensation Fund		(35)		
Travel - Mileage		7		
Travel - Per diem		9		
Rent payments to GSA		123		
Printing and reproduction		1		
NARA		12		
Working Capital Fund		472		
General Pricing Level Adjustment				
Transportation of things		5		
Rental payments to others		1		
Other services		214		
Supplies		44		
Equipment		45		
Activities in support of licensing programs		1,662		
Subtotal, other changes			0	4,100
Total, Adjustments to Base			0	4,100
2019 Base			450	115,836
Program Changes			17	4,811
2019 Appropriation			467	120,647

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
Direct Obligations								
Management & Policy Coordination	15	\$5,963	15	\$6,168	15	\$6,168	0	\$0
Export Administration	218	58,220	218	60,270	235	65,081	17	4,811
Export Enforcement	217	47,553	217	49,398	217	49,398	0	0
Total Direct Obligations	450	111,736	450	115,836	467	120,647	17	4,811
Reimbursable Authority	2	2,900	2	2,900	2	2,900	0	0
TOTAL OBLIGATIONS	452	114,636	452	118,736	469	123,547	17	4,811
FINANCING								
Unoblig bal, start of year (Reimbursable)		0						
Offsetting collections from:								
Federal funds	(2)	(1,508)			(2)	(1,508)		
Non-Federal sources		(1,392)				(1,392)		
Subtotal, financing	(2)	(2,900)			(2)	(2,900)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	450	111,736			467	120,647		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Export Administration (EA)	218	60,270	+17	+\$4,811

Foreign Investment Reviews (4 POS, +\$640) -- This request will address increased workload associated with CFIUS, the interagency committee chaired by Treasury, which conducts national security reviews of mergers, acquisitions or takeovers that could result in foreign control of a U.S. business. Should a particular transaction raise national security concerns, CFIUS has the authority to mitigate those national security concerns, or it may recommend that the President prohibit or suspend the transaction. BIS, supports the Department of Commerce in its role as part of the interagency team that reviews all filings with CFIUS.

CFIUS cases increasingly are focused on areas within BIS-related responsibilities, including the purchase of companies that produce or trade in items subject to the Export Administration Regulations. The additional resources will ensure BIS is able to conduct comprehensive reviews of each transaction within the established statutory deadlines, and provide expert support and advice on national security issues during policy deliberations on complex cases. CFIUS experienced a 45 percent increased caseload in CY 2017 compared to the previous record caseload seen in FY 2016. The average number of CFIUS cases reviewed per fiscal year per BIS analyst has risen from approximately 15 in CY 2010 to 24 in FY 2014, to more than 33 per analyst in FY 2017. Since CY 2010, the number of cases reviewed per analyst dropped only once on a year-by-year basis—that was in CY 2012, 14 cases were reviewed per analyst.

Section 232 Import Investigations and Defense Industrial Base Studies (13 POS, +\$4,171) -- This request will address the increased workload associated with the Section 232 investigations, under the Trade Expansion Act of 1962, that examine the effect imports of industry specific products have on U.S. national security. These are time sensitive investigations which require the Secretary to present findings and recommendations to the President for review and action, within an intensive 270-day period. From 2017 through late January 2018, BIS conducted two near simultaneous 232 investigations on the effects of steel and aluminum imports on U.S. national security. There will likely be additional 232s initiated either at the request of industry petitions filed with the Department or initiated by the Secretary.

BIS expects a steady flow of additional defense industrial base assessment requests from other agencies and new Section 232 investigations from various industry sectors, the heads of agencies, and as well as self-initiated investigations by the Secretary. For example, the President's National Security Strategy calls for systematic evaluation of the U.S. Defense Industrial Base and the related supply chain essential to national security, with a focus on future investments and

workforce skills. BIS is undertaking on a similar industrial base assessment for the National Security Council's Space Council Coordination Committee. BIS is also working to support an executive order on assessing and strengthening the manufacturing and defense industrial base and supply chain resiliency of the United States, which is assessing and tracking more than a dozen critical sectors which impact U.S. national security issues. Finally, there are increased requests from the Intelligence Community, Armed Services, NASA and other USG agencies for analytical support on national security issues that may affect the U.S. Defense Industrial Base.

Performance Indicators

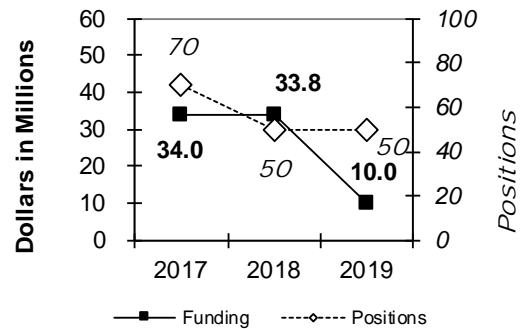
The table below shows the BIS performance indicators. Additional details appear at the end of the BIS section of the Department of Commerce budget.

	2017 <u>Target</u>	2017 <u>Actual</u>	2018 <u>Target</u>	2019 <u>Target</u>
Number of exporters educated and trained through outreach activities related to Export Control Reform	48,000	28,000	25,000	20,000
Percent of licenses requiring interagency referral referred within nine days	98%	94%	98%	98%
Percent of attendees rating seminars highly	93%	94%	93%	93%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	1,200	1,832	1,200	1,200
Number of End-Use Checks completed	850	1,089	850	850
Percent of licenses requiring ITU report referred by EE within ten Executive Order days	90%	96%	90%	90%
Median processing time for new regime regulations (months)	2	1	2	2
Percent of declarations received from U.S. industry in accordance with Chemical Weapons Convention timelines that are processed in time for the U.S. to meet treaty obligations	100%	100%	100%	100%
Number of export transactions completed under the new authority of Commerce export licenses and license exceptions	150,000	137,281	150,000	150,000
Percent of electronic export transactions reported in the Automated Export System in compliance with the Export Administration Regulations	99%	99%	99%	99%
Percent of defense industrial base assessments complete within the time frame set forth in the Memorandum of Understanding between the BIS and the survey sponsoring agency or entity	100%	96%	100%	100%

Minority Business Development Agency

The mission of the Minority Business Development Agency (MBDA) is to promote the growth of minority owned businesses through the mobilization and advancement of public and private sector programs, policy, and research. MBDA has accomplished this mission by funding a network of centers that provide Minority Business Enterprises (MBEs) a variety of business assistance services. Through its direct federal client services and its network of funded centers, MBDA: (1) fostered the expansion of opportunities for minority-owned businesses in the global marketplace; (2) identified sources of financial capital for minority-owned firms; (3) developed and upgraded electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities; (4) provided management and technical assistance to minority-owned businesses; and (5) advocated for the increased use of electronic commerce and new technologies by MBEs.

Budget Authority and Positions



In 2019, the Administration proposes to make a shift in its spending priorities and programmatic focus. This operational change, with a policy focus, will provide a new foundation to ensure that minority entrepreneurs have access to the resources they need to create jobs and drive our Nation's prosperity.

Summary of Appropriations

<u>Appropriation</u>	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>(Decrease)</u>
Minority Business Development	\$34,000	\$33,769	\$10,000	(\$23,769)
Total Appropriation / Budget Authority	34,000	33,769	10,000	(23,769)
Positions - Direct	70	50	50	0
Civilian Full-Time Equivalent Employment - Direct	46	50	50	0

Highlights of Budget Changes

Appropriation: Minority Business Development

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			50	\$33,769
<u>Adjustments to Base</u>				
2018 Pay raise		27		
Federal Employees Retirement System (FERS)		7		
Federal Insurance Contributions Act (FICA) - OASDI		(1)		
Compensable Day		28		
Employee Compensation		(79)		
Rent payments to GSA		29		
Working Capital Fund (WCF)		(218)		
General Pricing Level Adjustments				
Communications, utilities and misc.Rental payments to others		1		
Other services		144		
Supplies		2		
Equipment		1		
Subtotal, other changes			0	(59)
Total, Adjustments to Base			0	(59)
2019 Base			50	33,710
Program Changes			0	(23,710)
2019 Appropriation			50	10,000

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
BUDGET AUTHORITY								
Minority Business Development	50	\$33,769	50	\$33,710	50	\$10,000	0	(\$23,710)
TOTAL BUDGET AUTHORITY/	50	33,769	50	33,710	50	10,000	0	(\$23,710)
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>Policy Re-Orientation</u>	50	\$33,769	0	-\$23,710

MBDA requests a program change of -\$23.7 million, leaving \$10 million and 50 positions to make a shift in its spending priorities and programmatic focus. The funds will be used to cover the anticipated cost associate with a policy re-orientation of the agency. The President's Budget does not include resources for orderly closure of grants awarded in FY 2018. The requested amount will cover the following costs:

- Personnel costs, including salaries and benefits; and,
- Miscellaneous costs associated with operating the office, including overhead, travel, training, and printing.

Performance Indicators

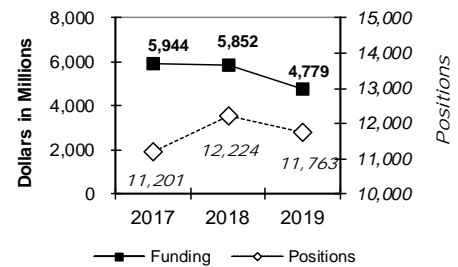
The following table shows the MBDA performance indicators. Additional details appear at the end of the MBDA section of the Department of Commerce budget.

	2017 <u>Target</u>	2017 <u>Actual</u>	2018 <u>Target</u>	2019 <u>Target</u>
Dollars leveraged through contract and financing awards by minority business export and manufacturing activity (millions)	624	1.6B	NA	NA
Number of jobs crated or retained through minority business export and manufacturing activity	1,325	2,090	NA	NA

National Oceanic and Atmospheric Administration

The mission of the National Oceanic and Atmospheric Administration (NOAA) is to provide daily weather forecasts, severe storm warnings, climate monitoring to fisheries management, coastal restoration, and the supporting of marine commerce. NOAA's products and services support economic vitality and affect more than one-third of America's gross domestic product. NOAA's dedicated scientists use cutting-edge research and high-tech instrumentation to provide citizens, planners, emergency managers and other decision makers with reliable information they need when they need it. A full-year 2018 appropriation was not enacted at the time the FY 2019 Budget was prepared; therefore, the Budget is built off of the Extension of Continuing Appropriations Act, 2018 (P.L. 115-120). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. All other comparisons and discussions of the budget request and policy will use the Annualized CR as the base.

Budget Authority and Positions



NOAA accomplishes this mission through two primary accounts, Operations, Research and Facilities (ORF) and Procurement, Acquisition and Construction (PAC) and several lesser accounts, noted at the end of this section: ORF and PAC make up over 98 percent of the total FY 2019 NOAA Budget. In FY 2019, NOAA requests a total of \$2,937.8 million for ORF and \$1,623.0 million for PAC. ORF and PAC consist of the following seven activities and their corresponding mission priorities:

National Ocean Service (NOS): The NOS is preparing for a future of higher intensity coastal storms, increased demands on the marine transportation system, rapid changes in climate and marine ecology, and expanding offshore and coastal development. NOS observes, measures, assesses, and manages the Nation's coastal, ocean and Great Lakes resources; protects marine and coastal areas; provides critical navigation products and services (e.g., real time observations, nautical charts); and prepares for and responds to natural disasters and emergencies. The benefits of NOS' products and services include increased coastal economic activity, resilient coastal communities, and enhanced ecosystem services. The FY 2019 Budget requests \$406.3 million for NOS (across all appropriations).

National Marine Fisheries Service (NMFS): NMFS uses sound science and an ecosystem-based approach to management to support productive and sustainable fisheries; safe sources of seafood; the recovery and conservation of protected species; and healthy ecosystems. NMFS manages 474 marine and anadromous fish stocks within the U.S. Exclusive Economic Zone (EEZ) as well as invertebrates, sea turtles, marine mammals, and other marine and coastal species and their habitats. The FY 2019 Budget requests \$837.3 million for NMFS (across all appropriations).

Oceanic and Atmospheric Research (OAR): OAR seeks to improve the understanding of changes in the Earth's environment. OAR's science enables NOAA to fulfill its diverse mission, both today and into the future. OAR supports laboratories and programs across the United States and collaborates with external partners. OAR research contributes to accurate weather forecasts, enables communities to plan for and respond to climate events such as drought, and enhances the protection and management of the Nation's coastal and ocean resources. The FY 2019 Budget requests \$321.7 million for OAR.

National Weather Service (NWS): The NWS provides weather, water, and climate forecasts and warnings for the protection of life and property and enhancement of the national economy. NWS is the official and authoritative U.S. voice for issuing warnings during life-threatening weather situations. NWS forecasters issue public, aviation, marine, fire weather, climate, space weather, river and flood forecasts and warnings every day. Each year, NWS collects approximately 76 billion observations and issues approximately 1.5 million forecasts and 50,000 warnings. NWS data and products are publicly available through a national information database. The FY 2019 Budget requests \$1,052.8 million for NWS.

National Environmental Satellite, Data, and Information Service (NESDIS): The NESDIS provides timely access to global environmental data from satellites and other sources to promote, protect and enhance the Nation's economy, security, environment and quality of life. NESDIS launches and operates NOAA's satellites, and manages the product development and distribution of the corresponding data. NOAA satellites support the weather forecasting enterprise by providing the timely, high quality data upon which model outputs are based. While providing real-time operations and data services, NESDIS also develops the next generation of satellites in order to continue meeting its primary mission essential functions without incurring gaps in coverage. The FY 2019 Budget requests \$1,640.0 million for NESDIS.

Mission Support (MS): Mission Support services provide the planning, administrative, financial, procurement, information technology, human resources, acquisitions and grants, and infrastructure services that are essential to safe, timely, and effective execution of the NOAA mission. NOAA Mission Services and Management and Executive Leadership provide centralized executive management, as well as policy formulation and direction, to all of NOAA's Staff and Line Offices. The NOAA Facility Program is the focal point for facility planning, project planning formulation and development, and project management oversight to support critical NOAA mission requirements. The FY 2019 Budget requests \$244.6 million for MS.

Office of Marine and Aviation Operations (OMAO): OMAO supports an array of specialized ships and aircraft that play a critical role in the in-situ collection of oceanographic, atmospheric, hydrographic, and fisheries data in support of NOAA's environmental and scientific missions. OMAO also administers the NOAA-wide Diving Program and Small Boat Program and is composed of civilians and the NOAA Commissioned Corps uniformed officers. The FY 2019 Budget requests \$335.4 million for OMAO.

Other NOAA Accounts

The Pacific Coastal Salmon Recovery Fund finances state, tribal and local conservation initiatives to help recover threatened and endangered Pacific salmon populations. The FY 2019 Budget includes \$0 funding for this program.

NOAA uses the **Fishermen's Contingency Fund** to compensate domestic fishermen for the damage or loss of fishing gear and resulting economic loss due to obstructions related to oil and gas exploration, development, and production in the Outer Continental Shelf. The funds come from fees collected annually by the Secretary of the Interior from the holders of leases, explorations, permits, easements, and rights of way. The FY 2019 Budget includes \$0.35 million for this Fund.

The **Foreign Fishing Observer Fund** provides observer coverage of foreign fishing activities within the 200-mile U.S. EEZ using fees collected from owners and operators of foreign fishing vessels.

The **Fisheries Finance Program Account** promotes building sustainable fisheries by providing long-term, fixed-rate financing to U.S. citizens who otherwise qualify for financing or refinancing. Types of activities for financing include the construction, reconstruction, reconditioning, and, in some cases, the purchasing of fishing vessels, shoreside processing, aquaculture, mariculture facilities, and the purchase of individual fishing quota (IFQ).

The **Promote and Develop American Fishery Products & Research Pertaining to American Fisheries Fund** is derived from a transfer of thirty percent of duties on imported fisheries products from the Department of Agriculture. Funds from this account are transferred to offset some of the costs of fisheries research and management in the ORF account. The FY 2019 Budget transfers \$154.9 million in P&D funds to ORF and eliminates funding for the S-K Grant 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. NOAA uses the funds to respond to hazardous materials spills in the coastal and marine environments by conducting damage assessments, providing scientific support during litigation, and using recovered damages to restore injured resources.

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

The **Limited Access System Administration Fund (LASAF)** uses fees to recover the incremental costs of management, data collection, and enforcement of Limited Access Privilege Programs. NOAA deposits these fees into the LASAF and are not to exceed 3 percent of the ex-vessel value of fish harvested under any such program. A Regional Council can consider, and may provide, a program to collect royalties for the initial or any subsequent distribution of allocations; revenues from these royalties are deposited in the LASAF. The LASAF shall be available, without appropriation or fiscal year limitation, only for the purposes of administering the central registry system; and administering and implementing the Magnuson-Stevens Act in the fishery in which the fees were collected.

The **Environmental Improvement and Restoration Fund** provides grants to Federal, state, private, or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean.

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

Medicare-Eligible Retiree Healthcare Fund finances the cost of TRICARE retirement health care benefits accrued by the active duty members of the NOAA Commissioned Corps. The Ronald W. Reagan National Defense Authorization Act for 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance these costs for all uniformed service members. In the FY 2018 President's Budget, DoD proposed additional TRICARE consolidation and modernization initiatives. Those proposals would restore FY 2017 benefit change grand-fathering guidelines, increase co-pays for pharmaceuticals, and index future fees to National Health Expenditures vice COLA. If enacted, DoD's legislative proposal would apply to the NOAA Corps but has negligible budget impact on NOAA.

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

The **Western Pacific Sustainable Fisheries Fund** can only be used to support the conservation and management objectives under a marine conservation plan developed for the region by the appropriate governor and the Western Pacific Regional Fishery Management Council. This fund receives amounts from any permit payment received for foreign fishing and fines and penalties from violations within the U.S. EEZ around Johnston Atoll, Kingman Reef, Palmyra Atoll, and Jarvis, Howland, Baker and Wake Islands.

The **Fisheries Enforcement Asset Forfeiture Fund** allows the Secretary of Commerce to pay certain enforcement-related expenses from fines, penalties, and forfeiture proceeds received for violations of the Magnuson-Stevens Act, or of any other marine resource law enforced by the Secretary. NOAA deposits fines, penalties, and forfeiture proceeds into this Fund, and subsequently uses them to pay for enforcement-related expenses.

The **Sanctuaries Enforcement Asset Forfeiture Fund** receives proceeds from civil penalties and forfeiture claims against responsible parties, as determined through court settlements or agreements, for violations of NOAA sanctuary regulations. NOAA holds these amounts in sanctuary site-specific accounts from year to year and spends them on resource protection within the sanctuary site where the penalty or forfeiture occurred. These actions may include all aspects of law enforcement (from equipment to labor), community oriented policing programs, and other resource protection and management measures such as the installation of mooring buoys or restoration of injured resources.

The **North Pacific Observer Fund** provides observer coverage for the North Pacific Groundfish Observer Program (NPGOP). This observer program places all vessels and processors in the groundfish and halibut fisheries off Alaska into one of two observer coverage categories: (1) a full coverage category, and (2) a partial coverage category. NOAA collects fees and uses them to pay for observer coverage on vessels and processors in the partial coverage category in the following year.

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

In FY 2019, NOAA requests \$4,562.7 million in total discretionary appropriations and \$56.9 million in mandatory appropriations.

