

# **Departmental Administration**

# **Departmental Administration**

## Table of Contents

|   | Page |
|---|------|
| Appropriation Language .....                      | 657  |
| Overview.....                                     | 659  |
| Office of the Secretary .....                     | 669  |
| Management, Budget and Evaluation.....            | 673  |
| Chief Information Officer .....                   | 689  |
| General Counsel.....                              | 713  |
| Economic Impact and Diversity.....                | 717  |
| Policy and International Affairs.....             | 731  |
| Congressional and Intergovernmental Affairs ..... | 745  |
| Public Affairs .....                              | 751  |
| Board of Contract Appeals.....                    | 757  |
| Competitive Sourcing Initiative .....             | 761  |
| Cost of Work for Others.....                      | 767  |



## **Departmental Administration**

### **Proposed Appropriation Language**

For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed \$35,000), [216,533,000] \$261,873,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): *Provided*, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: *Provided further*, That moneys received by the Department for miscellaneous revenues estimated to total [\$123,000,000] \$139,262,000 in fiscal year [2004] 2005 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95–238, notwithstanding the provisions of 31 U.S.C. 3302: *Provided further*, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year [2004] 2005, and any related unappropriated receipt account balances remaining from prior years' miscellaneous revenues, so as to result in a final fiscal year [2004] 2005 appropriation from the general fund estimated at not more than [\$93,533,000] \$122,611,000.

### **Explanation of Change**

Changes reflect revisions to funding amounts and fiscal year references.



## Departmental Administration

### Overview

#### Appropriation Summary by Program

(dollars in thousands)

|  | FY 2003<br>Comparable<br>Appropriation | FY 2004<br>Original<br>Appropriation | FY 2004<br>Adjustments | FY 2004<br>Comparable<br>Appropriation | FY 2005<br>Request |
|--|--|--------------------------------------|------------------------|--|--------------------|
| Departmental Administration:                         |  |                                      |                        |  |                    |
| Office of the Secretary                              | 4,262                                  | 4,251                                | -18 <sup>a</sup>       | 4,233                                  | 5,441              |
| Management, Budget and Evaluation                    | 107,089                                | 104,210                              | -452 <sup>a</sup>      | 103,758                                | 106,055            |
| Chief Information Officer                            | 71,551                                 | 85,432                               | 361 <sup>ab</sup>      | 85,793                                 | 107,420            |
| General Counsel                                      | 21,626                                 | 20,000                               | -87 <sup>a</sup>       | 19,913                                 | 23,349             |
| Economic Impact and Diversity                        | 6,147                                  | 5,893                                | -26 <sup>a</sup>       | 5,867                                  | 6,230              |
| Policy/International Affairs                         | 16,017                                 | 14,788                               | -64 <sup>a</sup>       | 14,724                                 | 18,939             |
| Congressional & Inter.                               | 4,906                                  | 4,449                                | -19 <sup>a</sup>       | 4,430                                  | 4,956              |
| Public Affairs                                       | 3,864                                  | 3,854                                | -17 <sup>a</sup>       | 3,837                                  | 4,649              |
| Board of Contract Appeals                            | 736                                    | 653                                  | -2 <sup>a</sup>        | 651                                    | 653                |
| Competitive Sourcing Initiative                      | 0                                      | 0                                    | 0 <sup>a</sup>         | 0                                      | 5,000              |
| <b>Subtotal, Departmental Administration (gross)</b> | <b>236,198</b>                         | <b>243,530</b>                       | <b>-324</b>            | <b>243,206</b>                         | <b>282,692</b>     |
| Cost of Work and Associated Revenues:                |  |                                      |                        |  |                    |
| Cost of Work   | 69,916                                 | 69,682                               | 0                      | 69,682                                 | 71,621             |
| Revenues   | -114,536                               | -123,000                             | 0                      | -123,000                               | -139,262           |
| <b>Subtotal, Cost of Work &amp; Assoc. Revenues</b>  | <b>-44,620</b>                         | <b>-53,318</b>                       | <b>0</b>               | <b>-53,318</b>                         | <b>-67,641</b>     |
| Defense Related Administrative Support (ODA)         | -86,913                                | -86,679                              | 511 <sup>a</sup>       | -86,168                                | -92,440            |
| Use of Prior Year Balances & Other Adj.              | -15,446                                | -10,000                              | 0                      | -10,000                                | 0                  |
| <b>Total, Departmental Administration (Net)</b>      | <b>89,219</b>                          | <b>93,533</b>                        | <b>187</b>             | <b>93,720</b>                          | <b>122,611</b>     |

<sup>a</sup> Reflects .59% Omnibus Recission

<sup>b</sup> Reflects the transfer of 6 full time equivalents and associated cost from the Office of Environmental Management to the Chief Information Officer for the EXCITE initiative.

### Preface

DOE programs funded in this appropriation are: Office of the Secretary; Office of Policy and International Affairs; Office of Management, Budget and Evaluation; Office of the Chief Information Officer; Congressional and Intergovernmental Affairs; Public Affairs; General Counsel; Economic Impact and Diversity; Board of Contract Appeals; and, Competitive Sourcing. Federal support functions include national and international energy policy analysis, environmental policy, cyber security, budget, corporate management information systems, accounting, project management, information

management, legal, personnel, labor relations, staffing, organizational management, logistical services, printing, contract and project management, personal property management, congressional and intergovernmental liaison, public and media outreach, economic impact and diversity, competitive sourcing and contract dispute adjudication. Funding includes personnel compensation, travel, training, budget and accounting systems, automated data processing development and acquisition (non-program specific), equipment maintenance, civil rights, and working capital fund.

The budget also provides for the cost of products and services provided by the field offices and national laboratories for non-DOE users. Work results from revenue programs related to the budgeted mission of DOE or is reimbursable work for state and local entities which are precluded by law from making advance payments. Costs are offset with revenues received from the sale of products or services. The revenues associated with the Cost of Work for Others program support the products and services described above. Miscellaneous revenues come from the sale of by-products that have no cost associated with the Departmental Administration appropriation, but offset the appropriation.

This Overview will describe Strategic Context, Mission, Benefits, and Significant Program Shifts. These items together put this appropriation in perspective.

## **Strategic Context**

Following publication of the Administration's National Energy Policy, the Department developed a Strategic Plan that defines its mission, four strategic goals for accomplishing that mission, and seven general goals to support the strategic goals. As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. Departmental Administration performs critical functions which directly support the mission of the Department and for achieving the Department's seven strategic goals which include, but are not limited to, managing information technology, ensuring sound legal advice and fiscal stewardship, developing and implementing uniform program policy and procedures, maintaining and supporting our workforce, safeguarding our workspaces, and providing Congressional and public liaison.

## **Mission**

The Departmental Administration appropriation account funds nine Department-wide management organizations under Administrative Operations. These organizations support headquarters in human resources, administration, accounting, budgeting, project management, information management, legal services, life-cycle asset management, workforce diversity, minority economic impact, policy, international affairs, Congressional and intergovernmental liaison, competitive sourcing and public affairs. Funding for the Office of the Secretary is provided separately from the other administrative functions within the Departmental Administration account.

A strong corporate vision helps set the proper priorities to ensure that a program, which succeeds in its goals, will not fail in its mission. The Departmental Administration offices provide a strong internal mechanism to focus program efforts on corporate goals. This is the optimal method of fulfilling our obligations to those who rely on the mission of the Department of Energy.

The Department stands ready to provide essential services to its mission programs, as well as serve the Secretary of Energy and protect taxpayer interests. The following highlights are provided to outline the critical functions and essential services provided by this account. These vital services include:

- Coordinating the Department's efforts to achieve the goals of the President's Management Agenda (PMA) and leading the implementation of PMA initiatives on Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, and Expanded Electronic Government and Performance Budget and Integration.
- Performing strategic planning and implementing management reforms tied to Government Performance and Results Act.
- Providing high level consistent, risk management-based policies and implementation guidance for the protection of cyber assets.
- Providing consistent core training requirements for cyber security professionals, system administrators, senior management and general users.
- Providing Departmental capabilities for cyber incident response, core cyber security architecture, cyber intrusion detection and reporting, and Public Key Infrastructure (PKI) architecture.
- Facilitating communication between the Department and Congress, the Executive Office, state and local Governments and the public.
- Performing financial and accounting functions including producing audited financial statements.
- Reforming processes for project management and acquisition of large facilities to ensure compatibility with mission needs and better adherence to project schedules, budgets and performance requirements.
- Ensuring that facilities and infrastructure are being managed adequately.
- Fulfilling the Department's budget mission in terms of timely formulation and oversight of program execution (overhead and uncosted balances).
- Providing effective and timely legal services, counsel, and support to Departmental elements.

- Representing the Department before Federal, State, and other Governmental Agencies and Courts.
- Protecting the Department's Intellectual Property associated with patents, invention disclosures, and waiver requests.
- Processing procurement and personnel actions.
- Making effective use of commercial applications and solutions for DOE's enterprise-wide IT infrastructure, link IT investments to DOE strategic goals and the needs of business operations.
- Improving enterprise-wide data sharing.
- Ensuring the success of the Working Capital Fund by supplying products and services throughout the Department.
- Promoting diversity within the entire Department and throughout the program areas affected by our decisions (including economic impact).

## **Benefits**

In order to ensure that DOE is an effective steward of taxpayer dollars, offices supported by the Departmental Administration account oversee the implementation of the five President's Management Agenda initiatives. Improved DOE facilities management will be realized as the Department continues to convert to performance based service contracts using government-wide standards. DOE project management will meet established goals as project managers complete a rigorous certification program to make its managers accountable for achieving project and contract cost, schedule, and performance goals. Cost savings will be realized and interface with citizenry enhanced as information technology resources are being used to standardize IT platforms across the Department and through implementing the Department's and E-Government initiatives. Small business will continue to be supported as a larger share of the Department's contracts is awarded to small and economically disadvantaged businesses. Citizens will also benefit as the Department continues to coordinate and implement key aspects of the President's National Energy Policy.

## **Defense Related Administrative Support**

From FY 1999 through 2004, funding has been provided within the Other Defense Activities appropriation to offset funding within the Departmental Administration appropriation. Per direction provided in the FY 2004 Energy Water and Development conference report, the FY 2005 budget request reflects a proportional contribution from Other Defense Activities for Departmental Administration costs. This budget offsets Departmental Administration administrative work that

supports the following appropriations: Defense Site Acceleration Completion, Defense Environmental Services, Defense Nuclear Waste Disposal, and Other Defense Activities. These functions do not duplicate services provided within the Office of the Administrator for the National Nuclear Security Administrative program.

### **Significant Program Shifts**

- The FY 2005 Budget reflects the transfer of funding and full time equivalent employees from the Office of Policy and International Affairs to the newly established Office of Electric Transmission and Distribution (OETD). The transfer will support the OETD in leading a national effort to assess the physical, regulatory and institutional barriers to the efficient reliable and affordable transmission and distribution of electricity in the United States.
- The FY 2005 Budget reflects the transfer of funding and full time equivalent employees from the Office of Environmental Management (EM) to the Office of the Chief Information Officer. The transfer will support the Office of Environmental Management's desktop, e-mail, and related network Extended Common Integrated Environment (eXCITE) services.
- The Department is creating a new line item for Competitive Sourcing within the Departmental Administration Appropriation to formalize the use of resources and establish accountability and budgetary control in support of this major initiative in the President's Management Agenda. The funding provided in this line item would support the Department's goals to promote sound, accountable decision making, and improve processes for the fair and efficient conduct and implementation of public-private competitions.
- Prior year balances were used in FY 2003 and FY 2004 to offset salary and benefit requirements in the Departmental Administration organizations. The FY 2005 budget does not assume the use any such balances.



## Departmental Administration

### Funding by Site by Program

|   | (dollars in thousands) |               |                |               |            |
|---|------------------------|---------------|----------------|---------------|------------|
|   | FY 2003                | FY 2004       | FY 2005        | \$ Change     | % Change   |
| Idaho Operations Office                   |                        |               |                |               |            |
| Cost of Work for Others                   | 3,012                  | 3,012         | 3,012          | 0             | 0%         |
| Subtotal, Idaho Operations Office         | 3,012                  | 3,012         | 3,012          | 0             | 0%         |
| NNSA Service Center                       |                        |               |                |               |            |
| Chief Information Officer                 | 6,759                  | 7,900         | 7,262          | -638          | -8%        |
| Cost of Work for Others                   | 35,255                 | 35,155        | 35,055         | -100          | 0%         |
| Subtotal, NNSA Service Center             | 42,014                 | 43,055        | 42,317         | -738          | -2%        |
| Oak Ridge Operations Office               |                        |               |                |               |            |
| Chief Information Officer                 | 350                    | 350           | 350            | 0             | 0%         |
| Cost of Work for Others                   | 6,535                  | 8,037         | 8,037          | 0             | 0%         |
| Subtotal, Oak Ridge Operations Office     | 6,885                  | 8,387         | 8,387          | 0             | 0%         |
| Washington Headquarters                   |                        |               |                |               |            |
| Office of the Secretary                   | 4,262                  | 4,233         | 5,441          | 1,208         | 29%        |
| Management, Budget and Evaluation         | 107,089                | 103,758       | 106,055        | 2,297         | 2%         |
| Chief Information Officer                 | 62,292                 | 74,693        | 97,808         | 23,115        | 31%        |
| General Counsel                           | 21,626                 | 19,913        | 23,349         | 3,436         | 17%        |
| Policy and International Affairs          | 16,017                 | 14,724        | 18,939         | 4,215         | 29%        |
| Economic Impact and Diversity             | 6,147                  | 5,867         | 6,230          | 363           | 6%         |
| Congressional and Intergovernmental       | 4,906                  | 4,430         | 4,956          | 526           | 12%        |
| Public Affairs                            | 3,864                  | 3,837         | 4,649          | 812           | 21%        |
| Board of Contract Appeals                 | 736                    | 651           | 653            | 2             | 0%         |
| Competitive Sourcing Initiative           | 0                      | 0             | 5,000          | 5,000         | 100%       |
| Subtotal, Washington Headquarters         | 226,939                | 232,106       | 273,080        | 40,974        | 18%        |
| Savannah River Operations Office          |                        |               |                |               |            |
| Cost of Work for Others                   | 17,918                 | 18,026        | 19,154         | 1,128         | 6%         |
| Chicago Operations Office                 |                        |               |                |               |            |
| Cost of Work for Others                   | 2,946                  | 2,696         | 2,696          | 0             | 0%         |
| Richland Operations Office                |                        |               |                |               |            |
| Chief Information Officer                 | 2,150                  | 2,850         | 2,000          | -850          | -30%       |
| Cost of Work for Others                   | 4,250                  | 2,756         | 3,667          | 911           | 33%        |
| Subtotal, Richland Operations Office      | 6,400                  | 5,606         | 5,667          | 61            | 1%         |
| Subtotal, Departmental Administration     | 306,114                | 312,888       | 354,313        | 41,425        | 13%        |
| Associated Revenues                       | -114,536               | -123,000      | -139,262       | -16,262       | 13%        |
| Adjustments                               | -15,446                | -10,000       | 0              | 10,000        | 0%         |
| Transfer from Other Defense Activities    | -86,913                | -86,168       | -92,440        | -6,272        | 7%         |
| <b>Total, Departmental Administration</b> | <b>89,219</b>          | <b>93,720</b> | <b>122,611</b> | <b>28,891</b> | <b>31%</b> |

## **Site Description**

### **Idaho Operations Office**

#### **Cost of Work for Others**

Funding provides for safeguards and security reimbursable activities.

### **NNSA Service Center**

#### **Chief Information Officer**

Cyber Security Engineering and Assessments and CIAC: The Department's Computer Incident Advisory Capability (CIAC) fulfills the statutory responsibility that all agencies maintain an incident response capability to respond to and report cyber security incidents, mitigate risks before substantial damage occurs, promote timely sharing of information on common vulnerabilities and risks, and issue warnings of new vulnerabilities and the availability of corrective patches. Specifically, CIAC reports and advises on incidents of unauthorized access, malicious code, denial of service and reconnaissance scans and coordinates and shares data with other Federal agencies as required by law and OMB policy.

CIAC also provides support for criminal investigations, distributes Alerts and Advisories as warranted and on behalf of OCIO surveys sites and facilities to respond to DHS/FedCIRC and White House/OMB requests. Additionally, CIAC provides the infrastructure for the Cooperative Protection Program analysis center, which provides proactive identification of potential network threats to DOE systems.

#### **Cost of Work for Others**

Funding provides for safeguards and security reimbursable activities. In addition, funding finances the cost of products and services requested by non-DOE users, both foreign and domestic. The products and services provided under this program are 1) a revenue program which results from a budgeted mission of the Department; or, 2) reimbursable work for non-federal entities (state and local governments, universities, etc.) where the sponsor is precluded by law from providing advance funding.

### **Oak Ridge Operations**

#### **Chief Information Officer**

Funding provides for Cyber Security Training and Baseline Skills Evaluation and Certification. The objective of this project is to develop, maintain, update, and conduct Automated Information System (AIS) Security training courses for Classified AIS Security Site Managers, and Independent Verification and Validation Certifiers. Training and awareness modules are also provided for staff with computer security responsibilities. Each course presentation must be updated to reflect the latest technology and DOE policies. Information systems security training courses are provided to DOE and DOE contractor personnel responsible for the use and operation of Government information systems (IS) and networks (i.e., Classified IS Security Operations Managers, Classified IS Security Site Managers, Independent

Validation and Verification Certifiers, Computer Protection Program Coordinators, and Computer Protection Program Managers). These information security courses are updated for each presentation to reflect current DOE policy and requirements for classified systems, basic IS security terminology and concepts, and emerging security technologies. Technical assistance and support in the area of classified information systems needs and requirements are provided.

### **Cost of Work for Others**

Funding provides for safeguards and security reimbursable activities. In addition, funding finances the cost of products and services requested by non-DOE users, both foreign and domestic. The products and services provided under this program are 1) a revenue program which results from a budgeted mission of the Department; or, 2) reimbursable work for non-federal entities (state and local governments, universities, etc.) where the sponsor is precluded by law from providing advance funding.

### **Washington Headquarters**

Funding provides for salaries, benefits, travel, training, support services and overhead expenses for the full time equivalent employees funded within the Departmental Administration appropriation.

### **Savannah River Operations Office**

#### **Cost of Work for Others**

Funding provides for safeguards and security reimbursable activities. In addition, funding finances the cost of products and services requested by non-DOE users, both foreign and domestic. The products and services provided under this program are 1) a revenue program which results from a budgeted mission of the Department; or, 2) reimbursable work for non-federal entities (state and local governments, universities, etc.) where the sponsor is precluded by law from providing advance funding.

### **Chicago Operations Office**

#### **Cost of Work for Others**

Funding provides for safeguards and security reimbursable activities. In addition, funding finances the cost of products and services requested by non-DOE users, both foreign and domestic. The products and services provided under this program are 1) are a revenue program which results from a budgeted mission of the Department; or, 2) are reimbursable work for non-federal entities (state and local governments, universities, etc.) where the sponsor is precluded by law from providing advance funding.

### **Richland Operations Office**

#### **Chief Information Officer**

Cyber Security Training: Computer Based Cyber Security Awareness Courses. The Office of Cyber Security has developed two on-line courses as part of the Cyber Security Training, Education, and Awareness Program. The topics of the courses are cyber forensics and media sanitization. The courses are the first of many awareness courses designed for the DOE enterprise. There are three versions of each course: one designed for the cyber user community, another for the managers or supervisors, and a comprehensive awareness course in cyber forensics and evidence preservation. The sanitization

course provides an overview of the security concerns resulting from data remanence and the DOE policies and procedures for clearing, sanitizing and destroying media.

Computer Protection Program (CPP) (joint program funded with Office of Counter Intelligence). Provides DOE with an enhanced perspective of security events across the DOE complex in near real-time with sensor development and deployment, enhancing DOE's ability to evaluate and respond to network security issues. This program provides a supportive function to Computer Incident Advisory Capability (CIAC) and the Counter Intelligence community.

### **Cost of Work for Others**

Funding provides for safeguards and security reimbursable activities. In addition, funding finances the cost of products and services requested by non-DOE users, both foreign and domestic. The products and services provided under this program are 1) a revenue program which results from a budgeted mission of the Department; or, 2) reimbursable work for non-federal entities (state and local governments, universities, etc.) where the sponsor is precluded by law from providing advance funding.

# Office of The Secretary

## Funding Profile by Category

(dollars in thousands)

|                               | FY 2003             | FY 2004            | FY 2005 | \$ Change | % Change |
|-------------------------------|---------------------|--------------------|---------|-----------|----------|
| Headquarters                  |                     |                    |         |           |          |
| Salaries and Benefits.....    | 3,801               | 3,692              | 4,900   | +1,208    | +32.7%   |
| Travel.....                   | 455                 | 535                | 535     | 0         | 0.0%     |
| Other Related Services.....   | 6                   | 6                  | 6       | 0         | 0.0%     |
| Subtotal, OSE.....            | 4,262 <sup>ab</sup> | 4,233 <sup>a</sup> | 5,441   | +1,208    | +28.5%   |
| Less Prior Year Balances      | -1,306 <sup>c</sup> | -291 <sup>c</sup>  | 0       | +291      | -100.0%  |
| Total, Program Direction..... | 2,956               | 3,942              | 5,441   | +1,499    | +38.0%   |
| FTEs.....                     | 34                  | 34                 | 34      | 0         | 0.0%     |

### Mission

The Office of the Secretary provides policy direction for the Department of Energy in fulfilling its mission to advance the national, economic and energy security of the United States; to promote scientific and technological innovation in support of that mission; and to ensure the environmental cleanup of the national nuclear weapons complex.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission.

The Office of the Secretary performs critical functions which directly support the mission of the Department. These functions include managing an extensive array of energy-related programs over a nation-wide complex including headquarters organizations, operations offices, field offices, national laboratories, power marketing administrations, special purpose offices and sites dedicated to environmental cleanup.

In addition, the Office of the Secretary provides leadership in the Department of Energy's efforts to contribute to the future of the Nation by ensuring energy security, maintaining the safety and reliability of the nuclear stockpile, cleaning up the environment from the legacy of the Cold War, and developing innovations in science and technology. These efforts will be accomplished through:

- Providing world-class scientific research capacity and advancing scientific knowledge and discoveries for the DOE's applied missions; promoting the frontiers of the physical sciences and

<sup>a</sup> In FY 2003, includes a .65% rescission (\$20K). In FY 2004, includes a .59% rescission (\$18K).

<sup>b</sup> Includes the transfer of \$18K to the Department of Homeland Security.

<sup>c</sup> Adjustment reflects prior year balance reduction.

areas of the biological, environmental and computational sciences; and providing world-class research facilities and essential scientific human capital to the Nation's overall science enterprise.

- Strengthening and protecting our national security by applying advanced science and nuclear technology to the Nation's defense, and by reducing the global danger from the proliferation of nuclear materials and weapons of mass destruction.
- Enhancing energy security by developing technologies that foster a diverse supply of affordable and environmentally sound energy, improving energy efficiency, providing for reliable delivery of energy, exploring advanced technologies that make a fundamental change in our mix of energy options, and guarding against energy emergencies.
- Aggressively cleaning up the environmental legacy of nuclear weapons and civilian nuclear research and development programs at 108 of the 114 contaminated Departmental sites by 2025, permanently disposing of the Nation's radioactive wastes, minimizing the social and economic impacts to individual workers and their communities resulting from Departmental activities, and ensuring the health and safety of DOE workers, the public, and protection of the environment.
- Demonstrating excellence in the management of the Department's human, financial, facilities, infrastructure and technical resources. Successfully implementing each of DOE's requirements in the President's Management Agenda; demonstrating significant progress in resolving DOE's management challenges; and resolving all management recommendations from DOE's Inspector General and the Government Accounting Office.

Through its leadership, the Office of the Secretary will continue to implement the President's Management Agenda and utilize all resources necessary to support and execute the Administration's National Energy Policy to promote dependable, affordable and environmentally sound production and distribution of energy for the future.

