

*U.S. DEPARTMENT OF COMMERCE  
Office of Inspector General*



*Department of Commerce*

*FY 2009  
Special-Purpose  
Financial Statements*

*Audit Report No. FSD-19652-0-0003  
November 2009*

*Office of Audit and Evaluation*





**UNITED STATES DEPARTMENT OF COMMERCE**  
**The Inspector General**  
Washington, D.C. 20230

November 30, 2009

**MEMORANDUM FOR:** The Honorable Gary Locke  
The Secretary of Commerce

A handwritten signature in black ink, appearing to read "Todd J. Zinser".

**FROM:** Todd J. Zinser

**SUBJECT:** FY 2009 Special-Purpose Financial Statements  
Final Audit Report No. FSD-19652-0-0003

The attached audit report presents an unqualified opinion on the Department of Commerce's fiscal year 2009 special-purpose financial statements. The audit results indicate that the Department has established an internal control structure that facilitates the preparation of reliable financial information.

KPMG LLP, an independent public accounting firm, performed the audit of the Department's special-purpose financial statements for the year ended September 30, 2009. The contract with KPMG required that the audit be performed in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

In its audit of the Department, KPMG found that

- the special-purpose financial statements were fairly presented, in all material respects and in conformity with U.S. generally accepted accounting principles and the presentation requirements of the Treasury Financial Manual (TFM) Volume I, Part 2 - Chapter 4700;
- there were no material weaknesses in internal controls, as defined in the independent auditors' report; and
- there were no instances in which the Department did not comply with the requirements of TFM Volume I, Part 2 - Chapter 4700.

My office oversaw the audit performance and delivery. We reviewed KPMG's report and related documentation and made inquiries of its representatives. Our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards. However, our review cannot be construed as an audit in accordance with



U.S. generally accepted government auditing standards. It was not intended to enable us to express—and we do not express—any opinion on the Department’s special-purpose financial statements, conclusions about the effectiveness of internal controls, or conclusions on compliance with TFM Volume I, Part 2 - Chapter 4700. KPMG is solely responsible for the attached report dated November 16, 2009, and the conclusions expressed in the report.

If you wish to discuss the contents of this report, please call me at (202) 482-4661, or Dr. Brett M. Baker, assistant inspector general for audit, at (202) 482-2600.

We appreciate the cooperation and courtesies the Department extended to both KPMG and my staff during the audit.

Attachment

cc: John F. Charles  
Acting Chief Financial Officer and Acting Assistant Secretary for Administration

**United States Department of Commerce**  
**Closing Package - September 30, 2009**  
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KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

## Independent Auditors' Report on Special-Purpose Financial Statements

Inspector General, U.S. Department of Commerce and  
Secretary, U.S. Department of Commerce:

We have audited the accompanying Closing Package Financial Statement Report – Balance Sheet of the U.S. Department of Commerce (Department) as of September 30, 2009 and 2008; the related Closing Package Financial Statement Reports – Statement of Net Cost and Statement of Changes in Net Position, and the accompanying Financial Report (FR) Notes Reports (except for the information in the FR Notes Reports entitled “threshold”) for the years then ended, the accompanying Additional Note No. 29; the accompanying Trading Partner Summary Note Report – Balance Sheet as of September 30, 2009 and 2008; and the related Trading Partner Summary Note Reports – Statements of Net Cost and Changes in Net Position for the years then ended (hereinafter collectively referred to as the special-purpose financial statements). These special-purpose financial statements are the responsibility of the Department’s management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04, as amended, require that we plan and perform the audits to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying special-purpose financial statements have been prepared for the purpose of complying with the requirements of *Volume I, Part 2 - Chapter 4700* of the U.S. Department of the Treasury’s *Treasury Financial Manual* (TFM), as described in Additional Note No. 29, solely for the purpose of providing financial information to the U.S. Department of the Treasury and the U.S. Government Accountability Office (GAO) to use in preparing and auditing the *Financial Report of the U.S. Government*, and are not intended to be a complete presentation of the Department’s consolidated financial statements.



In accordance with *TFM Volume I, Part 2 - Chapter 4700*, the Department prepared FR Notes Report Nos. 1 through 28B, except for FR Notes Report Nos. 10A, 16, 21, 23, and 24, which were not applicable to the Department. The Department included Additional Note No. 29, to disclose other data not contained in the special-purpose financial statements, but which is necessary to make the special-purpose financial statements more informative.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Department as of September 30, 2009 and 2008, and its net costs and changes in net position for the years then ended in conformity with U.S. generally accepted accounting principles and the presentation pursuant to the requirements of *TFM Volume I, Part 2 - Chapter 4700*, as described in Additional Note No. 29.

The Department also prepared Other Data Report Nos. 1 through 16, except for Other Data Report Nos. 3 through 8 and 11 through 14, which were not applicable to the Department. The information included in Other Data Report Nos. 9 (except for the information in the section entitled "Threshold"), 10, and 15 is presented for the purpose of additional analysis and is not a required part of the special-purpose financial statements, but is supplementary information required by U.S. generally accepted accounting principles and the *TFM Volume I, Part 2 - Chapter 4700*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this supplementary information, and accordingly, we express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the special-purpose financial statements taken as a whole. The information included in the Other Data Report Nos. 1 and 2 is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. This information has been subjected to the auditing procedures applied in the audits of the special-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special-purpose financial statements taken as a whole.

The information included in Other Data Report No. 16; the information entitled "Threshold" in Other Data Report No. 9; the information entitled "Threshold" in FR Notes Report Nos. 2, 3, 4A, 4B, 5, 6, 11, 12, 15, and 19; the information in the Closing Package Line Reclassification Summary Report – Balance Sheet; the information in the Closing Package Line Reclassification Summary Reports – Statements of Net Cost and Changes in Net Position; and the information in the Closing Package Line Reclassification Summary Report – Custodial Activity are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements. This information has not been subjected to the auditing procedures applied in the audits of the special-purpose financial statements and, accordingly, we express no opinion on it.

The *TFM Volume I, Part 2 - Chapter 4700* requires agencies to use the Governmentwide Financial Reporting System to input certain data, as described in Additional Note No. 29. Except as discussed in this report, we express no opinion on information maintained in that system.

In accordance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, we have also issued a combined auditors' report dated November 10, 2009, which presents our opinion on the Department's consolidated financial statements; our consideration of the Department's internal control over financial reporting; and the results of our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and



other matters that are required to be reported under *Government Auditing Standards*. That report is an integral part of the audits of the consolidated balance sheets of the Department as of September 30, 2009 and 2008, and the related consolidated statements of net cost, changes in net position, and combined statements of budgetary resources (collectively referred to as consolidated financial statements) for the years then ended, performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, and should be read in conjunction with this report in considering the results of our audits of the special-purpose financial statements. Our audit of the consolidated financial statements of the Department as of and for the year ended September 30, 2009, disclosed the following significant deficiency that was not considered to be a material weakness, compliance matter, and additional concern.

**Significant Deficiency:** The Department needs to make continued improvement in its information technology general control environment to fully ensure that financial data being processed on the Department's systems has integrity, is confidentially maintained, and is available when needed.

**Compliance Matter:** The Department determined that one remaining real property agreement contained indemnification clauses that present a prima facie violation of the *Anti-Deficiency Act (ADA)*.

**Additional Concern:** In fiscal year 2009, we identified a potential ADA violation at the National Telecommunications and Information Administration (NTIA) related to the use of voluntary services, that may not have been authorized by law. NTIA will refer this matter to the OGC to determine whether a violation of the ADA occurred. The outcome of this matter, and any resulting ramifications, is not presently known.

Management is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the fiscal year 2009 special-purpose financial statements, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

Our consideration of internal control over financial reporting for special-purpose financial statements was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting for special-purpose financial statements that might be deficiencies, significant deficiencies, or material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



In our fiscal year 2009 audit, we did not identify any deficiencies in internal control over financial reporting for the special-purpose financial statements that we consider to be material weaknesses as defined above.

Management is responsible for complying with laws, regulations (including *TFM Volume I, Part 2 - Chapter 4700*), contracts and grant agreements applicable to the Department. As part of obtaining reasonable assurance about whether the Department's fiscal year 2009 special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions or on compliance with *TFM Volume I, Part 2 - Chapter 4700* requirements was not an objective of our fiscal year 2009 audit of the special-purpose financial statements and, accordingly, we do not express such an opinion.

The results of our tests of compliance with *TFM Volume I, Part 2 - Chapter 4700* disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 07-04, as amended.