Civilian and Military Positions

	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
<u>Civilian</u>				
Operations, Research & Facilities (ORF) - Direct	10,484	11,510	11,057	(453)
Procurement, Acquisition & Construction (PAC) - Direct	315	329	326	(3)
Promote & Develop American Fishery Products - Direct	3	3	0	(3)
Pacific Coastal Salmon Recovery Fund - Direct	2	2	0	(2)
Limited Access System Administration Fund - Direct	40	40	40	0
Gulf Coast Ecosystem Restoration Fund Appropriation - Direct	1	1	1	0
ORF Reimbursable	498	506	506	0
Damage Assessment & Restoration Revolving Fund - Reimbursable	32	15	15	0
<u>Military</u>				
ORF - Direct	324	324	324	
TOTAL	11,699	12,730	12,269	(461)

Civilian and Military Full-Time Equivalent Employment

	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
<u>Civilian Full-Time Equivalent Employment</u>				
Operations, Research & Facilities (ORF) - Direct	10,438	10,965	10,653	(312)
Procurement, Acquisition & Construction - Direct	313	296	293	(3)
Promote & Develop American Fishery Products - Direct	3	3	0	(3)
Pacific Coastal Salmon Recovery Fund - Direct	2	2	0	(2)
Limited Access System Administration Fund - Direct	40	40	40	0
Gulf Coast Ecosystem Restoration Fund Appropriation - Direct	1	1	1	0
ORF - Reimbursable	495	506	506	0
Damage Assessment & Restoration Revolving Fund - Reimbursable	32	15	15	0
<u>Military Full-Time Equivalent Employment</u>				
ORF - Direct	316	324	324	0
TOTAL	11,640	12,152	11,832	(320)

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

Summary of Appropriations

Appropriation	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations, Research & Facilities (ORF)	\$3,367,875	\$3,344,243	\$2,937,753	(\$406,490)
Procurement, Acquisition & Construction (PAC)	2,242,610	2,227,423	1,623,006	(604,417)
Fishermen's Contingency Fund	350	348	349	1
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	65,000	64,559	0	(64,559)
Marine Mammal Unusual Mortality Event Fund	0	0	0	0
Medicare-Eligible Retiree Healthcare Fund	1,936	1,936	1,603	(333)
Total, Appropriation	5,677,771	5,638,509	4,562,711	(1,075,798)
Transfers / Other:				
ORF: FROM PAC	13,072	0	0	0
ORF: FROM: Promote & Develop Fishery Products*	130,164	130,164	154,868	24,704
ORF: FROM PCSRF	65	0	0	0
ORF: RESCISSION	(18,000)	(18,000)		
PAC: TO OIG	(1,302)	(1,302)	(1,302)	0
PAC: TO ORF	(13,072)	0	0	0
PAC: RESCISSION	(5,000)	(5,000)		
PCSRF: TO ORF	(65)			
P&D: TO: ORF	(130,164)	(130,164)	(154,868)	(24,704)
P&D: FROM: Department of Agriculture (mandatory funds)	145,073	154,664	154,868	204
P&D: Previously unavailable and temporarily reduced				0
Subtotal, P&D	14,909	24,500	0	(24,500)
Total, Transfers	120,771	130,362	153,566	204
Mandatory Accounts				
Damage Assessment & Restoration Revolving Fund	6,860	5,986	5,968	(18)
Fisheries Finance Program Account	30,764	7,997	0	(7,997)
Environmental Improvement and Restoration Fund	15,049	4,858	3,813	(1,045)
Federal Ship Financing Fund	0	0	0	0
Foreign Fishing Observer Fund	0	0	0	0
NOAA Corps Retirement Pay	29,375	30,102	30,075	(27)
Western Pacific Sustainable Fisheries	240	494	500	6
Limited Access System Administration Fund	13,632	13,732	13,988	256
Sanctuaries Asset Forfeiture Fund	13	120	120	0
Fisheries Asset Forfeiture Fund	2,497	4,157	4,155	(2)
North Pacific Observer Fund	3,635	3,870	3,990	120
Spectrum Efficient National Surveillance Radar	20,627	0	0	0
Spectrum Pipeline	0	12,013	0	(12,013)
Gulf Coast Ecosystem Restoration, Science, Observation, Monitoring and Technology Fund	0	0	0	0
Total Budget Authority	5,921,234	5,852,200	4,778,886	(1,096,314)
Mandatory Funds	267,765	237,993	217,477	(20,516)

<u>Appropriation</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Budget Authority				
Operations, Research & Facilities (ORF)	\$3,493,176	\$3,456,407	\$3,092,621	(\$363,786)
P&D Net Transfers	(130,164)	(130,164)	(154,868)	(24,704)
Procurement, Acquisition & Construction (PAC)	2,223,236	2,221,121	1,621,704	(599,417)
Fishermen's Contingency Fund	350	348	349	1
Fisheries Finance Program Account	0	0	0	0
Pacific Coastal Salmon Recovery	64,935	64,559	0	(64,559)
Marine Mammal Unusual Mortality Event Fund	0	0	0	0
Medicare-Eligible Retiree Healthcare Fund	1,936	1,936	1,603	(333)
Total Discretionary Budget Authority	5,653,469	5,614,207	4,561,409	(1,052,798)
Offsetting Receipts:				
Fisheries Finance Negative Subsidy Receipt Account	(189)	(2,557)	(8,109)	(5,552)
Total, Negative Subsidy	(189)	(2,557)	(8,109)	(5,552)

Highlights of Budget Changes

Appropriation: Operations, Research and Facilities

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			11,834	\$3,344,243
Transfers				
From Promote & Develop Fishery Products & Research				130,164
<u>Adjustments to Base</u>				
Adjustments				
Restoration of FY 2018 Deobligations				17,500
Technical ATB				23,697
Subtotal, Adjustments				
Other Changes				
2018 Pay raise		\$6,980		
2019 Pay raise (Military)		498		
Civil Service Retirement System (CSRS)		(1,424)		
Federal Employees' Retirement System (FERS)		2,595		
Thrift Savings Plan		407		
Federal Insurance Contributions Act (FICA/OASDI)		1,291		
Health insurance		3,477		
Compensable Day		5,789		
Employee Compensation Fund		(13)		
Travel - Per diem		323		
Rent payments to GSA		5,368		
Postage		1		
Printing and reproduction		55		
NARA		162		
Working Capital Fund		1,282		
General Pricing Level Adjustment				
Transportation of things		258		
Rental payments to others		517		
Communications, utilities, and miscellaneous		1,265		
Other services		12,821		
Supplies		1,613		
Equipment		543		
Grants		1,055		
Subtotal, other changes				44,863
Total Adjustments to Base				86,060
2019 Base			11,834	3,560,467
Program Changes			(453)	(440,346)
2019 Total Requirements			11,381	3,120,121
Recoveries				(27,500)
Transfer from Promote & Develop Fishery Products & Research				(154,868)
2019 Appropriation			11,381	2,937,753

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
Direct Obligations								
National Ocean Service	1,121	\$513,922	1,121	\$518,964	1,121	\$380,053	0	(\$138,911)
National Marine Fisheries Service	3,062	845,819	3,062	856,351	3,060	810,484	(2)	(45,867)
Oceanic & Atmospheric Research	806	474,514	803	477,917	724	295,651	(79)	(182,266)
National Weather Service	4,494	973,193	4,494	987,333	4,139	935,196	(355)	(52,137)
National Environmental Satellite Service	586	221,095	589	237,070	590	239,310	1	2,240
Mission Support	769	253,652	769	270,113	751	243,574	(18)	(26,539)
Office of Marine and Aviation Operations	996	209,712	996	212,719	996	215,853	0	3,134
Total Direct Obligations	11,834	3,491,907	11,834	3,560,467	11,381	3,120,121	(453)	(440,346)
Reimbursable Authority	506	242,000	506	242,000	506	242,000	0	0
TOTAL OBLIGATIONS	12,340	3,733,907	12,340	3,802,467	11,887	3,362,121	(453)	(440,346)
FINANCING								
Unobligated balance, start of year	0	0	0	0	0	0	0	0
Transfer of unobligated P&D balance	0	0	0	0	0	0	0	0
Offsetting collections	(506)	(242,000)	(506)	(242,000)	(506)	(242,000)	0	0
Deobligations	0	(17,500)	0	(27,500)	0	(27,500)	0	0
Rescission	0	(18,000)	0	0	0	0	0	0
Subtotal, Financing	(506)	(277,500)	(506)	(269,500)	(506)	(269,500)	0	0
TOTAL BUDGET AUTHORITY	11,834	3,456,407	11,834	3,532,967	11,381	3,092,621	(453)	(440,346)
Transfers	0	(112,164)	0	(154,868)	0	(154,868)	0	0
APPROPRIATION, ORF	11,834	3,344,243	11,834	3,378,099	11,381	2,937,753	(453)	(440,346)

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>National Ocean Service</u>	1,139	\$547,343	0	-\$141,046

NOAA requests the following increases for this activity.

- An increase of 0 positions and \$896 to boost the reliability and accuracy of foundational geospatial data and physical oceanographic observations for myriad applications: safe navigation, coastal flood forecasting, emergency response, habitat restoration, fishing, recreation, coastal energy development, and many others.
- An increase of 0 positions and \$131 to survey five additional square nautical miles to acquire critical hydrographic survey data.
- An increase of 0 positions and \$773 bolster NOS's emergency responses to coastal storms and other disasters through the Disaster Preparedness Program. Budgetary resources will support a multi-faceted and dedicated approach to ensure that commerce, communities and natural resources can recover as quickly as possible.

NOAA requests the following decreases for this activity:

- A decrease of 0 positions and \$1,987 to discontinue single-year cooperative agreements with academic institutions for joint ocean and coastal mapping centers. NOAA will continue to support research and development of survey,

geospatial data management, and cartographic technologies through the Joint Hydrographic Center, the Coast Survey Development Laboratory, and other Navigation, Observation and Positioning programs.

- A decrease of 0 positions and \$5,960 to terminate the Regional Geospatial Modeling Grant program. NOAA will continue to support a range of other regional geospatial requirements through NOS's Coastal Zone Management and Services and Navigation, Observations and Positioning program activities. These activities include height modernization, Continuously Operating Reference Stations (CORS), data access and capacity building.
- A decrease of 0 positions and \$11,050 to reduce grants to 11 regional observing systems through a competitive merit-based grant process under the Integrated Coastal and Ocean Observation System Act of 2009. NOAA will continue to support the 11 IOOS Regional Associations at the reduced funding level.
- A decrease of 0 positions and \$467 to its Marine Debris Program. NOAA would continue its important marine debris reduction, prevention, research, monitoring, and removal activity, while balancing its level of budgetary resources with other requirements in the Department.
- A decrease of 0 positions and \$9,933 to eliminate the NCCOS Competitive Research program, which provides grants to academic institutions to conduct ecological research that advances NOAA's missions. FY 2018 is scheduled to be the final year of funding for 35 of 50 open awards.
- A decrease of 0 positions and \$2,290 to eliminate funding for the NOS portion of the Integrated Water Prediction Project. With this reduction, NOS would continue to engage in the NOAA Water Team, but would significantly curtail development of new products and services for end users.
- A decrease of 0 positions and \$84,429 to eliminate grants to state governments under the Coastal Zone Management Program and grants to eligible applicants under the Regional Coastal Resilience Grant Program. NOAA will continue to support states' participation in the National CZM program by reviewing and supporting implementation of states' management plans, supporting Federal consistency reviews, and providing technical assistance services.
- A decrease of 0 positions and \$23,342 to discontinue NOAA grants to state agencies and academic institutions that support operations of the National Estuarine Research Reserve System (NERRS). Under this proposal, NOAA will continue to provide national-level system coordination and in-kind support to state governments that choose to continue operating the reserves using state funds.
- A decrease of 0 positions and \$1,750 to reduce scalable activities such as vessel operations for the Sanctuaries and Marine Protected Areas Program. NOAA will support the highest priorities of all its authorizations, maintain its unique capabilities, support continued implementation of management plans across the National Marine Sanctuary System, and continue engaging coastal communities and stakeholders to promote science-based stewardship of designated areas.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>National Marine Fisheries Service (NMFS)</u>	3,062	\$856,351	-2	-\$45,867

NOAA requests the following increases for this activity.

There are no requested increases for this activity.

NOAA requests the following decreases for this activity:

- A decrease of 0 positions and \$3,029 to eliminate funding for the the John H. Prescott Marine Mammal Rescue Assistance Grants Program. This is the only Federal funding source for the marine mammal stranding network organizations; however, some network members may still operate in the absence of Prescott Grants, depending on the availability of private funding. NOAA will continue to support related activities such as the rescue of large whales entangled in fishing gear and the coordination of stranding network responses to unusual marine mammal mortality events.
- A decrease of 0 positions and \$1,696 which represents the additional resources originally provided in the FY 2017 Appropriations Act to expedite the review of Hatchery Genetic Management Plans (HGMPs).
- A decrease of 0 positions and \$5,000 to reduce funding for agency-independent reef fish assessments in the Gulf of Mexico. NOAA will continue to produce stock assessments for the Gulf of Mexico reef fish complex as part of its national stock assessment process.
- A decrease of 0 positions and \$2,937 to reduce funding for the Cooperative Research program. The program will continue to execute cooperative research with industry, fishermen, and other stakeholders as available funding allows.
- A decrease of 0 positions and \$5,111 to decrease support for implementation of new catch share programs; data collection improvements for recently implemented programs; and, national-level coordination to improve efficiency in

the development and implementation of catch share programs. NOAA will reduce its investment in targeted lower priority tools, but will continue to provide support for the 16 programs currently under catch share management.

- A decrease of 0 positions and \$1,835 which represents the additional funding originally provided in the FY 2017 Appropriations Act for genetic stock identification within the Mitchell Act hatchery program and implementation of the Pacific Salmon Treaty.
- A decrease of 2 positions and \$2,984 for the Interjurisdictional Fisheries Grants program. The Interjurisdictional Fisheries Act of 1986 is a financial assistance program to promote state activities in support of the management of interjurisdictional resources. This reduction would eliminate funding for this grant program.
- A decrease of 0 positions and \$17,837 for the Cooperative Enforcement Program (CEP), which would eliminate funding for Joint Enforcement Agreements (JEA) with 28 state and U.S. territory partners.
- A decrease of 0 positions and \$4,837 for partnerships and grants provided through the Community-based Restoration Program (CRP) within the NOAA Restoration Center.
- A decrease of 2 positions and \$64,599 to eliminate funding for the Pacific Coastal Salmon Recovery Fund grant program. NOAA will continue its Federal commitment to advancing Pacific salmon and steelhead recovery and Tribal treaty fishing rights through other NOAA programs to the extent possible.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>Oceanic and Atmospheric Research (OAR)</u>	803	\$477,917	-79	-\$182,266

NOAA requests the following decreases for this activity.

- A decrease of 0 positions and \$5,685 to eliminate Arctic research within the Office of Oceanic and Atmospheric research. NOAA will terminate improvements to sea ice modeling and predictions that support the safety of fishermen, commercial shippers, cruise ships, and local community stakeholders.
- A decrease of 23 positions and \$48,254 reduce competitively funded research that advances understanding of the Earth's climate system and enhances regional decision-making capabilities. NOAA will reduce competitive research grants to cooperative institutes, universities, NOAA research laboratories, and other partners.
- A decrease of 34 positions and \$4,377 to close the Air Resources Laboratory (ARL). Research on air chemistry, mercury deposition, and atmospheric dispersion of harmful materials will be curtailed. ARL's headquarters in College Park, MD will be closed, as will satellite campuses in Idaho Falls, ID, Las Vegas, NV, and Mercury, NV. NOAA will also end upgrades to the Hybrid Single Particle Lagrangian Integrated Trajectory, which is a particle model that has emergency response applications ranging from tracking mercury deposition to anthrax bioterrorism.
- A decrease of 3 positions and \$5,339 to close the Unmanned Aircraft Systems Program Office. NOAA will discontinue intramural grants to examine innovative UAS technologies to improve the efficiency and safety of observing operations across NOAA for weather prediction, earth system monitoring, and environmental research.
- A decrease of 0 positions and \$4,966 to end the Vortex-Southeast (VORTEX-SE) project. Funding is being used to understand how environmental factors that are characteristic of the southeastern United States affect the formation, intensity, and storm path of tornadoes for this region.
- A decrease of 0 positions and \$9,933 to terminate the Joint Technology Transfer Initiative (JTII). Funding is being used to transition the latest technological advances due to weather research into products and services actively used by communities and businesses.
- A decrease of 0 positions and \$479 to conclude infrasonic monitoring research. NOAA was able to complete and evaluation of this technology using funding in FY 2016 and FY 2017.
- A decrease of 0 positions and \$1,923 to reduce support for an autonomous underwater vehicle (AUV) demonstration testbed. NOAA will maintain its fleet of autonomous vehicles and other alternative technologies, and will continue to support a competitive process open to NOAA laboratories and Competitive Institutes, but will eliminate funding available for ongoing development, test, and evaluation activities.
- A decrease of 0 positions and \$1,803 to eliminate the environmental genomics program at the Atlantic Oceanographic and Meteorological Laboratory (AOML). Terminating this program will slow development of new DNA sampling tools and advances in other AOML research areas, including coral monitoring and restoration, fisheries assessments for species, such as Bluefin tuna larvae, and recruitment models of endangered species.
- A decrease of 14 positions and \$72,131 to terminate the National Sea Grant College Program and end Federal support for the network of 33 Sea Grant programs located in coastal States and territories. With the termination of the NOAA Sea Grant Program, NOAA will explore options for addressing staffing issues, such as transfers, Voluntary Early Retirement Authority (VERA), and Voluntary Separation Incentive Payments (VSIP) will be requested. NOAA will also terminate the Sea Grant's Marine Aquaculture Program.

- A decrease of 0 positions and \$16,319 will reduce mapping and exploration of unknown and poorly understood areas of the ocean. The OER program will reduce funding to the Cooperative Institute for Ocean Exploration, Research and Technology and the Global Foundation for Ocean Exploration, cutting exploration, education, and outreach activities, including exploration that could lead to discovery of new mineral deposits or medicinal resources. In addition, OER will limit funding for extramural grants and eliminate financial support for the interagency Biodiversity Observation Network.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>National Weather Service</u>	4,494	\$987,333	-355	-\$52,137

NOAA requests the following increases for this activity.

- An increase of 0 positions and \$11,622 to provide NWS additional resources to meet its labor and related costs, specifically to meet the 2018 civilian pay raise. NWS requires this funding to maintain payroll requirements for its current workforce level. This increase is spread amongst all of NWS' ORF PPA's.
- An increase of 0 positions and \$1,149 to cover high priority maintenance needs, as well as increased rent and utilities associated with new lease agreements at NWS field offices.
- An increase of 0 positions and \$5,130 to fully fund the cyclical refreshment of Advanced Weather Interactive Processing System (AWIPS) Information Technology (IT) hardware. Without increased funding, NWS will induce risk by extending cyclical hardware replacement from three-to-five years out to six-to-eight years.
- An increase of 0 positions and \$2,287 to fund upgrades and enhancements to operational applications on the Integrated Dissemination Program (IDP) systems in College Park, MD and Boulder, CO. Requested funding will help integrate targeted mission-critical applications into the dissemination infrastructure providing a higher level of redundancy and reliability than what exists currently to our partners and customers.

NOAA requests the following decreases for this activity.