## Detailed Justification

(dollars in thousands)

|   | FY 2003      | FY 2004      | FY 2005      |
|---|--------------|--------------|--------------|
| <b>Salaries and Benefits</b> .....  | <b>3,801</b> | <b>3,692</b> | <b>4,900</b> |
| <p>Provides funding in FY 2005 for 34 full time equivalents in the Office of the Secretary, Deputy Secretary and the Under Secretary for Energy, Science and Environment (ESE) to include salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, and performance awards. Prior year balances were used in FY 2003 and FY 2004 to partially fund salaries and benefits. The FY 2005 request does not assume the use of prior year balances.</p> |              |              |              |
| <b>Travel</b> .....   | <b>455</b>   | <b>535</b>   | <b>535</b>   |
| <p>The FY 2005 travel request provides funding for the Secretary, Deputy Secretary, Under Secretary for Energy, Science and Environment, and special assistants to travel both internationally and domestically in support of the Department's missions.</p>  |              |              |              |
| <b>Other Related Expenses</b> .....   | <b>6</b>     | <b>6</b>     | <b>6</b>     |
| <p>Other Related Expenses provide funding for employee training and development.</p>  |              |              |              |
| <b>Total, Program Direction</b> .....   | <b>4,262</b> | <b>4,233</b> | <b>5,441</b> |

## Explanation of Funding Changes

### Salaries and Benefits

|  |   |                                      |
|--|---|--------------------------------------|
| <ul style="list-style-type: none"> <li>▪ The increase is the result of the full effect of the FY 2004 pay raise and the partial effect of the FY 2005 pay raise; and the full funding of 34 FTEs. Prior year balances were used in FY 2003 and FY 2004 to partially fund salaries and benefits. The FY 2005 request does not assume the use of prior year balances.....</li> </ul> | <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">                     FY 2005<br/>vs.<br/>FY 2004<br/>(\$000)                 </td> </tr> </table> | FY 2005<br>vs.<br>FY 2004<br>(\$000) |
| FY 2005<br>vs.<br>FY 2004<br>(\$000)   |   |                                      |
|  | +1,208  |                                      |
| <b>Total Funding Change, Program Direction</b> .....   | <b>+1,208</b>   |                                      |



# Office of Management, Budget and Evaluation (OMBE)

## Funding Profile by Subprogram

(dollars in thousands)

|                                    | FY 2003<br>Comparable<br>Appropriation | FY 2004<br>Original<br>Appropriation | FY 2004<br>Adjustments | FY 2004<br>Comparable<br>Appropriation | FY 2005<br>Request |
|------------------------------------|--|--------------------------------------|------------------------|--|--------------------|
| Management, Budget and Evaluation. |  |                                      |                        |  |                    |
| External Independent Reviews.....  | 4,977                                  | 0                                    | 0                      | 0                                      | 0                  |
| Program Direction.....             | 102,112                                | 104,210                              | -452                   | 103,758                                | 106,055            |
| Subtotal, OMBE.....                | 107,089 <sup>ab</sup>                  | 104,210                              | -452 <sup>c</sup>      | 103,758                                | 106,055            |
| Less Prior Year Balances.....      | -7,879 <sup>de</sup>                   | -4,513 <sup>f</sup>                  | 0                      | -4,513 <sup>f</sup>                    | 0                  |
| Total, OMBE.....                   | 99,210                                 | 99,697                               | - 452 <sup>c</sup>     | 99,245                                 | 106,055            |

### Mission

The Office of Management, Budget and Evaluation (OMBE) provides the Department of Energy (DOE) with centralized direction and oversight for the full range of financial, management, program evaluation and administrative services.

The budget for OMBE also supports the activities of the Secretary of Energy Advisory Board (SEAB), an external advisory board chartered under the Federal Advisory Committee Act of 1972 (Public Law 92-436). The Board and its subcommittees allow the Secretary of Energy to obtain timely, balanced, and independent external advice on issues of national importance related to the missions of the Department.

### Benefits

Within the Departmental Administration Appropriation, OMBE coordinates DOE's efforts to achieve the goals of the President's Management Agenda (PMA) and leads implementation of PMA initiatives on Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, and Budget and Performance Integration. OMBE's financial activities include budget formulation, presentation and execution; oversight of DOE-wide internal controls; and development, maintenance and operation of the Department's financial management systems. Management activities include strategic planning and program evaluation; project and contract management policy development and oversight; human resources policy development, and delivery of human resource and procurement services to DOE headquarters organizations. Administrative activities include the management of

<sup>a</sup> Includes the .65% rescission (\$505K).

<sup>b</sup> Includes the transfer of \$408K for the Department of Homeland Security.

<sup>c</sup> Includes the .59% rescission (\$452K).

<sup>d</sup> Includes a reduction of prior year balances (\$5,339K in Departmental Administration and \$2,424K in Other Defense Activities).

<sup>e</sup> Includes an internal reprogramming from OMBE to the Office of Congressional and Intergovernmental Affairs (\$116K).

<sup>f</sup> Represents a reduction of prior year balances (\$2,301K in Departmental Administration and \$2,212K in Other Defense Activities)

headquarters facilities and the delivery of other services critical to the proper functioning of the Department.

**President's Management Agenda.** The Office of Management, Budget and Evaluation (OMBE) is the corporate owner for four of the five President's Management Agenda (PMA) initiatives: Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, and Budget and Performance Integration. As of December 2003, the Department has a green progress score and a yellow status score for each of the PMA initiatives. The Deputy Secretary has established a management council comprised of the Department's senior leadership, whose primary purpose is to oversee implementation of the PMA. The council meets on a monthly basis. OMBE prepares quarterly scorecards evaluating each organization's contribution to the Department's implementation of the PMA. A spotlight approach similar to that employed by OMB is used to measure each organization's performance. This information is one component of a consolidated performance report provided to the Deputy Secretary each quarter. Some of our significant FY 2003 accomplishments under the PMA include:

- **Strategic Management of Human Capital**
  - Revamped the Human Resources Accountability Program to be in conformance with the Office of Personnel Management's (OPM) new human capital management accountability standards. As part of this initiative, the Department's new Human Capital Management Improvement Program (HCMIP) will be utilized by all organizations to assess and evaluate their human capital programs.
  - Developed a knowledge management program to ensure knowledge is shared across the Department. A pilot program was initiated which uses the web-based HCMIP as its base.
  - Implemented an innovative Mentoring Program in which SES's mentored high-potential GS 13-15 employees over a one-year period. Over 170 SES's participated as mentors to over 200 protégés.
  - Working with the International Personnel Management Association Federal Section Board and the United States Department of Agriculture Graduate School, developed and presented a Human Resources Professional Development Leadership Program.
  - Implemented a new OPM-approved, mission-focused SES Candidate Development Program to improve leadership development and succession planning in critical occupational areas.
  - Implemented a new SES Performance Management System that provides a hard link between DOE mission areas and critical objectives of SES members and provides for more meaningful awards for high performers. Also, cascaded this system down to all non-SES supervisors and managers.
  - The DOE/Environmental Management Hispanic Scholarship Fund Institute Intern Program was implemented and the first four assignments were made.
  - Created a department-wide, comprehensive acquisition workforce development program covering professionals significantly involved in DOE acquisition actions.

- Competitive Sourcing
  - Recognized by both OMB and the national press as being in the forefront of civilian agency implementation of the President's Competitive Sourcing Initiative for increased public-private competitions.
  - In FY 2002, the Department began six OMB Circular A-76 studies. During the course of those studies the number of full-time equivalent positions, which are the subject of those studies, has increased from 972 to 1,180. Two of the studies have been completed and the results are being implemented.
  - Established a tracking system to monitor the progress of ongoing studies; developed a library of lessons learned; and, updated Competitive Sourcing guidance to incorporate revisions required by the revised OMB Circular A-76.
  - Developed and began utilization of a feasibility study process to identify functions/organizations for future A-76 studies.
- Improved Financial Performance
  - Issued the FY 2003 financial statements on time and received an unqualified audit opinion and no material weaknesses identified by our auditors. We also continue to be in compliance with the provisions of the Federal Financial Management Improvement Act.
  - Continued to make significant progress on implementation of a state-of-the-art core accounting system, which will replace the Department's legacy accounting and reporting systems. Conversion to this new core accounting system together with stand-up of the new financial data warehouse, now scheduled for October 1, 2004, will provide a system that offers enhanced accounting and reporting capabilities and is part of a financial component that will be integrated with the Department's corporate business systems.
- Budget and Performance Integration
  - As a result of significant improvement in the development and reporting of performance measures, the Office of the Inspector General eliminated performance management as a management challenge at the end of FY 2003.
  - Reduced the number of performance measures in DOE's performance budget as compared to the FY 2000 Annual Performance Plan, including improving the quality of the measures and ensuring their direct link to the strategic and general (outcome) goals from the Department's new Strategic Plan.
  - Designed a performance budget that integrates DOE's Annual Performance Plan into the formal budget submission. This dramatic consolidation directly ties cost to performance and provides the linkage to DOE's new strategic and general goals from the Department's new Strategic Plan.
  - Established two new performance measurement training courses: one for executives and the other for practitioners.

- The Program Assessment Rating Tool (PART) was used to assess the effectiveness of approximately 54 percent of the Department's programs and approximately 70 percent of FY 2003 funding levels. Also included PART information in the appropriate section of the DOE Performance Budget.
- Issued FY 2005 – 2009 planning guidance in April 2003.
- Began producing a Consolidated Quarterly Performance Report. The components of the quarterly report include: Annual performance measures, Project Management status using the Earned Value Management System, Small Business Award Status, and a PMA Internal Scorecard.
- Initiated new automated performance tracking software (Joule) to improve reporting and analysis capabilities. This forms the basis for the Consolidated Quarterly Performance Report presented to the Deputy Secretary each quarter.
- Developed, consulted with Congress, OMB, and the public, and published a new Strategic Plan on September 29, 2003, in accordance with provisions of the Government Performance and Results Act of 1993.

▪ E-Government

DOE's Chief Information Officer (CIO) is leading the Department's e-government initiative. Nonetheless, OMBE has played a significant role in supporting the CIO's efforts as follows:

- One of the major OMBE accomplishments in FY 2003 was outsourcing of the Department's payroll services to the Defense Finance and Accounting Service. This accomplishment illustrates the Department's commitment to meeting the Government-wide e-Payroll consolidation goal, which is a part of the larger e-Government initiative of the PMA. Future service costs to the Department for payroll services will be significantly reduced as a result of this outsourcing effort. DOE is one of the first Government agencies to migrate its payroll services to one of the selected Government-wide payroll providers and accomplished that goal well in advance of the mandated completion date of September 30, 2004.
- Established the I-MANAGE Program Management Office, I-MANAGE Leadership Team, and Program/Project management structure. Finalized the baseline design and requirements for the Standard Accounting and Reporting System and the baseline requirements for the Data Warehouse and Standard Budget System.
- Initiated a task to define the scope and high-level requirements for the integrated Document Management System project that originated from the Innovative Department of Energy E-Government Application (IDEA) initiative.
- Developing a Business Systems Architecture that integrates the Department's management and accounting functions with its new strategic and general goals by FY 2005.
- Achieved 70 percent utilization by DOE and contractor sites of DOE's On-line Property Sales Systems for surplus property sales.
- Upgraded the Human Resources Online Learning Center to provide employees with the opportunity to improve their skills and job performance through web-based training that is available 24-hours a day, 7 days a week, from the work site or from home.

- Implemented e-Find and met OMB's unique identifier requirement for e-Grants in support of OMB's e-Grants goal of streamlining and achieving greater transparency in the grants management process. Participated in the October launch of Grants.gov APPLY. Posted a financial assistance opportunity announcement that utilized Grants.gov APPLY and continued support of all e-Grant streamlining initiatives.

In addition to the successful implementation of the PMA, OMBE achieved significant accomplishments in other key management areas:

### **Project Management**

- Published a new manual, "Project Management for the Acquisition of Capital Assets," to provide requirements and guidance to DOE employees on the planning and acquisition of capital assets.
- Implemented the Project Management Career Development Program as part of the Acquisition Career Development Program to ensure project managers possess the expertise needed to achieve project goals.
- Established a certification program for DOE contractor Earned Value Management systems. Entered into an agreement with the Defense Contract Management Agency to support verification of contractor systems.
- To improve the Department's management of its real property assets, DOE Order 430.1B, *Real Property Asset management (RPAM)* was issued on September 24, 2003. This Order, which complements DOE Order 413.3, *Program and Project management for the Acquisition of Capital Assets*, will enable the Department to fulfill its stewardship responsibilities, and ensure that its facilities and infrastructure are adequate and in a condition to meet our mission requirements today and in the future.

### **Contract Management**

- Exceeded DOE's corporate goal of obligating over 60 percent of total eligible service contracting dollars for contracts over \$25,000 as performance-based service contracts.
- Developed new contract features that allow facility management contractors to incorporate more commercial-like performance-based management practices to accomplish contract requirements.
- Established a Knowledge Management Council comprised of Headquarters and field employees in the areas of procurement and financial assistance, and conducted three workshops on Knowledge Management and held two Community of Practice meetings.
- Ninety percent of all procurement professionals working for DOE have been certified under the Acquisition Career Development Program.
- Eighty percent of Headquarters property management professionals have been certified by the National Property Management Association.
- Negotiated and signed a memorandum of understanding with the Department of Homeland Security to assure their timely and efficient access to DOE national laboratories and facilities.
- Implemented new policies and procedures to strengthen the Defense Priorities and Allocation System to be better aligned with changing national security requirements.
- Developed a commercially based contract model for use in demolition of non-contaminated buildings.

## **Financial Management**

- Issued a comprehensive report on Laboratory Directed Research and Development (LDRD) at the Department.
- Completed an agency-wide analysis of uncosted obligations and issued a comprehensive Congressional report on the status of the Department's carryover balances.
- Issued a comprehensive report on support costs by functional activity for 30 of the Department's major operating contractors that demonstrated the Department's efforts to more closely manage support cost type activities.
- Pursued a comprehensive approach to financial management oversight including development of a draft financial management oversight order, guiding principles for financial management and a financial management assurance planning process. A Headquarters financial management plan was also developed which outlined reporting, analysis, performance metrics, reviews and data collection activities required to support financial management at the corporate level.

## **Purchase Card Management**

- Reduced the number of purchase cards held by Federal employees by 10 percent, and, for contractors participating in the General Services Administration SmartPay program, by 40 percent.
- Completed a complex-wide review of Departmental purchase card programs and issued numerous recommendations to improve program operations and ensure compliance with requirements.

## **Reducing Motor Vehicle Fleet**

- Led the effort to reduce the size of DOE's motor vehicle fleet to meet the Secretary's goal of 8 percent by FY 2003.

## **Secretary of Energy Advisory Board.**

- Industry Partnering and Technology Transfer: SEAB approved and submitted to the Secretary of Energy, a report by its Laboratory Operations Board subcommittee entitled *Recommendations Regarding Industry Partnering/Technology Transfer Within the Department of Energy: A Report of the External Members The Laboratory Operations Board Industry Partnering/Technology Transfer Working Group*, dated December 31, 2002.
- Assessment of Contractual Instruments: SEAB approved and submitted to the Secretary of Energy, a report by its Laboratory Operations Board subcommittee entitled *Recommendations Regarding the Application of "Other Transactions Authority" Within the Department of Energy: A Report of the External Members of the Laboratory Operations Board*, dated September 24, 2002.
- Assessment of Science Priorities: SEAB formed the Task Force on the Future of Science Programs at the Department of Energy to provide the Board and the Secretary of Energy with independent external appraisals and recommendations regarding the content and structure of science programs at DOE. In December 2003, the SEAB approved and submitted to the Secretary of Energy, a report by the Task Force on the Future of Science Programs at the Department of Energy, entitled *Critical Choices: Science, Energy, and Security*, dated October 13, 2003.
- Implementation of National Energy Policy and Competitiveness: SEAB formed the Task Force on Energy, Technologies and the American Economy to provide the Board and the Secretary of Energy

with appraisals and recommendations regarding the applicability of recent developments and trends in a number of industry sectors to future Department of Energy endeavors.

- **Laboratory Competition:** SEAB formed the Blue Ribbon Commission on the Use of Competitive Procedures for Department of Energy Laboratories to assess the Department's competitive procedures to determine the circumstances and criteria under which competition can best assist the Department in maintaining high quality, state-of-the-art research and efficient and effective operation of its government-owned research facilities. In December 2003, the SEAB approved and submitted to the Secretary of Energy, a report by the Blue Ribbon Commission, entitled *Competing the Management and Operations Contracts for DOE's National Laboratories*, dated November 24, 2003.
- **Laboratory Management:** SEAB approved and submitted to the Secretary of Energy, a report by its Laboratory Operations Board subcommittee on the application of management best practices at the Department's laboratories entitled *Management Best Practices for the National Laboratories*, dated September 9, 2003.
- **Electricity Industry Stability:** Electricity Advisory Board formed the Subcommittee on Standards of Conduct and Corporate Practices in FY 2003 to evaluate, identify and make recommendations on initiatives which may lead to greater stability in the electricity industry.



## External Independent Reviews

### Funding Schedule by Activity

(dollars in thousands)

|                                 | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|---------------------------------|---------|---------|---------|-----------|----------|
| External Independent Reviews... | 4,977   | 0       | 0       | 0         | +0.0%    |

### Description

External Independent Reviews (EIRs) are performed on construction projects to develop information needed to validate a project's Acquisition Performance Baseline and measure a project's readiness to proceed to the next phase.

### Benefits

EIRs are performed by contract reviewers skilled in project management who are independent of the Department of Energy. The reviewers evaluate the project in the areas of planning, cost, schedule, scope and management controls. The EIR scope and schedule are coordinated with DOE and National Nuclear Security Administration program and project staff.

### Detailed Justification

(dollars in thousands)

|  | FY 2003      | FY 2004  | FY 2005  |
|--|--------------|----------|----------|
| <b>External Independent Reviews.....</b> | <b>4,977</b> | <b>0</b> | <b>0</b> |

Beginning in FY 2005, this activity will be direct funded by the program offices requiring external independent reviews.



## Program Direction

### Funding Profile by Category

|                               | (dollars in thousands) |         |         |           |          |
|-------------------------------|------------------------|---------|---------|-----------|----------|
|                               | FY 2003                | FY 2004 | FY 2005 | \$ Change | % Change |
| Headquarters                  |                        |         |         |           |          |
| Salaries and Benefits.....    | 63,876                 | 65,402  | 69,215  | +3,813    | +5.8%    |
| Travel.....                   | 1,927                  | 1,827   | 1,827   | + 0       | +0.0%    |
| Support Services.....         | 12,604                 | 12,954  | 12,254  | - 700     | -5.4%    |
| Other Related Services.....   | 23,705                 | 23,575  | 22,759  | - 816     | -3.5%    |
| Total, Program Direction..... | 102,112                | 103,758 | 106,055 | +2,297    | +2.2%    |
| FTEs.....                     | 680                    | 659     | 659     | + 0       | +0.0%    |

### Mission

The Office of Management, Budget and Evaluation (OMBE) performs critical functions which directly support the mission of the Department. As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. The Office of Management, Budget and Evaluation provides the Department of Energy (DOE) with centralized direction and oversight for the full range of financial, management, program evaluation and administrative services performed through the following Offices:

- Executive Operations and Support – manages financial, resource, corporate performance and administrative management activities for OMBE;
- Management Analysis – integrates DOE's business management information systems through the I-MANAGE system and manages reviews and assessments of Department-wide operations;
- Competitive Sourcing – manages the Department's Competitive Sourcing initiative;
- Aviation Management – manages all aircraft and contracted aviation services for the Department world-wide including the operation of a DOE-owned fleet of aircraft equivalent to the activities of a small regional airline and supplemented by contracted aviation activities;
- Finance and Accounting Policy – establishes and interprets Departmental accounting and financial policies and general procedural requirements for Federal accounting and reporting Department-wide; oversees the development and implementation of all major financial systems; and provides all accounting services for Headquarters, including payroll, travel, cash management, contractor oversight, and administrative control of funds;
- Program Analysis and Evaluation – develops, implements and manages the Department's strategic planning, multi-year planning, program evaluation, and performance measurement systems;
- Budget – directs the formulation, execution, analysis and preparation of the Department's budget; develops and maintains Departmental budget planning activities and budget controls; and manages the Department's interface with the OMB and Congressional committees on appropriations and other budget-related matters;
- Administration – provides Department-wide oversight and support for printing, mail and library services, and Headquarters support for facilities and assets management, travel and transportation, moving, warehousing, supplies, mail and space management;

- Human Resources Management – provides leadership and advice to the Department regarding the impact and use of policies, proposals, programs, and partnership agreements related to personnel management; coordinates programs and develops standards necessary to ensure that Departmental employees maintain the technical qualifications necessary to safely operate all Departmental facilities; provides leadership and direction in dealings with Federal and non-Federal organizations regarding human resources programs and policies;
- Procurement and Assistance Management – ensures the development and implementation of DOE-wide policies, procedures, programs, and management systems pertaining to procurement and financial assistance, real and personal property management, maintenance management, and related activities and provides procurement services to Headquarters elements;
- Executive Secretariat – provides quality document management; develops, maintains and shares institutional memory; facilitates the timely delivery of executive commitments and information; implements the Department’s Freedom of Information Act and Privacy Act programs; and manages the life-cycle of Federal Advisory Committees;
- Engineering and Construction Management – provides corporate oversight of the Department’s projects; drives value added change in the Department’s project management systems; and supports the Department’s project managers;
- Program Liaison and Financial Analysis – provides analysis for sound management and stewardship of the Department’s financial resources by providing assistance and meaningful financial analytical information to senior managers, program and field offices; provides oversight through independent financial analysis and reviews; develops and tracks financial performance measures; administers the Department’s Management Control Program; and promotes sound cash management practices.

### Detailed Justification

(dollars in thousands)

|                                   | FY 2003       | FY 2004       | FY 2005       |
|-----------------------------------|---------------|---------------|---------------|
| <b>Salaries and Benefits.....</b> | <b>63,876</b> | <b>65,402</b> | <b>69,215</b> |

Provides funding for 659 employees to include salaries, overtime, incentive awards, lump sum leave, and SES and other performance awards. Prior year balances were used in FY 2003 and FY 2004 to partially fund salaries and benefits. The FY 2005 request does not assume the use of prior year balances. In addition to salaries and benefits, funding is provided for workers’ compensation payments on behalf of all employees funded through the Departmental Administration appropriation.

|                    |              |              |              |
|--------------------|--------------|--------------|--------------|
| <b>Travel.....</b> | <b>1,927</b> | <b>1,827</b> | <b>1,827</b> |
|--------------------|--------------|--------------|--------------|

Travel funds finance staff travel; Secretary of Energy Advisory Board and subcommittee travel and all travel associated with scheduling and logistics for Secretarial trips; program oversight; program evaluation; project engineering and construction management activities; and permanent change of station moves. Also included are DOE shuttle bus service; rental of vehicles from the General Services Administration (GSA) motor pool; lease of DOE fleet; and charter of aircraft or buses.