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This report is intended solely for the information and use of the Department's management, the Department's Office of Inspector General, U.S. Department of the Treasury, OMB, and GAO, in connection with the preparation and audit of the *Financial Report of the U.S. Government*, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 16, 2009

U.S Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System

GF003F-Closing Package Financial Statement Report

**Statement:** BALANCE SHEET      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300-Department of Commerce      **Reported In:** THOUSANDS      **Decimal Point:** ZERO

Amounts presented as debits and credits(  
 The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Closing Line item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Assets:				
Non-Federal				
Cash and Other Monetary Assets		3,572	5,135	5,135
Accounts and Taxes Receivable		31,429	38,191	38,191
Loans Receivable		512,945	512,858	512,858
Inventory and Related Property		145,903	100,595	100,595
Property, Plant and Equipment		6,758,827	6,190,408	6,190,408
Securities and Investments		0	0	0
Investment in Government sponsored enterprises (GSEs)		0	0	0
Other Assets		58,168	61,154	61,154
Total Non-Federal Assets		7,510,844	6,908,341	6,908,341
Federal				
Fund Balance with Treasury		25,671,762	26,633,414	26,633,414
Federal Investments		0	0	0
Accounts Receivable		78,111	64,963	64,963
Interest Receivable		0	0	0
Loans Receivable		0	0	0
Transfers Receivable		0	0	0
Benefit Program Contributions Receivable		0	0	0
Advances to Others and Prepayments		696,068	110,087	110,087
Other Assets (without reciprocals)		0	0	0
Total Federal Assets		26,445,941	26,808,464	26,808,464
Total Assets		33,956,785	33,716,805	33,716,805

U.S Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System

GF003F-Closing Package Financial Statement Report

Statement: BALANCE SHEET Fiscal Year: 2009 Period: SEPTEMBER

Entity: 1300-Department of Commerce Reported In: THOUSANDS Decimal Point: ZERO

Amounts presented as debits and credits()  
 The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Closing Line item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Liabilities				
Non-Federal				
Accounts Payable		(371,067)	(345,215)	(345,215)
Federal Debt Securities Held by the Public		0	0	0
Federal Employee and Veteran Benefits Payable		(734,133)	(714,601)	(714,601)
Environmental and Disposal Liabilities		(60,995)	(67,863)	(67,863)
Benefits Due and Payable		0	0	0
Loan Guarantee Liabilities		(589)	(621)	(621)
Keepwell payable		0	0	0
Insurance Programs		0	0	0
Other Liabilities		(1,993,639)	(2,087,640)	(2,087,640)
Total Non-Federal Liabilities		(3,160,423)	(3,215,940)	(3,215,940)
Federal				
Accounts Payable		(535,328)	(17,343,756)	(17,343,756)
Federal Debt		0	0	0
Interest Payable		0	0	0
Loans Payable		(487,275)	(476,653)	(476,653)
Transfers Payable		0	0	0
Benefit Program Contributions Payable		(73,666)	(66,196)	(66,196)
Advances from Others and Deferred Credits		(334,368)	(355,558)	(355,558)
Other Liabilities (without reciprocals)		(29,705)	(42,865)	(42,865)

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GF003F-Closing Package Financial Statement Report

**Statement:** BALANCE SHEET      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300-Department of Commerce      **Reported In:** THOUSANDS      **Decimal Point:** ZERO

Amounts presented as debits and credits()  
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Closing Line item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Total Federal Liabilities		(1,460,342)	(18,285,028)	(18,285,028)
Total Liabilities		(4,620,765)	(21,500,968)	(21,500,968)
Net Position				
Net Position-Non-Earmarked Funds		(14,290,562)	(10,568,818)	(10,568,818)
Net Position-Earmarked Funds		(15,045,458)	(1,647,019)	(1,647,019)
Total Net Position		(29,336,020)	(12,215,837)	(12,215,837)
Total Liabilities and Net Position		(33,956,785)	(33,716,805)	(33,716,805)

U.S Department of the Treasury  
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 Governmentwide Financial Report System

GF003F-Closing Package Financial Statement Report

**Statement:** STATEMENT OF CHANGES IN NET POSITION    **Fiscal Year:** 2009    **Period:** SEPTEMBER

**Entity:** 1300-Department of Commerce    **Reported In:** THOUSANDS    **Decimal Point:** ZERO

Amounts presented as debits and credits()  
 The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Closing Line item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Beginning Net Position		(12,215,837)	(9,972,627)	(9,972,627)
Non-Federal Prior Period Adjustments (Not Restated)		0	0	0
Federal Prior Period Adjustments (Not Restated)		0	0	0
Adjusted Beginning Net Position Balance		(12,215,837)	(9,972,627)	(9,972,627)
Non-Federal Nonexchange Revenue		0	0	0
Individual Income Tax and Tax Withholdings		0	0	0
Corporation Income Taxes		0	0	0
Unemployment Taxes		0	0	0
Excise Taxes		0	0	0
Estate and Gift Taxes		0	0	0
Custom Duties		0	0	0
Other Taxes and Receipts		(22,717)	(30,432)	(30,432)
Miscellaneous Earned Revenue		0	0	0
Total Non-Federal Nonexchange Revenue		(22,717)	(30,432)	(30,432)
Federal Nonexchange Revenue				
Federal Securities Interest Revenue		(9,645)	(9,365)	(9,365)
Borrowing and other interest revenue		0	0	0
Benefit Program Revenue (nonexchange)		0	0	0
Other taxes and receipts		0	0	0

U.S Department of the Treasury  
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GF003F-Closing Package Financial Statement Report

Statement: STATEMENT OF CHANGES IN NET POSITION Fiscal Year: 2009 Period: SEPTEMBER

Entity: 1300-Department of Commerce Reported In: THOUSANDS Decimal Point: ZERO

Amounts presented as debits and credits()  
 The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Closing Line item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Total Federal Nonexchange Revenue		(9,645)	(9,365)	(9,365)
Budgetary Financing Sources:				
Appropriations received as adjusted (rescissions and other adjustments)		(17,316,402)	(7,695,570)	(7,695,570)
Appropriation of unavailable special or trust fund receipts transfers-in		0	0	0
Appropriation of unavailable special or trust fund receipts Transfers-out		0	0	0
Nonexpenditure transfers-in of unexpended appropriations and financing sources		(148,695)	(273,321)	(273,321)
Nonexpenditure Transfers-out of unexpended appropriations and financing sources		91,459	1,321	1,321
Expenditure transfers-in of financing sources		(16,689,557)	(1,778,983)	(1,778,983)
Expenditure Transfers-out of financing sources		15,000	0	0
Other budgetary financing sources		(376)	57,114	57,114
Total Budgetary Financing Sources		(34,048,571)	(9,689,439)	(9,689,439)
Other Financing Sources:				
Transfers-in Without Reimbursement		(4,486)	(3,324)	(3,324)
Transfers-out Without Reimbursement		7,363,232	23	23
Imputed Financing Source		(235,744)	(214,243)	(214,243)

U.S Department of the Treasury  
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GF003F-Closing Package Financial Statement Report

Statement: STATEMENT OF CHANGES IN NET POSITION Fiscal Year: 2009 Period: SEPTEMBER

Entity: 1300-Department of Commerce Reported In: THOUSANDS Decimal Point: ZERO

Amounts presented as debits and credits()  
 The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Closing Line item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Other non-budgetary financing sources		11,009	4,757	4,757
Total Other Financing Sources		7,134,011	(212,787)	(212,787)
Net Cost		9,826,739	7,698,813	7,698,813
Ending Net Position Balance		(29,336,020)	(12,215,837)	(12,215,837)

U.S Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System

GF003F-Closing Package Financial Statement Report

**Statement:** STATEMENT OF NET COST      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300-Department of Commerce      **Reported In:** THOUSANDS      **Decimal Point:** ZERO

Amounts presented as debits and credits()  
 The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Closing Line Item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Gross Cost:				
Non-Federal Gross Cost		10,480,128	8,642,824	8,642,824
Interest on Debt Held by the Public		0	0	0
Total Non-Federal Gross Cost		10,480,128	8,642,824	8,642,824
Federal Gross Cost				
Benefit Program Costs		872,375	774,000	774,000
Imputed Costs		235,744	214,243	214,243
Buy/Sell Costs		927,017	674,445	674,445
Federal Securities Interest Expense		0	0	0
Borrowing and Other Interest Expense		25,253	24,586	24,586
Borrowing Losses		0	0	0
Other Expenses (without reciprocals)		0	0	0
Total Federal Gross Cost		2,060,389	1,687,274	1,687,274
Department Total Gross Cost		12,540,517	10,330,098	10,330,098
Earned Revenue				
Non-Federal Earned Revenue		(2,100,446)	(2,001,734)	(2,001,734)
Federal Earned Revenue				
Benefit Program Revenue (exchange)		0	0	0
Buy/Sell Revenue		(612,035)	(627,275)	(627,275)
Federal Securities Interest Revenue (exchange)		0	0	0
Borrowing and Other Interest Revenue (Exchange)		(1,297)	(2,276)	(2,276)

U.S Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System

GF003F-Closing Package Financial Statement Report

**Statement:** STATEMENT OF NET COST      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300-Department of Commerce      **Reported In:** THOUSANDS      **Decimal Point:** ZERO

Amounts presented as debits and credits()  
 The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Closing Line item	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported
Borrowings Gains		0	0	0
Other Revenue (without reciprocals)		0	0	0
Total Federal Earned Revenue		(613,332)	(629,551)	(629,551)
Department Total Earned Revenue		(2,713,778)	(2,631,285)	(2,631,285)
Net Cost		9,826,739	7,698,813	7,698,813

U.S. Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System

GF003G-Closing Package Line Reclassification Summary Report

Statement: BALANCE SHEET      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.  
 I = Inactive Line

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
3 Fund Balance with Treasury (Notes 2 and 18)		A	D	F	25,671,762	26,633,414	0
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2008-SEPTEMBER	Previously Reported	2009-SEPTEMBER	Line Item Changes	
Fund Balance with Treasury	F		26,633,414	26,633,414	26,633,414	0	
<b>Total:</b>			26,633,414	26,633,414	0	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
4 Accounts Receivable, Net (Note 3)		A	D	F	78,111	64,963	0
		Variance:			0	0	0