- A decrease of 0 positions and \$15,489 in Observations to reduce the National Mesonet Program, Weather and Oceans Platforms, and the Tropical Atmosphere Ocean (TAO). This reduction limits mesonets (mesoscale meteorological) observations to only the highest-priority geographic areas. This decrease also lessens marine observations that inform forecasts and warnings and reduces observations of global environmental patterns (such as El Niño) that inform seasonal forecasts.
- A decrease of 74 positions and \$10,100 in Central Processing to reflect the the significant efficiencies that can be achieved by transitioning to a new IT service delivery model for the NWS forecast offices. In FY 2019, NWS proposes to initiate a phased consolidation of its 122 Information Technology Officer (ITO) full-time equivalents (FTE). Consolidating IT support functions is a critical part of evolving the NWS, including a right-sized workforce and appropriate organizational structure.
- A decrease of 0 positions and \$2,000 in Central Processing to forgo the additional development needed to address science gaps and provide implementation support for the Hydrologic Ensemble Forecast Service (HEFS) and will limit future implementation of HEFS at Advanced Hydrologic Prediction Services forecast locations. As a result, more AHPS forecast locations will have a higher degree of uncertainty than previously planned.
- A decrease of 25 positions and \$11,000 in Analyze, Forecast and Support to reduce or eliminate many components of NOAA's Tsunami Research and Operational Warning program. The reductions will leave the U.S. with one operational Tsunami Warning Center. This will limit NOAA's support for tsunami monitoring and reporting, modeling research, and support to partners. All supporting programmatic activities, education, and outreach for preparedness and innovation research will cease.
- A decrease of 0 positions and \$1,806 in Analyze, Forecast and Support to eliminate NOAA's aviation science research-to-operations (R2O) effort.
- A decrease of 8 positions and \$1,200 in Analyze, Forecast and Support to consolidate functions at the National Centers for Environmental Prediction (NCEP) Climate Prediction Center (CPC) and Weather Prediction Center (WPC) in order to achieve some efficiency while preserving core capabilities to develop sub-seasonal to seasonal predictions and services and real-time blended weather observations including those related to the onset and duration of El Niño and La Niña events.
- A decrease of 248 positions and \$15,000 to implement recommendations outlined in NWS' Operations and Workforce Analysis (OWA), which will enable NWS to continue to evolve and build a Weather-Ready Nation. The OWA recognizes inherent inefficiencies associated with the rigid field office structure of NWS and provides various Impact-

Based Decision Support Service (IDSS) recommendations to make the agency more effective and efficient to protect lives and property. Of these recommendations, OWA suggested increasing flexibility within NWS' operating model.

- A decrease of 0 positions and \$4,629 to terminate actions associated with the implementation of the Consumer Option for an Alternative System to Allocate Losses (COASTAL) Act of 2012. The COASTAL Act requires NOAA to produce detailed "post-storm assessments" in the aftermath of a damaging tropical cyclone that strikes the United States or its territories.
- A decrease of 0 positions and \$5,000 to slow down the development of the Next Generation Global Prediction System (NGGPS), including reducing support to the unified data assimilation development; eliminate support to the development of the Unified Global Coupled System; reduce support to the collaborative research activities for the Hurricane Forecast Improvement Project (HFIP); and reduce support to NOAA's testbeds.
- A decrease of 0 positions and \$3,101 to reduce investment in the National Water Model delaying future model upgrades for centralized water prediction products and services at the National Water Center.
- A decrease of 0 positions and \$2,000 as the Operations and Workforce Analysis (OWA) is completed and NOAA's efforts shift to testing, evaluation and implementation phases. NOAA will prioritize field demonstrations aimed at supporting consistent implementation of Impact-Based Decision Support Services (IDSS)
- A decrease of 0 positions and \$1,000 to terminate efforts to develop and implement key aviation tools and capabilities. NOAA will maintain the current level of operational aviation weather forecast products and services.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>National Environmental Satellite, Data and Information Service (NESDIS)</u>	589	\$237,070	1	\$2,240

NOAA requests the following increases for this activity.

- An increase of 0 positions and \$4,915 for Satellite and Product Operations to improve data flow resiliency across NOAA's critical Information Technology systems and infrastructure. This request specifically would support movement of NESDIS high impact systems to enterprise security services and automated patching and continuing monitoring through NOAA-wide enterprise services.
- An increase of 0 positions and \$1,447 for Satellite and Product Operations to provide on-orbit support for the DSCOVR satellite through technical and engineering assistance. Anomalies on the DSCOVR satellite, which have been more frequent than anticipated, have resulted in an increase in the day to day anomaly support required to continue operations of the DSCOVR satellite.
- An increase of 0 positions and \$1,274 for Satellite and Product for technical and engineering assistance, monitor U.S. instruments, and to conduct a planned system refresh on the current ground system, which was built and implemented as part of the Jason-2 mission. With Jason-3 in orbit and operational, the planned system refresh of this ground system is critical to ensure the continuity of ground operations from one satellite mission to the other.
- An increase of 0 positions and \$543 to support replacement of outdated UPS (Uninterruptible Power Supply) modules, which are an essential part of providing continuous power to the data center to maintain 24/7 satellite operations. It will further be used to facilitate modifications to the data center power and cooling infrastructure in support of satellite technology refreshes, and other improvements essential to preserve the critical infrastructure that is required to ensure the availability and reliability of environmental satellite data.
- An increase of 1 position and \$608 to enable the Commercial Remote Sensing Regulatory Affairs (CRSRA) statutory authority to regulate private remote sensing systems. Funding will allow CRSRA to implement a more efficient and effective regulatory structure for the commercial remote sensing industry, including a necessary increase in capacity to address the growing demand for commercial remote sensing licenses.
- An increase of 0 positions and \$1,005 for the Office of Space Commerce to accelerate commercial opportunities for NOAA, including commercial data buys.

NOAA requests the following decreases for this activity.

- A decrease of 0 positions and \$3,469 to reduce the number of Product Development, Readiness & Application Program (PDR&A) data products, applications, techniques and systems developed. PDR&A will continue, at a reduced pace, to identify new requirements for satellite data and environmental information, determine what information is necessary to meet those requirements, and conduct research to provide those answers and support new sensor technology, products and applications.
- A decrease of 0 positions and \$2,399 to decrease funding under the Regional Climate Centers (RCC) Program to support other existing NOAA priorities. NOAA will continue to produce and deliver climate data for decision makers and other users at a reduced level.

- A decrease of 0 positions and \$1,686 to terminate the Big Earth Data Initiative within the National Centers for Environmental Information in order to fully support other existing NOAA data stewardship priorities in NOAA's Environmental Data Management Framework. NOAA will leverage other existing programs and partnerships to continue to improve data discovery, access, compatibility and documentation.

	<u>Base</u>		<u>Increase / Decrease</u>	
<u>Mission Support</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
	769	\$270,113	-18	-\$26,539

NOAA requests the following decreases for this sub-activity.

- A decrease of 18 positions and \$19,360 to eliminate funding for the Office of Education. This will terminate coordination activities provided by the Office of Education as well as the Competitive Education Grants Program and the Educational Partnership Program for Minority Serving Institutions.
- A decrease of 0 positions and \$7,450 to eliminate NOAA Bay-Watershed Education and Training which are used to promote place-based, experiential learning in K-12 Science, Technology, Education, & Mathematics (STEM) education.

<u>Office of Marine and Aviation Operations</u>	996	\$212,719	0	\$3,134
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NOAA requests an increase for this program.

- An increase of 0 FTE and \$2,156 for increased lease and fuel costs for NOAA's Aircraft Operations Center (AOC) at Lakeland Linder Regional Airport. NOAA moved to this new AOC facility in 2017. Without increased funding, NOAA will reduce its aircraft variable operations budget to support lease payments and higher fuel costs.

Detailed Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
NATIONAL OCEAN SERVICE								
Navigation, Observations and Positioning:								
Navigation, Observations and Positioning	540	\$147,998	540	\$150,408	540	\$143,357	0	(\$7,051)
Hydrographic Survey Priorities/Contracts	13	26,818	13	26,818	13	26,949	0	131
IOOS Regional Observations	0	30,494	0	30,494	0	19,444	0	(11,050)
Total, Navigation, Observations & Positioning	553	205,310	553	207,720	553	189,750	0	(17,970)
Coastal Science and Assessment:								
Coastal Science, Assessment, Response and Restoration	254	72,112	254	73,269	254	74,042	0	773
Competitive Research	0	9,933	0	9,933	0	0	0	(9,933)
Total, Coastal Science and Assessment	254	82,045	254	83,202	254	74,042	0	(9,160)
Ocean and Coastal Management and Services:								
Coastal Zone Management and Services	118	42,214	118	42,779	118	40,489	0	(2,290)
Coastal Zone Grants	0	84,429	0	84,429	0	0	0	(84,429)
Coral Reef Program	19	25,925	19	26,003	19	26,033	0	30
Nat'l Estuarine Research Reserve System	0	23,342	0	23,342	0	0	0	(23,342)
Ocean Management	177	50,657	177	51,489	177	49,739	0	(1,750)
Total, Ocean & Coastal Management & Services	314	226,567	314	228,042	314	116,261	0	(111,781)
TOTAL, NOS	1,121	513,922	1,121	518,964	1,121	380,053	0	(138,911)
NATIONAL MARINE FISHERIES SERVICE								
Protected Resources Science & Management								
Fisheries Science and Management	851	184,517	851	187,112	851	181,615	0	(5,497)
Enforcement	1,803	540,595	1,803	547,151	1,801	529,455	(2)	(17,696)
Habitat Conservation & Restoration	244	68,536	244	69,332	244	51,495	0	(17,837)
	164	52,171	164	52,756	164	47,919	0	(4,837)
TOTAL, NMFS	3,062	845,819	3,062	856,351	3,060	810,484	(2)	(45,867)
OCEANIC & ATMOSPHERIC RESEARCH								
Climate Research	308	156,939	308	152,582	285	98,643	(23)	(53,939)
Weather & Air Chemistry Research	262	112,994	262	119,837	224	91,730	(38)	(28,107)
Ocean, Coastal and Great Lakes Research	221	191,526	221	192,430	203	93,144	(18)	(99,286)
Innovative Research & Technology	15	13,055	12	13,068	12	12,134	0	(934)
TOTAL, OAR	806	474,514	803	477,917	724	295,651	(79)	(182,266)
NATIONAL WEATHER SERVICE								
Observations	777	214,909	777	217,714	777	203,992	0	(13,722)
Central Processing	235	92,166	235	92,886	161	86,620	(74)	(6,266)
Analyze, Forecast and Support	2,958	484,049	2,958	492,014	2,677	471,792	(281)	(20,222)
Dissemination	84	46,429	84	47,580	84	50,090	0	2,510
Science and Technology Integration	440	135,640	440	137,139	440	122,702	0	(14,437)
TOTAL, NWS	4,494	973,193	4,494	987,333	4,139	935,196	(355)	(52,137)

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
NATIONAL ENVIRONMENTAL SATELLITE, DATA AND INFORMATION SERVICE								
Environmental Satellite Observing Systems	386	162,303	389	175,394	390	181,719	1	6,325
National Centers for Environmental Intelligence	200	58,792	200	61,676	200	57,591	0	(4,085)
TOTAL, NESDIS	586	221,095	589	237,070	590	239,310	1	2,240
MISSION SUPPORT								
Office of Education	18	26,750	18	26,810	0	0	(18)	(26,810)
Executive Leadership	127	26,818	127	27,610	127	27,879	0	269
Mission Services and Management	610	147,392	610	150,417	610	150,417	0	0
IT Security	14	9,982	14	10,027	14	10,029	0	2
Payment to DoC Working Capital Fund	0	42,710	0	55,249	0	55,249	0	0
Total, Mission Support	769	253,652	769	270,113	751	243,574	(18)	(26,539)
OFFICE OF MARINE AND AVIATIONS OPERATIONS (OMAO)								
Marine Operations and Maintenance	869	177,636	869	180,192	869	181,170	0	978
Aviation Operations	127	32,076	127	32,527	127	34,683	0	2,156
Total, OMAO	996	209,712	996	212,719	996	215,853	0	3,134
Total Direct Obligations	11,834	3,491,907	11,834	3,560,467	11,381	3,120,121	(453)	(440,346)
Reimbursable Authority	506	242,000	506	242,000	506	242,000	0	0
TOTAL OBLIGATIONS, ORF	12,340	3,733,907	12,340	3,802,467	11,887	3,362,121	(453)	(440,346)
FINANCING								
Unobligated balance, start of year							0	0
Transfer of unobligated P&D balance							0	0
Offsetting collections	(506)	(242,000)	(506)	(242,000)	(506)	(242,000)	0	0
De-obligations (direct)		(17,500)		(27,500)		(27,500)	0	0
Rescission		(18,000)		0		0	0	0
Subtotal, financing	(506)	(277,500)	(506)	(269,500)	(506)	(269,500)	0	0
TOTAL BUDGET AUTHORITY, ORF	11,834	3,456,407	11,834	3,532,967	11,381	3,092,621	(453)	(440,346)
TRANSFERS:								
From PDF		(130,164)		(154,868)		(154,868)	0	0
Rescission		18,000		0		0	0	0
Subtotal, Transfers	0	(112,164)	0	(154,868)	0	(154,868)	0	0
APPROPRIATION, ORF	11,834	3,344,243	11,834	3,378,099	11,381	2,937,753	(453)	(440,346)

Appropriation: Procurement, Acquisition and Construction

Summary of Requirements

	Summary	
	Positions	Amount
2018 Annualized CR	329	\$2,227,423
Transfer		
To OIG		(1,302)
Adjustments to Base		
Adjustments		
Technical Adjustments to Base	(3)	(12,440)
Restoration of FY 2017 deobligations		13,000
Financing		
Recoveries of prior year obligations		(13,000)
Total Adjustments to Base	(3)	(12,440)
2019 Base	326	2,213,681
Program Changes	0	(591,977)
Total Requirements	326	1,621,704
Transfer to OIG	0	1,302
2019 Appropriation	326	1,623,006

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
National Ocean Service								
Construction / Acquisition								
NERRS	0	\$1,689	0	\$1,689	0	\$0	0	(\$1,689)
Marine Sanctuaries	2	1,987	2	1,987	2	1,541	0	(446)
Total, NOS PAC	2	3,676	2	3,676	2	1,541	0	(2,135)
National Marine Fisheries Service								
Systems Acquisition / Construction	0	0	0	0	0	0	0	0
Total, NMFS PAC	0	0	0	0	0	0	0	0
Oceanic and Atmospheric Research								
Systems Acquisition	0	36,134	0	36,134	0	26,000	0	(10,134)
Total, OAR PAC	0	36,134	0	36,134	0	26,000	0	(10,134)
National Weather Service								
Systems Acquisition								
Observations	0	32,534	0	32,534	0	16,250	0	(16,284)
Central Processing	26	66,311	26	66,311	26	58,139	0	(8,172)
Dissemination	0	34,386	0	34,386	0	34,553	0	167
Construction								
Facilities Construction and Major Repairs	0	7,598	0	7,598	0	8,634	0	1,036
Total, NWS PAC	26	140,829	26	140,829	26	117,576	0	(23,253)

National Environmental Satellite, Data & Information Service:

Systems Acquisition								
Geostationary Satellites - R	59	\$747,713	59	\$743,276	59	\$408,380	0	(\$334,896)
Jason-3	1	4,328	0	0	0	0	0	0
Joint Polar Satellite System (JPSS)	65	781,951	2	0	2	0	0	0
Polar Follow-on	29	326,684	4	0	4	0	0	0
Polar Weather Satellites	0	0	88	1,108,635	88	877,991	0	(230,644)
Cooperative Data and Rescue Services	0	497	0	497	0	500	0	3
DSCOVR	2	3,720	0	0	0	0	0	0
Space Weather Follow-on	1	4,966	1	4,966	1	10,000	0	5,034
COSMIC 2/GNSS RO	1	8,045	1	8,045	1	5,892	0	(2,153)
Satellite Ground Services	86	53,636	86	53,681	86	52,332	0	(1,349)
System Architecture & Advanced Planning	12	3,903	12	3,903	12	4,929	0	1,026
Projects, Planning & Analysis	37	25,030	37	25,030	37	36,539	0	11,509
Commercial Weather Data Pilot	0	4,966	0	4,966	0	3,000	0	(1,966)
Subtotal	293	1,965,439	290	1,952,999	290	1,399,563	0	(553,436)
Construction	0	2,213	0	2,213	0	2,450	0	237
OIG Transfer	0	(1,302)	0	(1,302)	0	(1,302)	0	0
Total, NESDIS PAC	293	1,966,350	290	1,953,910	290	1,400,711	0	(553,199)
Mission Support / Construction								
NOAA Construction	0	6,016	0	6,016	0	998	0	(5,018)
Total, Mission Support Construction PAC	0	6,016	0	6,016	0	998	0	(5,018)
Office of Marine & Aviation Operations								
Fleet Capital Improvements	1	11,621	1	11,621	1	12,878	0	1,257
New Vessel Construction	7	74,495	7	74,495	7	75,000	0	505
Total, OMAO, PAC	8	86,116	8	86,116	8	87,878	0	1,762
TOTAL OBLIGATIONS, PAC	329	2,239,121	326	2,226,681	326	1,634,704	0	(591,977)
De-obligations	0	(13,000)	0	(13,000)	0	(13,000)	0	0
Rescission	0	(5,000)	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY, PAC	329	2,221,121	326	2,213,681	326	1,621,704	0	(591,977)
TRANSFERS								
TO OIG	0	1,302	0	1,302	0	1,302	0	0
Rescission	0	5,000	0	0	0	0	0	0
Subtotal, Transfers	0	6,302	0	1,302	0	1,302	0	0
APPROPRIATION, PAC	329	2,227,423	326	2,214,983	326	1,623,006	0	(591,977)

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>National Ocean Service (NOS)</u>	2	\$3,676	0	-\$2,135

NOAA requests the following decrease for the following activity:

- A decrease of 0 positions and \$1,689 to discontinue grants to state agencies and academic institutions for construction and land acquisition activities within the National Estuarine Research Reserve System. Under this proposal, NOAA will continue to provide national-level system coordination and in-kind support to state governments that choose to continue operating the reserves using state funds.
- A decrease of 0 positions and \$446 to reduce National Marine Sanctuaries Construction Grants funding for design and installation of signage, exhibits, and kiosks.

<u>Office of Oceanic & Atmospheric Research (OAR)</u>	0	\$36,134	0	-\$10,134
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NOAA requests the following decrease for the following activity:

- A decrease of 0 positions and \$10,134 to terminate the Mississippi State Partnership established by congressionally directed requirements to develop a dedicated high-performance computing facility in collaboration with partners with existing high-performance computing expertise and scientific synergies.

<u>National Weather Service (NWS)</u>	26	\$140,829	0	-\$23,253
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NOAA requests the following increases for this activity:

- An increase of 0 positions and \$167 provide additional resources to the improved dissemination reliability project. The improved dissemination reliability project mitigates risk to mission operations during severe weather events by upgrading network capabilities to reduce single points of failure and increase website capacity.
- An increase of 0 positions and \$1,036 to provide tenant improvements (TI) and move costs associated with Weather Forecast Office (WFO) and River Forecast Center (RFC) relocations due to unacceptable conditions at facilities that will impact operations. These facilities are located in severe weather areas, such as tornados and hurricanes, where citizens, emergency managers, and local officials count on the timely and accurate delivery of weather warnings.