(dollars in thousands)

|  | FY 2003        | FY 2004        | FY 2005        |
|--|----------------|----------------|----------------|
| <b>Support Services.....</b>   | <b>12,604</b>  | <b>12,954</b>  | <b>12,254</b>  |
| <p>Support Services finances technical and management support services. The areas of support include computer support, project control and performance, facilities and infrastructure, strategic planning, automated data processing, delivery of training, operation of the Headquarters technical and law libraries, database maintenance, financial systems operations, and minimal technical financial support.</p>  |                |                |                |
| <b>Other Related Expenses.....</b>   | <b>23,705</b>  | <b>23,575</b>  | <b>22,759</b>  |
| <p>Other Related Expenses finances the acquisition of goods and services that support OMBE's mission that are not classified as support services. This includes payments to other units within the Federal government including GSA, NARA, SBA, OPM; purchase of information technology materials such as desktop printers, laptops, memory upgrades, scanners, and fax machines; and staff training. In addition, this account finances services purchased from the working capital fund businesses including building occupancy, supplies, mail, printing and graphics, copying, telephone service, networking, desktop services, contract closeout, payroll processing, and the online learning center. Annually, the Department pays the Defense Contract Audit Agency for activities performed for the Department. OMBE's share for this activity is funded within this line.</p> |                |                |                |
| <p>In addition to the funding provided here, the Office of the Chief Information Officer's Program Direction budget includes \$2,000,000 in FY 2003 – 2005 to support day-to-day OMBE desktop activities.</p>  |                |                |                |
| <b>Total, Program Direction.....</b>   | <b>102,112</b> | <b>103,758</b> | <b>106,055</b> |

## Explanation of Funding Changes

|                                      |
|--------------------------------------|
| FY 2005<br>vs.<br>FY 2004<br>(\$000) |
|--------------------------------------|

### Salaries and Benefits

- The increase is the result of the full effect of the FY 2004 pay raise and the partial effect of the FY 2005 pay raise; and the full funding of staff. Prior year balances were used in FY 2003 and FY 2004 to partially fund salaries and benefits. The FY 2005 request does not assume the use of prior year balances.....
 +3,813

### Support Services

- The reduction in support services is the net result of reductions in Information Management Support and Professional Support, and an increase in Administrative Support as follows:
  - The reduction in Information Management Support will be accomplished by reducing contractor support of legacy accounting and financial systems which are being replaced (-\$636,000);
  - The reduction in Professional Support will be accomplished by reducing contractor support in the areas of library services, Headquarters health center services, Departmental training development and delivery, and contractor support to accomplish studies of project management and facilities and infrastructure (-\$854,000);
  - The increase in Administrative Support is to process and mail private party refunds to successful claimants in crude oil cases as directed in the U.S. District Court Decision on *Consolidated Edison Company of New York v. Abraham* (\$790,000).....
 -700

### Other Related Expenses

- The reduction in other related services will be accomplished by reducing the purchase of office equipment and computer hardware and software/upgrades; reducing administrative services; reengineering logistical support activities; and reducing the level of support from other program activities.....
 -816

|   |               |
|---|---------------|
| <b>Total Funding Change, Program Direction.....</b> | <b>+2,297</b> |
|---|---------------|

## Support Services by Category

(dollars in thousands)

|                                      | FY 2003       | FY 2004       | FY 2005       | \$ Change   | % Change     |
|--------------------------------------|---------------|---------------|---------------|-------------|--------------|
| Technical Support Services           |               |               |               |             |              |
| Administrative Support .....         | 3,244         | 3,244         | 4,034         | 790         | +24.4%       |
| Professional Support .....           | 3,065         | 3,265         | 2,411         | -854        | -26.2%       |
| Information Management Support ..... | 6,295         | 6,445         | 5,809         | -636        | -9.9%        |
| <b>Total, Support Services .....</b> | <b>12,604</b> | <b>12,954</b> | <b>12,254</b> | <b>-700</b> | <b>-5.4%</b> |

## Other Related Expenses by Category

(dollars in thousands)

|  | FY 2003       | FY 2004       | FY 2005       | \$ Change   | % Change     |
|--|---------------|---------------|---------------|-------------|--------------|
| Working Capital Fund.....                  | 15,121        | 16,717        | 16,729        | + 12        | +0.1%        |
| Capital Equipment.....                     | 880           | 880           | 880           | +0          | +0.0%        |
| Other.....                                 | 7,704         | 5,978         | 5,150         | -828        | -13.9%       |
| <b>Total, Other Related Expenses .....</b> | <b>23,705</b> | <b>23,575</b> | <b>22,759</b> | <b>-816</b> | <b>-3.5%</b> |



## Chief Information Officer Funding Profile by Subprogram

(dollars in thousands)

|   | FY 2003<br>Comparable<br>Appropriation | FY 2004<br>Original<br>Appropriation | FY 2004<br>Adjustments | FY 2004<br>Comparable<br>Appropriation | FY 2005<br>Request  |
|---|--|--------------------------------------|------------------------|--|---------------------|
| <b>Chief Information Officer</b>                  |  |                                      |                        |  |                     |
| Cyber Security .....                              | 28,340                                 | 26,432                               | -117                   | 26,315                                 | 24,932              |
| Corporate Management<br>Information Program ..... | 14,930                                 | 24,000                               | -106                   | 23,894                                 | 37,632              |
| Program Direction .....                           | 28,281 <sup>ab</sup>                   | 35,000 <sup>c</sup>                  | +584 <sup>bc</sup>     | 35,584 <sup>b</sup>                    | 44,856 <sup>b</sup> |
| <b>Subtotal, Chief Information Officer</b>        | <b>71,551</b>                          | <b>85,432</b>                        | <b>+361</b>            | <b>85,793</b>                          | <b>107,420</b>      |
| Less Use of Prior Year Balances<br>.....          | -592 <sup>d</sup>                      | -3,266 <sup>e</sup>                  | 0                      | -3,266 <sup>e</sup>                    | 0                   |
| <b>Total, Chief Information Officer</b>           | <b>70,959</b>                          | <b>82,166</b>                        | <b>+361</b>            | <b>82,527</b>                          | <b>107,420</b>      |

### Public Law Authorizations:

Public Law 103-62: 'Government Performance Results Act of 1993'

Public Law 104-208: 'Clinger-Cohen Act of 1996'

Public Law 105-277: 'Government Paperwork Elimination Act of 1998'

Public Law 107-347: 'The E-Government Act of 2002'

### Mission

The Office of the Chief Information Officer provides advice and assistance to the Secretary of Energy and senior managers to ensure that Information Technology (IT) is acquired and information resources are managed in a manner that implements the requirements of all relevant legislation.

<sup>a</sup> Includes the transfer of \$371K to the Department of Homeland Security and a reduction of \$346K for a Department wide .65% Rescission in FY 2003.

<sup>b</sup> Includes the transfer of the Office of Environmental Management's information technology functions (desktop, e-mail, and eXCITE services) to include six full-time equivalents in FY 2005 (FY 2003 \$713K, FY 2004 \$739K, and FY 2005 \$769K).

<sup>c</sup> Includes a reduction of \$378K for a Department wide .59% Rescission in FY 2004.

<sup>d</sup> In FY 2003 includes a reduction of prior year balances (-\$256K Departmental Administration and -\$336K Other Defense Activities).

<sup>e</sup> In FY 2004 includes a reduction of prior year balances (-\$3,262K in Other Defense Activities and -\$4K in Departmental Administration).

## **Benefits**

Within the Departmental Administration Appropriation, the Office of the Chief Information Officer provides corporate guidance through:

- The Office of Cyber Security which promotes a more secure DOE Cyber security environment by 1) increasing the understanding of risk; 2) improving planning to preempt risk; 3) driving consistent implementation of security controls to mitigate risk; 4) providing and sustaining employee training and awareness; 5) effectively overseeing and measuring performance to validate program performance and; 6) providing timely feedback to program managers and senior officials thus promoting continuous improvement.
  
- The Corporate Management Information Program which provides funding for three key elements of IT modernization in the Department. First, the program supports the Department's Integrated Management Navigation System (I-MANAGE) financial, human resource, procurement, and data warehouse development initiatives. Second, CMIP provides funding for the development and maintenance of two core IT management processes, enterprise architecture (EA) and IT capital planning and investment control (CPIC). Finally, CMIP serves as a funding source for the DOE E-Government strategy that identifies and supports initiation of high-impact E-Government initiatives within the Agency. Through this program the Department ensures that high-priority modernization efforts remain funded and on schedule, that sound IT management processes are in place, and that a consistent, proactive E-Government strategy is established and implemented. These efforts result in better value obtained from IT investment dollars and improved Agency mission performance on behalf of citizens.

# Cyber Security

## Funding Schedule by Activity

(dollars in thousands)

|                                      | FY 2003       | FY 2004       | FY 2005       | \$ Change     | % Change     |
|--------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Cyber Security                       |               |               |               |               |              |
| Policy, Planning and Risk Management | 3,500         | 5,800         | 6,060         | +260          | +4.5%        |
| Training .....                       | 1,500         | 1,460         | 810           | -650          | -44.5%       |
| Engineering & Assessments .....      | 21,840        | 19,055        | 18,062        | -993          | -5.2%        |
| Technical Capability .....           | 1,500         | 0             | 0             | 0             | 0.0%         |
| <b>Total, Cyber Security .....</b>   | <b>28,340</b> | <b>26,315</b> | <b>24,932</b> | <b>-1,383</b> | <b>-5.3%</b> |

### Description

The mission of the Office of Cyber Security is to develop and administer an information systems security program that supports the operations and assets of the Department of Energy.

### Benefits

The Office of Cyber Security promotes a more secure DOE Cyber security environment through: 1) increasing the understanding of risk; 2) improving planning to preempt risk; 3) driving consistent implementation of security controls to mitigate risk; 4) providing and sustaining employee training and awareness; 5) effectively overseeing and measuring performance to validate program performance and; 6) providing timely feedback to program managers and senior officials thus promoting continuous improvement.

The Office of Cyber Security reviews and revises DOE policy to ensure it continues to meet the needs of all Departmental organizations and is consistent with law, policy from OMB and national security authorities, and guidance from the National Institute of Standards and Technology (NIST). With the enactment of the Federal Information Security Management Act of 2002 (FISMA), NIST will develop a number of sweeping changes -- mandatory security standards -- for all Federal information and information systems. Each of these will require significant, but so far undefined, revisions to existing DOE security policies and training on those policies. Oversight and performance measurement foster consistent policy implementation, ensures weaknesses are identified, corrective action plans are adequately tracked, and quarterly feedback is provided to DOE officials and OMB.

## Detailed Justification

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

**Policy, Planning and Risk Management** ..... **3,500**                      **5,800**                      **6,060**

In FY 2005, develop, maintain, oversee, and measure the effectiveness of the implementation of policies and procedures to ensure the security of the Department’s information and information systems. Promote a continuing review and revision of DOE policy to ensure its internal adequacy and its consistency with law, OMB policy, and guidance from the National Institute of Standards and Technology (NIST). Additionally, provide for oversight and performance, procure an enterprise license to support certification and accreditation activities, and perform Independent Verification and Validation (IV&V) activities.

**Training** ..... **1,500**                      **1,460**                      **810**

In FY 2005, continue to promote improved security training in DOE. The OCIO by law must oversee this training to ensure that individuals with significant security responsibilities are adequately trained including understanding the requirements of law and policy. Therefore, this activity will assist in identifying available training, find gaps in the E-Gov “golearn.gov” training initiative, and close those gaps with DOE specific training needs. Additionally, the Office of Cyber Security will host its annual Cyber Security Conference, where personnel throughout the Department gather to discuss relevant topics in cyber security, as well as receive training in designated areas.

**Engineering and Assessments** ..... **21,840**                      **19,055**                      **18,062**

Additionally, the Computer Incident Advisory Capability (CIAC) provides the infrastructure for the Cooperative Protection Program (CPP) analysis center, which provides proactive identification of potential network threats to DOE systems. The CPP provides data for both counterintelligence and security purposes and builds the foundation for analysis to prevent vs. react to attacks.

Continue the enterprise license for Tumbleweed and ISS Realsecure and Internet Scanner to support law and OMB policy requirements for agencies to conduct intrusion detection and vulnerability scanning on a regular basis. Also, assess emerging technologies and implement OMB’s plans to integrate physical and cyber authentication and identification management processes and technologies.

## Detailed Justification

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

In December 1998, the National Security Agency directed all agencies to implement a secure telephone upgrade strategy. NSA Advisory Memorandum COMSEC 2-98, Secure Terminal Equipment, dated December 1998, requires all Federal agencies to phase out current STU-III secure telephones and upgrade to the next generation Secure Terminal Equipment. The contract for purchase of STU-III equipment ended in December 1999, maintenance support ends in 2010, and key material support ends on December 31, 2009. Secure voice and data communications are essential for the conduct of several DOE national security programs. At present DOE has 5700 secure telephones deployed. Production, maintenance, and secure capability of these telephones are scheduled to end by 2009. The DOE phased upgrade began in FY 2003 at a total cost of \$20M (\$3.5K per replacement telephone).

|   |               |               |               |
|---|---------------|---------------|---------------|
| <b>Technical Capability</b> .....   | <b>1,500</b>  | <b>0</b>      | <b>0</b>      |
| Provides for technology assessments, development and application throughout the department. |               |               |               |
| <b>Total, Cyber Security</b> .....  | <b>28,340</b> | <b>26,315</b> | <b>24,932</b> |

## Explanation of Funding Changes

|                                    |
|------------------------------------|
| FY 2005<br>vs. FY 2004<br>(\$ 000) |
|------------------------------------|

**Policy, Planning, and Risk Management**

Increase supports Independent Verification and Validation (IV&V) activities which will address the “reportable conditions” received on FY 2002 Financial Statements. The additional funding will be used to strengthen the overall cyber security of the Department..... +260

**Training**

Reduction in Cyber related training activities. Cyber’s training program will continue to promote improved cyber security throughout the Department..... -650

**Engineering and Assessments**

Production delays relating to STU-III secure telephone replacements are resulting in decreased activity for FY 2005. This activity is on schedule for completion in FY 2009..... -993

**Total Funding Change, Cyber Security** ..... -1,383

## Corporate Management Information Program

### Funding Schedule by Activity

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|---------|---------|---------|-----------|----------|
|---------|---------|---------|-----------|----------|

#### Corporate Management Information Program

|   |               |               |               |                |               |
|---|---------------|---------------|---------------|----------------|---------------|
| Integrating DOE's Business Management Systems(I-MANAGE) ..... | 10,451        | 18,112        | 20,762        | +2,650         | +14.6%        |
| Architecture and Planning .....                               | 2,899         | 5,782         | 10,334        | +4,552         | +78.7%        |
| Modernization Initiatives .....                               | 1,580         | 0             | 6,536         | +6,536         | +100.0%       |
| <b>Total, Corporate Management Information Program .....</b>  | <b>14,930</b> | <b>23,894</b> | <b>37,632</b> | <b>+13,738</b> | <b>+57.5%</b> |

### Description

The Corporate Management Information Program (CMIP) is the Department's Corporate initiative to replace outdated corporate information systems. CMIP provides DOE with a managed, centralized, and cost-effective way to modernize DOE corporate business systems, under the direction of the Department's CMIP Review Board, utilizing deliberative input from DOE line management.

#### Benefits

This subprogram provides funding for three key elements of IT modernization in the Department. First, the program supports the Department's Integrated Management Navigation System (I-MANAGE) financial, human resource, procurement, and data warehouse development initiatives. Second, CMIP provides funding for the development and maintenance of two core IT management processes: enterprise architecture (EA) and IT capital planning and investment control (CPIC). Finally, CMIP serves as a funding source for the DOE E-Government strategy that identifies and supports initiation of high-impact E-Government initiatives within the Agency. Through this program the Department ensures that high-priority modernization efforts remain funded and on schedule, that sound IT management processes are in place, and that a consistent, proactive E-Government strategy is established and implemented. These efforts result in better value obtained from IT investment dollars and improved Agency mission performance on behalf of citizens.

## Detailed Justification

(dollars in thousands)

|   | FY 2003       | FY 2004       | FY 2005       |
|---|---------------|---------------|---------------|
| <b>I-MANAGE</b> .....   | <b>10,451</b> | <b>18,112</b> | <b>20,762</b> |
| <ul style="list-style-type: none"> <li> <span style="display: inline-block; width: 1em; margin-left: -1em;">▪</span> <b>Standard Accounting and Reporting System (STARS)<br/>(formerly Phoenix)</b> .....</li> </ul>  | <b>8,856</b>  | <b>10,212</b> | <b>10,750</b> |
| <p>STARS is a project to design and implement a new integrated and user-friendly financial management system. This system will help the Department fulfill its fiduciary responsibilities and meet both internal management and external reporting requirements. The new system will replace and extend the functionality of the current DISCAS, MARS and FDS legacy systems. The need for a major change in DOE financial management practices is also driven by actions external to the Department such as the Chief Financial Officer's Act of 1990, Government Performance and Results Act of 1993, Federal Financial Improvement Act of 1996, Clinger-Cohen Act of 1996, OMB Circular A-127, E-Government Act of 2002, and Joint Financial Management Improvement Program.</p> |               |               |               |
| <ul style="list-style-type: none"> <li> <span style="display: inline-block; width: 1em; margin-left: -1em;">▪</span> <b>Enterprise Human Resources</b> .....</li> </ul>   | <b>750</b>    | <b>1,800</b>  | <b>1,800</b>  |
| <p>Identify one or two HR functions as implementation priorities based on Department-wide needs and the degree of Federalization of the software at the time of their decision. Finish analysis of People Soft Federal product software functions to ensure that they meet Departmental requirements. Maintain a state-of-the-art system by appropriately planning for and implementing People Soft Federal release upgrades to assure that the Department takes advantage of planned technology and functional improvements in the commercial-off-the-shelf product.</p>   |               |               |               |
| <ul style="list-style-type: none"> <li> <span style="display: inline-block; width: 1em; margin-left: -1em;">▪</span> <b>eProcurement</b> .....</li> </ul>   | <b>0</b>      | <b>2,100</b>  | <b>4,000</b>  |
| <p>Identify one or two HR functions as implementation priorities based on Department-wide needs and the degree of Federalization of the software at the time of their decision. Finish analysis of People Soft Federal product software functions to ensure that they meet Departmental requirements. Maintain a state-of-the-art system by appropriately planning for and implementing People Soft Federal release upgrades to assure that the Department takes advantage of planned technology and functional improvements in the commercial-off-the-shelf product.</p>   |               |               |               |
| <ul style="list-style-type: none"> <li> <span style="display: inline-block; width: 1em; margin-left: -1em;">▪</span> <b>Data Warehouse</b> .....</li> </ul>   | <b>845</b>    | <b>4,000</b>  | <b>4,212</b>  |
| <p>Data Warehouse is a repository of financial data extracted from the major financial systems within the Department. Data from source systems is periodically fed into the Data Warehouse, where it is restructured for efficient access.</p>  |               |               |               |

(dollars in thousands)

|   | FY 2003      | FY 2004      | FY 2005       |
|---|--------------|--------------|---------------|
| <b>Architecture and Planning</b> .....  | <b>2,899</b> | <b>5,782</b> | <b>10,334</b> |
| ▪ <b>Enterprise Architecture (EA)</b> .....   | <b>879</b>   | <b>2,944</b> | <b>5,227</b>  |
| <p>The purpose of this program is to manage and enhance the DOE Enterprise Architecture as required by OMB Circular A-130, the Clinger-Cohen Act of 1996, and the E-Gov Act of 2002, to structure and prioritize modernization of Departmental corporate systems, guide and consolidate IT initiatives and serve as the basis for supporting related infrastructure technology implementation. These activities are intended to support and align previously disparate IT Planning and portfolio management functions and move the Department to a higher level of maturity in the IT investment management capability maturity model. Additionally, this program is responsible for identifying and presenting to agency investment review boards investments that incorporate business transformation needed to achieve performance results that leverage cross-agency opportunities in support of the E-Gov Act.</p> |              |              |               |
| <p>Beyond simply establishing a static EA document, the Department will implement a process whereby the EA is continually refreshed to reflect changing missions, technologies, and environments. The Corporate Systems Information Architecture Applications development activities were integrated into the Enterprise Architecture program in FY 2003.</p>   |              |              |               |
| ▪ <b>Capital Planning Investment Control (CPIC)</b> .....   | <b>520</b>   | <b>2,838</b> | <b>5,107</b>  |
| <p>The Capital Planning Investment Control (CPIC) program implements a Departmental unified process that enables greater coordination and shared vision; i.e., centralized corporate management perspective, among the Department's IT initiatives to effectively provide for corporate systems and infrastructure that add value to the business needs of the Department. This process guides the annual selection and management of the Departmental IT portfolio of investments. Basic implementation of the Information Technology Investment Portfolio System (I-TIPS) will be performed at this funding level to support IT portfolio reporting. Activities performed in support of this process include guidance development, governance group management, and IT investment oversight and reporting.</p>  |              |              |               |
| ▪ <b>Strategic Information Management (SIM)</b> .....   | <b>1,500</b> | <b>0</b>     | <b>0</b>      |
| <p>The Strategic Information Management (SIM) program evaluates business requirements, determines systems needed and identifies existing system shortfalls. The SIM process produces business case analyses leading to recommendations for new or enhanced corporate information technology investments.</p>  |              |              |               |

(dollars in thousands)

|   | FY 2003       | FY 2004       | FY 2005       |
|---|---------------|---------------|---------------|
| <b>Modernization Initiatives</b> .....  | <b>1,580</b>  | <b>0</b>      | <b>6,536</b>  |
| ▪ <b>Innovative Department of Energy E-Government Applications (IDEA)</b> .....   | <b>0</b>      | <b>0</b>      | <b>6,536</b>  |
| <p>This initiative is the Department’s primary implementing tool to ensure that the President’s e-Government Strategy is defined and implemented and that specific investments identified by the e-Government Strategy have funding. The primary focus is to ensure that the ‘highest value’ e-Government initiatives are identified and implemented, resulting in fewer duplicative IT systems and delivering higher quality citizen-centric services. Included in this request is \$3.0M for the IDEA-Integrated Document Management System and \$1.2M for the IDEA-Streamlined FOIA processing.</p>  |               |               |               |
| ▪ <b>Voice Telecommunications System Upgrade</b> .....  | <b>535</b>    | <b>0</b>      | <b>0</b>      |
| <p>DOE headquarters operates two voice switches to provide additional capabilities to support customer mission needs. These include improving telephone conferencing capabilities to accommodate anticipated future usage at DOE. FY 2003 funding supported an SL-100 PRI Class Service capability to allow caller ID information to be processed and reconciled with commercial vendor charges. In addition, this class service will enable conference bridging (needed for telephone conferences). This project was completed in FY 2003.</p>   |               |               |               |
| ▪ <b>Centralized Locator Repository Enhancement</b> .....   | <b>215</b>    | <b>0</b>      | <b>0</b>      |
| <p>The DOE-wide Centralized Locator Project is designed to provide more accurate, timely and useful information about DOE employees (including: name, location, phone/fax numbers, organization, and e-mail address). FY 2003 funding supported the enhancement of the current People Program and the development of WEB based display and update of information. This project was completed in FY 2003.</p>  |               |               |               |
| ▪ <b>Defense Message System (DMS) Pilot</b> .....   | <b>430</b>    | <b>0</b>      | <b>0</b>      |
| <p>DOE relies on two systems to provide access to the Department of Defense AUTODIN system for receipt and transmission of classified and unclassified messages, the CSP for Top Secret messages, and the SIMEX Switch for the Secret/Restricted Data classification level. The DOE DMS pilot identifies a transitional architecture to maintain or improve current security profile standards. The transition/replacement system provides: secure, encrypted message/data handling services; maximum use of state-of-the-art equipment; reduce overall system costs; and is capable of extension to DOE headquarters and field. This project was completed in FY 2003.</p> |               |               |               |
| ▪ <b>Corporate Repository Data Exchange</b> .....   | <b>400</b>    | <b>0</b>      | <b>0</b>      |
| <p>Currently, data from the Corporate Repository is exchanged with numerous corporate systems DOE-wide. This project is intended to provide a subscription process using extended mark-up language, an emerging data transfer standard to automatically support the exchange of data. This approach is much more efficient, cost effective and improves support to DOE wide users of the Corporate Repository.</p>  |               |               |               |
| <b>Total, Corporate Management Information Program</b> .....  | <b>14,930</b> | <b>23,894</b> | <b>37,632</b> |

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

### I-MANAGE

- |  |                                       |
|--|---------------------------------------|
| <ul style="list-style-type: none"> <li>▪ Standard Accounting and Reporting System (STARS).....</li> </ul> <p style="margin-left: 20px;">This increase is to accommodate an accelerated implementation schedule for I-MANAGE high priority projects. Implementation is scheduled for October 1, 2004.</p> <ul style="list-style-type: none"> <li>▪ eProcurement .....</li> </ul> <p style="margin-left: 20px;">This increase is to offset schedule delays caused by changing budget priorities in FY 2003 and FY 2004.</p> <ul style="list-style-type: none"> <li>▪ Data Warehouse.....</li> </ul> <p style="margin-left: 20px;">This increase is to accommodate an accelerated implementation schedule for I-MANAGE high priority projects</p> | <p>+538</p> <p>+1,900</p> <p>+212</p> |
|--|---------------------------------------|

|                        |               |
|------------------------|---------------|
| <b>Total, I-MANAGE</b> | <b>+2,650</b> |
|------------------------|---------------|

### Architecture and Planning

- |   |                             |
|---|-----------------------------|
| <ul style="list-style-type: none"> <li>▪ Enterprise Architecture .....</li> </ul> <p style="margin-left: 20px;">This increase is to maintain the progress made in FY 2002 and FY 2003 in establishing the DOE Enterprise Architecture by completing mappings to all Federal Enterprise Architecture reference models, establishing a “to be” architecture, and completing and maintaining an EA repository.</p> <ul style="list-style-type: none"> <li>▪ Capital Planning Investment Control (CPIC).....</li> </ul> <p style="margin-left: 20px;">This increase is due to the elimination of the SIM program. Residual activities from the SIM program will be performed within the CPIC program.</p> | <p>+2,283</p> <p>+2,269</p> |
|---|-----------------------------|

|   |               |
|---|---------------|
| <b>Total, Architecture and Planning</b> | <b>+4,552</b> |
|---|---------------|

### Modernization Initiatives

- |   |               |
|---|---------------|
| <ul style="list-style-type: none"> <li>▪ IDEA e-Gov Task Force .....</li> </ul> <p style="margin-left: 20px;">This increase ensures that the e-Government Strategy is defined and implemented and that specific investments identified by the e-Government Strategy have initial funding. The primary focus is to ensure that the ‘highest value’ e-Government initiatives are identified and implemented, resulting in fewer duplicative IT systems and delivering higher quality citizen-centric services. The FY 2005 funding increase includes \$3.0M for the IDEA-Integrated Document Management System and \$1.2M for the IDEA-Streamlined FOIA processing.</p> | <p>+6,536</p> |
|---|---------------|

|  |                |
|--|----------------|
| <b>Total Funding Change, Corporate Management Information Program.....</b> | <b>+13,738</b> |
|--|----------------|



## Program Direction

### Funding Profile by Category

(dollars in thousands/whole FTEs)

|                                | FY 2003             | FY 2004             | FY 2005             | \$ Change | % Change |
|--------------------------------|---------------------|---------------------|---------------------|-----------|----------|
| Headquarters                   |                     |                     |                     |           |          |
| Salaries and Benefits.....     | 11,531              | 13,143              | 13,544              | 401       | +3.1%    |
| Travel.....                    | 179                 | 154                 | 154                 | 0         | 0.0%     |
| Support Services.....          | 13,077              | 18,034              | 26,903              | 8,869     | +49.2%   |
| Other Related Expenses .....   | 3,494               | 4,253               | 4,255               | 2         | 0.0%     |
| Total, Program Direction.....  | 28,281 <sup>a</sup> | 35,584 <sup>a</sup> | 44,856 <sup>a</sup> | 9,272     | +26.1%   |
| Full Time Equivalentents ..... | 118                 | 118                 | 118                 | 0         | 0        |

### Mission

This program provides Federal staffing and associated funding required to provide for the overall management and direction of activities carried out by the Office of the Chief Information Officer (OCIO) to include Cyber Security, Corporate Management Information Program activities, and the HQ Operations activities.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. OCIO performs critical functions, which directly support the mission of the Department. These functions include implementation of a common operating environment through the eXCITE program, implementation and operation of a Public Key Infrastructure to ensure transmission of secure email and other documents, operation of secure local and wide area networks, implementation and maintenance of an Oracle Enterprise Oracle License Agreement, and others.