Closing Package Line Reclassification	Status	F/N	2008-SEPTEMBER	Previously Reported	2009-SEPTEMBER	Line Item Changes
Closing Package Line Description	F		64,963	64,963	64,963	0
Accounts Receivable			64,963	64,963	64,963	0
<b>Total:</b>			64,963	64,963	0	0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
5 Other - Advances and Prepayments		A	D	F	696,068	110,087	0
		Variance:			0	0	0

Closing Package Line Reclassification	Status	F/N	2008-SEPTEMBER	Previously Reported	2009-SEPTEMBER	Line Item Changes
Closing Package Line Description	F		110,087	110,087	110,087	0
Advances to Others and Prepayments			110,087	110,087	110,087	0
<b>Total:</b>			110,087	110,087	0	0

U.S. Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System

GF003G-Closing Package Line Reclassification Summary Report

Statement: BALANCE SHEET  
 Entity: 1300 - Department of Commerce

Fiscal Year: 2009  
 Reported in: THOUSANDS

Period: SEPTEMBER  
 Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.  
 I = Inactive Line

Line	Agency Line Description	Status	F/N	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
8	Cash (Note 4)			D	N	3,572	5,135	0
	Variance:					0		
<b>Closing Package Line Reclassification</b>								
	Closing Package Line Description	Status	F/N			2008-SEPTEMBER	Previously Reported	Line Item Changes
	Cash and Other Monetary Assets	N				3,572	5,135	0
	<b>Total:</b>					3,572	5,135	0

Line	Agency Line Description	Status	F/N	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
9	Accounts Receivable, Net (Note 3)			D	N	31,429	38,191	0
	Variance:					0		

Line	Agency Line Description	Status	F/N	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
	Closing Package Line Description	Status	F/N			2008-SEPTEMBER	Previously Reported	Line Item Changes
	Accounts and Taxes Receivable	N				31,429	38,191	0
	<b>Total:</b>					31,429	38,191	0

Line	Agency Line Description	Status	F/N	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
10	Direct Loans and Loan Guarantees, Net (Note 5)			D	N	511,092	511,009	0
	Variance:					0		

Line	Agency Line Description	Status	F/N	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
	Closing Package Line Description	Status	F/N			2008-SEPTEMBER	Previously Reported	Line Item Changes
	Loans Receivable	N				511,092	511,009	0
	<b>Total:</b>					511,092	511,009	0

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 1 = Inactive Line

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
11 Inventory, Materials, and Supplies, Net (Note 6)		A	D	N	145,903	100,595	0
		Variance:			0		
<b>Closing Package Line Reclassification</b>							
<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>	
Inventory and Related Property	N		145,903	100,595	100,595	0	
<b>Total:</b>			145,903	100,595	100,595	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
12 General Property, Plant, and Equipment, Net (Note 7)		A	D	N	6,758,827	6,190,408	0
		Variance:			0		
<b>Closing Package Line Reclassification</b>							
<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>	
Property, Plant and Equipment	N		6,758,827	6,190,408	6,190,408	0	
<b>Total:</b>			6,758,827	6,190,408	6,190,408	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
13 Other (Note 8)		A	D	N	60,021	63,003	0
		Variance:			0		
<b>Closing Package Line Reclassification</b>							
<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>	
Loans Receivable	N		1,853	1,849	1,849	0	
Other Assets	N		58,168	61,154	61,154	0	
<b>Total:</b>			60,021	63,003	63,003	0	

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
20 Accounts Payable		L	C	F	134,877	109,931	
		Variance:			0	0	
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes		
Accounts Payable	F		134,877	109,931	0		
<b>Total:</b>			(134,877)	(109,931)	0		

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
21 Debt to Treasury (Note 10)		L	C	F	487,275	476,653	
		Variance:			0	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	Previously Reported	Line Item Changes		
Loans Payable	F		487,275	476,653	0		
<b>Total:</b>			(487,275)	(476,653)	0		

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
23 Spectrum Auction Proceeds Liability to Federal Communications Commission (Note 18)		L	C	F	400,451	17,177,707	
		Variance:			0	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	Previously Reported	Line Item Changes		
Accounts Payable	F		400,451	17,177,707	0		
<b>Total:</b>			(400,451)	(17,177,707)	0		

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
24 Resources Payable to Treasury		L	C	F	22,689	25,792	
		Variance:			0	0	
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Other Liabilities (without reciprocals)	F		22,689	25,792	25,792	0	
<b>Total:</b>			(22,689)	(25,792)	(25,792)	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
25 Unearned Revenue		L	C	F	337,255	359,411	
		Variance:			0	0	

Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Advances from Others and Deferred Credits	F		334,368	355,558	355,558	0
Other Liabilities (without reciprocals)	F		2,887	3,853	3,853	0
<b>Total:</b>			(337,255)	(359,411)	(359,411)	0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
26 Other (Note 11)		L	C	F	77,795	135,534	
		Variance:			0	0	

Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Accounts Payable	F		0	56,118	56,118	0
Benefit Program Contributions Payable	F		73,666	66,196	66,196	0
Other Liabilities (without reciprocals)	F		4,129	13,220	13,220	0
<b>Total:</b>			(77,795)	(135,534)	(135,534)	0

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
29 Accounts Payable		L	C	N	371,067	345,215	
		Variance:			0	0	
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes		
Accounts Payable	N		371,067	345,215	0		
<b>Total:</b>			(371,067)	(345,215)	0		

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
30 Loan Guarantee Liabilities (Notes 5 and 16)		L	C	N	589	621	
		Variance:			0	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes		
Loan Guarantee Liabilities	N		589	621	0		
<b>Total:</b>			(589)	(621)	0		

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
31 Federal Employee Benefits (Note 12)		L	C	N	687,434	666,563	
		Variance:			0	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes		
Federal Employee and Veteran Benefits Payable	N		687,434	666,563	0		
<b>Total:</b>			(687,434)	(666,563)	0		

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Line	Agency Line Description	Status	F/N	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
32	Environmental and Disposal Liabilities (Note 13)		N	L	C	N	60,995	67,863	67,863
	Variance:						0	0	0
<b>Closing Package Line Reclassification</b>									
	<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>		
	Environmental and Disposal Liabilities	N		60,995	67,863	67,863	0		
	<b>Total:</b>			(60,995)	(67,863)	(67,863)	0		

Line	Agency Line Description	Status	F/N	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
34	Accrued Payroll and Annual Leave		N	L	C	N	540,082	452,073	452,073
	Variance:						0	0	0

Line	Agency Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
	<b>Closing Package Line Reclassification</b>						
	<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>
	Federal Employee and Veteran Benefits Payable	N		26,987	48,038	48,038	0
	Other Liabilities	N		513,095	404,035	404,035	0
	<b>Total:</b>			(540,082)	(452,073)	(452,073)	0

Line	Agency Line Description	Status	F/N	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
35	Accrued Grants		N	L	C	N	446,207	373,525	373,525
	Variance:						0	0	0

Line	Agency Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
	<b>Closing Package Line Reclassification</b>						
	<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>
	Other Liabilities	N		446,207	373,525	373,525	0
	<b>Total:</b>			(446,207)	(373,525)	(373,525)	0

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
36 Accrued Coupons for Digital-to-Analog Converter Box Program (Note 18)		L	C	N	24,489	165,533	
		Variance:			0	0	
<b>Closing Package Line Reclassification</b>							
<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>		
Other Liabilities	N		24,489	165,533	0		
<b>Total:</b>			(24,489)	(165,533)	0		

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
37 Capital Lease Liabilities (Note 14)		L	C	N	12,589	30,881	
		Variance:			0	0	

Closing Package Line Reclassification	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description	N		12,589	30,881	0
Other Liabilities			(12,589)	(30,881)	0
<b>Total:</b>					

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
38 Unearned Revenue		L	C	N	974,015	1,058,956	
		Variance:			0	0	

Closing Package Line Reclassification	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description	N		974,015	1,058,956	0
Other Liabilities			(974,015)	(1,058,956)	0
<b>Total:</b>					

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
39 Other (Note 11)		L	C	N	42,956	54,710	0
		Variance:			0	0	
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Federal Employee and Veteran Benefits Payable	N		19,712	0	0	0	
Other Liabilities	N		23,244	54,710	54,710	0	
<b>Total:</b>			(42,956)	(54,710)	(54,710)	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
46 Unexpended Appropriations - Earmarked Funds (Note 21)		E	C	F	4,890,417	462	0
		Variance:			0	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Net Position-Earmarked Funds	B		4,890,417	462	462	0	
<b>Total:</b>			(4,890,417)	(462)	(462)	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
47 Unexpended Appropriations - All Other Funds		E	C	F	8,246,105	5,179,925	0
		Variance:			0	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Net Position-Non-Earmarked Funds	B		8,246,105	5,179,925	5,179,925	0	
<b>Total:</b>			(8,246,105)	(5,179,925)	(5,179,925)	0	

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
49 Cumulative Results of Operations - Earmarked Funds (Note 21)		E	C	B	10,155,041	1,646,557	1,646,557
		Variance:			0	0	0

Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Net Position-Earmarked Funds	B		10,155,041	1,646,557	1,646,557	0	
<b>Total:</b>			(10,155,041)	(1,646,557)	(1,646,557)	0	

Line Agency Line Description							
Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
50 Cumulative Results of Operations - All Other Funds		E	C	B	6,044,457	5,388,893	5,388,893
		Variance:			0	0	0

Closing Package Line Reclassification							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Net Position-Non-Earmarked Funds	B		6,044,457	5,388,893	5,388,893	0	
<b>Total:</b>			(6,044,457)	(5,388,893)	(5,388,893)	0	