NOAA requests the following decreases for this activity:

- A decrease of 0 positions and \$16,284 for a planned reduction for the Service Life Extension Program to sustain aging Next Generation Weather Radar infrastructure. The proposed funding decrease also reflects an additional \$4,424 in reductions to the Observation Portfolio for a total reduction of \$16,284.
- A decrease of 0 positions and \$4,000 to eliminate the “Jet” supercomputing system and associated contract support in Boulder, CO and reduce NWS’s supercomputing use and associated contract support in Fairmont, WV. Major transition projects including hurricane forecast improvement, the Next Generation Global Prediction System, and storm surge modeling will need to compete for space on NOAA’s remaining supercomputing assets.
- A decrease of 0 positions and \$4,172 to will eliminate funding to procure additional operational high-performance computing resources to support coupling of the current generation of terrestrial and coastal models and develop the next generation of integrated Earth system coupled models necessary to expand NOAA’s hydrologic products and services. This reduction maintains the existing water modeling capability.

<u>National Environmental Satellite, Data, and Information Service (NESDIS)</u>	290	\$1,953,910	0	-\$533,436
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NOAA requests the following increases for this activity:

- An increase of 0 positions and \$5,034 for Space Weather Follow On (SWFO) program. This program increase will continue work with Naval Research Laboratory (NRL) to develop the compact coronagraph (CCOR) for launch by 2024.
- An increase of 0 positions and \$1,026 for System Architecture and Advanced Planning to begin pre-acquisition activities informed by the NOAA Satellite Observing System Architecture study to ensure continuity of NOAA’s environmental satellite data following the current GOES-R Series and JPSS programs.

- An increase of 0 positions and \$11,509 for Metop-C under Projects, Planning and Analysis to support the pre-launch testing, launch activities, and Ground Support Equipment of U.S.-instruments on the European Metop-C satellite, which is scheduled to launch in October 2018. This satellite will provide mid-morning polar observations for weather forecasting, and the launch of the NOAA suite of U.S. instruments on MetOp-C is critical to maintaining the quality of Numerical Weather Prediction (NWP) models.
- An increase of 0 positions and \$237 to repair and renew Satellite Command and Data Acquisition infrastructure at a sustainable rate. Known and anticipated requirements are similar to improvements that have been completed previously such as server room air conditioners, asphalt road repair, fuel tank replacements, and boiler replacements.

NOAA requests the following decreases for this activity:

- A decrease of 0 positions and \$334,896 to continue satellite engineering development, production, integration, and launch activities to complete the four-satellite Geostationary Operational Environmental Satellite - R (GOES-R) Series Program. The remaining funding will sustain the continuity of the GOES-R Series program geostationary observing platforms, including the instruments, satellite, and launch vehicle activities currently under contract to meet the GOES-S launch. Remaining funds will also be used to continue the development activities for GOES-T and GOES-U, including ground system check out.
- A decrease of 0 positions and \$230,644 for a planned decrease to what was previously the Joint Polar Satellite System (JPSS) Programs of Record and an increase to what was previously the Polar Follow On (PFO) Program to maintain the original Launch Readiness Dates for JPSS-3 and JPSS-4. The FY 2019 funding will be used to operate and sustain the Suomi National Polar-orbiting Partnership (Suomi NPP) and NOAA 20 (formerly JPSS-1) satellites; continue development of the ATMS, CrIS, VIIRS, and OMPS instruments for JPSS-2, JPSS-3 and JPSS-4, and maintain programmatic and technical synergies with JPSS-2 to achieve cost efficiencies across the JPSS missions.
- A decrease of 0 positions and \$2,153 for ground reception and processing of Global Navigation Satellite System Radio Occultation satellite data. FY 2019 funding will support ground system development necessary for the launch and operation of the COSMIC-2A constellation and will continue to fund the procurement of services for at least one commercial ground station to reduce data latency and increase data reliability at low cost.
- A decrease of 0 positions and \$1,349 to decrease Satellite Ground Services (SGS) activities in order to fully support other existing NOAA priorities.
- A decrease of 0 positions and \$1,966 for the Commercial Weather Data Pilot. This decrease adjusts the Commercial Weather Data Pilot funding to a level appropriate for the scope of work expected to be performed in FY 2019. This level of funding will allow NESDIS to test commercially available data and capabilities based on market research conducted in FY 2018 to assess the accuracy, value and impact of the commercial industry.

<u>Mission Support</u>	0	\$6,016	0	-\$5,018
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NOAA requests the following increase for this activity:

- An increase of 0 positions and \$998 to fund regional analysis focused on consolidation and colocation opportunities on a region such as National Capital, Southeast, Northeast, Mid-Atlantic, Gulf Coast, Great Lakes, Pacific Northwest, Alaska, Southwest, Southern California, or the Midwest/Great Plains.

NOAA requests the following decrease for this activity:

- A decrease of 0 positions and \$4,526 to decrease National Marine Fisheries Service Facilities Initiative activities in order to fully support other existing NOAA priorities
- A decrease of 0 positions and \$1,490 to decrease NAVSTA Newport activities in order to fully support other existing NOAA priorities. Funds provided under a FY 2018 Annualized Continuing Resolution will be sufficient to complete the design phase of the pier.

<u>Office of Marine and Aviation Operations</u>	8	\$86,116	0	\$1,762
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NOAA requests the following increase for this activity:

- An increase of 0 positions and \$1,257 to increase funding available for capital repairs to NOAA's ship fleet under the Progressive Lifecycle Maintenance program. Progressive lifecycle maintenance offers greater capacity to address needed repairs that improve the material condition of the fleet and provides a sustained capital investment in mission systems refresh and technology infusion that will ensure NOAA ships remain capable of collecting environmental data to support NOAA's mission and the public's need for accurate and reliable information.
- An increase of 0 positions and \$505 to continue fleet recapitalization.

Appropriation: Pacific Coastal Salmon Recovery

Summary of Requirements

	Summary	
	Positions	Amount
2018 Annualized CR	2	\$64,559
Adjustments	0	0
2019 Base	2	64,559
Program Changes	(2)	(64,559)
2019 Appropriation	0	0

This account funds state, tribal and local conservation initiatives to help recover Pacific salmon populations. State and local recipients of this funding provide matching contributions of at least thirty-three percent of Federal funds. In addition, NOAA makes funds available to Tribes that do not require matching dollars. The Administration has proposed to eliminate this account in the FY 2019 Congressional Budget.

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
TOTAL BUDGET AUTHORITY / APPROPRIATION	2	\$64,559	2	\$64,559	0	\$0	(2)	(\$64,559)

Highlights of Program Changes

	Base		Increase / Decrease	
	Positions	Amount	Positions	Amount
Pacific Coastal Salmon Recovery	2	\$64,559	-2	-\$64,559

The Administration has proposed to eliminate this account in the FY 2019 Congressional Budget (-2 positions, -\$64.6 million).

Appropriation: Fishermen’s Contingency Fund

Summary of Requirements

	Summary	
	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR	0	\$348
Adjustments	0	0
2019 Base	0	348
Program Changes	0	1
2019 Appropriation	0	349

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
TOTAL BUDGET AUTHORITY /	0	\$348	0	\$348	0	\$349	0	\$1
APPROPRIATION								

The Fishermen's Contingency Fund is authorized under Section 402 of Title IV of the Outer Continental Shelf Lands Act Amendments of 1978. NOAA compensates U.S. commercial fishermen for damage or loss of fishing gear, vessels, and resulting economic loss caused by obstructions related to oil and gas exploration, development, and production in any area of the Outer Continental Shelf (OCS). The funds used to provide this compensation are derived from fees collected on an annual basis by the Secretary of the Interior from the holders of leases, exploration permits, easements, or rights-of-way in areas of the OCS. This activity is funded totally through user fees. Disbursements can be made only to the extent authorized in appropriation acts.

Appropriation: Fisheries Finance Program Account

Summary of Requirements

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR	0	\$7,997
Adjustments		(7,997)
2019 Base	0	0
Program Changes	0	0
2019 Appropriation	0	0

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	\$7,997	0	\$0	0	\$0	0	\$0

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

The FFP operates under the authority of Title XI of the Merchant Marine Act of 1936, as amended (46 USC 53701); Section 303(a) of the Sustainable Fisheries Act amendments to the MSA; and, from time to time FFP-specific legislation. The overriding guideline for all FFP financings is that they cannot contribute or be construed to contribute to an increase in existing fish harvesting.

Appropriation: Promote and Develop Fisheries Products

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			3	\$0
Transfers				
From Department of Agriculture		\$154,868		
To NOAA ORF		(130,164)		
Total, Transfers			0	24,704
Temporarily Reduced			0	(10,221)
Appropriations Previously Unavailable			0	10,017
Adjustments			(3)	(24,500)
2019 Base			0	0
Program Changes			0	0
Total Requirements			0	0
Transfers				
From Department of Agriculture		(154,868)		
To NOAA ORF		154,868		
Total, Transfers				0
Temporarily Reduced				10,221
Appropriations Previously Unavailable				(10,221)
2019 Appropriation			0	0

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
TOTAL BUDGET AUTHORITY	3	\$24,500	0	\$0	0	\$0	0	\$0
TRANSFERS								
From Department of Agriculture	(3)	(154,868)				(154,868)		
To NOAA ORF		130,164				154,868		
Appropriations Previously Unavailable		(10,017)				(10,221)		
Temporarily Reduced		10,221				10,221		
TOTAL APPROPRIATION	0	0			0	0		

The Promote and Develop account funds are derived from a transfer of thirty percent of duties on imported fisheries products from the Department of Agriculture. Funds from this account are transferred to offset the appropriations for fisheries research and management in the ORF account. Any funds remaining in this account after the ORF transfer are available for Saltonstall-Kennedy grants, which support fisheries research and development projects. For FY 2019, NOAA requests \$0 funding for the S-K Grant Program. NOAA estimates that a total of \$154,867,577 will be transferred from the Department of Agriculture to the Promote and Develop account. After accounting for sequestration \$154,867,577 will be transferred from the Promote and Develop account to the ORF account.

Appropriation: Marine Mammal Unusual Mortality Event Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Annualized CR	0	\$0
Adjustments	0	0
2019 Base	0	0
Program Changes	0	0
2019 Appropriation	0	0

The Marine Mammal Protection Act Section 405 (16 USC 1421d) established the Marine Mammal Unusual Mortality Event Fund. NMFS established the Marine Mammal Health and Stranding Response Program, and its Working Group on Unusual Marine Mammal Mortality Events in response to the death of more than 700 bottlenose dolphins on the East Coast of the United States in 1987-88. This program determines when an unusual mortality event is occurring, and directs responses to such events. NOAA will make available funding from this account to members of the Marine Mammal Stranding Network for costs incurred in investigating the death of marine mammals. To date, Congress has appropriated funding for UMEs on one occasion in 2005. Some of those funds were transferred to the National Fish and Wildlife Foundation (NFWF) since they have the ability to quickly distribute funds within 30 days of invoicing to our partners during a UME. Therefore, at this time there are sufficient funds held at NFWF to meet most of our expected expenses in FY 2018 and we anticipate obligating \$23,000 from the Marine Mammal Unusual Mortality Event Fund in FY 2019.

Appropriation: Medicare-Eligible Retiree Healthcare Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Annualized CR	0	\$1,936
Adjustments	0	(333)
2019 Base	0	1,603
Program Changes	0	0
2019 Appropriation	0	1,603

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	\$1,936	0	\$1,603	0	\$1,603	0	\$0

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

Appropriation: Limited Access System Administration Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Mandatory Appropriation	40	\$13,773
Adjustments	0	230
2019 Base	40	14,003
Program Changes	0	0
2019 Mandatory Appropriation	40	14,003

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
TOTAL BUDGET AUTHORITY /	40	\$13,732	40	\$13,988	40	\$13,988	0	\$0
Temporarily reduced		(868)				(909)		
Appropriation previously unavailable		909				924		
TOTAL APPROPRIATION	40	13,773			40	14,003		

Under the authority of the Magnuson-Stevens Act Section 304(d)(2)(A), NMFS must collect a fee to recover the incremental costs of management, data collection, and enforcement of Limited Access Privilege (LAP) programs. Funds collected under this authority are deposited into the Fund. Fees cannot exceed three percent of the ex-vessel value of fish harvested under any such program. The Fund is available, without appropriation or fiscal year limitation, only for the purposes of administering the central registry system; and administering and implementing the MSA in the fishery in which the fees were collected.

Appropriation: Foreign Fishing Observer Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Mandatory Appropriation	0	\$0
Adjustments	0	0
2019 Base	0	0
Program Changes	0	0
2019 Mandatory Appropriation	0	0

The Foreign Fishing Observer Fund is financed through fees collected from owners and operators of foreign fishing vessels fishing within the U.S. EEZ (such fishing requires a permit issued under the MSA). This includes longline vessels fishing in the Atlantic billfish and shark fishery and other foreign vessels fishing in the EEZ. The fund is used by NOAA to pay salaries, administrative costs, data editing and entry, and other costs incurred in placing observers aboard foreign fishing vessels. The observer program is conducted primarily through contracts with the private sector. NOAA places these observers aboard foreign fishing vessels to monitor compliance with U.S. fishery laws and to collect fishery management data. Amounts available in the fund can be disbursed only to the extent and in amounts provided in appropriation acts. In FY 1985, Congress approved the establishment of a supplemental observer program. The program provided that foreign vessels without Federally funded observers are required to obtain the services of private contractors certified by the Secretary of Commerce.

Appropriation: Damage Assessment and Restoration Revolving Fund**Summary of Requirements**

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Mandatory Appropriation	15	\$0
Adjustments	0	0
2019 Base	15	0
Program Changes	0	0
2019 Mandatory Appropriation	15	0

Comparison by Activity

TOTAL BUDGET AUTHORITY	15	\$5,986	15	\$5,968	15	\$5,968	0	\$0
TRANSFERS								
From Department of Interior		(5,968)				(5,968)		
Appropriations Temporarily Reduced		394				394		
Appropriations Previously Unavailable		(412)				(394)		
TOTAL APPROPRIATION	15	0	15	0	15	0		

Established in 1990 under section 1012(a) of the Oil Pollution Act, this fund facilitates oil and hazardous material spill response, as well as assessment and restoration activities for damages to natural resources for which NOAA serves as trustee. The Fund retains sums transferred by responsible parties or government entities for future use. The sources of these funds are settlements and awards by the courts. Receipts from settlements are expected to be \$10.0 million in FY 2018.

Appropriation: Federal Ship Financing Fund**Summary of Requirements**

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Mandatory Appropriation	0	\$0
Adjustments	0	0
2019 Base	0	0
Program Changes	0	0
2019 Mandatory Appropriation	0	0

The Federal Ship Financing Fund is the liquidating account necessary for the collection of premiums and fees of the loan guarantee portfolio that existed prior to FY 1992. Administrative expenses for management of the loan guarantee portfolio were charged to the Federal Ship Financing Fund prior to the enactment of the Federal Credit Reform Act of 1990. Administrative expenses are charged to the ORF account.

Appropriation: Environmental Improvement and Restoration Fund

Summary of Requirements

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Mandatory Appropriation	0	\$5,201
Adjustments	0	(1,119)
2019 Base	0	4,082
Program Change	0	0
2019 Mandatory Appropriation	0	4,082

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
TOTAL BUDGET AUTHORITY /	0	\$4,858	0	\$3,813	0	\$3,813	0	\$0
Previously Unavailable								
Permanently Reduced		343				269		
TOTAL APPROPRIATION	0	5,201			0	4,082		

The Environmental Improvement and Restoration Fund (EIRF) was created by the Department of Interior and Related Agencies Appropriations Act of 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.

Appropriation: Western Pacific Sustainable Fisheries Fund

Summary of Requirements

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Mandatory Appropriation	0	\$500
Adjustments	0	0
2019 Base	0	500
Program Changes	0	0
2019 Mandatory Appropriation	0	500

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
TOTAL BUDGET AUTHORITY	0	\$494	0	\$500	0	\$500	0	\$0
Previously Unavailable		(27)				(33)		
Temporarily Reduced		33				33		
TOTAL APPROPRIATION	0	500			0	500		

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

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

Appropriation: Fisheries Asset Forfeiture Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Mandatory Appropriation	0	\$4,155
Adjustments	0	0
2019 Base	0	4,155
Program Changes	0	0
2019 Mandatory Appropriation	0	4,155

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
TOTAL BUDGET AUTHORITY	0	\$4,157	0	\$4,155	0	\$4,155	0	\$0
Previously Unavailable		(276)				(274)		
Temporarily Reduced		274				274		
TOTAL APPROPRIATION	0	4,155			0	4,155		

Section 311(e)(1) of the MSA authorizes the Secretary of Commerce to pay certain enforcement-related expenses from fines, penalties, and forfeiture proceeds received for violations of the MSA, MMPA, National Marine Sanctuaries Act, or any other marine resource law enforced by the Secretary. Pursuant to this authority, NOAA has established a Civil Monetary Penalty/Asset Forfeiture Fund (AFF) where these proceeds are deposited. When Congress established the AFF it was deemed appropriate to use these proceeds to offset in part the costs of administering the Enforcement program. Expenses funded through this source include: costs directly related to the storage, maintenance, and care of seized fish, vessels, or other property during a civil or criminal proceeding; expenditures related directly to specific investigations and enforcement proceedings such as travel for interviewing witnesses; enforcement-unique information technology infrastructure; and annual interagency agreement and contract costs for the administrative adjudication process, including Administrative Law Judges.

Appropriation: Sanctuaries Enforcement Asset Forfeiture Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Mandatory Appropriation	0	\$120
Adjustments	0	0
2019 Base	0	120
Program Change	0	0
2019 Mandatory Appropriation	0	120

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
TOTAL BUDGET AUTHORITY	0	\$120	0	\$120	0	\$120	0	\$0
Previously Unavailable		(8)				(8)		
Temporarily Reduced		8				8		
TOTAL APPROPRIATION	0	120			0	120		

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

Appropriation: North Pacific Observer Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Mandatory Appropriation	0	\$3,850
Adjustments	0	150
2019 Base	0	4,000
Program Change	0	0
2019 Mandatory Appropriation	0	4,000

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
TOTAL BUDGET AUTHORITY	0	\$3,870	0	\$3,990	0	\$3,990	0	\$0
Previously Unavailable		(274)				(254)		
Temporarily Reduced		254				264		
TOTAL APPROPRIATION	0	3,850			0	4,000		

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

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

NMFS expects approximately \$3.9 million to be collected in fees from the FY 2018 season, to be used in FY 2019 for observer coverage.

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

Summary of Requirements

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Mandatory Appropriation	1	\$0
Adjustments	0	0
2019 Base	1	0
Program Change	0	0
2019 Appropriation	1	0

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

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

Performance Indicators

The following table shows the NOAA performance Indicators. Additional details appear at the end of the NOAA section of the Department of Commerce budget.