---

<sup>a</sup> Includes the transfer of the Office of Environmental Management's information technology functions (desktop, e-mail, and eXCITE services) to include six full-time equivalentents in FY 2005 (FY 2003 \$713K, FY 2004 \$739K, and FY 2005 \$769K).

## Detailed Program Justification

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

**Salaries and Benefits** ..... **11,531**            **13,143**            **13,544**

Supports personnel compensation for 118 full-time equivalent employees in Headquarters. Enables Federal staff to monitor (oversight and audit) activities to ensure appropriate and cost-effective information protection measures are applied to the information and information technology assets. Provides assistance and guidance in cyber/computer security to all Departmental elements. Establishes standards and guidelines to maximize information and information system integration. Coordinates planning for major information and information technology investments and assists in the development and application of programmatic performance measures for those investments. Champions the strategic information management program for the Department as required by the Clinger-Cohen Act. Supports Departmental offices in the use of information technology in business re-engineering efforts. Develops and issues information management policies which promote best business practices while complying with applicable laws and regulations. Establishes, maintains and assesses mechanisms for managing information investments, assessing performance and results, and sharing lessons learned throughout the Department. Serves as the key advocate for information technology capital planning and investment. Provides advice and assistance to the Departmental information management community. Provides leadership and services to secure, efficient, and effective quality life-cycle management of information needed to support the diverse missions of the Department. Advances information technologies that are critical to Departmental programs, energy strategies, and the National interest. Develops policies, plans, budgets, and standards and provides services, consultation, and implementation of appropriate technologies to support Departmental information management activities in a cost-effective manner and in accordance with public law and applicable regulations.

**Travel** ..... **179**            **154**            **154**

Includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations.

**Support Services** ..... **13,077**            **18,034**            **26,903**

▪ **Government-wide Initiatives Transfers** ..... **0**            **1,110**            **3,336**

The President’s vision for reforming Government emphasizes that “Government needs to reform its operations – how it goes about its business and how it treats the people it serves.” Electronic Government (e-Gov) is a critical component in meeting today’s citizen and business expectations for interaction with Government, as information technology facilitates the ability to align efforts to significantly improve service and reduce operating costs. The following initiatives are funded by the Department: GovBenefits, Erulemaking, SAFECOM, Etraining, Integrated Acquisition Environment, Erecords management, Eauthentication, Business Gateway, and Etravel. These initiatives are not fully funded by the OCIO.

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

- **Technical and Administrative Support** .....1,498            2,732            2,528  
Provides technical support to the OCIO for change management studies (e-Gov) strategic planning, DOE portal development, and process reviews.
- **Business, Finance, and Procurement** .....1,307            1,021            984  
Provides support to the Chief Information Officer for financial management, analytical studies, logistical/administrative support, contract administration, workforce planning, and timesharing services in support of its operational responsibilities.
- **Records Management** .....551            113            250

The Records Management Program in OCIO has agency-wide policy and oversight responsibility for management of the Department's records. In compliance with the Federal Records Act, ensures that DOE adequately documents its missions and functions, policies, procedures, and decisions and preserves its historically valuable records. DOE will be able to support program offices demanding support closure site activities and provide an enterprise central storage solution for key historical and legal records.

- **Wireless Program** ..... 396            252            252  
Very limited action plans will be developed to implement the DOE Wireless Strategic Plan and continued maintenance of the Wireless Technology Web site will be provided.

IM Wireless & Spectrum Management is responsible for obtaining certification for major DOE spectrum dependent systems, processing requests for Radio Frequency Authorizations for all DOE field activities, and DOE policy governing use of wireless products and services and Federal spectrum.

- **eXCITE Program Management** ..... 0            0            300  
The Office of The Associate CIO for Operations is the proponent for one of the key Presidential Management Agenda (PMA) items for reinventing government, emphasizing that the government needs to reform its operations, how it goes about its business, and how it treats the people it serves, and effectively leveraging information technology as an enabler. Electronic government is one of the five key elements in the President's Management Agenda and Performance Plan (August 2001) for achieving the vision. On March 11, 2002, Secretary Abraham announced the Innovative Department of Energy E-Government Applications (IDEA) initiative to the DOE community. One of the key initiatives for internal efficiency and effectiveness resulting from the IDEA task force is eXCITE, the Extended Common Integrated Technology Environment. The focus of the eXCITE initiative is to: consolidate all aspects of common IT services throughout DOE as a way to improve services, increase IT purchasing power, increase efficiency, and reduce overall IT expenditures.

(dollars in thousands)

|   | FY 2003      | FY 2004      | FY 2005      |
|---|--------------|--------------|--------------|
| ▪ <b>E-Mail and Messaging Support</b> .....   | <b>1,227</b> | <b>823</b>   | <b>717</b>   |
| Provides hardware, software and contractor support for managing the Headquarters-wide electronic mail messaging service. Provides direct support to 7,500 e-mail users that include integrated directory services, protection against viruses introduced via e-mail in the headquarters environment, and funding to maintain the AUTODIN circuit connectivity to the DISA system for the Department-wide SIMEX system.  |              |              |              |
| ▪ <b>Networking Support</b> .....   | <b>1,801</b> | <b>1,223</b> | <b>230</b>   |
| Provides a variety of networking support and services to the Headquarters-wide community that are outside of the Headquarters Working Capital Fund. Support includes Headquarters Network backbone cyber security systems (firewall, intrusion detection, etc.) and Headquarters Common IT Infrastructure services modernization.   |              |              |              |
| ▪ <b>Video and Telecommunications Support</b> .....   | <b>382</b>   | <b>384</b>   | <b>504</b>   |
| Provides a number of telecommunications services to Departmental Administration's funded customer base (e.g., Office of the Secretary and DOE Staff Offices). Also includes: Secure Telephone Unit (STU) III maintenance and operations; satellite UPLINK time for official televideo broadcasts; circuits and maintenance for the TIMPLEX multiplexed communications system and cellular telephone, pager, SIMEX crypto maintenance, and calling card services.  |              |              |              |
| ▪ <b>IT Office Systems</b> .....  | <b>3,000</b> | <b>2,117</b> | <b>3,454</b> |
| Provides hardware, software, and contractor desktop support services to Departmental Administration's funded customer base currently supported by the OCIO's Operations office (e.g., Office of the Secretary, OCIO, Office of Management and Budget and Evaluation (ME) (\$2,000K), and other staff offices) to a 2,200 person user base. This includes ensuring that desktop hardware and software is no more than three years old (one-third of the users are upgraded per year on a revolving cycle); help desk and contractor support services for correcting desktop configuration problems, operational problems, ad-hoc user training, etc. |              |              |              |
| ▪ <b>Data Center Services</b> .....   | <b>2,915</b> | <b>2,259</b> | <b>2,592</b> |
| Provides for computer operations, facilities management, hardware maintenance, software licensing, systems programming and data base management support for the mainframe systems operating Department-wide mission critical and DOE Corporate Systems (i.e., Payroll, Procurement, Corporate Data Repository, Online Locator System, etc.). Also, includes disaster recovery services for the Headquarters Administrative Computing Center.  |              |              |              |
| ▪ <b>Departmental Budget Financial Systems</b> .....  | <b>0</b>     | <b>0</b>     | <b>1,000</b> |
| The operational functions identified to be performed by the CIO's office in support of the Department's Budget Systems and their funding requirements are detailed as follows: MARS/DISCAS Server Support; FDW/EIS Sun Server Support; and PDS NT Server Support.   |              |              |              |
| ▪ <b>ORACLE Maintenance</b> .....   | <b>0</b>     | <b>5,000</b> | <b>5,000</b> |
| Provides annual maintenance requirement for an enterprise-wide license established in FY 2003.  |              |              |              |

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

- **CIO Application Systems & Web Support** ..... **0**                      **0**                      **167**

Web Support Services provides continuing support to Headquarters activities involving the dissemination of information and services by means of the World Wide Web. It was established to provide integrated support and economies of scale by consolidating all CIO specific web page services within one task. It supports the DOE Home page/Web sites listed under Task Scope, as well as, the Office of the CIO Home page/web sites. Any future requirements for Web Support Services will be identified in a sub-task modification where specific tasks and deliverables will be detailed and funded accordingly. Support is also provided for the Departmental Energy.gov web site.

- **Certification/Accreditation of Classified/Unclassified Systems** ..... **0**                      **0**                      **1,789**

Supports the development, implementation, and maintenance of classified and unclassified cyber security functions and activities across DOE Headquarters site. Provides cyber security program support for the certification and accreditation of Headquarters classified and unclassified data and information technology (IT) assets. Funding will support site-wide efforts to secure unclassified information systems against the full spectrum of threats requiring the use of multiple, overlapping protection approaches addressing the people, technology, and operational aspects of information technology. This is due to the interactive nature of the various systems and networks, and the fact that any single system cannot be adequately secured unless all interconnecting systems are also secured. This activity implements cyber security processes consistent with national standards (Federal Information Security Management Act, OMB Circular A-130, and National Institutes of Standards and Technology Special Publications, etc.) and policies for DOE Headquarters site (i.e., DOE Order 205.1), and develops guidelines to ensure efficient, economical, and effective cyber security planning, acquisition, and management. In addition, funding also provides cyber security assessments, and security auditing and management services in support of DOE HQ operations. The funding supports the development of common criteria to introduce a repeatable methodology for documenting IT security requirements, documenting and validating product security capabilities, and promoting cross-organizational cooperation in the area of IT security. Additionally, it provides assistance to DOE HQ management and Program Offices in developing and implementing processes for the certification and accreditation of classified and unclassified security policies and technical security procedures in compliance with DOE directives, Federal laws and regulations, NIST Special Publications, and other guidelines issued by the Office of the CIO.

(dollars in thousands)

|   | FY 2003       | FY 2004       | FY 2005       |
|---|---------------|---------------|---------------|
| ▪ <b>Headquarters Cyber Security</b> .....  | 0             | 1,000         | 2,000         |
| <p>Provides operational guidance, oversight, and assessment of classified and unclassified cyber security networks, telecommunications, applications, systems, and processes and procedures that support the operation of DOE Headquarters, to include the program offices as well as the staff offices. This responsibility is confined to the cyber security operations that exist geographically within the Washington D.C. metropolitan area or the Headquarters site. The Headquarters site is composed of 14 facilities, including the two major facilities (Forrestal and Germantown Buildings). The guidance and policies support the operation of the Headquarters site that must be compliant with DOE (promulgated by all DOE facilities nationwide) cyber security policy, National policy, law and standards, and incorporate where possible industry and Government best practices.</p> |               |               |               |
| ▪ <b>Loud Cloud Software License</b> .....  | 0             | 0             | 300           |
| <p>Funding provides for the annual cost of the Loud Cloud Opware software license. The Opware software will assist in managing software licenses, provisioning servers in the applications hosting environment and other supported areas and will assist with cyber security accreditation and certification. This line item will increase our ability to be leaders in the Department for IT innovations and advanced solutions and IM's ability to support Program Strategic Performance Goal CM3-1, Promote the effective management of Information Technology resources in the Department.</p>  |               |               |               |
| ▪ <b>Public Key Infrastructure (PKI) Operations</b> .....   | 0             | 0             | 1,500         |
| <p>The DOE-wide PKI solution will provide the trusted and secure infrastructure – or gateway – to support the Departments Headquarters, Field, and Laboratory missions, eliminating the need for these entities to develop a redundant PKI solution for the verification of identity and electronic signatures. Enterprise-wide PKI Infrastructure applications deployment and maintenance provides a more secure and reliable e-government platform for the Department of Energy. PKI, along with digital signatures encourages the fulfillment of business transactions electronically and enhances the electronic communications within DOE and its business partners.</p>   |               |               |               |
| <b>Other Related Expenses</b> .....   | <b>3,494</b>  | <b>4,253</b>  | <b>4,255</b>  |
| ▪ <b>Training</b> .....   | <b>185</b>    | <b>152</b>    | <b>152</b>    |
| <p>Ensures that OCIO staff are trained and developed to provide support of the CIO mission.</p>   |               |               |               |
| ▪ <b>Working Capital Fund</b> .....   | <b>3,309</b>  | <b>4,101</b>  | <b>4,103</b>  |
| <p>Supports incremental cost and projected usage of goods and services provide by the Working Capital fund; Headquarters office space, utilities, general printing, graphics, copying, supplies, telephones, general automation support, payroll processing, mail, and other miscellaneous expenses associated with office operations.</p>  |               |               |               |
| <b>Total, CIO Program Direction</b> .....   | <b>28,281</b> | <b>35,584</b> | <b>44,856</b> |

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

### Salaries and Benefits

- Supports for cost-of-living, locality pay, within grades, promotions, and awards for 118 full-time equivalents ..... +401

### Support Services

- Government-wide Initiative Transfers ..... +2,226  
 The increase supports E-Government initiatives transfer payments.
- Business, Finance, and Procurement ..... -37  
 The decrease reflects a reduction in support service requirements for financial management, contract administration and timesharing services.
- Technical and Administrative Support ..... -204  
 The decrease in funding requested is a result of the DOE portal initiative moving from the developmental to an implementation stage.
- Records Management ..... +137  
 The increase is to support the electronic forms management program as part of the E-Government business gateway, recordkeeping requirements for the capital investment process and additional policy generation support. These programs are critical to a comprehensive records management program in light of the new E-Government requirements.
- eXCITE ..... +300  
 The increase in funding for eXCITE Program Management will be used to track compliance with service level agreements and monitor customer satisfaction.
- Email and Messaging Support ..... -106  
 The decrease in funding requested is a result of the receipt of eXCITE user fees to pay for eXCITE-associated expenses in this line item and the expected savings that will result from economies of scale from the eXCITE project.

|                                      |
|--------------------------------------|
| FY 2005<br>vs.<br>FY 2004<br>(\$000) |
|--------------------------------------|

- Networking Support ..... -993

The decrease in funding requested is a result of moving funding for cyber security activities (firewall, intrusion detection, etc) moved to the Headquarters Cyber Security as part of its responsibility for supporting Headquarters.

-993
- Video and Telecommunications Support ..... +120

The increase in funds will provide the needed coverage for the Network Control enter (NCC) supporting the Department of Energy-Wide Secure Video Conferencing Network (CSVN) and the Secure Data Network (SIMEX) as required by national Communications Security (COMSEC) policy. Additionally, the local campus video distribution supporting the Department of Energy Headquarters, to include satellite broadcast distribution for the Office of the Secretary, will be upgraded to support Video over IP. The increase in funds will provide the needed coverage for the Network Control Center (NCC) supporting the Department of Energy-Wide Secure Video conferencing Network (CSVN) and the Secure Data Network (SIMEX) as required by national Communications Security (COMSEC) policy. Additionally, the local campus video distribution supporting the Department of Energy Headquarters, to include satellite broadcast distribution for the Office of the Secretary, will be upgraded to support Video over IP.

+120
- IT Office Systems ..... +1,337

The OCIO provides hardware, software, and contractor desktop support services to the Departmental Administration (DA) funded customer base currently supported by the CIO's Operations office e.g., Office of the Secretary, OCIO and the other staff offices. The increase in funding will ensure we can continue to adequately provide their hardware, software, and information technology support. It will also maintain the regular refresh of technology on a 3-year cycle. In addition, it will provide ability to meet critical, unknown requirements from the Office of the Secretary in an expeditious manner.

+1,337
- Data Services Center ..... +333

Provides support for increased critical business IT functions to include Data Center Operational Support, Data Center Hardware and Maintenance, Operating Systems Support, IBM/3<sup>rd</sup> party licenses, Headquarters Administrative Computer Center Disaster Recovery, and User Administration/Data Entry Support.

+333

|                                      |
|--------------------------------------|
| FY 2005<br>vs.<br>FY 2004<br>(\$000) |
|--------------------------------------|

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>           ▪ Dept. Budget Financial Systems .....           <p>Provides support for additional requirements for key financial systems support performed by the OCIO that includes MARS/DISCAS Server support; FDW/EIS Sun Server Support; Phoenix AIX Server Support; PDS NT Server Support.</p> </li> <li>           ▪ CIO Application Systems &amp; Web Support .....           <p>Provides support for on-going and increased requirements for the Office of CIO Core Systems Support and Departmental DOE Web Page Support without which routine updates and maintenance can not occur.</p> </li> <li>           ▪ Certification/Accreditation of Classified/Unclassified Systems .....           <p>Additional funding requested will ensure the OCIO meets the requirements of law and national policy on performing Certification and Accreditation of Headquarters Classified and Unclassified Systems.</p> </li> <li>           ▪ Headquarters Cyber Security .....           <p>The increase requested is a result of moving funding from the Networking Support line item to perform critical network security services, assessments and auditing related to cyber security for Headquarters as required by DOE and Federal policy. Improved cyber security program support is critical to the continued protection of Headquarters unclassified and classified information and IT assets by providing comprehensive cyber and network security services, security auditing, and management services in support of DOE HQ-site network operations and anti-virus activities.</p> </li> <li>           ▪ Loud Cloud Software License .....           <p>Provides for software licenses and maintenance to facilitate the management of Oracle software licenses, provisioning of servers in the Application Hosting Environment and other supported areas and facilitates Cyber Security accreditation and certification in support of the PMA and E-Government initiatives.</p> </li> <li>           ▪ Public Key Infrastructure (PKI) Operations .....           <p>This activity was previously funded from the Cyber Security decision unit. The program will be run by the OCIO Office of Operations in FY 05 and thus funding for this activity is now requested under the Program Direction decision unit</p> </li> </ul> | <p>+1,000</p> <p>+167</p> <p>+1,789</p> <p>+1,000</p> <p>+300</p> <p>+1,500</p> <hr/> <p>+8,869</p> |
|---|---|

|                                      |
|--------------------------------------|
| FY 2005<br>vs.<br>FY 2004<br>(\$000) |
|--------------------------------------|

**Other Related Services**

▪ Increase associated with Working Capital Fund charges ..... +2

**Total Funding Change, Program Direction** ..... **+9,272**

### Support Services by Category

(dollars in thousands)

|                                     | FY 2003       | FY 2004       | FY 2005       | \$ Change     | % Change      |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Mission Support Services .....      | 11,028        | 15,985        | 24,854        | +8,869        | +55.5%        |
| Other .....                         | 2,049         | 2,049         | 2,049         | 0             | 0.0%          |
| <b>Total Support Services .....</b> | <b>13,077</b> | <b>18,034</b> | <b>26,903</b> | <b>+8,869</b> | <b>+49.2%</b> |

### Other Related Expenses by Category

(dollars in thousands)

|  | FY 2003      | FY 2004      | FY 2005      | \$ Change | % Change    |
|--|--------------|--------------|--------------|-----------|-------------|
| Working Capital Fund .....                 | 3,309        | 4,101        | 4,103        | +2        | 0.0%        |
| Training .....                             | 185          | 152          | 152          | 0         | 0.0%        |
| <b>Total, Other Related Expenses .....</b> | <b>3,494</b> | <b>4,253</b> | <b>4,255</b> | <b>+2</b> | <b>0.0%</b> |



# General Counsel

## Funding Profile by Category

(dollars in thousands)

|                                 | FY 2003             | FY 2004             | FY 2005 | \$ Change | % Change |
|---------------------------------|---------------------|---------------------|---------|-----------|----------|
| <b>Headquarters</b>             |                     |                     |         |           |          |
| Salaries and Benefits.....      | 17,111 <sup>a</sup> | 15,439 <sup>b</sup> | 19,008  | +3,569    | +23.1%   |
| Travel.....                     | 100                 | 75                  | 75      | 0         | 0%       |
| Support Services.....           | 797                 | 692                 | 509     | -183      | -26.4%   |
| Other Related Expenses.....     | 3,618               | 3,707               | 3,757   | +50       | +1.3%    |
| Subtotal, General Counsel.....  | 21,626              | 19,913              | 23,349  | +3,436    | +17.3%   |
| Use of Prior Year Balances..... | -637 <sup>c</sup>   | -324 <sup>c</sup>   | 0       | +324      | +100%    |
| Total, General Counsel.....     | 20,989              | 19,589              | 23,349  | +3,760    | +19.2%   |
| Full Time Equivalent.....       | 150                 | 144                 | 144     | 0         | 0%       |

**Public Law Authorizations:**

P.L. 95-91, Department of Energy Organization Act (1977)

### Mission

The Office of General Counsel is responsible for providing comprehensive legal services to the Secretary and the Department.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. General Counsel performs critical functions that directly support the mission of the Department. These functions include legal counsel with respect to every program and function of the Department, except those relating to the Federal Energy Regulatory Commission. General Counsel assures that the Department operates in compliance with applicable laws and regulations.

<sup>a</sup> Includes the .65% rescission of \$102,000 and a transfer of \$85,000 for the Department of Homeland Security.

<sup>b</sup> Includes the .59% rescission of \$87,000.

<sup>c</sup> In FY 2003 reflects a reduction of \$637,000 in prior year balances and in FY 2004 reflects a reduction of \$324,000 in prior year balances.