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
50 Beginning Balance		BN	C	B	7,035,450	5,443,722	0
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Beginning Net Position	B		7,035,450	5,443,722	5,443,722	0	
<b>Total:</b>			(7,035,450)	(5,443,722)	(5,443,722)	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
53 Appropriations Used		F	C	B	9,304,062	7,054,850	0
		Variance:			0	0	0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
54 Non-exchange Revenue		F	C	B	21,432	24,171	0
		Variance:			0	0	0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Other Taxes and Receipts	N		11,353	14,788	14,788	0	
Federal Securities Interest Revenue	F		9,645	9,365	9,365	0	
Other budgetary financing sources	F		434	18	18	0	
<b>Total:</b>			(21,432)	(24,171)	(24,171)	0	

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
55 Donations and Forfeitures of Cash and Cash Equivalents		F	C	B	846	1,039	1,039
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported		Line Item Changes
Other Taxes and Receipts	N		846	1,039	1,039		0
<b>Total:</b>			(846)	(1,039)	(1,039)		0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
56 Transfers In of Spectrum Auction Proceeds from Federal Communications Commission (Note 18)		F	C	F	16,689,557	1,778,983	1,778,983
		Variance:			0	0	0

Closing Package Line Reclassification	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description	F		16,689,557	1,778,983	1,778,983	0
Expenditure transfers-in of financing sources			(16,689,557)	(1,778,983)	(1,778,983)	0
<b>Total:</b>						0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
57 Transfer Out of Spectrum Auction Proceeds to Treasury General Fund (Note 18)		F	C	F	(7,363,000)	0	0
		Variance:			0	0	0

Closing Package Line Reclassification	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description	F		7,363,000	0	0	0
Transfers-out Without Reimbursement			7,363,000	0	0	0
<b>Total:</b>						0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
58	Transfers In/(Out) Without Reimbursement, Net		F		F	98,441	261,238	0
			Variance:			0		
<b>Closing Package Line Reclassification</b>								
	<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>	
	Nonexpenditure transfers-in of unexpended appropriations and financing sources	F		114,240	261,459	261,459	0	
	Nonexpenditure Transfers-out of unexpended appropriations and financing sources	F		799	221	221	0	
	Expenditure Transfers-out of financing sources	F		15,000	0	0	0	
	<b>Total:</b>			(98,441)	(261,238)	(261,238)	0	

Line	Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
59	Other Budgetary Financing Sources/(Uses), Net		F		B	1,540	674	0
			Variance:			0		
<b>Closing Package Line Reclassification</b>								
	<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>	
	Other budgetary financing sources	F		1,540	674	674	0	
	<b>Total:</b>			(1,540)	(674)	(674)	0	

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Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
62 Donations and Forfeitures of Property		F	C	B	55	228	228
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Other Taxes and Receipts	N		55	228	228	0	
<b>Total:</b>			(55)	(228)	(228)	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
63 Transfers In/(Out) Without Reimbursement, Net		F	C	F	4,254	3,301	3,301
		Variance:			0	0	0

Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description			4,486	3,324	3,324	0
Transfers-in Without Reimbursement	F					
Transfers-out Without Reimbursement	F		232	23	23	0
<b>Total:</b>			(4,254)	(3,301)	(3,301)	0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
64 Imputed Financing Sources From Cost Absorbed by Others		F	C	F	235,744	214,243	214,243
		Variance:			0	0	0

Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description			235,744	214,243	214,243	0
Imputed Financing Source	F					
<b>Total:</b>			(235,744)	(214,243)	(214,243)	0

U.S. Department of the Treasury  
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 GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION  
 Entity: 1300 - Department of Commerce

Fiscal Year: 2009  
 Reported in: THOUSANDS

Period: SEPTEMBER  
 Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.  
 I = Inactive Line

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
65 Downward Subsidy Reestimates Payable to Treasury		F	C	F	(3,509)	(68,379)	0
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N			2008-SEPTEMBER	Previously Reported	Line Item Changes
Other non-budgetary financing sources	F				(3,509)	0	0
Other budgetary financing sources	F				0	(68,379)	0
<b>Total:</b>					3,509	68,379	0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
66 Other Financing Sources/(Uses), Net		F	C	B	1,365	20,193	0
		Variance:			0	0	0

Closing Package Line Reclassification	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description						
Other Taxes and Receipts	N		563	10,477	10,477	0
Other non-budgetary financing sources	F		2,400	(857)	(857)	0
Other budgetary financing sources	F		(1,598)	10,573	10,573	0
<b>Total:</b>			(1,365)	(20,193)	(20,193)	0

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
101 Beginning Balance		BN	C	B	5,180,387	4,528,905	0
		Variance:			0	0	0

Closing Package Line Reclassification	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description						
Beginning Net Position	B		5,180,387	4,528,905	4,528,905	0
<b>Total:</b>			(5,180,387)	(4,528,905)	(4,528,905)	0

U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System

GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION      Fiscal Year: 2009      Period: SEPTEMBER  
Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.  
I = Inactive Line

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
104 Appropriations Received (Note 18)		F	C	B	17,362,359	7,749,948	7,749,948
					Variance: 0		0
<b>Closing Package Line Reclassification</b>							
<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>	
Appropriations received as adjusted (rescissions and other adjustments)	F		17,362,359	7,749,948	7,749,948	0	
<b>Total:</b>			(17,362,359)	(7,749,948)	(7,749,948)	0	
<b>Line Agency Line Description</b>							
105 Appropriations Transferred In/(Out), Net		F	C	B	(56,205)	10,762	10,762
					Variance: 0		0
<b>Closing Package Line Reclassification</b>							
<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>	
Nonexpenditure transfers-in of unexpended appropriations and financing sources	F		34,455	11,862	11,862	0	
Nonexpenditure Transfers-out of unexpended appropriations and financing sources	F		90,660	1,100	1,100	0	
Expenditure Transfers-out of financing sources	F		0	0	0	0	
<b>Total:</b>			56,205	(10,762)	(10,762)	0	

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION  
 Entity: 1300 - Department of Commerce

Fiscal Year: 2009  
 Reported in: THOUSANDS

Period: SEPTEMBER  
 Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.  
 I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
106	Other Adjustments (Note 18)		F	C	B	(45,957)	(54,378)	(54,378)
			Variance:			0	0	0
<b>Closing Package Line Reclassification</b>								
	<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>			<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>
	Appropriations received as adjusted (rescissions and other adjustments)	F	F			(45,957)	(54,378)	0
	Expenditure transfers-in of financing sources	F	F			0	0	0
	<b>Total:</b>					45,957	54,378	0
<b>Line Agency Line Description</b>								
107	Appropriations Used		F	C	B	(9,304,062)	(9,304,062)	(7,054,850)
			Variance:			0	0	0
<b>Closing Package Line Reclassification</b>								
	<b>Closing Package Line Description</b>	<b>Status</b>	<b>F/N</b>			<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line Item Changes</b>
	Other budgetary financing sources	F	F			(7,054,850)	(7,054,850)	0
	<b>Total:</b>					7,054,850	7,054,850	0

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GF003G--Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF NET COST      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.  
 I = Inactive Line

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	2008-SEPTEMBER
16 Total Gross Costs (For Closing Package Use Only)		GC	D	B	12,540,517	10,330,098	10,330,098
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes	
Imputed Costs	F		235,744	214,243	214,243	0	
Buy/Sell Costs	F		927,017	674,445	674,445	0	
Benefit Program Costs	F		872,375	774,000	774,000	0	
Federal Securities Interest Expense	F		0	0	0	0	
Borrowing and Other Interest Expense	F		25,253	24,586	24,586	0	
Non-Federal Gross Cost	N		10,480,128	8,642,824	8,642,824	0	
<b>Total:</b>			12,540,517	10,330,098	10,330,098	0	

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	2008-SEPTEMBER
17 Total Earned Revenue (For Closing Package Use Only)		ER	C	B	2,713,778	2,631,285	2,631,285
		Variance:			0	0	0

Closing Package Line Reclassification	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Closing Package Line Description	Status	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line Item Changes
Buy/Sell Revenue	F		612,035	627,275	627,275	0
Borrowing and Other Interest Revenue (Exchange)	F		1,297	2,276	2,276	0
Non-Federal Earned Revenue	N		2,100,446	2,001,734	2,001,734	0
<b>Total:</b>			(2,713,778)	(2,631,285)	(2,631,285)	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: CUSTODIAL ACTIVITY  
 Entity: 1300 - Department of Commerce

Fiscal Year: 2009  
 Reported in: THOUSANDS

Period: SEPTEMBER  
 Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.  
 I = Inactive Line

Line Agency Line Description	Status	Account Type	NB	F/N	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
1 Custodial Nonexchange Revenue		F	C	B	9,900	3,900	3,900
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes		
Other Taxes and Receipts	N		9,900	3,900	0		
<b>Total:</b>			(9,900)	(3,900)	0		
<b>Line Agency Line Description</b>							
2 Collections for Others/Accrued Collections for Others (CLOSING PACKAGE USE ONLY)	Status	Account Type	NB	F/N <td>2009-SEPTEMBER</td> <td>2008-SEPTEMBER</td> <td>Line Item Changes</td>	2009-SEPTEMBER	2008-SEPTEMBER	Line Item Changes
		F	C	B	(9,900)	(3,900)	(3,900)
		Variance:			0	0	0
<b>Closing Package Line Reclassification</b>							
Closing Package Line Description	Status	F/N	2008-SEPTEMBER	Previously Reported	Line Item Changes		
Other non-budgetary financing sources	F		(9,900)	(3,900)	0		
<b>Total:</b>			9,900	3,900	0		