	<u>2017 Target</u>	<u>2017 Actual</u>	<u>2018 Target</u>	<u>2019 Target</u>
Annual number of OAR R&D products transitioned to a new stage(s) (development, demonstration, or application).	65	65	42	42
Reduction in gap between high-performance computing deployed and what is needed to meet modeling requirements (in petaflops)	13	13	16	17
Key milestones completed on time for satellites and ship deployments	2	2	4	3
Base Funded Days-at-Sea for NOAA Ships	2,985	2,554	2,783	2,710
Annual number of peer-reviewed publications related to environmental understanding and prediction	1,700	1,678	1,100	1,050
Percentage of data processed and delivered to the user community	98.5	99.5%	98.5	98.5
U.S. temperature forecasts (cumulative skill score computed over the regions where predictions are made)	26	34	26	26
Lead time (minutes), accuracy (%) and False Alarm Rate (FAR) (%) for tornado warnings	13/72%/71%	9/58%/72%	13/72%/71%	13/72%/71%
Lead time (minutes) and accuracy (%) for flash flood warnings	63 / 76%	73 / 77%	63 / 76%	65 / 76%
Hurricane forecast track error (48 hour)	68	56 ¹	65	62
Hurricane forecast intensity error (48 hour) (diff. in knots)	12	13 ¹	12	12
Accuracy (%) (threat score) of Day 1 precipitation forecasts	33	34	33	33
Lead time (hours) and accuracy (%) for winter storm warnings	20 / 90%	22 / 87%	20 / 90%	20 / 90%
Accuracy (%) of forecast for marine wind speed / wave height	78 / 81	81 / 84	79 / 92	79 / 92
Accuracy (%) and FAR (%) of forecasts of ceiling and visibility (3 miles / 1000 feet) (aviation forecasts)	65 / 38	63 / 37	65 / 38	65 / 38
Geomagnetic storm forecast accuracy (%)	40	65	56	57
Percentage of U.S. coastal states and territories demonstrating annual improvement in resilience capacity to weather and climate hazards	66%	69%	71%	51%
Number of communities that utilize Digital Coast	5,500	7,040	5,500	5,000
Hydrographic survey backlog within navigational significant areas (square nautical miles surveyed per year)	2,287	2,480	2,279	2,279
Cumulative percent of U.S. and territories enabled to benefit from a new national vertical reference system for improved inundation management	62%	64%	70%	79%
Percent of all coastal communities susceptible to harmful algal blooms verifying use of accurate HAB forecasts	23%	23%	23%	23%
Percent of top 175 U.S. seaports with access to Physical Oceanographic Real-Time Systems (PORTS®), which improves the safety and efficiency of marine transportation	35%	37%	38%	39%

	2017 Target	2017 Actual	2018 Target	2019 Target
Fish Stock Sustainability Index (FSSI) (cumulative)	754	756.5	763	769.5
Percent of stocks for which the catch is below the specified Annual Catch Limit (ACL) (cumulative)	82.0	91.9	83.0	84.0
Percentage of FSSI fish stocks with adequate population assessments and forecasts (cumulative)	63.8	63.3	64.8	64.3
Percentage of protected species stocks with adequate population assessments and forecasts (cumulative)	19.9	19.3	21.7	24.9
Number of protected species designated as threatened, endangered, or depleted with stable or increasing population levels (cumulative)	30	30	30	30
Percentage and number of actions ongoing or completed to recover endangered and threatened species (cumulative)	48.7% / 2213	48.0% / 2,183	48.2% / 2241	48.8% / 2270
Number of habitat acres restored (annual)	11,050	10,207	17,280	22,300
Number of natural resource environments managed by the Office of National Marine Sanctuaries in which water, habitat, and living resource quality is stable or improving	9	9	9	10
Annual number of coastal, marine and Great Lakes habitat acres acquired or designated for long-term protection	800	6,782	800	200
Percentage of ingested environmental data safely archived to ensure consistent long-term stewardship and usability of the data (per National Archives and Records Administration (NARA) standards)	98%	98%	98%	98%
The cumulative number of NOAA datasets made openly available via Partners' cloud platforms to the public, America's Weather Enterprise and other environmental information stakeholders.	New	6	15	20
Number of fishermen, seafood processors and aquaculture industry personnel who modify their practices using knowledge gained in fisheries sustainability and seafood safety.	New	New	New	60,000
Increase annual number of NOAA partnerships with the private sector (# of Cooperative Research and Development Agreements executed)	New	New	New	8
Uncertainty of the North American carbon sink to better understand the contribution of human activities toward increasing atmospheric CO ² and methane	400 million tons carbon / yr	400	Discontinued	
Number of forecast and mission improvements based on NOAA research, to weather applications at operational US weather services and in the US weather commercial	9	9	Discontinued	
Number of R&D capabilities transitioning to applications (from TRL 8 to TRL 90), to improve efficiency, accuracy, or precision of forecasts	8	6	Discontinued	
Number of publications that contribute to improved understanding of the climate system	850	486	Discontinued	
Cumulative number of coastal, marine and Great Lakes issue-based forecasting capabilities developed and used for management	113	108	Discontinued	
Annual number of coastal, marine, and Great Lakes ecological characterizations that meet management needs	48	100	Discontinued	
Percentage of tools, technologies, and information services that are used by NOAA partners / customers to improve ecosystem-based management	91%	94%	Discontinued	
Annual economic and societal benefits from Sea Grant activities as measured by jobs created/retained (reported by each individual Sea Grant College)	20,770	7,100	Discontinued	0

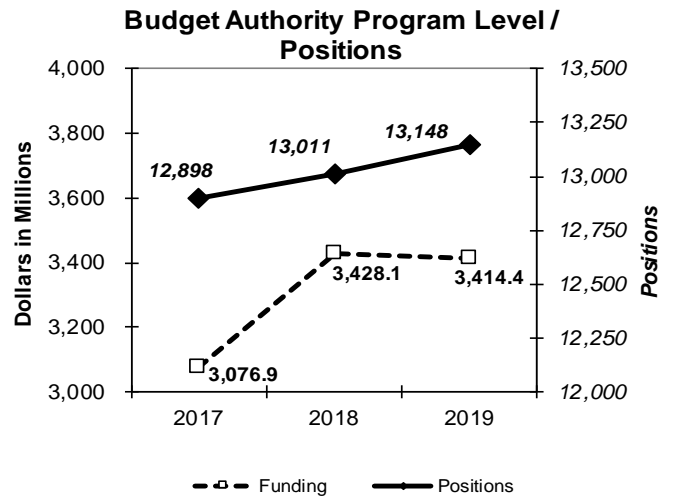
1. Amounts are preliminary. NOAA will have final values in April 2018

U.S. Patent and Trademark Office

The mission of the U.S. Patent and Trademark Office (USPTO) is to foster innovation, competitiveness and economic growth, domestically and abroad, by providing high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property (IP) policy, and delivering IP information and education worldwide.

USPTO accomplishes this mission through its two distinct business lines, Patents and Trademarks, which administer the patent and trademark laws. These laws provide protection to inventors and businesses for their inventions and corporate and product identifications. The laws also encourage innovation and scientific and technical advancement of American industry through the preservation, classification, and dissemination of patent and trademark information. In addition to the examination of applications for patents and trademark registrations, the USPTO provides technical advice and information to federal agencies on IP matters and trade-related aspects of IP rights, and assists foreign governments in establishing regulatory and enforcement mechanisms to meet their international obligations relating to the protection of IP.

In FY 2019, USPTO continues to fulfill its mission by fully supporting the strategic and management priorities of quality, particularly quality examinations through training and guidance; patent pendency and backlog reduction; maintaining trademark pendency; providing domestic and global leadership in IP enforcement; modernizing information technology (IT); and stakeholder and public outreach, including a focus on small business education on obtaining and protecting IP. The Budget supports a 10-year extension of the authority of the Director of the USPTO to set or adjust any fee under Section 10, subsection (a) of the America Invents Act of 2011.



Summary of Appropriations

	2017	2018	2019	Increase
	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>(Decrease)</u>
<u>Appropriations</u>				
New Offsetting Coll. / Program Level	\$3,078,887	\$3,430,123	\$3,416,366	(\$13,757)
Fee Collections	(3,078,887)	(3,430,123)	(3,416,366)	13,757
Total Appropriation	0	0	0	0
Amounts Temporarily Unavailable for Spending	0	(24,000)	0	24,000
Transfer to IG	(2,000)	(2,000)	(2,000)	0
<u>Budget Authority</u>				
New Offsetting Coll. / Program Level	3,076,887	3,428,123	3,414,366	(13,757)
Base Fee Collections	(3,078,887)	(3,430,123)	(3,416,366)	13,757
Budget Authority Temporarily Unavailable	0	(24,000)	0	24,000
Total Budget Authority	(2,000)	(26,000)	(2,000)	24,000
Positions - Reimbursable	12,898	13,011	13,148	137
Civilian Full-Time Equivalent Employment - Reimbursable	12,507	12,735	12,884	149

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
FY 2018 Annualized CR				\$0
2018 Estimated Fee Collections			13,011	3,430,123
Other Income/Recoveries				39,445
USPTO Funding from Operating Reserve				(20,067)
Funds currently available, 2018			13,011	3,449,501
FY 2018 Transfer to DOC OIG				(2,000)
FY 2018 Base			13,011	3,447,501
<u>Adjustments to Base:</u>				
<u>Adjustments</u>				
Non-recurring items				(16,417)
Other Changes				
2018 Pay raise		\$7,308		
Full year cost in 2019 for positions financed for part-year in FY 2018		8,562		
Other Compensation Adjustments		36,936		
Civil Service Retirement System (CSRS)		(646)		
Federal Employees' Retirement System (FERS)		1,547		
Thrift Savings Plan		185		
Federal Insurance Contributions Act (FICA) - OASDI		541		
Health insurance		4,308		
Compensable Day		8,982		
Post Retirement Benefits to OPM		4,329		
Travel - Domestic per diem		74		
Travel - Foreign per diem		42		
Rent payments to GSA		1,660		
Postage		123		
Printing and reproduction		2,428		
Working Capital Fund		973		
General Pricing Level Adjustment:				
Transportation of things		4		
Rental payments to others		148		
Communications, utilities, and misc. charges		353		
Other services		7,322		
Supplies and materials		1,027		
Equipment		4,807		
Subtotal, Other Changes			0	91,013
Total Adjustments to Base			0	74,596
2019 Base			13,011	3,522,097
Program Changes			137	(63,096)
TOTAL REQUIREMENTS			13,148	3,459,001
Total Offsetting Fee Collections				(3,416,366)
Other Income/Recoveries				(39,445)
Transfer to OIG				2,000
USPTO Funding to Operating Reserve				(5,191)
2019 NET APPROPRIATION			13,148	\$0

Comparison by Activity

	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
REQUIREMENTS								
Patents	11,645	\$3,106,523	11,645	\$3,175,630	11,714	\$3,117,973	68	(\$57,657)
Trademarks	1,366	340,978	1,366	346,467	1,435	341,029	69	(5,438)
TOTAL REQUIREMENTS	13,011	3,447,501	13,011	3,522,097	13,148	3,459,001	137	(63,096)
FINANCING								
Fees		(3,430,123)				(3,416,366)		
Other Income /Recoveries		(39,445)				(39,445)		
Budget Authority Temporarily Unavailable		(23,986)						
USPTO funding to Operating Reserve		20,067				(5,191)		
Subtotal Financing	0	(3,473,487)			0	(3,461,001)		
TOTAL BUDGET AUTHORITY	13,011	(25,986)			13,148	(2,000)		
Budget Authority Temporarily Unavailable		23,986						
Transfer to DOC OIG		2,000				2,000		
TOTAL APPROPRIATION	13,011	0			13,148	0		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Patent Process	11,645	\$3,175,630	+68	-\$57,657

USPTO will continue to make progress toward pendency targets and continually improve patent quality. Budgetary requirements in FY 2019 decrease by \$57.7 million due to reductions in the year-over-year investment for the Patent End-to-End (PE2E), Patent legacy IT systems, and related IT infrastructure and IT support services, which more than offsets the increased cost of Patent examining workload costs. Investment in PE2E will continue, but the activities planned for FY 2019 require a lower level of funding than in FY 2018.

Trademark Process	1,366	\$346,467	+69	-\$5,438
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The FY 2019 Budget provides resources for examining trademark applications, registering trademarks, maximizing the use of e-government for conducting business with applicants and registrants, and improving trademark practices worldwide. The FY 2019 negative program change is due to a reduction in the year-over-year investment for IT infrastructure and IT support services, which more than offsets the increased cost of additional Trademark staff due to increased workloads and the increased cost for Trademark Next Generation (TMNG) IT system.

Performance Indicators

The following table shows the USPTO performance indicators. Additional details appear at the end of the USPTO section of the Department of Commerce budget.

	<u>2017 Target</u>	<u>2017 Actual</u>	<u>2018 Target</u>	<u>2019 Target</u>
Number of foreign government officials trained on best practices to protect and enforce intellectual property	5,000	4,134	5,000	5,000
Patent average first action pendency (months)	14.8	16.3	15.4	14.5
Patent average total pendency (months)	24.8	24.2	25.0	23.8
Patent Percent First Actions completed within 14 months (percent) New measure as of FY 2017	---	45.0%	47.0%	50.0%
Trademark first action pendency (months)	2.5 to 3.5	2.7	2.5 to 3.5	2.5 to 3.5
Trademark average total pendency (months)	12.0	9.5	12.0	12.0
Trademark first action compliance rate	95.5%	97.3%	95.5%	95.5%
Trademark final compliance rate	97.0%	98.3%	97.0%	97.0%
Trademark Exceptional Office Action (percent)	40.0%	45.0%	45.0%	46.0%
Percentage of prioritized countries for which country teams have implemented at least 75% of action steps in the country-specific action plans towards progress in 1) institutional improvements of IP office administration for advancing IP protection; 2) institutional improvements of IP enforcement entities; 3) improvements in IP laws and regulations; and, 4) establishment of government-to-government cooperative mechanisms	75%	100%	65%	65%

National Institute of Standards and Technology

The National Institute of Standards and Technology (NIST) mission is: To promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology enhancing economic security and improving our quality of life. NIST is authorized by the NIST Organic Act (15 USC 271), which outlines major roles for NIST in promoting national competitiveness and innovation.

NIST's FY 2019 budget request is \$629.072 million, \$316.463 million below the FY 2018 Annualized Continuing Resolution level.

NIST accomplishes this mission and addresses its priorities through the following activities:

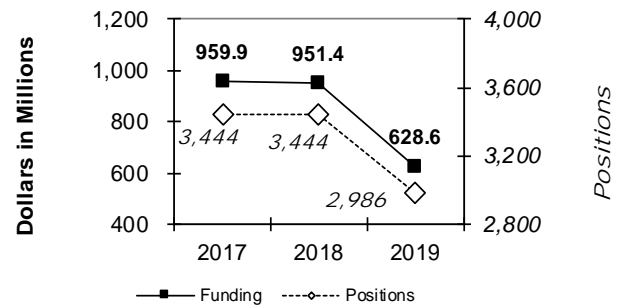
Scientific and Technical Research and Services (STRS): FY 2019 budget request for STRS is \$573.4 million, \$111.9 million below the FY 2018 Annualized Continuing Resolution level. NIST is authorized by the NIST Organic Act (15 USC 271), which outlines major roles for NIST in promoting national competitiveness and innovation. For more than 110 years, NIST has maintained the national standards of measurement, a role that the U.S. Constitution assigns to the federal government to ensure fairness in the marketplace. NIST was founded in 1901 and is one of the nation's oldest physical science laboratories. Today, the NIST Laboratory Programs work at the frontiers of measurement science to ensure that the U.S. system of measurements is firmly grounded on sound scientific and technical principles. Today, the NIST Laboratories address increasingly complex measurement challenges, ranging from the very small (quantum devices for sensing and advanced computing) to the very large (vehicles and buildings), and from the physical infrastructure to the virtual (cybersecurity and the internet of things). As new technologies develop and evolve, NIST's measurement research and services remain critical to national defense, homeland security, trade, and innovation.

Industrial Technology Services (ITS): The FY 2019 budget request is \$15.1 million, \$136.9 million below the FY 2018 Annualized Continuing Resolution level. The account funds two programs:

- **Manufacturing USA:** The FY 2019 budget request for Manufacturing USA is \$15.1 million, \$9.7 million below the FY 2018 Annualized Continuing Resolution level. Manufacturing USA, the National Network for Manufacturing Innovation serves to create effective robust manufacturing research infrastructure for U.S. industry and academia to solve industry-relevant problems. The Manufacturing USA consists of linked Institutes for Manufacturing Innovation with common goals, but unique concentrations. In an Institute, industry, academia, and government partners leverage existing resources, collaborate, and co-invest to nurture manufacturing innovation and accelerate commercialization. The request continues to fund the National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL) manufacturing institute as well as the coordination of the Manufacturing USA network.
- **Hollings Manufacturing Extension Partnership (MEP):** The FY 2019 President's Budget request continues the discontinuation of federal funding for the MEP program, a reduction of \$127.3 million from the FY 2018 Annualized Continuing Resolution level. The Hollings Manufacturing Extension Partnership Program (MEP) is a federal-state-industry partnership that provides U.S. manufacturers with access to technologies, resources, and industry experts. The MEP program consists of Manufacturing Extension Partnership Centers located across the country that work directly with their local manufacturing communities to strengthen the competitiveness of our nation's domestic manufacturing base. In FY 2019, no federal funding will be provided for MEP Centers and the Centers will be required to change to an entirely self-supporting basis.

Construction of Research Facilities: The FY 2019 budget request for CRF is \$40.5 million, \$67.7 million below the FY 2018 Annualized Continuing Resolution level. The President's Budget provides funds for basic maintenance of NIST's current facilities.