## Detailed Program Justification

(dollars in thousands)

|   | FY 2003       | FY 2004       | FY 2005       |
|---|---------------|---------------|---------------|
| <b>Salaries and Benefits .....</b>  | <b>17,111</b> | <b>15,439</b> | <b>19,008</b> |
| <p>Provides funding in FY 2005 for 144 full-time equivalent employees to include salaries, benefits, overtime, incentive awards, lump sum leave, SES and other performance awards, and payments on behalf of employees such as unemployment compensation and buyouts. Prior year balances were used in FY 2003 and FY 2004 to partially offset salaries and benefits. FY 2005 does not assume the use of prior year balances.</p>   |               |               |               |
| <b>Travel.....</b>  | <b>100</b>    | <b>75</b>     | <b>75</b>     |
| <p>Provides funding for employees to attend hearings, court trials, proceedings, and to take depositions wherever necessary. Also provides for conference and training attendance.</p>  |               |               |               |
| <b>Support Services.....</b>  | <b>797</b>    | <b>692</b>    | <b>509</b>    |
| <p>Provides funds for technical support services, including: mediators for Alternative Dispute Resolution, staffing of the DOE headquarters law library, patent law firms to process intellectual property actions, and computer/LAN operations, including software programming services for nationally and locally accessible databases.</p>   |               |               |               |
| <b>Other Related Expenses.....</b>  | <b>3,618</b>  | <b>3,707</b>  | <b>3,757</b>  |
| <p>Provides funding for the DOE headquarters law library materials, training, Department of Commerce and other non-support service fees for intellectual property actions, Lexis/Nexis and Westlaw services (timesharing), national archives storage fees, computer/LAN hardware and software costs, items included in the headquarters Working Capital Fund (rent, utilities, building operation and maintenance, supplies, telephone service, DOE-wide computer/LAN and WAN operations, etc.), and miscellaneous costs.</p> |               |               |               |
| <b>Total, General Counsel.....</b>  | <b>21,626</b> | <b>19,913</b> | <b>23,349</b> |

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

**Salaries and Benefits**

- Increase due to cost of living adjustments, promotions, within-grade increases and other personnel costs. Increase reflects the full effect of the FY 2004 pay raise and the partial effect of the FY 2005 pay raise. Prior year balances were used in FY 2003 and FY 2004 to partially offset salary and benefit requirements. The FY 2005 request does not assume the use of any prior year balances .....
 + 3,569

**Support Services**

- Decreases in Intellectual Property (-\$64,000), Alternate Dispute Resolution (-\$50,000) and Computer/LAN support (-\$69,000).....
 -183

**Other Related Expenses**

- Increases for: Library materials (+\$6,000), Training (+\$1,000), Working Capital Fund (+\$25,000) and Other (+\$40,000).
  
- Decreases for: Intellectual Property (-\$12,000) and National Archive storage fees (-\$10,000).....
 + 50

|  |                |
|--|----------------|
| <b>Total Funding Change, General Counsel</b> ..... | <b>+ 3,436</b> |
|--|----------------|

## Support Services

(dollars in thousands)

|                                    | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|------------------------------------|---------|---------|---------|-----------|----------|
| Technical Support                  |         |         |         |           |          |
| Intellectual Property .....        | 260     | 81      | 17      | - 64      | - 79.0%  |
| Alternate Dispute Resolution ..... | 40      | 80      | 30      | - 50      | - 62.5%  |
| Computer/LAN.....                  | 397     | 431     | 362     | - 69      | - 16.0%  |
| Law Library - Personnel .....      | 100     | 100     | 100     | 0         | 0%       |
| Total, Support Services .....      | 797     | 692     | 509     | - 183     | - 26.4%  |

## Other Related Expenses

(dollars in thousands)

|                                     | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|-------------------------------------|---------|---------|---------|-----------|----------|
| Law Library - materials .....       | 286     | 307     | 313     | + 6       | + 2.0%   |
| Training .....                      | 42      | 20      | 21      | + 1       | + 5.0%   |
| Government Agencies -               |         |         |         |           |          |
| Intellectual Property.....          | 292     | 169     | 157     | - 12      | - 7.1%   |
| Timesharing.....                    | 300     | 300     | 300     | 0         | 0%       |
| National Archives storage .....     | 15      | 30      | 20      | - 10      | - 33.3%  |
| IT Hardware / software. ....        | 75      | 50      | 50      | 0         | 0%       |
| Working Capital Fund .....          | 2,553   | 2,781   | 2,806   | + 25      | + 0.9%   |
| Other .....                         | 55      | 50      | 90      | + 40      | + 80.0%  |
| Total, Other Related Expenses ..... | 3,618   | 3,707   | 3,757   | + 50      | + 1.3%   |

# Economic Impact and Diversity

## Funding Profile by Subprogram

(dollars in thousands)

|  | FY 2003<br>Comparable<br>Appropriation | FY 2004<br>Original<br>Appropriation | FY 2004<br>Adjustments | FY 2004<br>Comparable<br>Appropriation | FY 2005<br>Request |
|--|--|--------------------------------------|------------------------|--|--------------------|
| Economic Impact and Diversity                        |  |                                      |                        |  |                    |
| Minority Economic Impact                             |  |                                      |                        |  |                    |
| Program Support .....                                | 1,194                                  | 1,192                                | -5                     | 1,187                                  | 830                |
| Program Direction .....                              | 4,953                                  | 4,701                                | -21                    | 4,680                                  | 5,400              |
| Subtotal, Economic Impact and<br>Diversity .....     | 6,147 <sup>a</sup>                     | 5,893                                | -26 <sup>a</sup>       | 5,867                                  | 6,230              |
| Use of Prior Year Balances Less<br>Adjustments ..... | -470 <sup>b</sup>                      | -2 <sup>b</sup>                      | 0                      | -2 <sup>b</sup>                        | 0                  |
| Total, Economic Impact and<br>Diversity .....        | 5,677                                  | 5,891                                | -26                    | 5,865                                  | 6,230              |

### Public Law Authorizations:

P.L. 88-351, Title VII of the Civil Rights Act of 1964, as amended  
P.L. 95-619, "National Energy Conservation Policy Act" (NECPA -1978) Section 641 of (42 U.S.C.7141)  
P.L. 95-507, 92 Stat. 770, Small & Disadvantaged Business Utilization, 1978  
P.L. 95-89, "Small Business Reauthorization Act - HUBZone Empowerment", 1997  
10 CFR, Part 708 "Contractor Employees Protection Program", 1999

### Executive Orders:

12138 "Creating a National Women's Business Enterprise Program", 1979  
13021 "Tribal Colleges and Universities  
13216 "Improving Quality of Life of Asian Americans and Pacific Islanders"  
13230 "Educational Excellence for Hispanic Americans"  
13254 "USA Freedom Corp"  
13256 "Historically Black Colleges and Universities"

<sup>a</sup> FY 2003 reflects the .65% rescission (\$29K) and the transfer of \$24K to Department of Homeland Security.

FY 2004 reflects the .59% rescission (\$26K).

<sup>b</sup> Reflects the reduction of prior year balances.

## **Mission**

The Office of Economic Impact and Diversity consists of the Offices of Minority Economic Impact, Small and Disadvantaged Business Utilization, Civil Rights and Diversity, Employee Concerns, and the National Ombudsman. The mission of the Office of ED is to identify the impact of energy policies on minorities, minority businesses and minority institutions; to promote equal opportunity in employment and contracting at DOE and DOE's major facility contractors; and to assure that small businesses receive a fair and equitable share of Departmental contracts and subcontracts.

## **Benefits**

Within the Departmental Administration's appropriation, this program fully supports DOE's goals in the areas of Human Capital, Diversity, and Small Business as well as the White House Initiative on Minority Education Institutions. The program efforts result in greater participation by all elements in the diversity of the Department's workforce, contracting and grants funding activities.

## **Office of Minority Economic Impact**

- Increased Departmental element participation with minority educational institutions to promote minority participation in science-related degree programs and energy careers.
- Established seven partnerships with minority educational organizations/institutions.
- Prepared and submitted external reports on activities with Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities, and Educational Excellence for Hispanic Awareness.
- Increased the number of minority-owned banks which participated in the Bank Deposit Financial Assistance Program.
- Identified and recruited four replacement "Trustee Banks".
- Participated in National Banker Association's Conference to support women-owned and minority financial institutions.
- Conducted on-going partnering exploration meetings with the Department of Treasury and U.S. Postal Service.

## **Office of Small and Disadvantaged Business Utilization**

- Developed and submitted increased Departmental small business goals to the Small Business Administration (SBA).
- Prepared and submitted the Annual Small Business Report to the Secretary reflecting the Department's status on small business.
- Developed the Department's small business strategic plan establishing specific actions to increase small business participation.
- Developed new small business database of 1000 small businesses to assist offices in identifying small business concerns.
- Hosted series of regional small business conferences reaching out to small businesses and informing them on how to do business with DOE.
- Hosted 4<sup>th</sup> Annual National Small Business Conference.

- Provided technical assistance to 25 small businesses on GSA certifications.
- Published on-line annual and semi-annual Forecast of DOE Subcontracting Opportunities.
- Established, negotiated and provided small business goals to Departmental elements.

### **Office of Civil Rights and Diversity**

- Implemented plan containing strategies for employing a systems approach to workforce diversity.
- Instituted a new discrimination complaints tracking system.
- Conducted diversity conference for federal and contractor employees.
- Conducted sexual harassment training for all Headquarters employees.
- Prepared and submitted reports on diversity implementation, annual Federal EEO Statistical Report of Discrimination, and the Affirmative Employment Program Accomplishment Report and Plan Update for Minorities and Women.

### **Office of Employee Concerns/National Ombudsman**

- Completed quarterly reports on Asian Americans and Pacific Islanders.
- Completed external quarterly status reports on small business ombudsman activities.
- Provided “Whistleblower” training for DOE Headquarters and field employees.
- Held two onsite employee concerns managers meetings.
- Developed a marketing plan to improve access to Employee Concerns.
- Conducted quarterly special emphasis programs/events and two commemorative events.



## Minority Economic Impact Program Support Funding Schedule by Activity

(dollars in thousands)

|   | FY 2003      | FY 2004      | FY 2005    | \$ Change   | % Change      |
|---|--------------|--------------|------------|-------------|---------------|
| <b>Minority Economic Impact, Program Support</b>              |              |              |            |             |               |
| SocioEconomic Research and Analysis Program                   |              |              |            |             |               |
| Data Analysis Development .....                               | 50           | 50           | 25         | -25         | -50%          |
| Management and Technical Assistance Program                   |              |              |            |             |               |
| Minority Educational Institution Support .....                | 550          | 550          | 550        | 0           | 0.0%          |
| Minority Business and Community Develop..                     | 530          | 525          | 225        | -300        | -57.1%        |
| Financial Assistance Program                                  |              |              |            |             |               |
| Bank Deposit Financial Assistance .....                       | 64           | 62           | 30         | -32         | -51.6%        |
| <b>Total, Minority Economic Impact, Program Support .....</b> | <b>1,194</b> | <b>1,187</b> | <b>830</b> | <b>-357</b> | <b>-30.1%</b> |

### Description

The Office of Minority Economic Impact (OMEI) is mandated by legislation and Executive Orders to advise the Secretary of Energy on the effects of energy policies, regulations, and other actions of the Department and its components on minorities and minority business enterprises and on ways to insure that minorities are afforded an opportunity to participate fully in the energy programs of the Department. The mandate requires that OMEI (1) conduct socioeconomic research and analysis, (2) provide management and technical assistance programs to support minority educational activities focused at various levels of the educational pipeline and provide technical and scientific educational capabilities to achieve a more productive economy, (3) provide technical training, financial assistance, and small business assistance programs to enhance economic development capabilities to minority communities.

### Benefits

The program supports DOE's goals to ensure full participation by minorities in energy programs at the Department. The efforts of the program result in policies and procedures that open up access and participation by minorities in energy programs. Specifically by the conduct of, an on-going research program to identify the impact of policies on minorities, a minority banking program which makes capital available to minority communities, and a minority education program which ensures that minority institutions are included in the DOE grant process.

## Socioeconomic Research and Analysis Program (SRAP)

The Research and Analysis Program provides analysis to determine the effects of energy programs, policies, and regulations of the Department on minorities, minority businesses, and minority educational institutions.

## Management and Technical Assistance (M&TA)

The Minority Educational Institutional Assistance Program provides guidance to minority educational institutions on how to access research and planning opportunities at DOE.

The Minority Business and Community Development Program provides technical assistance to minority business enterprises to enable these enterprises to participate in the research, development, demonstration, and contract activities of the Department.

## Financial Assistance Program

The Financial Assistance Program markets non-appropriated funds obtained through consent decrees in the Economic Regulatory Administration Petroleum Violation Escrow Account (PVEA) for deposit in short-term certificates of deposit by minority financial institutions. These funds are then targeted to loans and investments in minority communities.

### Detailed Justification

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

#### Socioeconomic Research and Analysis Program (SRAP)

|  |           |           |           |
|--|-----------|-----------|-----------|
| <b>Data Analysis Development .....</b> | <b>50</b> | <b>50</b> | <b>25</b> |
|--|-----------|-----------|-----------|

The Research and Analysis Program will conduct no less than two studies on the effects of Management and Operating contractors on Small Business Enterprises and Small and Disadvantaged Businesses and provide a breakout analysis of the results to generate small and disadvantaged business set-asides.

#### Management and Technical Assistance Program

|                                 |            |            |            |
|---------------------------------|------------|------------|------------|
| <b>Minority Education .....</b> | <b>550</b> | <b>550</b> | <b>550</b> |
|---------------------------------|------------|------------|------------|

- Provides funding to Minority Educational Institutions for internships and scholarships to promote science-related degrees and energy-related careers.

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

- Funds efforts to increase the financial participation of DOE elements to minority serving institutions by 5 percent.

**Minority Business and Community Development .....**                      **530**                      **525**                      **225**

- Provides funding for developing and improving the dissemination of relevant technical information to minority businesses and communities.
- Provides management and technical assistance to enhance the opportunities for small and minority businesses to participate fully in the Department’s programs and services.

**Financial Assistance Program**

**Bank Deposit Financial Assistance Program .....**                      **64**                      **62**                      **30**

- Provides support for the administration of the Bank Deposit Financial Assistance Program which provides short-term deposits from the Petroleum Violation Escrow Account funds in minority owned financial institutions.
- Increase by two the number of new minority and women-owned financial institutions that will participate in the program.

**Total, Minority Economic Impact.....**                      **1,194**                      **1,187**                      **830**

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

**Minority Economic Impact, Program Support**

|  |             |
|--|-------------|
| ■ Socioeconomic Research and Analysis Program. The decrease in funding is primarily due to consolidating and eliminating data development and minority energy assessment models.....   | <b>-25</b>  |
| ■ Management and Technical Assistance Program. The decrease in funding will result in reduced collaborative initiatives, which fostered economic development and technical assistance to energy-related minority business enterprises..... | <b>-300</b> |
| ■ Financial Assistance Program. The decrease in funding is due to “trustee” banks performing administrative duties on a pro-bono basis.....  | <b>-32</b>  |
| <b>Total Funding Change, Minority Economic Impact, Program Support .....</b>   | <b>-357</b> |

## Program Direction Funding Profile by Category

(dollars in thousands/whole FTEs)

|                             | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|-----------------------------|---------|---------|---------|-----------|----------|
| Headquarters                |         |         |         |           |          |
| Salaries and Benefits ..... | 3,864   | 3,591   | 3,941   | +350      | +9.7%    |
| Travel .....                | 90      | 90      | 90      | 0         | 0.0%     |
| Support Services .....      | 34      | 100     | 470     | +370      | +370%    |
| Other Related Expenses..... | 965     | 899     | 899     | 0         | 0.0%     |
| Total, Headquarters .....   | 4,953   | 4,680   | 5,400   | +720      | +15.4%   |
| Full Time Equivalents ..... | 42      | 37      | 37      | 0         | 0%       |

### Mission

Economic Impact and Diversity's program mission is to manage diversity in DOE's human capital and financial resources by increasing hiring, retention, internships, mentoring, contracting and other developmental programs.

ED's program mission goals and objectives include: (1) becoming the leader among federal agencies in managing diversity of DOE's human capital, (2) providing equitable opportunities for small, minority and women-owned businesses to compete for contracts and subcontracts, (3) promoting collaborative efforts with educational institutions, financial institutions, federal agencies and community based organizations, (4) conducting research to determine the effects of national energy programs, policies and regulations on the minority community at large, (5) executing acquisition strategies to utilize small businesses and/or 8(a) firms to achieve efficient and effective competitive sourcing between federally performed functions and private resources, (6) administering special emphasis programs which increases cultural awareness by working together to recognize the ethnic and diverse qualities of our multi-cultural workforce, and (7) overseeing the Department's whistleblower reform initiatives.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department, but with additional effort from offices which support the programs in carrying out the mission. The Office of Economic Impact and Diversity performs critical functions that directly support the mission such as establishing annual small business goals, conducting training and development efforts, assisting major program offices development efforts in reaching their small business goals, human capital, diversity, and minority education institutions goals.

## Detailed Justification

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

|                                    |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| <b>Salaries and Benefits .....</b> | <b>3,864</b> | <b>3,591</b> | <b>3,941</b> |
|------------------------------------|--------------|--------------|--------------|

Salary and Benefits provide funding for 37 full-time permanent and other than full-time permanent employees. Oversee Departmental procurement base of \$18 billion of small business prime and subcontracting opportunities. To that end, the staff executes, reviews and monitors Department-wide activities concerning small business goals, achievements, marketing, contracting and subcontracting, opportunities database, mentor-protégé agreements, and strategies for maximizing small business utilization. Civil Rights performs over 200 counseling interviews, processes 75 complaints of discrimination, closes over 90 EEO complaint/settlements, reviews 40 federal financial assistance grants for compliance and initiates 15 diversity/training events. Employee Concerns responds to 500 safety, health and whistleblower concerns, conducts 4 national commemorative events. Minority Bank Deposit Financial Assistance Program coordinates activities among 110 participating financial institutions. Minority Education manages Department-wide partnerships which significantly impact 105 Historically Black Colleges and Universities, 193 Hispanic Serving Institutions, and 33 Tribal Colleges and Universities.

|                     |           |           |           |
|---------------------|-----------|-----------|-----------|
| <b>Travel .....</b> | <b>90</b> | <b>90</b> | <b>90</b> |
|---------------------|-----------|-----------|-----------|

Travel provides funding to perform site visits to review and monitor funded projects, partnering with minority education institutions, conduct outreach activities, conduct/attend training, evaluate financial institutions and investors, participate in procurement/contracting seminars, assess field financial grants compliancy, onsite visits to DOE field and M&O offices and facilitate workshops.

|                               |           |            |            |
|-------------------------------|-----------|------------|------------|
| <b>Support Services .....</b> | <b>34</b> | <b>100</b> | <b>470</b> |
|-------------------------------|-----------|------------|------------|

Provides contractor support services for equal employment opportunity and affirmative action activities. Includes the costs of the A-76 contract awarded for counseling services, discrimination complaint processing, EEO and diversity training, recipient compliance reviews, and preparation and dissemination of various reporting requirements.

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

**Other Related Expenses .....** **965** **899** **899**

Other related expenses include the costs for conducting the annual DOE small business conference, participating in conferences and workshops, conducting minority economic impact outreach activities, surveys and reviews, increasing advertising and marketing efforts, reviewing contracts and monitoring subcontract activities, developing and providing diversity training for the department's workforce, conducting special emphasis and commemorative events, and upgrading the ED website. In addition, this item covers the Working Capital Fund which supports utilities, telephone, rent, supplies, equipment, printing, graphics, copying, postage, etc. Further, information technology investments' activities are included. IT activities consist of Lotus Notes based systems and the President's Management Agenda for E-Government.

**Total, Program Direction .....** **4,953** **4,680** **5,400**

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

**Salaries and Benefits** ..... **+350**

The increase reflects the full effect of the FY 2004 pay raise and the partial effect of the FY 2005 pay raise. Prior year reserve balances were used in FY 2004 to partially offset salaries and benefits.

**Support Services** ..... **+370**

The increase in Support Services reflects funding for the new Civil Rights contract awarded as a result of a competitive sourcing study. This contract provides support services by performing counseling, discrimination complaint investigations, alternative dispute resolution, and other related tasks associated with human resources, equal employment opportunity and diversity initiatives.

**Total Funding Change, Program Direction** ..... **+720**

---

## Support Services by Category

(dollars in thousands)

|                                     | FY 2003   | FY 2004    | FY 2005    | \$ Change   | % Change     |
|-------------------------------------|-----------|------------|------------|-------------|--------------|
| Office of Civil Rights & Diversity  |           |            |            |             |              |
| Support Services .....              | 34        | 100        | 470        | +370        | +370%        |
| <b>Total, Support Services.....</b> | <b>34</b> | <b>100</b> | <b>470</b> | <b>+370</b> | <b>+370%</b> |

## Other Related Expenses by Category

(dollars in thousands)

|  | FY 2003    | FY 2004    | FY 2005    | \$ Change | % Change    |
|--|------------|------------|------------|-----------|-------------|
| <b>Other Related Expenses</b>                          |            |            |            |           |             |
| 25.2 Office of Civil Rights.....                       | 86         | 20         | 20         | 0         | 0.0%        |
| 25.2 Office of Minority Economic Impact .....          | 18         | 20         | 20         | 0         | 0.0%        |
| 25.2 Office of Small & Disadvantaged<br>Business ..... | 143        | 142        | 142        | 0         | 0.0%        |
| 25.2 Office of Employee Concerns/<br>Ombudsman .....   | 6          | 5          | 5          | 0         | 0.0%        |
| Subtotal, Other Related Expenses .....                 | 253        | 187        | 187        | 0         | 0.0%        |
| Working Capital Fund.....                              | 712        | 712        | 712        | 0         | 0.0%        |
| <b>Total, Other Related Expenses.....</b>              | <b>965</b> | <b>899</b> | <b>899</b> | <b>0</b>  | <b>0.0%</b> |



# Office of Policy and International Affairs

## Funding Profile by Subprogram

(dollars in thousands)

|  | FY 2003<br>Comparable<br>Appropriation | FY 2004<br>Original<br>Appropriation | FY 2004<br>Adjustments | FY 2004<br>Comparable<br>Appropriation | FY 2005<br>Request  |
|--|--|--------------------------------------|------------------------|--|---------------------|
| Program Direction.....                             | 13,529 <sup>a</sup>                    | 13,822 <sup>a</sup>                  | -60 <sup>d</sup>       | 13,762 <sup>a</sup>                    | 17,977 <sup>a</sup> |
| Policy Analysis and<br>Systems Studies.....        | 398                                    | 397                                  | -2 <sup>d</sup>        | 395                                    | 395                 |
| Environmental Energy<br>Policy Analysis.....       | 597                                    | 569                                  | -2 <sup>d</sup>        | 567                                    | 567                 |
| Energy Security and<br>Assurance.....              | 1,493                                  | 0                                    | 0                      | 0                                      | 0                   |
| Subtotal, Policy and<br>International Affairs..... | 16,017 <sup>b</sup>                    | 14,788                               | -64 <sup>d</sup>       | 14,724                                 | 18,939              |
| Less use of prior<br>balances                      | -1,182 <sup>c</sup>                    | -321 <sup>c</sup>                    | 0                      | -321 <sup>c</sup>                      | 0                   |
| Total, Policy and<br>International Affairs.....    | 14,835                                 | 14,467                               | -64 <sup>d</sup>       | 14,403                                 | 18,939              |

### Mission

The Assistant Secretary for Policy and International Affairs (PI) is the primary advisor to the Secretary and the Department on energy and technology policy development, analysis, and implementation, and leads the Department's international energy initiatives.

### Benefits

Within the Department of Administration appropriation, the Office of Policy and International Affairs:

Leads/conducts policy analysis on legislative/regulatory proposals affecting the energy sector.

- PI is the only office in the Department that provides cross-cutting analysis on DOE energy policy issues.
- PI develops legislative and policy proposals to advance national energy policy objectives and leads the development of alternative policy options for consideration.

<sup>a</sup> Reflects transfers to Office of Energy Transmission and Distribution as follows: FY 2003, \$330K and two FTEs; FY 2004, \$338K and two FTEs; FY 2005, \$346K and two FTEs

<sup>b</sup> In FY 2003, reflects the .65 rescission of \$78K and the transfer of \$75K to the Department of Homeland Security

<sup>c</sup> Reflects reductions of prior year balances

<sup>d</sup> In FY 2004, reflects the .59 rescission of \$64,000

- These activities result in better national energy policy.