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GF004F - Trading Partner Summary Note Report

**Statement:** BALANCE SHEET  
**Fiscal Year:** 2009  
**Period:** SEPTEMBER  
**Entity:** 1300 - Department of Commerce  
**Reported in:** THOUSANDS  
**Decimal Point:** ZERO  
 Amounts presented as debits and credits()  
 I = Inactive Line  
**Agency FS Status CP Line Description**  
 BS Accounts Receivable  
Account Type NB 2009-SEPTEMBER 2008-SEPTEMBER  
 A D 78,111 64,963  
 Variance: 0

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
1200	Department of Agriculture		1,121	2,237	2,237	0
1400	Department of the Interior		3,699	3,501	3,501	0
1500	Department of Justice		468	352	352	0
1601	Department of Labor		8,627	6,503	6,503	0
1800	United States Postal Service		0	5	5	0
1900	Department of State		831	1,579	1,579	0
2000	Department of the Treasury		106	177	177	0
2700	Federal Communications Commission		203	0	0	0
2800	Social Security Administration		65	34	34	0
3100	U. S. Nuclear Regulatory Commission		43	2	2	0
4700	General Services Administration		92	164	164	0
4900	National Science Foundation		224	426	426	0
6400	Tennessee Valley Authority		10	11	11	0
6800	Environmental Protection Agency		2,021	2,217	2,217	0
6900	Department of Transportation		11,030	7,759	7,759	0
7000	Department of Homeland Security		12,333	8,428	8,428	0
7200	Agency for International Development		1,958	2,517	2,517	0
7300	Small Business Administration		45	100	100	0
7500	Department of Health and Human Services		938	1,135	1,135	0
8000	National Aeronautics and Space		2,580	2,535	2,535	0





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GF004F - Trading Partner Summary Note Report

**Statement:** BALANCE SHEET      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300 - Department of Commerce      **Reported in:** THOUSANDS      **Decimal Point:** ZERO

Amounts presented as debits and credits()  
I = Inactive Line

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
2400	Office of Personnel Management		1,141	1,337	1,337	0
2700	Federal Communications Commission		400,553	17,177,718	17,177,718	0
2800	Social Security Administration		51	16	16	0
3600	DEPARTMENT OF VETERANS AFFAIRS		25	88	88	0
4700	General Services Administration		20,233	11,221	11,221	0
4900	National Science Foundation		401	1,090	1,090	0
6800	Environmental Protection Agency		175	15	15	0
6900	Department of Transportation		892	752	752	0
7000	Department of Homeland Security		1,671	929	929	0
7500	Department of Health and Human Services		7,605	6,658	6,658	0
8000	National Aeronautics and Space Administration		77,719	59,170	59,170	0
8900	Department of Energy		5	0	0	0
9500	Independent and Other Agencies		17,596	5,148	5,148	0
9900	Treasury General Fund		0	56,117	56,117	0
9999	Unidentified		0	(597)	(597)	0
DE00	Department of Defense		2,670	20,366	20,366	0
	<b>Total</b>		(535,328)	(17,343,756)	(17,343,756)	0

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GF004F - Trading Partner Summary Note Report

<b>Statement:</b> BALANCE SHEET		Fiscal Year: 2009	Period: SEPTEMBER
<b>Entity:</b> 1300 - Department of Commerce		Reported in: THOUSANDS	Decimal Point: ZERO
Amounts presented as debits and credits() I = Inactive Line			
<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>2008-SEPTEMBER</u>
BS		Advances from Others and Deferred Credits	355,558
			334,368
			0
		Variance:	0
<b>Trading Partner</b>	<b>Name</b>	<b>Status</b>	<b>2009-SEPTEMBER</b>
			<b>2008-SEPTEMBER</b>
			<b>Previously Reported</b>
			<b>Line item Changes</b>
1200	Department of Agriculture		3,020
1400	Department of the Interior		2,066
1500	Department of Justice		29,510
1601	Department of Labor		1,718
1800	United States Postal Service		187
1900	Department of State		7,894
2000	Department of the Treasury		249
2400	Office of Personnel Management		0
2700	Federal Communications Commission		39
2800	Social Security Administration		184
3100	U. S. Nuclear Regulatory Commission		713
3300	Smithsonian Institution		5
3600	DEPARTMENT OF VETERANS AFFAIRS		2,299
4700	General Services Administration		2,440
4900	National Science Foundation		10,496
5100	Federal Deposit Insurance Corporation		613
6400	Tennessee Valley Authority		131
6800	Environmental Protection Agency		1,627
6900	Department of Transportation		24,395
7000	Department of Homeland Security		55,090

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GF004F - Trading Partner Summary Note Report

Statement: BALANCE SHEET      Fiscal Year: 2009      Period: SEPTEMBER  
Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO  
Amounts presented as debits and credits()  
I = Inactive Line

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
7200	Agency for International Development	367	317	317	0	0
7300	Small Business Administration	36	243	243	0	0
7500	Department of Health and Human Services	20,879	39,916	39,916	0	0
8000	National Aeronautics and Space Administration	3,509	4,612	4,612	0	0
8600	Department of Housing and Urban Development	8,986	15,888	15,888	0	0
8900	Department of Energy	15,679	7,795	7,795	0	0
9100	Department of Education	24,200	19,203	19,203	0	0
9500	Independent and Other Agencies	5,952	5,113	5,113	0	0
9999	Unidentified	159	452	452	0	0
DE00	Department of Defense	113,023	119,343	119,343	0	0
	<b>Total</b>	(334,368)	(355,558)	(355,558)	0	0

Agency FS	Status	CP Line Description	Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER	Line item Changes
BS		Benefit Program Contributions Payable	L	C	73,666	66,196	
					Variance:	0	0
Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes	
1601	Department of Labor		36,878	33,839	33,839	0	
2400	Office of Personnel Management		26,453	23,606	23,606	0	
2800	Social Security Administration		7	6	6	0	
9900	Treasury General Fund		10,168	8,745	8,745	0	



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**Statement:** BALANCE SHEET  
**Entity:** 1300 - Department of Commerce  
 Amounts presented as debits and credits()  
 I = Inactive Line  
**Agency FS Status CP Line Description**  
 BS Other Liabilities (without reciprocals)

**Fiscal Year:** 2009  
**Reported in:** THOUSANDS  
**Period:** SEPTEMBER  
**Decimal Point:** ZERO

Trading Partner	Name	Status	2009-SEPTEMBER		2008-SEPTEMBER		Previously Reported	Line item Changes
			L	C	L	C		
1200	Department of Agriculture		178		157		157	0
1400	Department of the Interior		24		35		35	0
1500	Department of Justice		18		7		7	0
1800	United States Postal Service		65		14		14	0
2000	Department of the Treasury		(2,170)		(513)		(513)	0
6800	Environmental Protection Agency		27		1		1	0
6900	Department of Transportation		3		4		4	0
7000	Department of Homeland Security		50		59		59	0
7500	Department of Health and Human Services		34		32		32	0
8000	National Aeronautics and Space Administration		183		264		264	0
8900	Department of Energy		1,362		1,480		1,480	0
9100	Department of Education		2		1		1	0
9900	Treasury General Fund		26,904		38,624		38,624	0
9999	Unidentified		(86)		389		389	0
DE00	Department of Defense		3,111		2,311		2,311	0
	<b>Total</b>		(29,705)		(42,865)		(42,865)	0

Variance: 0

**2009-SEPTEMBER**  
29,705

**2008-SEPTEMBER**  
42,865

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GF004F - Trading Partner Summary Note Report

Statement: STATEMENT OF CHANGES IN NET POSITION		Fiscal Year: 2009	Period: SEPTEMBER
Entity: 1300 - Department of Commerce	Reported in: THOUSANDS	Decimal Point: ZERO	
Amounts presented as debits and credits() I = Inactive Line			
Agency FS	Status	CP Line Description	
SCNP		Expenditure Transfers-out of financing sources	
Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER
CF	D	15,000	0
Variance:		0	0
Trading Partner	Name	Status	2009-SEPTEMBER
6900	Department of Transportation		0
Total			0

Agency FS	Status	CP Line Description	
SCNP		Nonexpenditure Transfers-out of unexpended appropriations and financing sources	
Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER
CF	D	91,459	1,321
Variance:		0	0
Trading Partner	Name	Status	2009-SEPTEMBER
2700	Federal Communications Commission		0
7000	Department of Homeland Security		65
9900	Treasury General Fund		156
DE00	Department of Defense		1,100
Total			1,321

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Statement: STATEMENT OF CHANGES IN NET POSITION      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO

Amounts presented as debits and credits()  
 I = Inactive Line

Agency FS	Status	CP Line Description	Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER	2008-SEPTEMBER
SCNP		Transfers-out Without Reimbursement	CF	D	7,363,232	23	
			Variance:		0	0	
Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes	
4700	General Services Administration		0	4	4	0	
6800	Environmental Protection Agency		0	12	12	0	
8000	National Aeronautics and Space Administration		71	7	7	0	
9900	Treasury General Fund		7,363,000	0	0	0	
9999	Unidentified		161	0	0	0	
	<b>Total</b>		7,363,232	23	23	0	