Budget Authority and Positions



Summary of Appropriations

<u>Appropriation</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Scientific and Technical Research and Services	\$690,000	\$685,314	\$573,429	(\$111,885)
Industrial Technology Services	153,000	151,961	15,094	(136,867)
Construction of Research Facilities	109,000	108,260	40,549	(67,711)
Total Appropriation	952,000	945,535	629,072	(316,463)
Transfers of funds from Election Assistance	1,400	1,391	1,499	108
Transfers of funds from DoJ to OLES / Forensics, STRS	4,500	4,470	0	(4,470)
Off set for recoveries (ITS - MEP)	2,000	0	0	0
Unobligated balance rescission (ITS - TIP)	0	0	(2,000)	(2,000)
<u>Budget Authority</u>				
Scientific and Technical Research and Services	695,900	691,175	574,928	(116,247)
Industrial Technology Services	155,000	151,961	13,094	(138,867)
Construction of Research Facilities	109,000	108,260	40,549	(67,711)
Total Budget Authority	959,900	951,396	628,571	(322,825)
<u>Positions</u>				
Scientific and Technical Research and Services - Direct	2,527	2,527	2,150	(377)
Industrial Technology Services - Direct	101	101	20	(81)
Construction of Research Facilities - Direct	116	116	116	0
Working Capital Fund - Reimbursable	700	700	700	0
Total	3,444	3,444	2,986	(458)
<u>Civilian Full-Time Equivalent Employment</u>				
Scientific and Technical Research and Services - Direct	2,446	2,492	2,115	(377)
Industrial Technology Services - Direct	94	100	20	(80)
Construction of Research Facilities - Direct	83	110	110	0
Working Capital Fund - Reimbursable	681	700	700	0
Total	3,304	3,402	2,945	(457)

Highlights of Budget Changes

Appropriation: Scientific and Technical Research and Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			2,527	\$685,314
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$1,604		
Civil Service Retirement System (CSRS)		(321)		
Federal Employees' Retirement System (FERS)		614		
Thrift Savings Plan (TSP)		92		
Federal Insurance Contributions Act (FICA) - OASDI		321		
Health insurance		793		
Employees' Compensation Fund		79		
Compensable day		1,376		
Travel - Per Diem		74		
Rent payments to GSA		3		
Postage		2		
Printing and reproduction		12		
Electricity rate increase		261		
Natural gas rate decrease		(126)		
National Archives and Records Administration (NARA)		(5)		
Other Services:				
Commerce Business System		(3,501)		
Working Capital Fund (DM)		680		
General Pricing Level Adjustment:				
Transportation of things		18		
Rental payments to others		32		
Communications, utilities and miscellaneous		73		
Other services		1,459		
Supplies and materials		399		
Equipment		640		
Scientific journal subscriptions		186		
Subtotal, other changes			0	4,765
Total, Adjustments to Base			0	4,765
2019 Base			2,527	690,079
Program Changes			(377)	(116,650)
2019 Appropriation			2,150	573,429

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
BUDGET AUTHORITY								
Laboratory Programs	2,297	\$602,001	2,297	\$607,936	1,972	\$518,141	(325)	(\$89,795)
Corporate Services	45	17,193	45	13,850	39	11,632	(6)	(2,218)
Standards Coordination and Special Programs	185	71,981	185	68,293	139	45,155	(46)	(23,138)
TOTAL BUDGET AUTHORITY	2,527	691,175	2,527	690,079	2,150	574,928	(377)	(115,151)
FINANCING								
Transfers from EAC		(1,391)		0		(1,499)	0	(1,499)
Transfers from DoJ		(4,470)		0		0	0	0
TOTAL APPROPRIATION	2,527	685,314	2,527	690,079	2,150	573,429	(377)	(116,650)

Highlights of Program Changes

	Base		Increase / Decrease	
	Positions	Amount	Positions	Amount
Laboratory Programs	2,297	\$607,936	-325	-\$91,294

The request for laboratory programs is approximately a 15 percent reduction from the FY 2018 Annualized Continuing Resolution levels. The funding for the NIST laboratory programs will be reduced by \$91.294 million and proposes the elimination of 325 employees. Of those employees, over 200 of them come from NIST's scientific workforce, a more than 10 percent reduction in scientists and engineers. NIST will ensure that the agency maintains a robust core competency in underpinning measurement science so that NIST may continue to provide the measurements and standards necessary to drive innovation in key priority areas, which include advanced manufacturing, communications, quantum science, and cybersecurity. At the same time, NIST will seek to support forward looking measurement science research to ensure it is positioned to meet the challenges of the future. To preserve a core foundation in measurement science, NIST is proposing reductions to programs and projects across the NIST laboratory portfolio, targeting those that are of lower priority for reasons such as technology maturity, sub-critical effort, where the work no longer requires the leading-edge measurement science capabilities of NIST, or where services may be acquired from international sources.

Standards Coordination and Special Programs	185	\$68,293	-46	-\$23,138
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Consistent with NIST's priority to focus resources on the laboratory programs, NIST is proposing reductions to the Standards Coordination and Special Programs subactivity line by 34 percent, a reduction of \$23.138 million dollars. The Standards Coordination and Special Programs sub-program line houses two cross-NIST activities managed by the Associate Director for Laboratory Programs: crosscutting R&D programs, and documentary standards coordination and policy development. The proposed reductions will largely eliminate external R&D partnerships that expand and broaden the impact of the NIST Laboratory R&D programs. They will also eliminate crosscutting R&D program management functions of the Special Programs Office, leaving the individual NIST laboratories responsible for remaining intramural work to taking on those responsibilities.

Corporate Services	45	\$13,850	-6	-\$2,218
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Consistent with NIST's priority to focus resources on the laboratory programs, NIST is proposing reductions to the Corporate Services sub program line by approximately 16 percent, a reduction of \$2.218 million dollars. The proposed reductions will streamline management's monitoring of operational metrics and CIO-wide trends potentially increasing risk of service interruptions. Network maintenance will be kept on most critical network components; however, less critical systems may experience increased times to respond to network connections and Windows desktop incidents and requests. The cuts will equally impact each of the NIST mission functions and programmatic areas that make up the research portfolio of the NIST Laboratory Programs.

Appropriation: Construction of Research Facilities**Summary of Requirements**

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			116	\$108,260
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		\$64		
Civil Service Retirement System (CSRS)		(11)		
Federal Employees' Retirement System (FERS)		21		
Thrift Savings Plan (TSP)		3		
Federal Insurance Contribution Act (FICA) - OASDI		11		
Health Insurance		28		
Employees' Compensation Fund		3		
Compensable day		48		
Electricity rate increase		3		
Natural gas rate decrease		(1)		
General pricing level adjustment:				
Other services		393		
Supplies and materials		19		
Equipment		5		
Subtotal, other changes			0	586
Total Adjustments to Base			0	586
2019 Base			116	108,846
Program Changes			0	(68,297)
2019 APPROPRIATION			116	40,549

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
BUDGET AUTHORITY								
Construction and major renovations	116	\$108,260	116	\$108,846	116	\$40,549	0	(\$68,297)
TOTAL BUDGET AUTHORITY /	116	108,260	116	108,846	116	40,549	0	(68,297)
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Construction and Major Renovations	0	\$60,000	0	-\$60,000

Delay of the Building 245 Modernization: This request stops the renovation and modernization efforts of the Radiation Physics Building (Building 245), a critical research facility on NIST's Gaithersburg, Maryland campus.

By delaying the completion of the renovation of these facilities, NIST will limit some research efforts related to explosive and radiological materials detection and medical imaging. The Building 245 modernization effort has been segmented into multiple phases, with this decrease the B/C Wing addition and D Wing addition will be largely complete, however renovations necessary for the remaining portions of the building will be halted. While the B/C Wing addition is estimated to be complete in the third quarter of FY 2019, the remaining construction under contract is estimated to be fully complete in the fourth quarter of FY 2020.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Safety, Capacity, Maintenance, and Major Repairs (SCMMR)	0	\$48,846	0	-\$8,297

The \$8.3 million decrease is a combination of a \$10.0 million decrease in the Building 1 Renovation and an increase in SCMMR for \$1.7 million.

This request acknowledges a reduction of \$10 million in FY 2019 and delays efforts to renovate Building 1, the 60-year-old main research facility on NIST's Boulder, Colorado campus. Work funded through FY 2018 will be complete in the fourth quarter of FY 2019. Development of the full design of Wing 5 will not begin until funding resumes.

Increase to the Safety, Capacity, Maintenance and Major Repairs base: This request of \$1.703 million will be utilized to reduce deficiencies of NIST facilities by directing the funding towards the highest priority needs.

Appropriation: Industrial Technology Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			101	\$151,961
<u>Adjustments to Base</u>				
Other Changes				
2018 Pay raise		\$66		
Civil Service Retirement System (CSRS)		(13)		
Federal Employees' Retirement System (FERS)		25		
Thrift Savings Plan (TSP)		4		
Federal Insurance Contribution Act (FICA) - OASDI		13		
Health Insurance		33		
Employees' Compensation Fund		4		
Compensable day		57		
Travel - Per Diem		3		
Electricity rate increase		6		
Natural Gas rate decrease		(4)		
General pricing level adjustment:				
Communications, utilities, and miscellaneous charges		4		
Other services		65		
Supplies and materials		2		
Equipment		6		
Subtotal, other changes			0	271
Total Adjustments to Base			0	271
2019 Base			101	152,232
Program Changes			(81)	(137,138)
2019 APPROPRIATION			20	15,094

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
BUDGET AUTHORITY								
Hollings Manufacturing Extension Partnership Program	81	\$127,131	81	\$127,331	0	\$0	(81)	(\$127,331)
Manufacturing USA	20	24,830	20	24,901	20	15,094	0	(9,807)
TOTAL BUDGET AUTHORITY / APPROPRIATION	101	151,961	101	152,232	20	15,094 *	(81)	(137,138)

* A rescission of \$2 million in carryover balances from the discontinued Technology Innovation Program (TIP) adjusts the ITS Budget Authority to \$13.094 million.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Hollings Manufacturing Extension Partnership (MEP)	81	\$127,331	-81	-\$127,331

The FY 2019 budget eliminates federal funding for NIST MEP.

Manufacturing USA	20	\$24,901	0	-\$9,807
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The FY 2019 base funding is \$15.1 million for the Manufacturing USA program: \$10.0 million to maintain support for the NIIMBL institute and \$5.1 million for coordination of the network of manufacturing institutes. With this level NIST will be able to fund the NIIMBL institute at the planned level of \$70.0 million for the five-year start-up period, and, provide network support for all institutes in the network, including those funded by other agencies. With the base level of \$15.1 million, NIST will not award a second institute from the open-topic competition. The multi-year funding stream to complete the planned \$70.0 million total for NIIMBL is \$20.0 million annually in FY 2016 and FY 2017, and would be \$10.0 million annually in FY 2018, FY 2019, and FY 2020.

Appropriation: Working Capital Fund**Comparison by Activity**

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
TOTAL BUDGET AUTHORITY / APPROPRIATION	700	\$0	700	\$0	700	\$0	0	\$0

Public Safety Communications Research Fund (PSCRF)

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

Summary of Appropriations

<u>Appropriation</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Wireless Innovation Fund	\$0	\$0	\$0	\$0
Positions	78	78	78	0
Civilian Full-Time Equivalent Employment - Reimbursable	78	78	78	0

Highlights of Budget Changes

Appropriation: Wireless Innovation Fund

Summary of Requirements

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR	78	\$0
Adjustments to Base	0	0
2019 Base	78	0
Program Changes	0	0
2019 APPROPRIATION	78	0

Performance Indicators

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

	<u>2017 Target</u>	<u>2017 Actual</u>	<u>2018 Target</u>	<u>2019 Target</u>
Number of businesses using NIST research facilities	325	442	325	300
Relative citation impact of NIST-authored publications	1.6	1.66	1.6	1.3
Dollar amount of co-investment by non-federal sources in DOC-supported Manufacturing USA institutes (millions)	\$6	\$8.89	\$15	\$29M
International adoption of NIST Quantum SI standards	New	New	3	4
Number of companies and organizations exposed to NCCOE produced cybersecurity practice guides and other products	New	New	5,500	6,000
Number of resources derived from the Cybersecurity Framework	New	New	70	80
Cumulative number of collaborators on NCCoE projects	New	New	123	140
Number of critical infrastructure sectors with work products integrating the Cybersecurity framework	14	16	Discontinued	
Number of Public safety communications stakeholder R&D roadmaps	3	3	Discontinued	
Number of communities working with NIST to pilot the <i>Community Resilience Planning Guide</i>	6	8	7	Discontinued
Number of firms receiving in-depth technical assistance from MEP centers	9,187	8,927	9,487	Discontinued
Percentage of MEP clients receiving in-depth technical assistance that increases their competitiveness	64%	65.2%	65%	Discontinued
Number of MEP centers partnering with skills training providers (e.g., community colleges) to link manufacturing firms with skills training resources	48	49	49	Discontinued

National Technical Information Service

The mission of the National Technical Information Service is to provide innovative data services to federal agencies, through agile partnerships with the private sector, to advance federal data priorities, promote economic growth, and enable operational excellence. Moving quickly, bringing industry-leading partners to government agency customers at the velocity of the government's needs. NTIS reports to the Secretary of Commerce through the National Institute of Standards and Technology. NTIS operates a revolving fund for the payment of all expenses incurred.

NTIS' mission priorities are to:

- Design, test, analyze, and demonstrate the application of Federal data and data services, either alone or in some combination with non-Federal data;
- Leverage the private sector's knowledge and expertise in managing data and data sets;
- Help create suites of products, platforms and services that meet the needs of businesses, innovators, government agencies or others; and,
- Enhance data discovery, usability, interoperability, standards, analytics, and forecasting, or data infrastructure and security.

In FY 2019, NTIS continues to fulfill its mission by providing innovative data services aligned with its data mission.

Summary of Appropriations

<u>Appropriation</u>	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
NTIS Revolving Fund	\$0	\$0	\$0	\$0
Positions	99	150	150	0
Civilian Full-Time Equivalent Employment - Reimbursable	99	150	150	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR	150	\$0
Adjustments to Base	0	0
2019 Base	150	0
Program Changes	0	0
2019 Appropriation	150	0

Performance Indicators

The following table shows the NTIS performance indicators. Additional details appear at the end of the NTIS section of the Department of Commerce budget.

	<u>2017 Target</u>	<u>2017 Actual</u>	<u>2018 Target</u>	<u>2019 Target</u>
Number of updated items available (annual)	451,769	16,809	463,063	474,640
Number of information products disseminated (annual)	54,900,000	102,855	55,900,000	56,900,000
Customer satisfaction	95% - 98%	97.5%	95% - 98%	95% - 98%

National Telecommunications and Information Administration

The mission of the National Telecommunications and Information Administration (NTIA) is to advise the President on communication and information policy. NTIA accomplishes this mission through the following activities within the **Salaries and Expenses (S&E) account** which focus on NTIA's core programs:

- Domestic and International Policies;
- Spectrum Management;
- Advanced Communications Research; and
- Broadband Programs.

NTIA's mission priorities include:

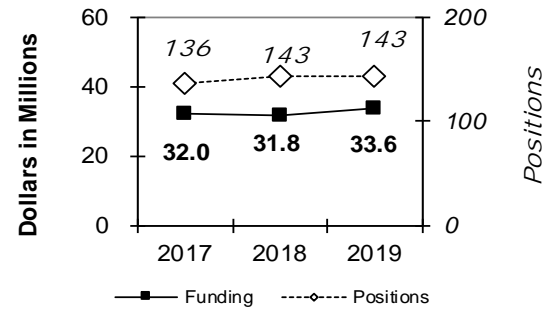
- Developing domestic and international communications and information policy for the executive branch;
- Ensuring the efficient and effective management and use of spectrum by federal agencies;
- Performing state-of-the-art communications research, engineering, and planning;
- Administering and managing broadband grant programs; and
- Establishing a nationwide interoperable public safety broadband network.

The National Telecommunications and Information Administration's (NTIA) FY 2019 Budget Request totals \$33.6 million. The budget request supports the critical role advising the President on communications and information policy issues. NTIA's programs and policymaking focus on expanding the availability of spectrum for all users, managing core spectrum programs effectively and efficiently, and identifying innovative approaches to increase spectrum access and sharing opportunities. Additionally, this Budget provides the resources to ensure that the Internet remains an engine for continued economic growth, which promotes a 21st century Internet economy in rural communities, and, expands broadband Internet access and adoption in America.

NTIA's spectrum management program funding for FY 2019 totals \$8.78 million and 39 positions. The tremendous growth in demand for wireless broadband by consumers, businesses, and government agencies requires innovative approaches to increase spectrum access to commercial and federal users. NTIA also supports the commercial sector's development of next generation wireless services by evaluating and ensuring the efficient use of spectrum by Government users, recommending reallocation for commercial use where possible, and promoting sharing between commercial and government users. The agency promotes the best possible and most efficient use of the nation's limited spectrum resources across the Federal Government to satisfy the congressionally mandated missions of all federal agencies in support of national defense, homeland security, law enforcement, and public safety. Working with the Federal Communications Commission (FCC), NTIA coordinates international and domestic spectrum access requirements, identifies and reallocates spectrum bands for commercial use, updates spectrum policies, and develops long-range spectrum management plans. NTIA collaborates with the State Department and other interested agencies to advance U.S. interests and positions related to international spectrum issues, conferences, and negotiations. To promote efficient use of the electromagnetic spectrum, the Budget proposes to authorize NTIA to negotiate leases with private entities that would expand their access to federal spectrum. This authority will complement ongoing efforts to make Federal spectrum available for commercial uses through auctions conducted by the Federal Communications Commission. In addition, in an effort to better define and validate the spectrum fee structure, NTIA is currently conducting a review of spectrum management costs, functions and allocations. The review began in October 2017 and will conclude in FY 2019 with implementation of a new fee structure beginning in FY 2020. This review may impact the level of fees charged to Agencies in the FY 2020.

NTIA's advanced communications research program funding for FY 2019 totals \$8.46 million and 45 positions. Communications research plays a critical role identifying innovative approaches to increase spectrum access and sharing opportunities. This request includes resources for NTIA's Institute for Telecommunication Sciences (ITS) which provides scientific research on spectrum capability, spectrum management approaches (e.g., spectrum sharing) and spectrum-enabled technology development and testing for both federal agencies and private industry partners. NTIA has a statutory directive to further scientific knowledge related to telecommunications, particularly with respect to radio spectrum. NTIA is expanding collaborative research and development in advanced communications technologies to support commercial and government applications. This work will advance research, development, testing, and evaluation to enhance wireless efficiencies.

Budget Authority and Positions



NTIA's policy program funding in FY 2019 totals \$8.13 million and 33 positions. The Internet is the greatest engine of communications and commerce the world has ever known. NTIA's domestic and international policies work to preserve the Internet's openness and its cultural and economic potentials while advancing key U.S. interests. NTIA coordinates Executive Branch communications policy and represents the Administration's policy to independent agencies such as the Federal Communication Commission (FCC) and the Federal Trade Commission (FTC). NTIA policy must be positioned to meet the growing complexity of the Internet environment, as the world becomes more interconnected via rapid growth of the Internet, the globalization of information technology services and equipment, and as governance of the Internet becomes an increasingly geopolitical issue. The FY 2019 President's Budget Request continues to support the United States leadership on these broad range of Internet policy issues. Utilizing the multistakeholder process, which involves the full inclusion of stakeholders, to reach general consensus on internet policy issues (e.g., consumer data privacy, cybersecurity, digital copyright), NTIA will be central to the Executive Branch's involvement in the Internet Governance Forum (IGF), and support mutual legal assistance treaty modernization efforts with key industries in the U.S.

NTIA's broadband program funding in FY 2019 totals \$8.27 and 26 positions. Broadband has become integral in fueling a dynamic economy, driving commerce, enriching education, enhancing healthcare, and improving public safety. NTIA's FY 2019 budget continues to address demand by state, local, and tribal governments for technical assistance and hands-on guidance in bringing broadband to American communities across the nation. NTIA will continue to respond to the demand for technical services and broadband leadership efforts by partnering with unserved and underserved communities, so that they can attract new business investments and spur economic growth. NTIA's strategy capitalizes on strong relationships with broadband providers, municipal organizations, innovation economy firms, non-profit organizations, foundations, and other federal stakeholders.