Leads Department's coordination and strategic direction in implementing the President's National Energy Policy (NEP).

- PI is responsible for national energy policy planning and develops and recommends policies, options and strategies that implement and advance NEP objectives.
- PI also provides coordination for implementation of the NEP by federal agencies, and represents the Department in interagency deliberations on policy issues related to our national energy objectives.
- NEP implementation is designed to increase energy supply and efficiency and to do so in an environmentally sound manner.

Represents U.S. energy policy positions in international relations/negotiations.

- PI develops and leads the Department's bilateral and multilateral cooperation, investment, and trade activities with other nations and international agencies.
- PI also represents the Department in interagency discussions on energy and related policy issues.
- These international activities result in increased energy supply diversification, thereby creating more stable and reliable sources of energy to meet U.S. energy needs and increasing our nation's energy security.

Coordinates initiatives to ensure a unified voice on domestic policy and international issues.

- PI works closely with organizational elements within the Department, other Federal agencies, foreign nations, national and international organizations, and the private sector to coordinate and align national energy policy, and international energy agreements.
- PI is uniquely qualified for this function within the Department, given its expertise and cross-cutting perspective on energy issues.
- By working to ensure coordination in policy development and implementation, PI helps to gain more effective action on U.S. energy policy.

# Office of Policy and International Affairs

## Program Direction

### Funding Profile by Category

(dollars in thousands)

|                               | FY2003              | FY 2004             | FY 2005 | \$ Change | % Change           |
|-------------------------------|---------------------|---------------------|---------|-----------|--------------------|
| Headquarters                  |                     |                     |         |           |                    |
| Salaries and Benefits.....    | 9,829               | 10,807              | 14,351  | 3,544     | 32.8%              |
| Travel.....                   | 800                 | 500                 | 850     | 350       | 70.0%              |
| Support Services.....         | 0                   | 127                 | 127     | 0         | 0.0%               |
| Other Related Expenses.....   | 2,900               | 2,328               | 2,649   | 321       | 13.8%              |
| Total Program Direction ..... | 13,529 <sup>a</sup> | 13,762 <sup>a</sup> | 17,977  | 4,215     | 30.6% <sup>a</sup> |
| FTEs.....                     | 110                 | 120                 | 120     | 0         | 0.0%               |

## Mission

The Assistant Secretary for Policy and International Affairs (PI) is the primary advisor to the Secretary and the Department on energy and technology policy development, analysis and implementation, and leads the Department's international energy initiatives. PI primarily performs energy and environmental analysis, conducts international negotiations on energy issues, and leads, coordinates and implements key aspects of the President's National Energy Policy (NEP). Most of the program work of PI is performed by federal personnel and funded through Program Direction.

As stated in the Department's Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of major program offices in the Department, but with additional effort from offices which support the programs in carrying out the mission. The Office of Policy and International Affairs contributes by performing energy and environmental analysis, conducting international negotiations on energy issues, leading, coordinating and implementing key aspects of the President's National Energy Policy, and enhancing the Nation's energy assurance and security.

## NATIONAL ENERGY POLICY

**NEP.** Coordinate and lead the Department's implementation of the President's NEP and support the development and analysis of policy and legislative proposals and initiatives consistent with the NEP.

**Climate Policy/Clear Skies Analysis.** Pursue achievement of the President's national goal of 18% reduction in greenhouse gas (GHG) intensity through the President's interagency Climate VISION (Voluntary Innovation

---

<sup>a</sup> Reflects transfers to Office of Energy Transmission and Distribution as follows: FY 2003, \$330K and two FTEs; FY 2004, \$338K and two FTEs; FY 2005, \$346K and two FTEs

Sector Initiative: Opportunities Now) program. This initiative, which includes bilateral and multilateral partnerships, is a public/private partnership to stimulate voluntary actions to reduce GHG. PI is coordinating interagency efforts, and has established the program and website for Climate VISION (<http://www.climatevision.gov/>). FY 2004/2005 focus will be on residential and commercial (non-industrial) buildings and transportation. Analyze Clear Skies, and related, proposals.

**Market-Oriented Financial Tools.** Analyze financial tools that will stimulate needed market actions in all energy sectors to meet energy security, economic growth, and environmental objectives.

**Electricity Transmission and Restructuring.** Managed the *National Transmission Grid Study* identifying critical transmission bottlenecks and their economic costs. The *Study*, called for in the NEP, resulted in the development of regulatory and market initiatives that will stimulate new investments in transmission. The August 2003 power blackout highlights the importance of this initiative.

**Clean Energy Technology Exports (CETE) Center and Management Plan.** Leading the interagency development of the CETE initiative to promote the deployment of clean energy technologies abroad.

**International Energy Cooperation.** Leading, with the Department of State, an interagency task force.

**International Energy Market Development and Technology Transfer.** Includes serving as an intermediary for financing overseas energy market development and technology transfer, such as bioenergy/biorefinery, thereby potentially increasing energy supplies.

## DOMESTIC INITIATIVES

**Energy Bill Implementation.** Assuming enactment of the energy bill, will provide on-going analysis of alternative implementation options and prepare reports required by the legislation.

**Assess Energy Market Disruptions.** Continually assess the likelihood and impact of energy supply disruptions. Also analyze government actions to avoid or minimize adverse effects and provide response options. During the California electricity crisis, provided daily situation reports and analyses to the Secretary.

**1605(b) Revisions.** Leading presidentially-directed interagency efforts to improve DOE's existing voluntary greenhouse gas emissions reporting and reductions program. Will publish the final general guidance as well as draft and publish the technical guidelines. Stakeholder input will continue.

**Environmental Regulation Analysis.** Analyze new Environmental Protection Agency (EPA) rules and regulations. For example, in FY 2004, PI is analyzing the EPA's new regulations on mercury Maximum Achievable Control Technology (MACT), the Interstate Air Quality Proposed and power plant cooling water intake rules and a new rule on Ultra-low Sulphur Diesel Off-Road Rule Implementation. PI staff also provide input from an energy perspective during the development of such rules and regulations.

**Climate Change Technology Program (CCTP).** A multi-agency research planning and coordination activity that reviews the \$2B spent annually on Research, Development Demonstration and Deployment (R&DDD) and recommends accelerating R&DDD that can significantly reduce greenhouse gas (GHG) emissions, thereby helping to accomplish U.S. and UN goals for stabilizing concentrations of GHGs. PI is the principal provider of technical modeling, intra- and interagency leadership, coordination, strategic planning, and analyses for this effort. To date, CCTP has published two PI reports, *U.S. Climate Change Technology Program: Current Activities Report* and *Technology Options Report*, established a popular public website at "[www.climatechology.gov](http://www.climatechology.gov)", and contributed to recommendations that formed the basis, in part, for a number of changes in the FY 2004 R&D activities, and FY 2005 budgets, of CCTP participating agencies.

**Technology Transfer and Partnerships Programs.** Provide policy leadership for DOE's laboratory technology transfer and partnering programs, helping to keep DOE laboratories focused on national priorities. Coordinate statutorily-required annual reporting on DOE's technology transfer programs and coordinate related efforts of the 25 DOE headquarters and field offices, as well as the National laboratories. Help to speed technology out of the laboratory and into the hands of U.S. users.

**Vehicle Fuel Economy.** Work with the Department of Transportation/ National Highway Traffic Safety Administration's (NHTSA) rulemaking process on Corporate Average Fuel Economy (CAFE) improvements for light duty trucks, providing analysis on alternate forms of fuel economy regulation and analysis on advanced diesel and hybrid electric technologies for future fuel economy improvements.

**Product Efficiency Standards.** Provide policy/technical guidance to create efficiency standards for appliances with the potential for huge energy savings and economic benefits for users.

## INTERNATIONAL INITIATIVES

**Support expanded and secure energy supplies for United States** – Work with current and potential energy-producing countries in developing/enhancing sources of energy and ensure good working relations on energy issues, thereby increasing the security of U.S. energy supplies. For example:

- **Development of Caspian Resources.** Leading efforts to promote development of oil and gas resources in the Caspian, while minimizing risk of delivery disruption to the world market.
- **Assistance to Georgia.** A new, pro-western government was elected on January 4, 2004. Georgia is a critically important country to the President's policy of diversification of energy supplies because it is a transit country for oil and gas from the Caspian region. PI support now will help maintain Georgian support for pro-western energy policies.
- **Khazakstan Energy Partnership.** Building a strong, long-term relationship with an important emerging oil and gas supplier.
- **Rebuilding Venezuelan Oil Production.** Continuing to dialogue with energy leaders and industry on the rebuilding of the Venezuelan energy sector.

- **Africa.** Working to open markets, in countries such as Nigeria/Angola, to free trade and investment in African energy resource development, thereby helping to diversify world energy supplies.

**Continually Monitor International Energy Market Status.** Provide twice-daily *World Oil Market Updates* to Department of Energy senior leadership and analysts. The Updates provide timely analysis and information on developments in world oil markets.

**International Energy Agency (IEA).** The IEA is key in monitoring international energy flows and coordinating energy security and emergency response, such as the release of oil stocks to counter severe supply disruptions. The U.S. is represented on IEA's governing board by the Assistant Secretary for PI.

**Natural Gas.** Working to develop Liquidified Natural Gas (LNG) supplies and facilities overseas in order to diversify and increase sources to meet U.S. energy needs. Also assisting countries in pursuing options for making natural gas that is burned off as a refining byproduct (flared) available instead as an energy source.

**Sustainable Development.** As part of the World Summit on Sustainable Development (WSSD) initiative, leading the "Efficient Energy for Sustainable Development" partnership, bringing together governments, international organizations, and industry to alleviate poverty in the developing world.

**Carbon Sequestration Leadership Forum (CSLF).** With DOE's Office of Fossil Energy, leading the international CSLF, and the Integrated Sequestration Demonstration Initiative, which focus on carbon dioxide capture, storage, and sequestration -- key components of the climate change program.

**International Partnership for the Hydrogen Economy (IPHE).** Working with the Office of Energy Efficiency and Renewable Energy in organizing, evaluating and coordinating multinational research, development and deployment programs that advance the transition to a global hydrogen economy.

**North American Energy Working Group (NAEWG).** Leading U.S. efforts with Canada and Mexico to jointly examine issues including energy science and technology, natural gas trade and interconnections, and critical infrastructure protection. NAEWG's efforts support regulatory streamlining and better-informed decisions that will lead to more efficient markets.

**Russia Energy Working Group.** Managing the U.S.-Russia Energy Working Group as it focuses on issues such as oil markets, technology for energy efficiency, clean coal, and oil spill prevention and response. New areas for discussion are LNG, electricity and hydrogen.

**Asia Pacific Economic Cooperation (APEC) Energy Working Group.** Leading efforts to implement the APEC Energy Security Initiative, including developing crisis management tools and an energy data system to better share data such as oil stocks, consumption, and production.

## Detailed Justification

(dollars in thousands)

|  | FY 2003       | FY 2004       | FY 2005       |
|--|---------------|---------------|---------------|
| <b>Salaries and Benefits</b> .....   | <b>9,829</b>  | <b>10,807</b> | <b>14,351</b> |
| <p>The FY 2005 request continues program efforts to aggressively develop policies, strategies and options for implementing the Administration’s initiatives, including those associated with the National Energy Policy (NEP), in areas such as integrating science and technology efforts, establishing effective DOE programs for voluntary emissions reporting, promoting voluntary business compacts to reduce greenhouse gas emissions and carry out emissions trading, and developing international partnerships for cooperation in mutually beneficial areas. Efforts also include international negotiations that will result in additional foreign sources of energy, thereby enhancing the nation’s energy security. The FY 2005 budget will support 120 full time equivalents including salary and wages, overtime pay, cash incentive awards, lump sum leave payments and performance awards. In FY 2003 and FY 2004, prior year balances were used to partially offset salary and benefits costs. The FY 2005 Budget does not assume the use of any balances. The budget also reflects transfers to the Office of Energy Transmission and Distribution.</p> |               |               |               |
| <b>Travel</b> .....  | <b>800</b>    | <b>500</b>    | <b>850</b>    |
| <p>Primarily funds transportation to international negotiations and policy coordination meetings. PI must meet regularly with representatives of foreign countries in order to accomplish its mission. Also funds travel to meetings with stakeholders and other energy policy professionals, and meetings relevant to domestic and international energy, science and technology, and environmental policies.</p>  |               |               |               |
| <b>Support Services</b> . .....  | <b>0</b>      | <b>127</b>    | <b>127</b>    |
| <p>Primarily supports logistics costs such as those related to high level conferences, public hearings, and Secretarial Ministerial meetings.</p>  |               |               |               |
| <b>Other Related Expenses</b> .....  | <b>2,900</b>  | <b>2,328</b>  | <b>2,649</b>  |
| <p>Provides funding for various operating expenses including working capital expenditures, information technology hardware and software acquisition, LAN administration, subscriptions, training, interpreters, telephone credit cards, pagers, portable phones, and international phone charges.</p>  |               |               |               |
| <b>Total, Program Direction</b> .....  | <b>13,529</b> | <b>13,762</b> | <b>17,977</b> |

## Explanation of Funding Changes

FY 2005 vs.  
FY 2004  
(\$000)

### Salaries and Benefits

In FY 2003 and FY 2004, prior year balances were used to partially offset salaries and benefits. However, these balances will be exhausted before the end of FY 2004.

The request will not only cover the costs associated with personnel currently onboard, but will also allow the hiring of a few additional personnel (within the FTE ceiling of 120) so that the National Energy Policy can be fully implemented and our national energy analytical capabilities can be assured. Their activities will result in:

- Better national energy policy.
- Increases in energy supply and efficiency (obtained in an environmentally sound manner).
- Increased energy supply diversification, thereby creating more stable and reliable sources of energy to meet U.S. energy needs and increasing our nation's energy security.
- More effective action on U.S. energy policy (by working to ensure coordination in policy development and implementation).

|   |        |
|---|--------|
| The increase also reflects the full effect of the FY 2004 pay raise and the partial effect of the FY 2005 pay raise ..... | +3,544 |
|---|--------|

### Travel

|  |      |
|--|------|
| The increase will raise funding to the levels required to carry out the nation's international relations work on energy issues. The increase also supports additional travel in support of the President's NEP and implementation of the Energy Act. This travel is necessary in support of efforts to increase the diversity of foreign energy sources, thereby increasing U.S. energy security. .... | +350 |
|--|------|

### Other Related Expenses

|  |      |
|--|------|
| Primarily reflects inflation in the Working Capital Fund and IT service upgrades necessary to meet federal and Departmental standards..... | +321 |
|--|------|

|   |               |
|---|---------------|
| <b>Total Funding Change, Program Direction.....</b> | <b>+4,215</b> |
|---|---------------|

## Other Related Expenses

Dollars in thousands

|   | FY 2003      | FY 2004      | FY 2005      | \$ Change   | % Change     |
|---|--------------|--------------|--------------|-------------|--------------|
| Training.....                             | 120          | 65           | 123          | +58         | 89.2%        |
| Working Capital Fund.....                 | 2,300        | 1,638        | 1,876        | +238        | 14.5%        |
| Purchases from Government Accounts .....  | 480          | 625          | 650          | +25         | 4.0%         |
| <b>Total, Other Related Expenses.....</b> | <b>2,900</b> | <b>2,328</b> | <b>2,649</b> | <b>+321</b> | <b>13.8%</b> |

## Support Services

|                       | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|-----------------------|---------|---------|---------|-----------|----------|
| Support Services..... | 0       | 127     | 127     | 0         | 0.0%     |



# Office of Policy and International Affairs

## Program Support

### Funding Schedule by Activity

(dollars in thousands)

|   | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|---|---------|---------|---------|-----------|----------|
| Policy Analysis and System Studies .....    | 398     | 395     | 395     | 0         | 0%       |
| Environmental and Energy Policy Studies ... | 597     | 567     | 567     | 0         | 0%       |
| Energy Security and Assurance.....          | 1,493   | 0       | 0       | 0         | 0%       |
| Total, Program Support .....                | 2,488   | 962     | 962     | 0         | 0%       |

### Description

The Assistant Secretary for Policy and International Affairs is the primary advisor to the Secretary and the Department on energy and technology policy development, analysis and implementation, and leads the Department's international energy initiatives. Some of the program work of PI is accomplished through contracts funded through Program Support.

### Benefits

By supporting the program efforts of PI, these funds will help the U.S. gain the following benefits:

- Better national energy policy.
- Increases in energy supply and efficiency (obtained in an environmentally sound manner).
- Increased energy supply diversification, thereby creating more stable and reliable sources of energy to meet U.S. energy needs and increasing our nation's energy security.
- More effective action on U.S. energy policy (by working to ensure coordination in policy development and implementation).

## Detailed Justification

(dollars in thousands)

| FY 2003    | FY 2004    | FY 2005    |
|------------|------------|------------|
| <b>398</b> | <b>395</b> | <b>395</b> |

### Policy Studies and Systems Analysis

- Facilitate improvements in electricity markets by conducting analyses of the environmental and economic effects of policy proposals affecting electricity markets, particularly in view of the August 2003 power blackout.
- Support twice-daily oil market analyses.
- Strengthen international emergency preparedness by supporting the maintenance of the response mechanisms of the IEA.
- Support the Asia Pacific Economic Cooperation (APEC) Energy Working Group Energy Security Initiative to enhance energy security in the APEC region through information sharing on approaches to short term oil supply disruptions, including the option of joint oil stocks (an NEP objective).
- Support the negotiation of bilateral agreements on hydrogen technology development.
- Provide data to support the optimization of U.S. technological efforts through international coordination of R&D, public/private collaboration and systemic analysis to increase research performed per dollar spent, with particular focus on carbon sequestration, hydrogen and fuel cells, and bioenergy technologies.
- Track new key Chinese personnel and their positions on key energy policies, including energy sector reform, diversity of supply sources, and the size, type and financing of a Chinese Strategic Petroleum Reserve.
- Facilitate increased diversity in world oil production and environmental protection.
- Facilitate oil market stability by enhancing investment opportunities in the Russian, Central Asian and African oil industries.
- Improve the methodology for evaluating the benefits of energy R&D and the effectiveness of innovation policies on energy productivity.

### Environmental and Energy Policy Studies

**597                      567                      567**

- Climate VISION - Contribute to the President's 18% GHG intensity reduction goal for 2012 by, among other things, developing enabling strategies to reduce the GHG impacts of non-industrial sectors (transportation, commercial, residential), developing policy tools and incentives to accelerate the adoption of incremental and transforming technologies into the marketplace, and developing effective partnerships for RD&D.
- Climate Change Technology Program – provide analysis supporting a comprehensive U.S. R&DDD plan.
- Support the negotiation of bilateral and multilateral agreements emanating from the Carbon Sequestration Leadership Forum (CSLF). The CSLF supports development of U.S. coal resources without detriment to the environment.

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

- Assure environmental policies are consistent with national energy objectives by supporting the conduct of economic analyses on the impact of proposed environmental restrictions and requirements for petroleum, natural gas and electricity markets.
- CAFE Standards – Support analyses of proposed regulations.
- Improve the incentives to voluntarily report greenhouse gases by supporting the implementation of the President’s directives to revise DOE’s 1605(b) greenhouse gas registry.
- Promote international deployment of clean energy technologies by supporting the implementation of the Clean Energy Technology Export (CETE) Initiative’s 5-year strategic plan, building effective public-private partnerships, and promoting market development through sustainable financing mechanisms and community development.
- Facilitate increased international use of cleaner fuels and technologies by supporting studies or workshops on natural gas restructuring/reform/technical issues in China.
- Help ensure DOE R&D programs are matched to national objectives by supporting the R&D Council’s efforts to oversee and assess the R&D programs of the Department and by conducting science and technology policy studies.

**Energy Security and Assurance**

**1,493                    0                    0**

- The program provided energy policy analyses needed to support Energy Security and Assurance efforts to lead the federal government’s effort to ensure a secure and reliable flow of energy to America’s homes, business, public service facilities and the transportation system.

**Total, Program Support**

|              |            |            |
|--------------|------------|------------|
| <b>2,488</b> | <b>962</b> | <b>962</b> |
|--------------|------------|------------|



# Congressional and Intergovernmental Affairs

## Funding Profile by Category

(dollars in thousands/whole FTEs)

|   | FY 2003            | FY 2004            | FY 2005 | \$ Change | % Change |
|---|--------------------|--------------------|---------|-----------|----------|
| Headquarters  |                    |                    |         |           |          |
| Salaries and Benefits .....                               | 4,085 <sup>a</sup> | 3,582              | 3,942   | +360      | +10.1%   |
| Travel .....  | 60                 | 60                 | 60      | 0         | 0%       |
| Other Related Expenses .....                              | 761                | 788                | 954     | +166      | +21.1%   |
| Subtotal, Congressional & Intergovernmental Affairs ..... | 4,906 <sup>b</sup> | 4,430 <sup>b</sup> | 4,956   | +526      | +11.9%   |
| Less use of prior year balances .....                     | -113 <sup>c</sup>  | -88 <sup>c</sup>   | 0       | +88       | -100%    |
| Total, Congressional & Intergovernmental Affairs .....    | 4,793              | 4,342              | 4,956   | +614      | +14.1%   |
| Full Time Equivalents .....                               | 38                 | 33                 | 33      | 0         | 0        |

## Mission

The mission of the Office of Congressional and Intergovernmental Affairs (CI) is to promote Departmental policies, programs, and initiatives through liaison, communication, coordination, and interaction with Congress, state, local and Tribal governments, other Federal agencies, stakeholders, and the general public.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. The Office of Congressional and Intergovernmental Affairs performs critical functions which directly support the mission of the Department. These functions include close collaboration with Administration and DOE officials in the development and implementation of legislative strategies; being responsive to the needs of, and coordinating extensive interactions with, Members of Congress and Committees, state, local and Tribal governments, other Federal agencies, DOE stakeholders, consumer and public interest groups; promoting the release of timely, factual information of DOE's initiatives and accomplishments to our multiple constituencies; rapid response to requests for information; and advising on opportunities for public involvement in the Department's decision-making processes.

<sup>a</sup>Includes \$446,000 that was internally reprogrammed to Congressional and Intergovernmental Affairs in FY 2003.

<sup>b</sup>In FY 2003, reflects the .65% rescission of \$21,000 and the transfer of \$21,000 to the Department of Homeland Security. In FY 2004, reflects the .59% rescission of \$19,000.

<sup>c</sup>Reflects a reduction of \$113,000 in prior year balances for FY 2003 and \$88,000 for FY 2004.

## Detailed Justification

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

|                                    |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| <b>Salaries and Benefits .....</b> | <b>4,085</b> | <b>3,582</b> | <b>3,942</b> |
|------------------------------------|--------------|--------------|--------------|

Funds salaries, benefits, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards for 33 full time permanent and other than full time permanent employees. Prior year balances were used in FY 2003 and FY 2004 to offset salary and benefit requirements. The FY 2005 Request does not assume the use of any balances.

The Office of Congressional and Intergovernmental Affairs serves the Department by:

- Working closely with Members of Congress, their staffs, and Committees/Subcommittees to define, articulate, and advance the Department’s position on legislation, and other legislative and policy priorities such as the Energy Security Act, the National Defense Authorization Act, and the Nanotechnology Research and Development Act.
- Working closely with governors and their staffs, local elected/appointed officials, and Tribal officials to provide information on DOE activities and decisions, and to elicit and incorporate their concerns and interests into DOE decision processes.
- Providing assistance to program offices in their preparation of official Departmental testimony and support to senior officials at approximately 100 congressional hearings.
- Attending more than 2,700 briefings and meetings and over 70 committee markups in performance of CI’s liaison functions.
- Providing support to Secretarial and Program Officers in the research, preparation, and/or review of:
  - More than 150 briefing books/papers for Congressional hearings and meetings and gubernatorial and tribal events.
  - More than 2,500 pieces of Congressional, State, and Tribal correspondence, developed with program offices on program/policy issues.
  - Reports on Congressional hearings, coordination of 100 hearing statements, approximately 1,000 pre- and post-hearing questions and answers; and 60 inserts for the record.
- Providing timely Congressional, gubernatorial, and stakeholder notifications on Departmental program issues and major announcements.