Agency FS	Status	CP Line Description	Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER	2008-SEPTEMBER
SCNP		Expenditure transfers-in of financing sources	F	C	16,689,557	1,778,983	
			Variance:		0	0	
Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes	
2700	Federal Communications Commission		16,689,557	1,778,983	1,778,983	0	
	<b>Total</b>		(16,689,557)	(1,778,983)	(1,778,983)	0	

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GF004F - Trading Partner Summary Note Report

Statement: STATEMENT OF CHANGES IN NET POSITION      Fiscal Year: 2009      Period: SEPTEMBER

Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO

Amounts presented as debits and credits()  
 I = Inactive Line

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2009-SEPTEMBER</u>	<u>2008-SEPTEMBER</u>	
SCNP		Federal Securities Interest Revenue	F	C	9,645	9,365	
				Variance:	0	0	
<b>Trading Partner</b>	<b>Name</b>	<b>Status</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line item Changes</b>	
1400	Department of the Interior		9,641	9,322	9,322	0	
2000	Department of the Treasury		4	43	43	0	
	<b>Total</b>		(9,645)	(9,365)	(9,365)	0	

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2009-SEPTEMBER</u>	<u>2008-SEPTEMBER</u>	
SCNP		Imputed Financing Source	F	C	235,744	214,243	
				Variance:	0	0	
<b>Trading Partner</b>	<b>Name</b>	<b>Status</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line item Changes</b>	
2000	Department of the Treasury		13,122	28,470	28,470	0	
2400	Office of Personnel Management		204,750	185,773	185,773	0	
7000	Department of Homeland Security		17,041	0	0	0	
7200	Agency for International Development		831	0	0	0	
	<b>Total</b>		(235,744)	(214,243)	(214,243)	0	

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GF004F - Trading Partner Summary Note Report

**Statement:** STATEMENT OF CHANGES IN NET POSITION      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300 - Department of Commerce      **Reported in:** THOUSANDS      **Decimal Point:** ZERO

Amounts presented as debits and credits()  
I = Inactive Line

<b>Agency FS</b>	<b>Status</b>	<b>CP Line Description</b>	<b>Account Type</b>	<b>NB</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>
SCNP		Nonexpenditure transfers-in of unexpended appropriations and financing sources	F	C	148,695	273,321
				Variance:	0	0

<b>Trading Partner</b>	<b>Name</b>	<b>Status</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line item Changes</b>
1200	Department of Agriculture		108,511	254,594	254,594	0
1400	Department of the Interior		5,730	6,865	6,865	0
1500	Department of Justice		1,500	0	0	0
2000	Department of the Treasury		0	5,130	5,130	0
7000	Department of Homeland Security		5,332	5,332	5,332	0
7200	Agency for International Development		3,622	300	300	0
7500	Department of Health and Human Services		20,000	0	0	0
9500	Independent and Other Agencies		4,000	0	0	0
DE00	Department of Defense		0	1,100	1,100	0
	<b>Total</b>		(148,695)	(273,321)	(273,321)	0

<b>Agency FS</b>	<b>Status</b>	<b>CP Line Description</b>	<b>Account Type</b>	<b>NB</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>
SCNP		Other budgetary financing sources	F	C	376	(57,114)
				Variance:	0	0

<b>Trading Partner</b>	<b>Name</b>	<b>Status</b>	<b>2009-SEPTEMBER</b>	<b>2008-SEPTEMBER</b>	<b>Previously Reported</b>	<b>Line item Changes</b>
1400	Department of the Interior		0	27	27	0
6800	Environmental Protection Agency		(4)	4	4	0
7000	Department of Homeland Security		441	(12)	(12)	0

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Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO  
Amounts presented as debits and credits()  
I = Inactive Line

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
9900	Treasury General Fund		(61)	(57,133)	(57,133)	0
	<b>Total</b>		(376)	57,114	57,114	0

Agency FS	Status	CP Line Description	Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER
SCNP		Other non-budgetary financing sources	F	C	(1,109)	(857)
		Variance:			0	0

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
9900	Treasury General Fund		(1,082)	(857)	(857)	0
9999	Unidentified		(27)	0	0	0
	<b>Total</b>		1,109	857	857	0

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 Entity: 1300 - Department of Commerce      Reported in: THOUSANDS      Decimal Point: ZERO

Amounts presented as debits and credits()  
 I = Inactive Line

Agency FS	Status	CP Line Description	Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER
SCNP		Transfers-in Without Reimbursement	F	C	4,486	3,324
			Variance:		0	0
Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
6900	Department of Transportation		613	0	0	0
8000	National Aeronautics and Space Administration		0	3,324	3,324	0
DE00	Department of Defense		3,873	0	0	0
	<b>Total</b>		(4,486)	(3,324)	(3,324)	0

Agency FS	Status	CP Line Description	Account Type	NB	2009-SEPTEMBER	2008-SEPTEMBER
CUST		Other non-budgetary financing sources	F	C	(9,900)	(3,900)
			Variance:		0	0
Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
9900	Treasury General Fund		(9,900)	(3,900)	(3,900)	0
	<b>Total</b>		9,900	3,900	3,900	0

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Statement: STATEMENT OF NET COST		Fiscal Year: 2009	Period: SEPTEMBER		
Entity:	1300 - Department of Commerce	Reported in: THOUSANDS	Decimal Point: ZERO		
Amounts presented as debits and credits() I = Inactive Line					
Agency FS	Status	CP Line Description	2009-SEPTEMBER	2008-SEPTEMBER	
NCS		Borrowing and Other Interest Revenue (Exchange)	1,297	2,276	
			Variance:	0	
Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Line item Changes
2000	Department of the Treasury		829	2,276	0
9999	Unidentified		468	0	0
<b>Total</b>			(1,297)	(2,276)	0

Agency FS	Status	CP Line Description	2009-SEPTEMBER	2008-SEPTEMBER
NCS		Buy/Sell Revenue	612,035	627,275
			Variance:	0

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Line item Changes
1200	Department of Agriculture		7,952	21,455	0
1400	Department of the Interior		12,594	10,465	0
1500	Department of Justice		38,544	39,011	0
1601	Department of Labor		90,684	80,818	0
1800	United States Postal Service		324	333	0
1900	Department of State		9,269	11,564	0
2000	Department of the Treasury		2,041	2,050	0
2400	Office of Personnel Management		88	75	0
2700	Federal Communications Commission		114	101	0
2800	Social Security Administration		497	524	0
3100	U. S. Nuclear Regulatory Commission		1,256	577	0

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Statement: STATEMENT OF NET COST

Fiscal Year: 2009

Entity: 1300 - Department of Commerce

Period: SEPTEMBER

Reported in: THOUSANDS

Status 2009-SEPTEMBER

Decimal Point: ZERO

Amounts presented as debits and credits()  
I = Inactive Line

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
3300	Smithsonian Institution	7	8	8	0	0
3600	DEPARTMENT OF VETERANS AFFAIRS	3,236	3,119	3,119	0	0
4700	General Services Administration	3,964	3,628	3,628	0	0
4900	National Science Foundation	16,550	12,887	12,887	0	0
5100	Federal Deposit Insurance Corporation	613	73	73	0	0
6400	Tennessee Valley Authority	206	142	142	0	0
6800	Environmental Protection Agency	5,486	10,540	10,540	0	0
6900	Department of Transportation	60,562	64,143	64,143	0	0
7000	Department of Homeland Security	55,473	55,977	55,977	0	0
7200	Agency for International Development	6,594	8,520	8,520	0	0
7300	Small Business Administration	783	558	558	0	0
7500	Department of Health and Human Services	61,154	83,556	83,556	0	0
8000	National Aeronautics and Space Administration	12,590	25,025	25,025	0	0
8300	Export-Import Bank of the United States	343	269	269	0	0
8600	Department of Housing and Urban Development	30,164	21,190	21,190	0	0
8900	Department of Energy	24,617	22,975	22,975	0	0
9100	Department of Education	16,010	22,791	22,791	0	0
9500	Independent and Other Agencies	8,069	8,780	8,780	0	0
9999	Unidentified	785	790	790	0	0
DE00	Department of Defense	141,466	115,331	115,331	0	0
	<b>Total</b>	(612,035)	(627,275)	(627,275)	0	0



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<b>Statement:</b> STATEMENT OF NET COST		<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300 - Department of Commerce		<b>Reported in:</b> THOUSANDS	<b>Decimal Point:</b> ZERO
Amounts presented as debits and credits() I = Inactive Line			
<u>Agency FS Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>2009-SEPTEMBER</u>
NCS	Borrowing and Other Interest Expense	GC	25,253
		<b>Variance:</b>	0
			24,586
<b>Trading Partner</b>	<b>Name</b>	<b>Status</b>	<b>2008-SEPTEMBER</b>
2000	Department of the Treasury		24,046
9900	Treasury General Fund		540
9999	Unidentified		0
	<b>Total</b>		24,586
			<b>Line item Changes</b>
<hr/>			
<u>Agency FS Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>2009-SEPTEMBER</u>
NCS	Buy/Sell Costs	GC	927,017
		<b>Variance:</b>	0
			674,445
<b>Trading Partner</b>	<b>Name</b>	<b>Status</b>	<b>2008-SEPTEMBER</b>
1200	Department of Agriculture		6,645
1400	Department of the Interior		14,476
1500	Department of Justice		1,138
1601	Department of Labor		1,730
1800	United States Postal Service		21,076
1900	Department of State		56,130
2000	Department of the Treasury		3,721
2400	Office of Personnel Management		16,143
2700	Federal Communications Commission		690
2800	Social Security Administration		94
			<b>Line item Changes</b>