Summary of Appropriations

Appropriation	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	32,000	31,783	33,646	1,863
Total Appropriation / Budget Authority	32,000	31,783	33,646	1,863
 <u>Positions</u>				
Salaries and Expenses - direct	136	143	143	0
Salaries and Expenses - reimbursable	143	159	159	0
Total	279	302	302	0
 <u>Civilian Full-Time Equivalent Employment</u>				
Salaries and Expenses - direct	136	143	143	0
Salaries and Expenses - reimbursable	143	159	159	0
Total	279	302	302	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			143	31,783
<u>Adjustments to Base</u>				
Other Changes				
FY 2018 Pay raise		94		
Health insurance		33		
Employee Compensation Fund		(17)		
Compensable Day		67		
Travel - Per diem		7		
Postage		1		
Printing and reproduction		1		
NARA		(1)		
Working Capital Fund		333		
General Pricing Level Adjustment:				
Rental payments to others		23		
Communications, utilities, and miscellaneous charges		2		
Other services		106		
Supplies and materials		3		
Equipment		27		
Subtotal, other changes			0	679
Total Adjustments to Base			0	679
2019 Base			143	32,462
Program Changes			0	1,184
2019 APPROPRIATION			143	33,646

Comparison by Activity

	2018 Annualized CR		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
Direct Obligations								
Domestic & International Policies	33	7,922	33	8,084	33	8,130	0	46
Spectrum Management	39	7,559	39	7,724	39	8,778	0	1,054
Advanced Communications Research	45	8,176	45	8,384	45	8,464	0	80
Broadband Programs	26	8,126	26	8,270	26	8,274	0	4
Total Direct Obligations	143	31,783	143	32,462	143	33,646	0	1,184
Reimbursable Authority	159	66,781	159	41,679	159	45,687	0	4,008
TOTAL OBLIGATIONS	302	98,564	302	74,141	302	79,333	0	5,192
FINANCING								
Unoblig bal, start of year (Reimbursable)								
Offsetting collections from:								
Federal funds	(157)	(66,281)			(157)	(45,187)		
Non-Federal sources	(2)	(500)			(2)	(500)		
Subtotal, financing	(159)	(66,781)			(159)	(45,687)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	143	31,783			143	33,646		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>Domestic and International Policies</u>	33	8,084	0	46

NTIA proposes an increase of \$46K in support services.

<u>Spectrum Management</u>	39	7,724	0	1,054
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NTIA proposes an increase of \$1,054K in Spectrum Management. This increase will increase the offsetting collections by an additional \$4,216K for a total increase of \$5,270K. NTIA will use the increase in funding to decrease the monthly backlog of spectrum certifications by 10 percent.

<u>Advanced Communications Research</u>	45	8,384	0	80
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NTIA proposes an increase in \$80K in the areas of Advanced Communications Research will be used to purchase technical equipment.

<u>Broadband Programs</u>	26	8,270	0	4
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NTIA proposes an increase in \$4K be used in support services.

Public Safety Broadband Network

The Middle Class Tax Relief Act of 2012, P.L.112-96, established the Public Safety Trust Fund (PSTF), the Network Construction Fund, and the State and Local Implementation Fund and provided \$7 billion to establish a nationwide interoperable public safety broadband network (NPSBN) for first responders. give public safety 21st century communication tools to help save lives, solve crimes, and keep our communities and emergency responders safe. The NPSBN will The investment is now supported by proceeds from specified spectrum auctions conducted by the Federal Communications Commission (FCC), with all proceeds net of certain costs deposited into the PSTF. Funding will be expended in support of programs specified in the Act, including the development of the public safety broadband network in the 700 MHz band and research and development of standards, technologies, and applications to advance wireless public safety and communications.

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

Summary of Appropriations

Appropriation, Mandatory

	2017 <u>Actual</u>	2018 <u>Estimate</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
Public Safety Trust Fund				
Appropriation (Special or Trust Fund)	0	0	0	0
Appropriation prev. unavail	21,420	0	0	0
Transfer to Treasury (Deficit Reduction)	0	0	0	0
Appropriations Temporarily Reduced	0	0	0	0
Mandatory Appropriation	21,420	0	0	0
State and Local Implementation Fund				
Offsetting Collections (Receipts from Public Safety Trust Fund)	0	0	0	0
Spending Authority from offsetting collections applied to repay debt	0	0	0	0
Spending authority from offsetting collections substituted for borrowing authority	0	0	0	0
Spending Authority from offsetting collections	0	0	0	0
Network Construction Fund				
Offsetting Collections (Receipts from Public Safety Trust Fund)	14,229	50,875	0	(50,875)
Spending Authority from offsetting collections	14,229	50,875	0	(50,875)
First Responder Network Authority				
Offsetting collections (Fees transferred by network partner)	0	240,000	120,000	(120,000)
Spending authority from offsetting collections	0	240,000	120,000	(120,000)
Positions				
Public Safety Trust Fund - Direct	61	102	5	(97)
State and Local Implementation Fund - Direct	4	4	4	0
Network Construction Fund - Direct	157	97	3	(94)
First Responder Network Authority - Reimbursable	0	94	260	166
Total	222	297	272	(25)
Civilian Full-Time Equivalent Employment				
Public Safety Trust Fund - Direct	61	102	5	(97)
State and Local Implementation Fund - Direct	4	4	4	0
Network Construction Fund - Direct	157	97	3	(94)
First Responder Network Authority - Reimbursable	0	94	260	166
Total	222	297	272	(25)

Highlights of Budget Changes

Appropriation: Public Safety Trust Fund

Summary of Requirements

	Summary	
	Positions	Amount
2018 Estimate	102	\$0
Adjustments to Base	0	0
2019 Base	102	0
Program Changes	(97)	0
2019 Mandatory Budget Authority	5	0

Comparison by Activity

BUDGET AUTHORITY	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
Public Safety Trust Fund	0	0	0	0	0	0	0	0
First Responder Network Authority	94	0	94	0	0	0	(94)	0
NTIA Programmatic and Oversight	7	0	7	0	4	0	(3)	0
NIST Public Safety Wireless Research	0	0	0	0	0	0	0	0
Next Generation E-911 (DOT)	0	0	0	0	0	0	0	0
Next Generation E-911 (NTIA)	1	0	1	0	1	0	0	0
TOTAL BUDGET AUTHORITY /	102	0	102	0	5	0	(97)	0

Highlights of Program Changes

<u>Public Safety Trust Fund</u>	Base		Increase / Decrease	
	Positions	Amount	Positions	Amount
	102	0	-97	0

The Act established FirstNet to develop a nationwide interoperable public safety broadband network in the 700 MHz band. This fund will be administered in support of programs included in the Act, including development of the public safety broadband network and research and development of standards, technologies, and applications to advance wireless public safety and communications.

Appropriation: State and Local Implementation Fund**Comparison by Activity**

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
REIMBURSABLE AUTHORITY								
State and Local Implementation Program	4	1,769	4	0	4	0	0	0
TOTAL REIMBURSABLE AUTHORITY	4	1,769	4	0	0	0	0	0
FINANCING								
Unobligated balance, start of year (Reimbursable)		(1,769)				0		
Offsetting collections from:								
Federal funds		0				0		
Non-Federal sources		0						
Subtotal, financing	0	(1,769)			0	0		
TOTAL /MANDATORY BUDGET AUTHORITY (offsetting collections)	4	0			0	0		

Appropriation: Network Construction Fund**Comparison by Activity**

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
REIMBURSABLE AUTHORITY								
First Responder Network	93	20,000	93	20,000	0	250	(93)	(19,750)
NTIA/Opt-out	4	3,878	4	3,878	3	1,070	(1)	(2,808)
TOTAL REIMBURSABLE AUTHORITY	97	23,878	97	23,878	3	1,320	(94)	(22,558)
FINANCING								
Unobligated balance, start of year (Reimbursable)		5,539,480						
Offsetting collections from:								
Federal funds		50,875				0		
Non-Federal sources		0						
Subtotal, financing	0	50,875			0	0		
TOTAL /MANDATORY BUDGET AUTHORITY (offsetting collections)	97	74,753			3	1,320		

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Network Construction Fund	97	23,878	-94	-22,558

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

Appropriation: First Responder Network Authority

Comparison by Activity

	2018 Estimate		2019 Base		2019 Estimate		Increase / Decrease	
	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>	<u>Pos</u>	<u>Amount</u>
REIMBURSABLE AUTHORITY								
First Responder Network	94	120,000	94	120,000	260	120,000	166	0
TOTAL REIMBURSABLE AUTHORITY	94	120,000	94	120,000	260	120,000	166	0
FINANCING								
Unobligated balance, start of year (Reimbursable)		0				120,000		
Offsetting collections from:								
Federal funds		0				0		
Non-Federal sources		240,000				120,000		
Subtotal, financing	94	240,000			260	240,000		
TOTAL /MANDATORY BUDGET AUTHORITY (offsetting collections)	94	120,000			260	120,000		

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>First Responder Network Authority</u>	94	120,000	166	0

The Middle Class Tax Relief and Job Creation Act of 2012 created the First Responder Network Authority to manage the construction, deployment, and operations of a nationwide, interoperable public safety broadband network (NPSBN) for use by public safety entities. FirstNet is an independent entity within the Department of Commerce's National Telecommunications and Information Administration and is overseen by a 15-member Board comprised of representatives from the first responder community, Federal Agencies and the private sector. Initial funding for this activity was provided by spectrum auction receipts. The Act authorizes FirstNet to charge and collect fees for use of network capability as well as use of the network and infrastructure to create a sustainable funding source for future operations. The amounts presented in the budget schedules for this account for FY 2018 reflect estimates of receipts from fees. Actual funding will be determined through FirstNet's National Public Safety Broadband Network contract award and the statutorily mandated state opt-out process. Funding will partially support several aspects of FirstNet's mission post NPRBN contract award. It will fund a portion of FirstNet's annual operating requirements and efforts to enhance public safety communications.

Performance Indicators

The following table shows the NTIA performance indicators. Additional details appear at the end of the NTIA section of the Department of Commerce budget.

	2017 Target	2017 Actual	2018 Target	2019 Target
Percentage of NTIA positions substantially adopted or successful at international meeting	75% of NTIA's positions substantially adopted or successful at international meetings	95%	75% of NTIA's positions substantially adopted or successful at international meeting	60% of NTIA's positions substantially adopted or successful at international meeting
In coordination with DOC operating units, conduct outreach activities with government, industry and multistakeholder groups to identify and address privacy and global free flow of information issues	6 public forums and proceedings	7	6 public forums and proceedings	4 public forums and proceedings
Communities to which NTIA provides technical assistance	250 communities	400	145 communities	145 communities
Number of times research publications are downloaded annually	8,000 downloads	8,089	7,000 downloads	7,000 downloads
Successfully completed deliverables under reimbursable agreements (on time, on budget and accepted)	95%	99%	95%	95%
Create a pipeline of spectrum for mission-critical government services and commercial providers	New	New	Meet 66% of annual milestones	Meet 66% of annual milestones
Deploy, operate and maintain a nationwide public safety broadband network	New	New	Stagger deployment of FirstNet core network and nationwide functions. Initiate Band 14 RAN build- out for Opt-In states	Target public safety device connections and Band 14 coverage in Opt-In states
Identify up to 500 MHz of spectrum to support wireless broadband	Meet 66% of milestones regarding the identification of 500 MHz for wireless broadband	66%	Retired	Retired
Number of government and private test-bed facilities partnering with the Center for Advanced Communications	5	0	Retired	Retired
Miles of broadband networks deployed (Infrastructure Projects)	116,000 miles	117,072	Retired	Retired
Delivery by FirstNet and acceptance of each state's network plans, or alternatively, FCC's approval of a state's plan required for the implementation of the National Public Safety Broadband Network (NPSBN)	Complete RFP process. Award NPSBN contract. Issue State Plans to 56 U.S. states and territories	Completed RFP Process, Awarded	Retired	Retired

Department of Commerce Funding

	2017 <u>Actual</u>	2018 <u>Annualized CR</u>	2019 <u>Estimate</u>	Increase <u>(Decrease)</u>
BUDGET AUTHORITY				
Discretionary	\$9,224,215	\$9,124,773	\$9,772,979	\$648,206
Mandatory	325,222	260,173	240,977	(19,196)
TOTAL BUDGET AUTHORITY	9,549,437	9,384,946	10,013,956	629,010
OUTLAYS, NET				
Discretionary	9,028,610	9,369,238	10,606,000	1,236,762
Mandatory	1,297,000	328,000	1,492,000	1,164,000
TOTAL OUTLAYS, NET	10,325,610	9,697,238	12,098,000	2,400,762
FULL-TIME EQUIVALENT EMPLOYMENT				
Direct	23,710	25,119	33,153	8,034
Reimbursable	17,013	17,134	18,111	977
Total	40,723	42,253	51,264	9,011
POSITIONS				
Full-Time Permanent	38,475	39,717	39,331	(386)
Other than Full-Time Permanent	7,773	8,544	93,855	85,311
Total	46,248	48,261	133,186	84,925

Budget Authority — FY 2017, FY 2018 and FY 2019

	2017	2018	2019	Change
	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>2018 - 2019</u>
<u>DISCRETIONARY</u>				
Departmental Management	\$58,000	\$57,606	\$58,994	\$1,388
HCHB Renovation and Modernization	4,000	3,973	2,796	(1,177)
Subtotal, Departmental Management	62,000	61,579	61,790	211
Office of the Inspector General	38,626	38,364	40,888	2,524
Economic Development Administration	276,000	264,194	(25,063)	(289,257)
Bureau of the Census	1,467,420	1,457,454	3,796,957	2,339,503
Economic & Statistical Analysis	107,300	106,571	100,987	(5,584)
International Trade Administration	483,000	479,720	445,147	(34,573)
Bureau of Industry & Security	112,500	111,736	120,647	8,911
Minority Business Development Agency	34,000	33,769	10,000	(23,769)
National Oceanic & Atmospheric Administration	5,653,469	5,614,207	4,561,409	(1,052,798)
United States Patent & Trademark Office	(2,000)	(26,000)	(2,000)	24,000
National Institute of Standards & Technology	959,900	951,396	628,571	(322,825)
National Technical Information Service	0	0	0	0
National Telecommunications & Information Administration	32,000	31,783	33,646	1,863
TOTAL, DISCRETIONARY	9,224,215	9,124,773	9,772,979	648,206
<u>Offsetting receipts:</u>				
NOAA: Fisheries finance, negative subsidy	(189)	(2,557)	(8,109)	(5,552)
<u>MANDATORY</u>				
Departmental Management	3,188	3,500	3,500	0
Bureau of the Census	20,000	20,000	20,000	0
National Oceanic & Atmospheric Administration	267,765	237,993	217,477	(20,516)
National Telecommunications & Information Admin.	35,649	0	0	0
SUBTOTAL, MANDATORY	326,602	261,493	240,977	(20,516)
<u>Mandatory Sequestered</u>				
Bureau of the Census	(1,380)	(1,320)	0	1,320
TOTAL MANDATORY	325,222	260,173	240,977	(19,196)
TOTAL DEPARTMENT OF COMMERCE	9,549,437	9,384,946	10,013,956	629,010

Outlays — FY 2017, FY 2018 and FY 2019

	2017	2018	2019	Change
	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>2018 - 2019</u>
<u>DISCRETIONARY</u>				
Departmental Management	\$75,000	\$75,000	\$78,000	\$3,000
Office of the Inspector General	37,000	40,000	38,000	(2,000)
Economic Development Administration	287,000	339,000	314,000	(25,000)
Bureau of the Census	1,436,000	1,557,000	3,423,000	1,866,000
Economic & Statistical Analysis	104,000	109,000	102,000	(7,000)
International Trade Administration	468,000	434,000	448,000	14,000
Bureau of Industry & Security	111,000	138,000	122,000	(16,000)
Minority Business Development Agency	31,000	32,000	20,000	(12,000)
National Oceanic & Atmospheric Administration	5,397,000	5,651,000	5,206,000	(445,000)
United States Patent & Trademark Office	95,000	(27,000)	33,000	60,000
National Institute of Standards & Technology	941,000	990,000	800,000	(190,000)
National Technical Information Service	5,000	(8,000)	(14,000)	(6,000)
National Telecommunications & Information Administration	42,000	42,000	36,000	(6,000)
Offsetting receipts:				
NOAA: Fisheries finance, negative subsidy	(390)	(2,762)		2,762
TOTAL, DISCRETIONARY	9,028,610	9,369,238	10,606,000	1,236,762
<u>MANDATORY</u>				
Departmental Management	\$4,000	\$4,000	\$4,000	\$0
Bureau of the Census	21,000	37,000	20,000	(17,000)
National Oceanic & Atmospheric Administration	161,000	171,000	212,000	41,000
National Institute of Standards & Technology	8,000	47,000	56,000	9,000
National Telecommunications & Information Administration	1,143,000	107,000	1,239,000	1,132,000
Subtotal	1,337,000	366,000	1,531,000	1,165,000
Offsetting receipts	(40,000)	(38,000)	(39,000)	(1,000)
TOTAL MANDATORY	1,297,000	328,000	1,492,000	1,164,000
TOTAL DEPARTMENT OF COMMERCE	10,325,610	9,697,238	12,098,000	2,400,762

Positions — FY 2017, FY 2018 & FY 2019

	2017	2018	2019	Change
	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>2018 - 2019</u>
Departmental Management	877	863	863	0
Office of the Inspector General	177	178	184	6
Economic Development Administration	190	190	64	(126)
Bureau of the Census	14,465	15,220	101,178	85,958
Economic & Statistical Analysis	522	522	502	(20)
International Trade Administration	1,831	1,831	1,703	(128)
Bureau of Industry & Security	370	450	467	17
Minority Business Development Agency	70	50	50	0
National Oceanic & Atmospheric Administration	11,169	12,209	11,748	(461)
United States Patent & Trademark Office	12,898	13,011	13,148	137
National Institute of Standards & Technology	3,444	3,444	2,986	(458)
National Technical Information Service	99	150	150	0
National Telecommunications & Information Administration	136	143	143	0
TOTAL¹	46,248	48,261	133,186	84,925

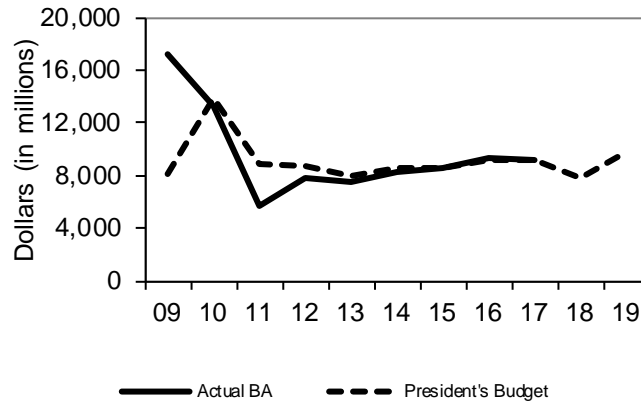
1. Includes Full-Time Permanent and Other than Full-Time Permanent Positions

Full-Time Equivalent Employment - FY 2017, FY 2018 & FY 2019

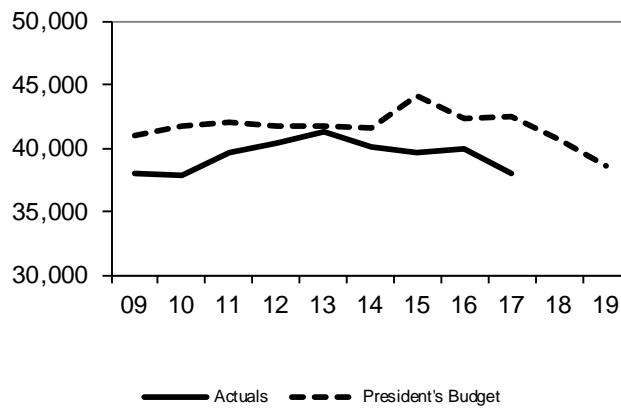
	2017	2018	2019	Change
	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>2018 - 2019</u>
Departmental Management	702	715	715	0
Office of the Inspector General	162	177	181	4
Economic Development Administration	184	184	58	(126)
Bureau of the Census	9,361	9,953	19,836	9,883
Economic & Statistical Analysis	497	497	490	(7)
International Trade Administration	1,615	1,647	1,530	(117)
Bureau of Industry & Security	367	432	449	17
Minority Business Development Agency	46	50	50	0
National Oceanic & Atmospheric Administration	11,113	11,631	11,311	(320)
United States Patent & Trademark Office	12,507	12,735	12,884	149
National Institute of Standards & Technology	3,304	3,402	2,945	(457)
National Technical Information Service	150	150	150	0
National Telecommunications & Information Administration	136	143	143	0
TOTAL	40,144	41,716	50,742	9,026

Historical Summary of Resources

Budget Authority
FY 2009 - FY 2019



Positions
FY 2009 - FY 2019



Note: Since the 2010 Decennial Census resulted in an extreme distortion in the number of Other than full-time permanent positions (OTPs) (i.e., over 1 million were proposed for FY 2010 in the President's Budget), all OTPs have been excluded from this chart.