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

**Travel.....** **60** **60** **60**

Provides funding for official travel for site visits to facilities of interest to Congress; attendance at conferences and meetings with State, local, and Tribal government officials, business and community groups, and a broad range of DOE stakeholders to discuss DOE initiatives and policies and elicit their views.

**Other Related Expenses.....** **761** **788** **954**

Other related expenses provides funding for employee training and development; on-line research services for continued legislative research and analysis activities (Lexis/Nexis, Congressional Quarterly, Hotline/Greenwire) and library reference materials; and services included in the business lines of the Working Capital Fund, e.g., office space, building operations and maintenance, postage, telephone service, printing and graphics, copying, desktop services, supplies/equipment, On-Line Learning Center, and subscription to DOCS for software, licenses and maintenance. Also, covers IT services under the Extended Common Integrated Technology Environment (eXCITE).

**Total, Program Direction.....** **4,906** **4,430** **4,956**

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

### Salaries and Benefits

- The increase in salaries and benefits is the result of the full effect of the FY 2004 pay raise and the partial effect of the FY 2005 pay raise. Prior year balances were used in FY 2003 and FY 2004 to offset salaries and benefits ..... +360

### Other Related Expenses

- The increase in other related expenses is a result of inflation increases in on-line legislative research services, i.e., Lexis/Nexis, Congressional Quarterly, Hotline/Greenwire and costs for library reference materials (\$+30,000); IT services under eXICITE (\$+100,000); and an increase in the Working Capital Fund (\$+36,000) ... +166

|   |             |
|---|-------------|
| <b>Total Funding Change, Program Direction.....</b> | <b>+526</b> |
|---|-------------|

## Other Related Expenses by Category

(dollars in thousands)

|   | FY 2003    | FY 2004    | FY 2005    | \$ Change   | % Change      |
|---|------------|------------|------------|-------------|---------------|
| Training .....  | 6          | 6          | 6          | 0           | 0%            |
| Lexis/Nexis, Congressional Quarterly,<br>Hotline/Greenwire, Westlaw (On-line<br>legislative research), and Library<br>reference materials ..... | 65         | 65         | 95         | +30         | +46.2%        |
| IT Services/eXCITE Initiative .....   | 0          | 0          | 100        | +100        | +100%         |
| Working Capital Fund .....  | 690        | 717        | 753        | +36         | +5.0%         |
| <b>Total, Other Related Expenses .....</b>  | <b>761</b> | <b>788</b> | <b>954</b> | <b>+166</b> | <b>+21.1%</b> |



# Public Affairs

## Funding Profile by Category

(dollars in thousands/whole FTEs)

|  | FY 2003            | FY 2004            | FY 2005 | \$ Change | % Change |
|--|--------------------|--------------------|---------|-----------|----------|
| Headquarters                             |                    |                    |         |           |          |
| Salaries and Benefits .....              | 2,784              | 2,607              | 3,360   | +753      | +28.9%   |
| Travel .....                             | 80                 | 80                 | 80      | 0         | 0%       |
| Support Services .....                   | 40                 | 45                 | 50      | +5        | +11.1%   |
| Other Related Expenses .....             | 960                | 1,105              | 1,159   | +54       | +4.9%    |
| <hr/>                                    |                    |                    |         |           |          |
| Subtotal, Public Affairs .....           | 3,864 <sup>a</sup> | 3,837 <sup>a</sup> | 4,649   | +812      | +21.2%   |
| Less Use of prior year<br>balances ..... | -190 <sup>b</sup>  | -49 <sup>b</sup>   | 0       | +49       | -100%    |
| <hr/>                                    |                    |                    |         |           |          |
| Total, Public Affairs .....              | 3,674              | 3,788              | 4,649   | +861      | +22.7%   |
| <hr/>                                    |                    |                    |         |           |          |
| Full Time Equivalents .....              | 32                 | 30                 | 30      | 0         | 0        |

## Mission

The mission of the Office of Public Affairs (PA) is to communicate information about DOE's work in a timely, accurate, and accessible way to the news media and the public.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. The Office of Public Affairs performs critical functions which directly support the mission of the Department. These functions include communicating Departmental policies, initiatives and information to the news media and the general public; managing and coordinating public affairs activities for Headquarters, field offices and sites, and DOE laboratories; serving as primary spokesperson for the Department; responding to requests for information from the public and the news media; arranging interviews with the news media; providing speechwriting services to the Secretary, Deputy Secretary and Under Secretary; preparing written information about Departmental activities; reviewing publications; and compiling news clips.

<sup>a</sup> In FY 2003, reflects the .65% rescission of \$18,000 and the transfer of \$18,000 to the Department of Homeland Security. In FY 2004, reflects the .59% rescission \$17,000.

<sup>b</sup> Reflects a reduction of \$190,000 in prior year balances for FY 2003 and \$49,000 for FY 2004.

## Detailed Justification

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

|                                    |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| <b>Salaries and Benefits .....</b> | <b>2,784</b> | <b>2,607</b> | <b>3,360</b> |
|------------------------------------|--------------|--------------|--------------|

Funds salaries, benefits, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards for 30 full time permanent and other than full time permanent employees. Prior year balances were used in FY 2003 and FY 2004 to partially offset salaries and benefits. The FY 2005 budget does not assume the use of any balances

The Office of Public Affairs serves the Department by:

- Communicating information about the Department in a timely, accurate and accessible way to the news media and the public.
- Delivering on the Department’s commitment for public participation in decision making through wide dissemination of documents to the media.
- Providing public affairs guidance and services to program and field offices including writing news releases, planning news conferences, arranging interviews, preparing and editing written and visual materials.
- Managing and operating the public inquiries room and respond to walk-up visitors inquiring about the Department’s programs and activities and research and respond to telephone and written inquiries.
- Improving internal communications by writing and publishing a monthly newsletter about current events around the Department, and compiling and distributing news clips about Departmental activities.
- Providing coordinated review of non-technical Departmental publications, audiovisual materials, and exhibits to ensure consistency, cost-effectiveness and clarity.
- Preparing speeches, briefing materials, and analysis for the Secretary, Deputy Secretary, Under Secretary and principal secretarial officers in support of their work to explain Administration and Departmental policies, initiatives and actions.
- Timely Congressional, gubernatorial, and stakeholder notifications on Departmental program issues and major announcements.

(dollars in thousands)

|   | FY 2003      | FY 2004      | FY 2005      |
|---|--------------|--------------|--------------|
| <b>Travel</b> .....   | <b>80</b>    | <b>80</b>    | <b>80</b>    |
| Travel provides funding for official travel to arrange and lead all media events, to accompany the Secretary, Deputy Secretary, and Under Secretary at public appearances; and to attend conferences and meetings with Public Affairs Field Directors to convey DOE initiatives and policies.   |              |              |              |
| <b>Support Services</b> .....   | <b>40</b>    | <b>45</b>    | <b>50</b>    |
| Support services providing funding for maintenance and software upgrades for the DOE Home Page.   |              |              |              |
| <b>Other Related Expenses</b> .....   | <b>960</b>   | <b>1,105</b> | <b>1,159</b> |
| Other related expenses provides funding for employee training and development; other program support services for producing the daily news clips, radio/TV monitoring and transcription services; on-line research and newswire services (Lexis/Nexis, Bacon's, Associated Press, Reuters, Federal News, U.S. Newswire, Hotline/Greenwire); and services included in the business lines of the Working Capital Fund, e.g., office space, building operations and maintenance, postage, telephone service, printing and graphics, copying, desktop services, supplies/ equipment, On-Line Learning Center, and IT services provided under the eXCITE initiative (Extended Common Integrated Technology Environment); and library reference material. |              |              |              |
| <b>Total, Program Direction</b> .....   | <b>3,864</b> | <b>3,837</b> | <b>4,649</b> |

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

### Salaries and Benefits

- The increase in salaries and benefits is the result of the full effect of the FY 2004 pay raise and the partial effect of the FY 2005 pay raise. Prior year balances were used in FY 2003 and FY 2004 to partially offset salary and benefit requirements. The FY 2005 Request does not assume the use of any balances. ....
 +753

### Support Services

- Increase in funding support for the DOE Home Page. Replaced Spectrafax broadcast fax system with similar and more efficient services performed by U.S. Newswire .....
 +5

### Other Related Expenses

- Other related expenses reflect a decrease in the Working Capital Fund (\$-82,000), a reduction in other program support—contracts (\$-50,000), offset by increases in training and employee development (\$+1,000), and on-line research, newswire services and library reference material (\$+80,000). Included in the newswire costs is a new requirement for services provided by U.S. Newswire, to provide DOE with prompt simultaneous distribution of news releases, advisories, etc., (replaces Spectrafax broadcast fax system). Also, covers IT services under the Extended Common Integrated Technology Environment (eXCITE) initiative (\$+105,000) .....
 +54

|   |             |
|---|-------------|
| <b>Total Funding Change, Program Direction.....</b> | <b>+812</b> |
|---|-------------|

## Support Services by Category

(dollars in thousands)

|                               | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|-------------------------------|---------|---------|---------|-----------|----------|
| Technical Support             |         |         |         |           |          |
| Home Page .....               | 40      | 45      | 50      | +5        | +11.1%   |
| Total, Support Services ..... | 40      | 45      | 50      | +5        | +11.1%   |

## Other Related Expenses by Category

(dollars in thousands)

|  | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|--|---------|---------|---------|-----------|----------|
| Training .....   | 5       | 5       | 6       | +1        | +20%     |
| Other Program Support—Contracts.....   | 70      | 120     | 70      | -50       | -41.7%   |
| Lexis/Nexis, Bacon's, Associated Press,<br>Reuters, Federal News Service, U.S.<br>Newswire (On-line Research/Newswire<br>Services), and Library reference<br>materials ..... | 50      | 95      | 175     | +80       | +84.2%   |
| Extended Common Integrated<br>Technology Environment (eXCITE) .....  | 0       | 0       | 105     | +105      | +100%    |
| Working Capital Fund .....   | 835     | 885     | 803     | -82       | -9.3%    |
| Total, Other Related Expenses .....  | 960     | 1,105   | 1,159   | +54       | +4.9%    |



# Board of Contract Appeals

## Funding Profile by Category

(dollars in thousands)

|  | FY 2003           | FY 2004           | FY 2005 | \$Change | %Change |
|--|-------------------|-------------------|---------|----------|---------|
| Headquarters                           |                   |                   |         |          |         |
| Salaries and Benefits.....             | 491               | 493               | 495     | 2        | 0.4%    |
| Travel.....                            | 8                 | 8                 | 8       | 0        | 0.0%    |
| Other Related Services.....            | 237               | 150               | 150     | 0        | 0.0%    |
| Subtotal, Board of Contract Appeals... | 736 <sup>a</sup>  | 651 <sup>a</sup>  | 653     | 2        | 0.3%    |
| Less Use of Prior Year Balances...     | -211 <sup>b</sup> | -116 <sup>b</sup> | 0       | 116      | -100.0% |
| Total, Board of Contract Appeals.....  | 525               | 535               | 653     | 118      | 22.1%   |
| Full Time Equivalents.....             | 4                 | 4                 | 4       | 0        | 0.0%    |

### Mission

The mission of the Board of Contract Appeals provides to the fullest extent practicable, informal, expeditious and inexpensive resolution of contract and financial assistance related disputes pursuant to the Contract Disputes Act of 1978, the Alternative Disputes Resolution Act, and other authority.

The Board of Contract Appeals is an administrative tribunal, responsible to the Secretary and under law for the fair and impartial trial and adjudication of a variety of disputes. With few exceptions, these disputes are related to the Department's acquisition and financial assistance programs. The Board exercises an array of statutory and delegated authorities. Board decisions constitute final agency decisions and are not subject to administrative review or modification. The Board also serves as the principal source of neutrals for acquisition and financial assistance related mediation and other alternative dispute resolution procedures.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department, but with additional effort from offices which support the programs in carrying out the mission. The Board of Contract Appeals performs critical functions which directly support the mission of the Department. These functions include contributing to mutually beneficial relationships between the Department and its contractors and financial recipients; hear and decide disputes or resolve them through alternative means in an expeditious, economical, fair and impartial manner, and advance the implementation of alternative disputes resolution procedures. Contract disputes resolution without trials and decisions can save substantial public and private resources.

<sup>a</sup> In FY 2003 Includes the .65% rescission of \$4K and the transfer of \$3K to the Department of Homeland Security. In FY 2004 include a .59% rescission of \$2K.

<sup>b</sup> Reflects a reduction in prior year balances of \$211K in FY 2003 and \$116K in FY 2004.

## Detailed Justification

(dollars in thousands)

|  | FY 2003 | FY 2004 | FY 2005 |
|--|---------|---------|---------|
|--|---------|---------|---------|

|                                    |            |            |            |
|------------------------------------|------------|------------|------------|
| <b>Salaries and Benefits .....</b> | <b>491</b> | <b>493</b> | <b>495</b> |
|------------------------------------|------------|------------|------------|

Salaries and Benefits provide funding for 4 full-time equivalent employees in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, and Senior Executive and other performance awards. Prior year balances were used in FY 2003 and FY 2004 to partially offset salaries and benefits requirements.

In FY 2005, the Board of Contract Appeals will:

- Under delegated authority from the Secretary, provide alternative dispute resolution services to cost-reimbursement contracts.
- Implement fact-finding authority for debarments.
- Serve as the agency board of contract appeals for the U.S. Securities and Exchange Commission, Nuclear Regulatory Commission, Federal Energy Regulatory Commission and the National Nuclear Security Administration.
- Continue to assess benefits of expanded mediation of disputes at the subcontract level in cost-reimbursement contracts.
- Continue Board-provided alternative dispute resolution through standardized provisions in cost-reimbursement contract solicitations.

|                    |          |          |          |
|--------------------|----------|----------|----------|
| <b>Travel.....</b> | <b>8</b> | <b>8</b> | <b>8</b> |
|--------------------|----------|----------|----------|

Travel funding for staff to conduct trials, mediations/arbitrations, typically at courthouses and other neutral sites, and for employee training.

|                                    |            |            |            |
|------------------------------------|------------|------------|------------|
| <b>Other Related Expenses.....</b> | <b>237</b> | <b>150</b> | <b>150</b> |
|------------------------------------|------------|------------|------------|

Other Related Expenses include funding for employee training and development and funding to support the Working Capital Fund for rental space, telecommunications, utilities and miscellaneous charges, printing and reproduction, other services (e.g. tuition, experts, neutrals, etc.), operating and maintenance of equipment, purchase of goods and services through government counts, supplies and materials, and equipment. Prior year balances will be used in FY 2004 and FY 2005 to partially fund other related expenses.

|                                      |            |            |            |
|--------------------------------------|------------|------------|------------|
| <b>Total Program Direction .....</b> | <b>736</b> | <b>651</b> | <b>653</b> |
|--------------------------------------|------------|------------|------------|

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

### Salaries and Benefits

- Increase reflects the full effect of the FY 2004 payraise and the partial effect of the FY 2005 payraise. In FY 2004 and FY 2005, prior year balances will be used to partially fund other related expenses.....

+2

**Total Funding Change, Program Direction.....**

+2

### Other Related Expenses

(dollars in thousands)

|   | FY 2003    | FY 2004    | FY 2005    | \$ Change | % Change  |
|---|------------|------------|------------|-----------|-----------|
| Training.....                             | 0          | 2          | 2          | 0         | 0%        |
| Working Capital Fund.....                 | 237        | 148        | 148        | 0         | 0%        |
| <b>Total, Other Related Expenses.....</b> | <b>237</b> | <b>150</b> | <b>150</b> | <b>0</b>  | <b>0%</b> |



# Competitive Sourcing Initiative

## Funding Profile by Activity

(dollars in thousands)

|                                 | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|---------------------------------|---------|---------|---------|-----------|----------|
| Competitive Sourcing Initiative | 0       | 0       | 5,000   | +5,000    | 100%     |

### Description

Competitive sourcing is a major initiative under the President's Management Agenda. Its mission is to make government market-based, where competition drives improved performance and efficiency of federal programs. The Department's goal for achieving this mission is to promote sound and accountable decision making and improved processes for the fair and efficient conduct and implementation of public-private competitions. To support this critical element of the President's Management Agenda in FY 2005, the Department seeks to establish accountability and budgetary control through the creation of a Corporate Competitive Sourcing Initiative line item within the Departmental Administration Appropriation. The Office of Management, Budget and Evaluation/Chief Financial Officer (ME) will continue to have Departmental responsibility for management of this initiative.

In FY 2005, DOE proposes to establish a separate congressional control funding line to cover the costs of implementing corporate competitive sourcing activities and studies. This funding will support complex-wide competitive sourcing costs, including contractor support costs for feasibility and functional area studies, and implementation costs, such as retention allowances, contest/protest reimbursement, permanent changes of station relocation, severance, the payout of lump sum annual leave occurring late in the fiscal year, short periods of concurrent contract activities to avoid gaps in operations, approved buyouts occurring late in the fiscal year, and minimal amounts for supplies, furniture, and equipment including information technology software and hardware, if required. Funds will be used only for competitive sourcing studies and the incremental costs associated with the reorganization that may result from A-76 activities.

DOE's areas of study are complex-wide, involving service functions in programs and sites throughout. The larger studies underway will centralize service functions and require a physical reorganization to achieve the optimal delivery of services.

There are budget implications inherent in this initiative. The organization that implements or "owns" the reorganized function will face one-time implementation costs to establish new organizational infrastructure and maintain services during the transition. Savings realized from these restructurings will not be realized immediately. When savings occur, they will accrue in the area from which services are being consolidated, not the organization that will own the centralized function.

Ensuring that funds are in place to realize efficiencies becomes a logistical problem because Congressional reprogramming guidelines limit the flexibility to move and transfer funds. A table depicting FY 2002 and FY 2003 competitive sourcing studies is included in this submission, identifying full time equivalents (FTEs) by organization and location. This table demonstrates the breadth and scope of the competitive sourcing studies now underway.

This proposed new account will provide the Department with a budgeted source of funds to meet anticipated implementation requirements. Similarly, the studies conducted to identify competitive sourcing efforts, impact virtually all program offices, across appropriations. This new account will provide a central budgeted source to continue DOE-wide studies as needed across appropriation accounts without the need for specific authority. To execute Competitive Sourcing line item funds, the Department will direct cite funding to programs with requirements and provide Congressional notification on use of funds within 30 days of the obligation of funds.

## **Benefits**

The Department has been recognized by both the press and the Office of Management and Budget as being in the forefront of civilian agency implementation of public-private competitions. The successful execution of this initiative will validate the Department's reputation as a competitive sourcing pioneer among federal government agencies. The Department is the first Federal Government agency to conduct complex-wide studies that, upon conclusion, will result in dramatically different and consolidated operations in the future.

Department of Energy Competitive Sourcing Studies, 2002-2003

(Full-Time Equivalent Positions Under Review By Location)

| DOE Organization          | State(s)  | Civil Rights | Graphics | Financial Services | Logistics - NSA | Human Resources | Logistics - DCE | Information Tech | TOTAL |      |
|---------------------------|---|--------------|----------|--------------------|-----------------|-----------------|-----------------|------------------|-------|------|
| Headquarters              |   |              |          |                    |                 |                 |                 |                  |       |      |
| ME                        | Office of Management, Budget and Evaluation/CFO | MD, DC       |          | 13                 | 59              |                 | 28              | 96               | 59    | 255  |
| CN                        | Counterintelligence                             | MD, DC       |          |                    |                 | 4               |                 | 3                | 7     |      |
| IM                        | Chief Information Officer                       | MD, DC       |          |                    |                 |                 |                 | 136              | 136   |      |
| ED                        | Economic Impact and Diversity                   | MD, DC       | 8        |                    |                 | 2               |                 | 3                | 13    |      |
| EE                        | Energy Efficiency and Renewable Energy          | MD, DC       |          |                    |                 | 1               |                 | 5                | 6     |      |
| EH                        | Environment, Safety, and Health                 | MD, DC       |          |                    |                 | 7               |                 | 9                | 16    |      |
| EIA                       | Energy Information Administration               | MD, DC       |          |                    |                 |                 |                 | 56               | 56    |      |
| EM                        | Environmental Management                        | MD, DC       |          |                    |                 | 2               |                 | 21               | 23    |      |
| GC                        | General Counsel                                 | MD, DC       |          |                    |                 |                 |                 | 1                | 1     |      |
| FE                        | Fossil Energy                                   | MD, DC       |          |                    |                 | 1               | 2               | 5                | 8     |      |
| HG                        | Hearings and Appeals                            | MD, DC       |          |                    |                 |                 |                 | 3                | 3     |      |
| IG                        | Inspector General                               | MD, DC       |          |                    |                 |                 |                 | 2                | 2     |      |
| IN                        | Intelligence                                    | MD, DC       |          |                    |                 |                 |                 | 14               | 14    |      |
| NE                        | Nuclear Energy Science and Technology           | MD, DC       |          |                    |                 | 1               |                 | 5                | 6     |      |
| OA                        | Oversight and Performance Assurance             | MD, DC       |          |                    |                 |                 |                 | 10               | 10    |      |
| PI                        | Policy and International Affairs                | MD, DC       |          |                    |                 |                 |                 | 1                | 1     |      |
| RW                        | Civilian Radioactive Waste Management           | MD, DC       |          |                    |                 |                 |                 | 2                | 2     |      |
| SC                        | Science   | MD, DC       |          |                    |                 |                 |                 | 22               | 22    |      |
| SO                        | Security  | MD, DC       |          |                    |                 | 4               |                 | 23               | 27    |      |
| WT                        | Worker and Community Transition                 | MD, DC       |          |                    |                 |                 | 3               | 3                | 6     |      |
| NNSA                      | National Nuclear Security Administration        | MD, DC       |          |                    |                 | 6               |                 | 25               | 31    |      |
| <b>Headquarters Total</b> |   |              | 8        | 13                 | 59              | 0               | 56              | 101              | 408   | 645  |
| Field                     |   |              |          |                    |                 |                 |                 |                  |       |      |
| ALB                       | Albuquerque Operations Office                   | NM           |          |                    | 32              | 66              | 42              |                  | 36    | 176  |
| ARC                       | Albany Research Center                          | OR           |          |                    |                 |                 | 11              | 3                | 14    |      |
| Chi                       | Chicago Operations Office                       | IL           |          |                    | 8               |                 | 4               | 1                | 13    | 26   |
| Golden                    | Golden Field Office                             | CO           |          |                    | 0               |                 |                 |                  | 2     | 2    |
| ID                        | Idaho Operations Office                         | ID           |          |                    | 4               |                 | 6               | 3                | 8     | 21   |
| KCSO                      | Kansas City Site Operations                     | MO           |          |                    |                 |                 |                 |                  | 1     | 1    |
| NETL                      | National Energy Technology Laboratory           | PA, WV       |          |                    | 4               |                 | 1               |                  | 21    | 26   |
| NPR                       | Naval Petro Reserves CO/WY                      | WY           |          |                    | 1               |                 |                 |                  | 1     | 2    |
| NV                        | Nevada Operations Office                        | NV           |          |                    | 3               | 5               | 4               | 2                | 21    | 35   |
| Oak                       | Oakland Operations Office                       | CA           |          |                    | 6               | 5               | 5               |                  | 17    | 33   |
| Ohio                      | Ohio Field Office                               | OH           |          |                    | 5               |                 | 8               | 1                | 4     | 18   |
| OR                        | Oak Ridge Operations Office                     | TN           |          |                    | 20              |                 | 5               |                  | 15    | 40   |
| OSTI                      | Office of Scientific and Technical Information  | TN           |          |                    | 1               |                 | 1               |                  | 47    | 49   |
| PNR                       | Pittsburgh Naval Reactors                       | PA, WV       |          |                    |                 |                 |                 |                  | 6     | 6    |
| RF                        | Rocky Flats Field Office                        | CO           |          |                    | 7               |                 | 3               | 3                | 5     | 18   |
| RL                        | Richland Operations Office                      | WA           |          |                    | 3               |                 | 5               | 1                | 8     | 17   |
| SNR                       | Schneectady Naval Reactors Office               | NY           |          |                    |                 |                 |                 |                  | 5     | 5    |
| SPRO                      | Strategic Petroleum Reserve Office              | LA, TX       |          |                    |                 |                 | 1               | 17               | 3     | 21   |
| SR                        | Savannah River Operations Office                | SC           |          |                    | 6               |                 | 4               | 4                | 16    | 30   |
| Y-12                      | Y-12 Plant Oak Ridge                            | TN           |          |                    |                 |                 |                 |                  | 2     | 2    |
| YMSO                      | Yucca Mountain Site Office                      | NV           |          |                    |                 |                 | 1               |                  |       | 1    |
| <b>Field Total</b>        |   |              | 0        | 0                  | 100             | 76              | 90              | 43               | 234   | 543  |
| <b>Grand Total</b>        |   |              | 8        | 13                 | 159             | 76              | 146             | 144              | 642   | 1188 |

## Detailed Program Justification

(dollars in thousands)

|                                 | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|---------------------------------|---------|---------|---------|-----------|----------|
| Competitive Sourcing Initiative | 0       | 0       | 5,000   | +5,000    | 100%     |

The \$5M requested does not duplicate administrative support funding requested in the Office of Management, Budget and Evaluation's budget and falls into two categories.