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Statement: STATEMENT OF NET COST  
Entity: 1300 - Department of Commerce  
Fiscal Year: 2009  
Period: SEPTEMBER  
Reported in: THOUSANDS  
Decimal Point: ZERO

Amounts presented as debits and credits()  
I = Inactive Line

Trading Partner	Name	Status	2009-SEPTEMBER	2008-SEPTEMBER	Previously Reported	Line item Changes
3300	Smithsonian Institution		166	35	35	0
3600	DEPARTMENT OF VETERANS AFFAIRS		(30)	48	48	0
4700	General Services Administration		473,825	364,397	364,397	0
4900	National Science Foundation		4,567	7,205	7,205	0
6800	Environmental Protection Agency		1,372	355	355	0
6900	Department of Transportation		7,662	6,790	6,790	0
7000	Department of Homeland Security		190,620	31,781	31,781	0
7200	Agency for International Development		164	147	147	0
7300	Small Business Administration		78	159	159	0
7500	Department of Health and Human Services		10,184	8,364	8,364	0
8000	National Aeronautics and Space Administration		13,741	27,068	27,068	0
8900	Department of Energy		7,811	11,464	11,464	0
9100	Department of Education		85	75	75	0
9500	Independent and Other Agencies		54,951	23,600	23,600	0
9900	Treasury General Fund		77	0	0	0
9999	Unidentified		(177)	(4,991)	(4,991)	0
DE00	Department of Defense		32,751	76,105	76,105	0
	<b>Total</b>		927,017	674,445	674,445	0



**U.S. Department of the Treasury  
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GF006 - FR Notes Report**

**Note:** 01      Federal Reserve Earnings, Subsequent Events, and Other Pertinent Information      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: Note 1  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

**Tab: Other Notes Info.**

Section: B	Section Name:	Related Parties & External to the Reporting Entity for the Financial Report	No Data Flag: YES	Line Attributes: Dollars	Decimal: Zero
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd
1	Related party receivables	Debit			
2	Related party payables	Credit			
3	Related party operating revenue	Credit			
4	Related party net cost of operations	Debit			
5	Related party economic dependency transactions	Debit			
6	Investments in related parties	Debit			

**U.S. Department of the Treasury  
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**Note:** 01      Federal Reserve Earnings, Subsequent Events, and Other Pertinent Information      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      Department of Commerce      **Agency Notes:** Note 1  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

**Tab: Text Data**

Line	Question	Answer
1	Describe any significant events that occurred after the date of the balance sheet but prior to the agency's audited financial statements being issued.	FY 2009 and FY 2008: N/A
2	Describe any departures from U.S. Generally Accepted Accounting Procedures (GAAP).	FY 2009 and FY 2008: N/A
3	Describe any change in accounting if a collecting entity adopts accounting standards that embody a fuller application of accrual accounting concepts that differs from that prescribed by the standard-SFFAS no. 7, par. 64.	FY 2009 and FY 2008: N/A
4	List all of the agency's components whose balances and activities are not combined into the agency's financial statements and therefore, are not represented in the GFRS data.	FY 2009 and FY 2008: N/A
5	List all of the agency's components whose balances and activities are combined into the agency's financial statements, and, therefore, are represented in the GFRS data.	FY 2009 and FY 2008: National Oceanic and Atmospheric Administration (NOAA) U.S. Patent and Trademark Office (USPTO) Economics and Statistics Administration (ESA) Bureau of Economic Analysis (BEA) Census Bureau Technology Administration (TA) National Institute of Standards and Technology (NIST) National Technical Information Security (NTIS) Bureau of Industry and Security (BIS) Economic Development Administration (EDA) Emergency Oil and Gas and Steel Loan Guarantee Programs (ELGP) International Trade Administration (ITA) Minority Business Development Agency (MBDA) National Intellectual Property Law Enforcement Coordination Council (NIPCC) National Telecommunications and Information Administration (NTIA) Franchise Fund Departmental Management (DM)/Gifts and Bequests (G&B) Herbert C. Hoover Building Renovation Project (HCHB) Office of Inspector General (OIG) DM/Salaries and Expenses (S&E) DM/Working Capital Fund (WCF) FY 2009 and FY 2008: N/A
6	Describe the nature of the related party relationship and transactions pertaining to the amount in the Other Notes Info tab, Related party receivables line.	FY 2009 and FY 2008: N/A
7	Describe the nature of the related party relationship and transactions pertaining to the amount in the Other Notes Info tab, Related party payables <sub>2</sub> line.	FY 2009 and FY 2008: N/A
8	Describe the Other Notes Info tab, Related party operating revenue transactions along with the related party relationship and include transactions with zero or nominal balances, guarantees, and other terms. Also, describe changes in related party terms.	FY 2009 and FY 2008: N/A
9	Describe the Other Notes Info tab, Related party net cost of operations transactions along with the related party relationship and include transactions with zero or nominal balances, guarantees, and other terms. Also, describe changes in related party terms.	FY 2009 and FY 2008: N/A
10	Describe related party economic dependency (that is, major customers, suppliers, franchisors, franchisees, distributors, general agents, borrowers, and lenders) relationships and transactions included in the Other Notes Info tab, Related party economic dependency	FY 2009 and FY 2008: N/A

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Financial Management Service  
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GF006 - FR Notes Report

<b>Note:</b> 01	Federal Reserve Earnings, Subsequent Events, and Other Pertinent Information	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 1	
<b>Status:</b> Complete	<b>The accompanying notes are an integral part of these financial statements.</b>		
		<b>I = Inactive Line</b>	

Line	Question	Answer
11	transactions section.	
12	Provide details on the investments in related parties.	FY 2009 and FY 2008: N/A
13	Provide details on related party leases.	FY 2009 and FY 2008: N/A
14	Describe control relationships with entities under common ownership, management control, and conservatorship if the operating results or financial position could be significantly impacted as a result of the relationship. Include control relationships with and without transactions.	FY 2009 and FY 2008: N/A
15	Provide any other useful information on related parties.	FY 2009 and FY 2008: N/A
	Provide any other relevant information pertaining to this note.	FY 2009 and FY 2008: N/A

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 GF006 - FR Notes Report

Note: 02 Cash and Other Monetary Assets Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: Note 4 and Balance Sheet  
 Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Tab: Line Item Notes		Closing Package Line Description		NB	Account	2009 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes
Line Status	Line Description	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Variance:	2009 - SEPTEMBER	2008 - SEPTEMBER	2009 - SEPTEMBER
	Cash and Other Monetary Assets					3,572	0	5,135
3	Other cash - not restricted	3,572						0
4	Other cash - restricted							
5	International monetary assets							
7	I Domestic monetary assets							
8	Foreign currency							
	Total	3,572				5,135		0
<b>Threshold</b>								
<b>Line Description</b>	<b>Question</b>			<b>Answer</b>				
Line Item Notes - Other cash - not restricted (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)			Below Agency threshold of 10% and \$10M.				

**U.S. Department of the Treasury**  
**Financial Management Service**  
**Governmentwide Financial Report System**  
**GF006 - FR Notes Report**

**Note:** 02      Cash and Other Monetary Assets      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      Department of Commerce      **Agency Notes:** Note 4 and Balance Sheet  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

Tab: Text Data	
Line	Question
1	Describe the nature of the amount in the line item "other cash - not restricted."
	<b>Answer</b> FY 2009 and FY 2009: Other cash-not restricted primarily includes Cash Not Yet Deposited with Treasury which primarily represents patent and trademark fees that were not processed as of September 30 due to the lag time between receipt and initial review. Also, certain bureaus maintain imprest funds for operational necessity, such as law enforcement activities, and for environments that do not permit the use of electronic payments. FY 2009 and FY 2009: N/A
2	Describe the restrictions on the cash reported in the line item "Other cash - restricted" and any statutory authority (law, regulation, or agreement).
3	If the cash is restricted because it is non-entity, state the entity for which the cash is being held.
4	Is the reported restricted cash being held in a financial institution? If yes, is it a Treasury designated bank?
5	If the agency has restricted cash, is the restricted cash invested? If yes, is it invested in the Bureau of the Public Debt security, agency security, and/or non-Federal security?
6	Describe the nature of the amount in the line item "Foreign currency."
7	Disclose any restrictions on the use (for example, by law, regulation, or agreement) of the amount in the line item "Foreign Currency."
8	Disclose the method of exchange rate used on the financial statement date (Treasury exchange rate or prevailing market rate).
9	Provide any other relevant information pertaining to this note.
	FY 2009 and FY 2009: N/A

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**Note:** 03      Accounts and Taxes Receivable      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: Note 3 and Balance Sheet  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      1 = Inactive Line

**Tab: Line Item Notes**

Closing Package Line Description		NB	Account Type	2009 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes
Accounts and Taxes Receivable		D	A	31,429	38,191	0	0
Variance:				0	0	0	0
Line Status	Line Description	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	2008 - SEPTEMBER	Line Item Changes	Decimal: Zero
1	Accounts receivable, gross	43,390	48,277	48,277	0	0	
2	Related interest receivable - accounts receivable	-31	10	10	0	0	
3	Penalties, fines, and administrative fees receivable	615	564	564	0	0	
4	Less: allowance for loss on accounts receivable	-12,054	-10,203	-10,203	0	0	
5	Less: allowance for loss on interest receivable	-9	-6	-6	0	0	
6	Less: allowance for loss on penalties, fines, and admin. fees rec.	-482	-451	-451	0	0	
<b>Total</b>		<b>31,429</b>	<b>38,191</b>	<b>38,191</b>	<b>0</b>	<b>0</b>	

**Threshold**

Line Description	Question	Answer
Line Item Notes - Accounts receivable, gross (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 10% and \$10M.