Bridge from FY 2018 and FY 2019 Appropriations to FY 2018 and FY 2019 Budget Authority

	FY 2018 <u>Annualized CR</u>	FY 2019 <u>Estimate</u>	Change <u>2018 - 2019</u>
<u>ANNUAL APPROPRIATIONS ACT</u>	\$9,165,951	\$9,806,480	\$640,529
Transfers:			
Election Assistance Commission to NIST/STRS	1,391	1,499	108
DoJ Community Oriented Policing Services to NIST/STRS	4,470	0	(4,470)
ITA Transfer	0	5,000	5,000
Net of Rescinded OIG transfers	(39)	0	39
EDA Rescission	0	(40,000)	(40,000)
NOAA Rescission	(23,000)	0	23,000
Temporarily Unavailable (USPTO)	(24,000)	0	24,000
*TOTAL, DISCRETIONARY BUDGET AUTHORITY	9,124,773	9,772,979	648,205
*Excludes NOAA Offsetting Receipts	(2,557)	(8,109)	(5,552)
MANDATORY			
Departmental Management	3,500	3,500	0
Bureau of the Census			
State Children's Health Insurance Program	18,680	20,000	1,320
National Oceanic & Atmospheric Administration			
Damage Assessment & Restoration Revolving Fund	5,986	5,968	(18)
Fisheries Finance Program Account	7,997	0	(7,997)
Environmental Improvement & Restoration Fund	4,858	3,813	(1,045)
Sanctuaries Asset Forfeiture Fund	120	120	0
Transfer to Promote and Develop Fisheries from Dept. of Agriculture	154,664	154,868	204
NOAA Commissioned Officer Corp Retirement	30,102	30,075	(27)
Limited Access System Administration Fund	13,732	13,988	256
Western Pacific Sustainable Fisheries	494	500	6
Fisheries Asset Forfeiture Fund	4,157	4,155	(2)
North Pacific Observer Fund	3,870	3,990	120
Spectrum Pipeline	12,013		
National Telecommunications and Information Administration	0	0	0
TOTAL, MANDATORY BUDGET AUTHORITY	260,173	240,977	(7,183)
DEPARTMENT OF COMMERCE BUDGET AUTHORITY	9,384,946	10,013,956	629,009

Comparison of FY 2019 Estimate with FY 2017 Actual and FY 2017 Annualized CR

	2017 Actual		2018 Annualized CR		2019 Estimate		Increase / Decrease	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
DEPARTMENTAL MANAGEMENT								
Salaries & Expenses	200	\$58,000	193	\$57,606	193	\$58,994	0	\$1,388
HCHB Renovation & Modernization	5	4,000	5	3,973	5	2,796	0	(1,177)
DM Working Capital Fund	672	0	665	0	665	0	0	0
Subtotal, DM	877	62,000	863	61,579	863	61,790	0	211
OFFICE OF THE INSPECTOR GENERAL								
	177	32,744	178	32,522	184	32,030	6	(492)
ECONOMIC DEVELOPMENT ADMINISTRATION								
Salaries & Expenses	190	39,000	190	38,735	64	14,937	(126)	(23,798)
Economic Development Assistance Programs	0	237,000	0	225,458	0	0	0	(225,458)
Subtotal, EDA	190	276,000	190	264,193	64	14,937	(126)	(249,256)
BUREAU OF THE CENSUS								
Current Surveys & Programs	1,375	270,000	1,427	268,166	1,387	249,125	(40)	(19,041)
Periodic Censuses & Programs	3,567	1,200,000	3,319	1,191,868	3,823	3,551,388	504	2,359,520
CENSUS Working Capital Fund	1,424	0	1,424	0	1,607	0	183	0
Subtotal, Census	6,366	1,470,000	6,170	1,460,034	6,817	3,800,513	647	2,340,479
ECONOMIC & STATISTICAL ANALYSIS								
Salaries & Expenses	522	107,300	522	106,571	510	100,987	(12)	(5,584)
INTERNATIONAL TRADE ADMINISTRATION								
Operations & Administration	1,831	483,000	1,831	479,720	1,703	440,147	(128)	(39,573)
BUREAU OF INDUSTRY & SECURITY								
Operations & Administration	370	114,507	450	111,736	467	120,647	17	8,911
MINORITY BUSINESS DEVELOPMENT AGENCY								
Minority Business Development	58	32,000	50	33,769	50	10,000	0	(23,769)
NATIONAL OCEANIC & ATMOSPHERIC ADMIN.								
Operations, Research & Facilities	10,808	3,305,813	11,834	3,344,243	11,381	2,937,753	(453)	(406,490)
Procurement, Acquisition & Construction	315	2,400,416	329	2,227,423	326	1,623,006	(3)	(604,417)
Fishermen's Contingency Fund		350	0	348	0	349	0	1
Pacific Coastal Salmon Recovery	2	65,000	2	64,559	0	0	(2)	(64,559)
Medicare Eligible Retiree Healthcare Fund		1,936	0	1,936	0	1,603	0	(333)
Subtotal, NOAA	11,125	5,773,515	12,165	5,638,509	11,707	4,562,711	(458)	(1,075,798)
PATENT & TRADEMARK OFFICE								
Salaries & Expenses	12,436	0	13,011	0	13,148	0	137	0
NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY								
Scientific & Technical Research & Services	2,527	690,000	2,527	685,314	2,150	573,429	(377)	(111,885)
Industrial Technology Services	101	153,000	101	151,961	20	15,094	(81)	(136,867)
Construction of Research Facilities	116	109,000	116	108,260	116	40,549	0	(67,711)
NIST Working Capital Fund	700	0	700	0	700	0	0	0
Subtotal, NIST	3,444	952,000	3,444	945,535	2,986	629,072	(458)	(316,463)
NATIONAL TECHNICAL INFORMATION SERVI								
	150	0	150	0	150	0	0	0
NATIONAL TELECOMMUNICATIONS & INFO. ADMIN.								
Salaries & Expenses	136	32,000	143	31,783	143	33,646	0	1,863
TOTAL, DEPARTMENT OF COMMERCE	37,682	9,335,066	39,167	9,165,951	38,792	9,806,480	(375)	640,529

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

	<u>2019 Estimate</u>			
	<u>Detailed</u>		<u>Summary</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
2018 Annualized CR			39,167	\$9,165,951
2018 Estimate (Fee Collections)			0	3,430,123
Other Income / Recoveries (USPTO)				39,445
USPTO Funding from operating reserve				(20,067)
<u>Transfers</u>				
From Department of Agriculture (PDF)		\$154,868		
FY Transfer to DOC OIG		(5,882)		
From PDF to ORF		(24,035)		
Technical Adjustments to Base (NOAA)		23,697		
Total, Transfers				148,648
<u>One-time Adjustment</u>				
Temporary Reduction (NOAA-P&DFP)				(10,686)
<u>Adjustments to Base</u>				
<u>Adjustments</u>				
Restoration of FY 2018 deobligations (NOAA)		30,500		
Non-recurring costs (DM, USPTO)		(19,526)		
Other Adjustment (NOAA)	(3)	(12,773)		
Appropriations Previously Unavailable (NOAA)		10,017		
Total, Adjustments			(3)	8,218
<u>Financing:</u>				
Recoveries of prior year obligations (Census, NOAA)		(36,406)		
Total, Financing				(36,406)
<u>Other Changes</u>				
FY 2018 Pay raise		21,429		
FY 2019 Pay raise (NOAA only)		498		
Full-year cost in 2019 of positions financed for part-year in FY 2018	0	9,317		
Civil Service Retirement System (CSRS)		(3,347)		
Federal Employees' Retirement System (FERS)		6,690		
Thrift Savings Plan		2,080		
Federal Insurance Contributions Act (FICA) - OASDI		3,085		
Health insurance		11,027		
Compensable Day		20,622		
Employees' Compensation Fund		(960)		
Travel:				
Domestic Per diem		559		
Foreign Per diem (ITA)		63		
Mileage		(101)		
Rent payments to GSA		8,884		
Postage		682		
Printing and reproduction		2,636		
NARA		42		

	2019 Estimate			
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Other services:				
Working Capital Fund		\$4,022		
Commerce Business System		(3,381)		
General pricing level adjustment				
Transportation of things		372		
Rental payments to others		742		
Communications, utilities, and miscellaneous		1,821		
Other services		32,909		
Supplies		3,254		
Equipment		6,982		
Activities in support of licensing programs (BIS)		1,662		
Post-Retirement Benefits to OPM (USPTO)		4,329		
Other compensation adjustments (USPTO)		36,936		
Overseas price increases (ITA)		472		
Scientific journal subscriptions (NIST)		186		
Electricity rate increase (NIST)		270		
Natural gas rate decrease (NIST)		(131)		
Grants (NOAA)		1,055		
Subtotal, other changes			0	174,705
Total Adjustments to Base			(3)	170,214
2019 Base			39,164	12,899,931
Program Changes			(372)	561,060
Total Requirements			38,792	13,460,991
Offsetting Fee Collections (ITA, USPTO)				(3,416,366)
Recoveries (NOAA)				(40,500)
Other Income (USPTO)				(39,445)
Funding to operating reserve (USPTO)				(5,191)
Transfers				
Transfer from Department of Homeland Security (ITA)				(5,000)
To/From OIG				6,858
Transfer from Department of Agriculture (NOAA)				(154,868)
2019 Appropriation			38,792	\$9,806,480

Comparison by Bureau of Adjustments to Base, FY 2019 Estimate and Program Changes

Discretionary Accounts	Net Adjustments To Base		2019 Base		2019 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
BUREAU								
Departmental Management	0	(\$1,661)	863	\$59,918	863	\$61,790	0	\$1,872
Office of the Inspector General	0	565	178	33,087	184	32,030	6	(1,057)
Economic Development Administration	0	(2,477)	190	261,716	64	14,937	(126)	(246,779)
Bureau of the Census	0	(14,160)	6,170	1,443,294	6,817	3,796,957	647	2,353,663
Economic and Statistical Analysis	0	1,005	522	107,576	510	100,987	(12)	(6,589)
International Trade and Investment Administration	0	5,700	1,831	485,420	1,703	445,147	(128)	(40,273)
Bureau of Industry and Security	0	4,100	450	115,836	467	120,647	17	4,811
Minority Business Development Agency	0	(59)	50	33,710	50	10,000	0	(23,710)
National Oceanic & Atmospheric Admin.	(3)	96,304	12,162	5,853,658	11,707	4,756,777	(455)	(1,096,881)
Patent and Trademark Office	0	74,596	13,011	3,522,097	13,148	3,459,001	137	(63,096)
National Technical Information Service	0	0	150	0	150	0	0	0
National Inst. of Standards & Technology	0	5,622	3,444	951,157	2,986	629,072	(458)	(322,085)
National Telecommunications and Info. Admin.	0	679	143	32,462	143	33,646	0	1,184
TOTAL REQUIREMENTS	(3)	170,214	39,164	12,899,931	38,792	13,460,991	(372)	561,060
Offsetting Fee Collections (ITA, USPTO)					0	(3,416,366)		
Other Income (USPTO)					0	(39,445)		
Funding to operating reserve (USPTO)					0	(5,191)		
Transfer from Department of Homeland Security (ITA)					0	(5,000)		
To/From OIG					0	6,858		
Transfer from Department of Agriculture (NOAA)					0	(154,868)		
2019 APPROPRIATION					38,792	9,806,480		

Budget Authority by Function

	2017	2018	2019	Change
	<u>Actual</u>	<u>Annualized CR</u>	<u>Estimate</u>	<u>2018 - 2019</u>
<u>DISCRETIONARY APPROPRIATIONS</u>				
050 DEFENSE-RELATED ACTIVITIES				
054 Defense-related activities				
Bureau of Industry and Security	\$36,000	\$35,756	\$38,607	\$2,852
300 NATURAL RESOURCES AND ENVIRONMENT				
306 Other natural resources				
National Oceanic & Atmospheric Administration	5,783,633	5,744,371	4,716,278	(1,028,093)
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement and regulation of Commerce				
Departmental Management	62,000	61,579	61,790	211
Inspector General	38,626	38,364	40,888	2,524
Bureau of the Census	1,467,420	1,457,454	3,796,957	2,339,503
Economic and Statistical Analysis	107,300	106,571	100,987	(5,584)
International Trade Administration	483,000	479,720	445,147	(34,573)
Bureau of Industry and Security	76,500	75,980	82,040	6,059
Minority Business Development Agency	34,000	33,769	10,000	(23,769)
National Oceanic & Atmospheric Administration	(130,164)	(130,164)	(154,869)	(24,705)
Patent and Trademark Office	(2,000)	(26,000)	(2,000)	24,000
National Institute of Standards & Technology	959,900	951,396	628,571	(322,825)
National Telecommunications & Information Administration	32,000	31,783	33,646	1,863
Subtotal, Commerce and Housing Credit	3,128,582	3,080,452	5,043,157	1,962,704
450 COMMUNITY AND REGIONAL DEVELOPMENT				
452 Area and regional development				
Economic Development Administration	276,000	264,194	(25,063)	(289,257)
TOTAL, DISCRETIONARY	9,224,215	9,124,773	9,772,979	648,206
<u>MANDATORY APPROPRIATIONS</u>				
300 NATURAL RESOURCES AND ENVIRONMENT				
302 Conservation and land management				
National Oceanic & Atmospheric Administration	15,049	4,858	3,813	(1,045)
306 Other natural resources				
National Oceanic & Atmospheric Administration	70,494	61,833	50,031	(11,802)
Subtotal, Natural Resources and Environment	85,543	66,691	53,844	(12,847)
370 COMMERCE AND HOUSING CREDIT				
376 Other advancement & regulation of Commerce				
Departmental Management	3,188	3,500	3,500	0
Bureau of the Census	18,620	18,680	20,000	1,320
National Oceanic & Atmospheric Administration	182,222	171,302	163,633	(7,669)
National Telecommunications & Information Administration	35,649	0	0	0
Subtotal, Commerce and Housing Credit	239,679	193,482	187,133	(6,349)
TOTAL, MANDATORY	325,222	260,173	240,977	(19,196)
TOTAL, DEPARTMENT OF COMMERCE	9,549,437	9,384,946	10,013,956	629,010

Authorizing Legislation Required for 2019

	FY 2019 Request
APPROPRIATION AND ACTIVITY	
<u>Bureau of the Census</u>	
Salaries and Expenses	
State Childrens Health Insurance Program, 42 USC 1397ii(b)(1)(4) ,expires 9/30/15	\$20,000
<u>Economic Development Administration</u>	
Salaries and Expenses	14,900
Proposed language changes: For necessary expenses of an orderly closedown of the Economic Development Administration, including, but limited to, severance costs for personnel and on-going administration, oversight and monitoring of grants and loans previously awarded by the Economic Development Administration.	
Economic Development Assistance Programs (Public Works, Partnership Planning, Technical Assistance, Research and Evaluation, and Economic Adjustment Assistance Programs)	0
Economic Development Assistance Programs (Trade Adjustment Assistance Program)	0
Economic Development Assistance Programs (Investing in Manufacturing Communities Fund and Regional Export Challenge Programs)	0
Proposed language changes: For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, for trade adjustment assistance, and for grants authorized by section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722), \$222,000,000 to remain available until expended and may hereafter be used for the orderly closedown of the Economic Development Administration, [of which \$15,000,000 shall be for grants under such section 27] including but not limited to, on-going administration, oversight and monitoring of grants and loans previously awarded by the Economic Development Administration, whether expended by the Economic Development Administration or a successor operating unit within the Department of Commerce. Such funds will be available to such successor operating unit in addition to any other amounts that may be appropriated for the necessary expenses of such operating unit as provided by law.	
Subtotal, EDA	
<u>Bureau of Industry and Security</u>	
Export Administration Act of 1979, P.L. 106-508, expired 8/20/01	120,647
<u>International Trade Administration</u>	
Export Promotion, P.L. 103-392, expired 9/30/96	314,042
<u>National Institute of Standards & Technology</u>	
National Institute of Standards & Technology Authorization Act of 2010, P.L. 111-358, expired 9/30/2013	
Scientific & Technical Research & Services	571,930
Industrial Technology Services	15,094
Construction of Research Facilities	40,549
Subtotal, NIST	627,573

APPROPRIATION AND ACTIVITY	FY 2019 Request
<u>National Oceanic and Atmospheric Administration</u>	
<u>Operations, Research and Facilities</u>	
<i>National Ocean Service</i>	
Coral Reef Conservation Act, P.L.106-562, expired 9/30/04	\$26,033
Hydrographic Services Improvement Act, P.L.107-372, expired 9/30/07	199,895
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	40,489
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	49,739
Endangered Species Act Amendments of 1988, P.L. 100-478, expired 9/30/92	\$145,177
Marine Mammal Protection Act, P.L. 103-238, expired 9/30/99	39,474
NOAA Marine Fisheries Program Authorization Act, P.L. 104-297, expired 9/30/00	120,420
Interjurisdictional Fisheries Act, P.L. 109-479, expired 9/30/12	767
Magnuson-Stevens Fishery Conservation and Management Act , P.L. 109-479, expires 9/30/13	511,397
Estuary Restoration Act, P.L.110-114, expires 9/30/2012	500
<i>Oceanic and Atmospheric Research</i>	
National Sea College Program, P.L.107-299, expires 9/30/08	0
Ocean Exploration 33 USC 3406; P.L. 111-11, expires 9/30/15	19,561
Federal Ocean Acidification Research and Monitoring Act of 2009 33 USC 3708; P.L. 111-11, expired 9/30/2012	8,013
National Integrated Drought Information System Act of 2006 15 USC 313d note; P.L. 109-430, sec. 4, expired 9/30/2012	13,500
<u>Procurement, Acquisition and Construction</u>	
<i>National Ocean Service</i>	
Marine Protection, Research, Preservation & Sanctuaries Act Title II & III, P.L.106-513, expired 9/30/05	1,541
Coastal Zone Management Act, P.L. 104-150, expired 9/30/99	0
Subtotal, NOAA	<u>1,176,506</u>
<u>National Telecommunications and Information Administration</u>	
Salaries and Expenses	33,646
Telecommunications Authorization Act of 1992, P.L. 102-538, expired 9/30/93	0
TOTAL, AUTHORIZATION REQUIRED	<u>2,307,314</u>
PROGRAMS AUTHORIZED	<u>7,499,166</u>
TOTAL, DEPARTMENT OF COMMERCE APPROPRIATIONS	<u>9,806,480</u>