- **Support Services** - The Department plans to conduct competitive sourcing studies on an additional 600 - 800 FTEs beginning in FY 2005. Contractor support services will be required to assist in feasibility and functional area studies. Such contractual support is critical to provide the technical and in-depth experience necessary to prepare high quality performance work statements and highly competitive in-house bids related to these studies. This is not only essential for fairness to the Federal employees now performing the work under study, but is also necessary to maximize future cost efficiencies in support of that work. While contractual support funding for on-going studies was borne by all benefiting organizations in FY 2002 and FY 2003, continued reductions to program direction funding preclude the use of this financing source in the future.
- **Implementation Costs** - To stand up consolidated new operations and organizations for studies in financial services, human resources, logistics, training, and information technology. Included in this category are implementation costs such as retention allowances needed to maintain essential skill sets, permanent change of station relocation, severance, lump sum annual leave payments, periods of concurrent contract activities to avoid gaps in operations, approved buyouts, contest/protest reimbursement, and limited amounts for such items as space, supplies, furniture and equipment, and hardware and software.

## Explanation of Funding Changes

|  |
|--|
| <b>FY 2005 vs.<br/>FY 2004<br/>(\$000)</b> |
|--|

### Competitive Sourcing Initiative

Funding to finance complex-wide competitive sourcing costs, including contractor support costs for feasibility and functional area studies, and implementation costs, such as retention allowances, contest/protest reimbursement, permanent changes of station relocation, severance, the payout of lump sum annual leave occurring late in the fiscal year, short periods of concurrent contract activities to avoid gaps in operations, approved buyouts occurring late in the fiscal year, and minimal amounts for supplies, furniture, and equipment including information technology software and hardware, if required.....

+5,000

**Total Funding Change, Competitive Sourcing Initiative.....**

**+5,000**



## Cost of Work for Others

### Funding Schedule by Activity

| (dollars in thousands)              |         |         |         |           |          |
|-------------------------------------|---------|---------|---------|-----------|----------|
|                                     | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
| Products Sold:                      |         |         |         |           |          |
| Savannah River Ops Office.....      | 5,427   | 5,573   | 5,573   | 0         | 0%       |
| Services Performed:                 |         |         |         |           |          |
| NNSA Service Center.....            | 800     | 700     | 600     | -100      | -14%     |
| Argonne National Laboratory.....    | 250     | 0       | 0       | 0         | 0%       |
| Brookhaven National Laboratory.     | 572     | 572     | 572     | 0         | 0%       |
| Chicago Operations Office.....      | 150     | 150     | 150     | 0         | 0%       |
| Lawrence Berkeley Laboratory...     | 588     | 588     | 588     | 0         | 0%       |
| Lawrence Livermore Laboratory..     | 1,446   | 1,446   | 1,446   | 0         | 0%       |
| Oak Ridge National Laboratory..     | 2,741   | 2,741   | 2,741   | 0         | 0%       |
| Oak Ridge Operations Office.....    | 1,430   | 2,932   | 2,932   | 0         | 0%       |
| Oakland Operations Office.....      | 1,115   | 1,115   | 1,115   | 0         | 0%       |
| Pacific Northwest Laboratory.....   | 3,028   | 1,534   | 2,445   | 911       | 59%      |
| Savannah River Ops Office.....      | 12,369  | 12,331  | 13,459  | 1,128     | 9%       |
| Safeguards and Security.....        | 40,000  | 40,000  | 40,000  | 0         | 0%       |
| Subtotal, Services Performed.....   | 64,489  | 64,109  | 66,048  | 1,939     | 3%       |
| Subtotal, Cost of Work for Others.. | 69,916  | 69,682  | 71,621  | 1,939     | 3%       |
| Use of Prior Year Balances.....     | -4,969  | -6,459  | 0       | 6,459     | -100%    |
| Total, Cost of Work for Others..... | 64,947  | 63,223  | 71,621  | 8,398     | 13%      |

### Description

The Cost of Work for Others (CWO) program provides funding to the Department of Energy's (DOE) multi-purpose field offices and national laboratories to finance the cost of products and services requested by non-DOE users, both foreign and domestic. The products and services provided by the Department under this program generally are not available from alternate sources and 1) are a revenue program which results from a budgeted mission of the Department; or, 2) are reimbursable work for non-federal entities where the sponsor is precluded by law from providing advance funding. The costs of the Cost of Work for Others program are offset by revenues received from the sale of products and services to our customers.

The Cost of Work for Others Program includes a portion of the Department's Foreign Research Reactor Spent Fuel Program. This program which involves the receipt and storage of foreign research reactor spent fuel is provided for in the Cost of Work for Others Program only to the extent of revenues provided.

In FY 2005, approximately \$40.0 million will be funded in Departmental Administration within the Cost of Work for Others program to be offset by an estimated \$40.0 million in revenues. This funding will be utilized for safeguards and security reimbursable activities by the following program offices: Defense Programs; Defense Environmental Management; Science; and Security, Other Defense Activities. This

funding approach is a continuation of the FY 2001 funding provided in the Conference Report, P.L. 106-377. Each of the four program offices will display this funding within their respective safeguards and security reimbursable programs but will back it out of their program totals so that the \$40.0 million in budget authority can be provided for within Departmental Administration totals. Allocation of the funds among program offices is provisional since reimbursable work levels are somewhat remote estimates. The Department will provide timely notification to Congress of the actual allocation of these funds in FY 2005.

**Benefits**

The benefits for this program are: continued access to the Department’s laboratory complex, and the availability of by-products for sale to non-federal customers. The CWO program satisfies the needs of our non-federal customers. For this reason, performance evaluation for this work is the responsibility of our customers. The success of this program is indicated by the steady stream of business from the targeted groups.

**Detailed Justification**

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

**Products Sold**

- **Savannah River Operations Office** ..... 5,427      5,573      5,573  
 Supports forest management and the sale of timber by the U.S. Forest Service. The funding level was derived based on the personnel costs for the 32 full time equivalent employees (FTEs) of the U.S. Forest Service who support the Savannah River Timber Management Program, and the historical costs, adjusted for inflation, associated with contractual support for services, radio maintenance, reforestation activities, surveying and monitoring of protected, endangered, and threatened species, archeology surveys and various research studies.

**Services Performed**

- **NNSA Service Center**..... 800      700      600  
 Provide miscellaneous services for state and local governments, such as tasks at the Sandia National Laboratory to support the National Aging Aircraft Research Program Mission Area II, Aging Aircraft Maintenance, and Inspection for Iowa State University as part of a continuing effort on behalf of the Federal Aviation Administration (FAA). In addition, Los Alamos National Laboratory will provide lab interface for Tuberculosis Management, and develop open interfaces for data exchange between laboratory systems and medical information systems with an example demonstration of them.

(dollars in thousands)

|  | FY 2003 | FY 2004 | FY 2005 |
|--|---------|---------|---------|
| ▪ <b>Argonne National Laboratory</b> .....   | 250     | 0       | 0       |
| Support research activities for state and local governments such as Internet service capability to educational organizations participating in the Illinois Educational Network Consortium. No work is anticipated in FY 2004 or FY 2005.   |         |         |         |
| ▪ <b>Brookhaven National Laboratory</b> .....  | 572     | 572     | 572     |
| Provide for the sale of isotopes and continue to provide miscellaneous activities for state and local governments. Participate in the synthesis workshops and produce data products expected of OMP investigators. Deploy a novel technique, the particle-into-liquid sampler coupled to ion chromatography analysis on the NASA WP3 aircraft during the TRACE-P project to measure aerosol chemical data on time scales approaching measurements of meteorological and aerosol physical properties.   |         |         |         |
| ▪ <b>Chicago Operations Office</b> .....   | 150     | 150     | 150     |
| Provide certified reference materials from the New Brunswick Laboratory which are used by the nuclear community to calibrate or validate the accuracy of measurement methods. The level of funding was derived based on historical sales of certified reference materials and the costs associated with projected new sales.   |         |         |         |
| ▪ <b>Lawrence Berkeley Laboratory</b> .....  | 588     | 588     | 588     |
| Conduct work for state and local governments and non-profit organizations including activities with the National Institutes of Health to: launch a multilingual epidemiological study of cancer risk factors through data acquisition on the Internet; develop a DNA microarray screening system based on measuring gene expression to support cancer diagnoses, tumor staging and prognostication; develop new radiopharmaceuticals for early detection of many forms of cancer of the lower abdomen; and, advance measurement technologies for determination of carbonaceous species in airborne particulate matter. |         |         |         |
| ▪ <b>Lawrence Livermore Laboratory</b> .....   | 1,446   | 1,446   | 1,446   |
| Conduct work for state and local governments and non-profit organizations including activities such as: evaluate leaking underground fuel tanks (LUFT) and structural inspection of dams and water contaminants; and analyze fault and site information relating to the San Francisco and Oakland bay bridges.   |         |         |         |
| ▪ <b>Oak Ridge National Laboratory</b> .....   | 2,741   | 2,741   | 2,741   |
| Provide funding for: (1) University of Illinois for analyzing and forecasting state and regional economies including transportation flows and modeling; (2) University of Virginia for scientific underpinning of bulk-glass formability; and (3) University of Massachusetts for enterprise-wide simulation and analytical modeling of comprehensive freight movements.   |         |         |         |

(dollars in thousands)

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

|  |               |               |               |
|--|---------------|---------------|---------------|
| ▪ <b>Oak Ridge Operations Office</b> .....   | 1,430         | 2,932         | 2,932         |
| Provide miscellaneous services for state and local governments, universities and institutions and foreign governments including technical and manufacturing training support from Y-12. Process and prepare low-enriched uranium and a small quantity of highly enriched uranium for sale to foreign countries for use in either research reactors or reduced enrichment for research and test reactors as part of the Department's nonproliferation programs.   |               |               |               |
| ▪ <b>Oakland Operations Office</b> .....   | 1,115         | 1,115         | 1,115         |
| Support particle physics collaboration with Japan and other development efforts at the Stanford Linear Accelerator Center (SLAC). The Japanese participation at SLAC is covered by the U.S./Japan agreement in high-energy physics. The Japanese involvement includes the B Factory, and various accelerator R&D programs related to the Next Linear Collider.   |               |               |               |
| ▪ <b>Pacific Northwest Laboratory</b> .....  | 3,028         | 1,534         | 2,445         |
| FY 2005 activities include watershed and fish studies, water resource modeling for King County and a study for the mycoremediation of contaminated marine sediments.   |               |               |               |
| ▪ <b>Safeguards and Security</b> .....   | 40,000        | 40,000        | 40,000        |
| Provides funding for safeguards and security requirements throughout the Department.   |               |               |               |
| ▪ <b>Savannah River Operations Office</b> .....  | 12,369        | 12,331        | 13,459        |
| Receive, manage and provide interim storage of Foreign Research Reactor Spent Fuel from Germany, Denmark, France, the Netherlands, South Africa, Japan, France and Sweden. The funding level was derived based on the historical transportation cost of a shipment from a country, unloading costs for a shipment at the port, satellite tracking costs, and overland shipment support activities such as emergency preparedness training and other needs of the country involved with the shipment. Facility operating costs based on allocation of incremental costs at the facility (and supporting organizations) to receive and unload foreign casks. Prior year balances will be used in FY 2004 to offset program requirements. |               |               |               |
| Subtotal, Services Performed.....  | 64,489        | 64,109        | 66,048        |
| <b>Total, Cost of Work for Others</b> .....  | <b>69,916</b> | <b>69,682</b> | <b>71,621</b> |

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

**Services Performed**

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li> <p>▪ <b>NNSA Service Center</b><br/>                     Decrease is due to a reduction in the amount of funding needed for several projects with Iowa University, University of California, Washington State University, and New Mexico State University due to their ability to provide advance funding.....</p> </li> <li> <p>▪ <b>Pacific Northwest Laboratory</b><br/>                     The increase will support watershed and fish studies for the Washington State Department of Transportation and Water Resource Modeling for King County.....</p> </li> <li> <p>▪ <b>Savannah River Operations Office</b><br/>                     Increase is due to the number of projected Foreign Research Reactor (FRR) Spent Fuel shipments in FY 2005. Prior year balances will be used in FY 2004 to offset program requirements.....</p> </li> </ul> | <p style="margin-top: 20px;">-100</p> <p style="margin-top: 20px;">+911</p> <p style="margin-top: 20px;">+1,128</p> <hr style="border: 0.5px solid black;"/> <p style="margin-top: 0px;"><b>+1,939</b></p> |
| <p><b>Total Funding Change, Cost of Work.....</b></p>   | <p><b>+1,939</b></p>   |



# Revenues Associated With Cost of Work for Others

## Funding Schedule by Activity

(dollars in thousands)

|                                   | FY 2003 | FY 2004 | FY 2005 | \$ Change | % Change |
|-----------------------------------|---------|---------|---------|-----------|----------|
| Products Sold:                    |         |         |         |           |          |
| Savannah River Ops Office.....    | -7,923  | -5,573  | -6,200  | -627      | 11%      |
| Services Performed:               |         |         |         |           |          |
| NNSA Service Center.....          | -115    | -700    | -600    | 100       | -14%     |
| Argonne National Laboratory.....  | -145    | 0       | 0       | 0         | 0%       |
| Brookhaven National Laboratory.   | -332    | -572    | -572    | 0         | 0%       |
| Chicago Operations Office.....    | -87     | -150    | -150    | 0         | 0%       |
| Lawrence Berkeley Laboratory...   | -588    | -588    | -588    | 0         | 0%       |
| Lawrence Livermore Laboratory..   | -1,446  | -1,446  | -1,446  | 0         | 0%       |
| Oak Ridge National Laboratory..   | -2,354  | -2,741  | -2,741  | 0         | 0%       |
| Oak Ridge Operations Office.....  | -1,430  | -2,932  | -2,932  | 0         | 0%       |
| Oakland Operations Office.....    | -1,223  | -1,115  | -1,115  | 0         | 0%       |
| Pacific Northwest Laboratory..... | -1,415  | -1,534  | -2,445  | -911      | 59%      |
| Savannah River Ops Office.....    | -6,084  | -12,331 | -13,459 | -1,128    | 9%       |
| Safeguards and Security.....      | -41,422 | -40,000 | -40,000 | 0         | 0%       |
| Subtotal, Services Performed..... | -56,641 | -64,109 | -66,048 | -1,939    | 3%       |
| Total, Associated Revenues        | -64,564 | -69,682 | -72,248 | -2,566    | 4%       |

## Description

Associated Revenues represents the full-cost recovery offset to Cost of Work for Others, the program associated with providing products and services to our customers.

## Detailed Justification

|  | FY 2003 | FY 2004 | FY 2005 |
|--|---------|---------|---------|
| <b>Products Sold:</b>  |         |         |         |
| ▪ <b>Savannah River Operations Office</b> .....  | -7,923  | -5,573  | -6,200  |
| Includes revenues received from the sale of timber   |         |         |         |
| <b>Services Performed</b>  |         |         |         |
| ▪ <b>NNSA Service Center</b> .....   | -115    | -700    | -600    |
| Includes revenue from miscellaneous services provided for state and local governments, such as tasks at the Sandia National Laboratory to support the National Aging Aircraft Research Program for Iowa State University in the areas of technology validation and development, nondestructive inspection system evaluations and structural integrity, maintenance and inspection.   |         |         |         |
| ▪ <b>Argonne National Laboratory</b> .....   | -145    | 0       | 0       |
| Reflects revenue from research activities conducted for state and local governments such as Internet service capability to educational organizations participating in the Illinois Educational Network Consortium. No work is anticipated in FY 2004 or FY 2005.   |         |         |         |
| ▪ <b>Brookhaven National Laboratory</b> .....  | -332    | -572    | -572    |
| Includes revenue from the sale of isotopes and from miscellaneous research activities provided for state and local governments.  |         |         |         |
| ▪ <b>Chicago Operations Office</b> .....   | -87     | -150    | -150    |
| Includes revenues from the sale of certified reference materials used by the nuclear community at the New Brunswick Laboratory.  |         |         |         |
| ▪ <b>Lawrence Berkeley Laboratory</b> .....  | -588    | -588    | -588    |
| Conduct work for state and local governments and non-profit organizations including activities with the National Institutes of Health to: launch a multilingual epidemiological study of cancer risk factors through data acquisition on the Internet; develop a DNA microarray screening system based on measuring gene expression to support cancer diagnoses, tumor staging and prognostication; develop new radiopharmaceuticals for early detection of many forms of cancer of the lower abdomen; and, advance measurement technologies for determination of carbonaceous species in airborne particulate matter. |         |         |         |
| ▪ <b>Lawrence Livermore Laboratory</b> .....   | -1,446  | -1,446  | -1,446  |
| Conduct work for state and local governments and non-profit organizations including activities such as: evaluate leaking underground fuel tanks (LUFT) and structural inspection of dams and water contaminants; and analyze fault and site information relating to the San Francisco and Oakland bay bridges.   |         |         |         |

Departmental Administration/  
 Cost of Work for Others/  
 Associated Revenues

FY 2005 Congressional Budget

| FY 2003 | FY 2004 | FY 2005 |
|---------|---------|---------|
|---------|---------|---------|

|   |                |                |                |
|---|----------------|----------------|----------------|
| <ul style="list-style-type: none"> <li>▪ <b>Oak Ridge National Laboratory</b>..... -2,354 -2,741 -2,741<br/>Reflects revenues received for miscellaneous services provided for state and local governments including as the development of advanced spectrochemical sensors and an optical sensing microchip system for use by the New Mexico Institute of Mining and Technology in the detection of a wide range of environmental pathogens and infectious agents.</li> <li>▪ <b>Oak Ridge Operations Office</b>..... -1,430 -2,932 -2,932<br/>Reflects revenues received for miscellaneous services provided for state and local governments such as technical and manufacturing training support from Y-12, and revenues received from the processing and preparation of low enriched uranium and a small quantity of highly enriched uranium for sale to foreign countries for use in either research reactors or reduced enrichment for research and test reactors.</li> <li>▪ <b>Oakland Operations Office</b>..... -1,223 -1,115 -1,115<br/>Includes revenues from particle physics collaboration with Japan and other development efforts at the Stanford Linear Accelerator Center (SLAC).</li> <li>▪ <b>Pacific Northwest National Laboratory</b>..... -1,415 -1,534 -2,445<br/>FY 2005 activities include watershed and fish studies, water resource modeling for King County and a study for the mycoremediation of contaminated marine sediments.</li> <li>▪ <b>Savannah River Operations Office</b>..... -6,084 -12,331 -13,459<br/>Reflects revenues received from foreign countries in return for the receipt, management and interim storage of their spent research reactor fuel.</li> <li>▪ <b>Safeguards and Security</b>..... -41,422 -40,000 -40,000<br/>Reflects revenues received to support safeguards and security requirements throughout the Department.</li> </ul> |                |                |                |
| <b>Subtotal, Services Performed</b> .....   | <b>-56,641</b> | <b>-64,109</b> | <b>-66,048</b> |
| <b>Total, Cost of Work Associated Revenues</b> .....  | <b>-64,564</b> | <b>-69,682</b> | <b>-72,248</b> |

## Explanation of Funding Changes

|                                   |
|-----------------------------------|
| FY 2005 vs.<br>FY 2004<br>(\$000) |
|-----------------------------------|

**Products Sold:**

- |   |   |      |
|---|---|------|
| <b>▪ Savannah River Operations Office</b> | Increase in revenue is the result of additional revenues from the sale of timber..... | -627 |
|---|---|------|

**Services Performed:**

- |                              |   |      |
|------------------------------|---|------|
| <b>▪ NNSA Service Center</b> | The decrease in revenues is due to a reduction in the amount of funding needed for several projects with Iowa University, University of California, Washington State University, and New Mexico State University due to their ability to provide advance funding..... | +100 |
|------------------------------|---|------|
  
- |                                       |   |      |
|---------------------------------------|---|------|
| <b>▪ Pacific Northwest Laboratory</b> | The increase in revenues will support watershed and fish studies for the Washington State Department of Transportation and Water Resource Modeling for King County..... | -911 |
|---------------------------------------|---|------|
  
- |   |  |        |
|---|--|--------|
| <b>▪ Savannah River Operations Office</b> | The increase in revenues is due to the number of projected Foreign Research Reactor (FRR) Spent Fuel shipments in FY 2005. Prior year balances will be used in FY 2004 to offset program requirements..... | -1,128 |
|---|--|--------|

|  |               |
|--|---------------|
| <b>Total Funding Change, Cost of Work.....</b> | <b>-2,566</b> |
|--|---------------|

# Miscellaneous Revenues

## Funding Schedule by Activity

(dollars in thousands)

|   | FY 2003        | FY 2004        | FY 2005        | \$ Change      | % Change   |
|---|----------------|----------------|----------------|----------------|------------|
| Idaho Operations Office.....              | -7,421         | -10,000        | -13,146        | -3,146         | 31%        |
| NNSA Service Center.....                  | 0              | 0              | -1,000         | -1,000         | 100%       |
| Pittsburgh Naval Reactors Office....      | -22,240        | -22,200        | -25,439        | -3,239         | 15%        |
| Federal Administrative Charge.....        | -18,722        | -19,318        | -25,429        | -6,111         | 32%        |
| Other Revenues.....                       | -1,589         | -1,800         | -2,000         | -200           | 11%        |
| <b>Total, Miscellaneous Revenues.....</b> | <b>-49,972</b> | <b>-53,318</b> | <b>-67,014</b> | <b>-13,696</b> | <b>26%</b> |

### Description

Miscellaneous Revenues are received from the sale of by-products that have no cost associated with the Departmental Administration appropriation. These items are by-products of activities funded by other on-going departmental programs and are collected as miscellaneous revenues. Included in this estimate are revenues collected from the Reimbursable Work program for Federal Administrative Charges.

### Detailed Justification

(dollars in thousands)

|   | FY 2003        | FY 2004        | FY 2005        |
|---|----------------|----------------|----------------|
| <ul style="list-style-type: none"> <li> <b>▪ NNSA Service Center.....</b> <span style="float: right;">0      0      -1,000</span> <p>Revenues are for the utilities of facilities (gas and electric) at the Los Alamos National Laboratory at Albuquerque.</p> </li> <li> <b>▪ Idaho Operations Office.....</b> <span style="float: right;">-7,421      -10,000      -13,146</span> <p>Costs incurred at the Idaho Chemical Processing Plant for handling and basin storage of spent fuel cores for the Department of Navy.</p> </li> <li> <b>▪ Pittsburgh Naval Reactors Office .....</b> <span style="float: right;">-22,240      -22,200      -25,439</span> <p>The Department of the Navy reimburses the Pittsburgh Naval Reactors Office for the nuclear material burn-up while the core is in operation.</p> </li> <li> <b>▪ Federal Administrative Charge.....</b> <span style="float: right;">-18,722      -19,318      -25,429</span> <p>Federal Administrative Charges collected from other federal agencies as well as non-federal entities for Reimbursable activity conducted by the Department in accordance with full-cost recovery policy.</p> </li> <li> <b>▪ Other Revenues.....</b> <span style="float: right;">-1,589      -1,800      -2,000</span> <p>Estimate based on current rate of collections for various miscellaneous revenues collected at all Departmental sites.</p> </li> </ul> |                |                |                |
| <b>Total, Services Performed.....</b>   | <b>-49,972</b> | <b>-53,318</b> | <b>-67,014</b> |