**Tab: Text Data**

Line	Question	Answer
1	Describe the method(s) used to calculate the allowances on accounts receivable.	FY 2009 and FY 2008: The Allowance for Uncollectible Accounts is primarily made up of NOAA and EDA. The allowances are estimated periodically using methods such as the identification of specific delinquent receivables, and the analysis of aging schedules and historical trends adjusted for current market conditions.
3	Explain any material difference between the balance of accounts receivable and the amounts reported on the Treasury Report on Receivables.	FY 2009 and FY 2008: DOC has no material differences between the balance of accounts receivable and the amounts reported on the Treasury Report on Receivables.
4	Provide any other relevant information pertaining to this note.	FY 2009 and FY 2008: N/A



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Note: 04A Direct Loans Receivable  
Entity: 1300 Department of Commerce  
Status: Complete

Fiscal Year: 2009  
Agency Notes: Note 5 and Balance Sheet  
I = Inactive Line

Period: SEPTEMBER  
The accompanying notes are an integral part of these financial statements.

Section: A		Section Name: Subsidy Expense		Line Attributes: Dollars		Rounding Method: Thousands		Decimal: Zero	
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes			
14	Fisheries Finance Traditional Loans	Debit	2,590	5,617	5,617	0			
15	Fisheries Finance Individual Fishing Quota Loans	Debit	129	82	82	0			
16	Bering Sea & Aleutian Islands Non-Pollock Buyback Loans	Debit	-8,801	8,118	8,118	0			
17	Pacific Groundfish Buyback Loans	Debit	-1,110	-1,624	-1,624	0			
18	Crab Buyback Loans	Debit	-1,037	-8,191	-8,191	0			
19	All other loans receivable	Debit	-487	-117	-117	0			
20	Total	N/A	-8,716	3,885	3,885	0			

Section: B		Section Name: Foreclosed Assets - Balances (SFFAS No. 3, par. 91)		Line Attributes: Dollars		Rounding Method: Thousands		Decimal: Zero	
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes			
1	Balances for property held Pre- 1992	Debit							
2	Balances for property held Post- 1991	Debit							

Tab: Text Data		Question		Answer	
1	Provide a broad description of foreclosed property.			FY 2009 and FY 2008:	N/A
2	Provide any other relevant information pertaining to this note.			FY 2009 and FY 2008:	N/A

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Note: 04B      Loan Guarantees      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300      Department of Commerce      Agency Notes: Note 5 and Balance Sheet  
 Status: Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Tab: Line Item Notes		Closing Package Line Description		NB	Account	2009 - SEPTEMBER	2008 - SEPTEMBER		
Line Status	Line Description	2009 - SEPTEMBER	2008 - SEPTEMBER	Type	Variance:	Previously Rptd	Line Item Changes	Thousands	Decimal: Zero
	Loan Guaratee Liabilities			C	L	589	621	0	
						0	0		
13	Fishing Vessel Obligation Guarantee Program	589	621			621	0		
14									
15									
16									
17									
18	All other loan guarantee liabilities								
	<b>Total</b>	<b>589</b>	<b>621</b>			<b>621</b>	<b>0</b>		

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Note: 04B      Loan Guarantees      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300      Department of Commerce      Agency Notes: Note 5 and Balance Sheet  
 Status: Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Tab: Other Notes Info.

Section: A	Section Name: Other Related Information		Line Attributes: Dollars		Decimal: Zero				
Line	Status	Line Description	NB	CY Face Value of Loans Outstanding D	CY Amount Guaranteed by the Government D	CY Subsidy Expense D	PY Face Value of Loans Outstanding D	PY Amount Guaranteed by the Government D	PY Subsidy Expense D
13		Fishing Vessel Obligation Guarantee Program (FVOG) Loan Guarantee Program	N/A	4,331	4,331	451	9,353	9,353	-281
14		Emergency Steel Loan Guarantee Program	N/A	0	0	0	0	0	-54,953
15		Emergency Steel Loan Guarantee Programs	N/A	0	0	0	0	0	0
16			N/A						
17			N/A						
18		All other loans guarantee liabilities	N/A						
19		Total:	N/A	4,331	4,331	451	9,353	9,353	-55,234

**Threshold**

<b>Line Description</b>	<b>Question</b>	<b>Answer</b>
Other Notes Info - Fishing Vessel Obligation Guarantee Program (FVOG) (CY Face Value of Loans Outstanding)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 10% and \$10M.
Other Notes Info - Fishing Vessel Obligation Guarantee Program (FVOG) (CY Amount Guaranteed by the Government)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 10% and \$10M.

**Tab: Text Data**

<b>Line</b>	<b>Question</b>	<b>Answer</b>
1	Provide any other relevant information pertaining to this note.	FY 2009: N/A

FY 2008: The most significant portion of the FY 2008 technical reestimates resulted from the early repayment of the remaining Emergency Steel Loan Program loans that had been guaranteed. As a result, the remaining balance in the related subsidy financing account was returned to the Treasury General Fund.

U.S. Department of the Treasury  
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 Governmentwide Financial Report System  
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Note: 05 Inventories and Related Property  
 Entity: 1300 Department of Commerce  
 Status: Complete

Fiscal Year: 2009  
 Agency Notes: Note 6 and Balance Sheet  
 Period: SEPTEMBER

The accompanying notes are an integral part of these financial statements. I = Inactive Line

Closing Package Line Description		NB	Account Type	2009 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes
Line Status	Line Description	D	A	Variance:	Previously Rptd	Line Item Changes	Decimal: Zero
1	Gross inventory - balance beginning of year			100,595	122,444	122,444	0
2	Prior-period adjustment (not restated)			15,091			
3	Capitalized acquisitions from the public			82,987	33,773	33,773	0
4	Capitalized acquisitions from Government agencies			502	464	464	0
5	Inventory sold or used			-28,508	-40,995	-40,995	0
6	Total allowance for inventories and related property			-24,764	-15,091	-15,091	0
Total				145,903	100,595	100,595	0

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Note: 05 Inventories and Related Property  
Entity: 1300 Department of Commerce  
Status: Complete

Fiscal Year: 2009  
Agency Notes: Note 6 and Balance Sheet  
I = Inactive Line

Period: SEPTEMBER

The accompanying notes are an integral part of these financial statements.

**Tab: Other Notes Info.**

Section: A		Section Name: Inventory		Yearend Balances by Category Type		Line Attributes: Dollars	
Line	Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes
1	Debit	Inventory purchased for sale		22,398	21,432	21,432	0
2	Debit	Inventory held in reserve for future sale to the public					
3	Debit	Inventory and operating material and supplies held for repair		38,548	39,027	39,022	5
4	Debit	Inventory - excess, obsolete, and unserviceable					
5	Debit	Operating materials and supplies held for use		109,721	55,227	42,890	12,337
6	Debit	Operating materials and supplies held in reserve for future use					
7	Debit	Operating materials and supplies excess, obsolete, and unserviceable				12,342	-12,342
8	Debit	Stockpile materials held for sale					
9	Debit	Stockpile materials held for sale					
10	Debit	Forfeited property					
11	Debit	Other related property					
12	Credit	Total allowance for inventories and related property		24,764	15,091	15,091	0
13	N/A	Total inventories and related property, net		145,903	100,595	100,595	0

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Note: 05 Inventories and Related Property Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: Note 6 and Balance Sheet  
 Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Section: A	Section Name: Inventory Yearend Balances by Category Type	Line Attributes: Dollars	Decimal: Zero
Threshold	Rounding Method: Thousands		
<b>Line Description</b>	<b>Question</b>	<b>Answer</b>	
Other Notes Info - Operating materials and supplies held for use (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The increase is primarily due to Census Bureaus purchase of Decennial-related supplies. These materials and supplies consist of Administrative kits, Recruiting kits, office forms and Address Canvassing Operations kits acquired during Q4 FY 09. These supplies will be used during the hiring of new Census employees, the Group Quarter Validation dress rehearsal and the Independent Listing Operations, which supports Census Bureau's efforts to compile more accurate data for the 2010 Decennial.	

Section: B	Section Name: Capitalized Acquisitions From Government Agencies by Trading Partner	Line Attributes: Dollars	Decimal: Zero					
Line	Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: Thousands
1		General Services Administration	Debit	12	12	12	0	
2		Department of Defense	Debit	79	55	55	0	
3		Department of Justice	Debit	302	294	294	0	
4		National Aeronautics and Space Administration	Debit					
5		All other departments	Debit	109	103	103	0	
6		Total Capitalized Assets from Federal Agencies	N/A	502	464	464	0	

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<b>Note:</b> 05	Inventories and Related Property	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 6 and Balance Sheet	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Section: C	Section Name:	Other Information - Dollar Value	No Data Flag: YES	Line Attributes: Dollars	Rounding Method: User-Defined	Decimal: User-Defined
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>2009 - SEPTEMBER</b>	<b>2008 - SEPTEMBER</b>	<b>Previously Rptd</b>	<b>Line Item Changes</b>
1	Seized property	Debit				
2	Forfeited property	Debit				
3	Goods held under price support and stabilization programs	Debit				

Section: D	Section Name:	Other Information - Number of Items/Volume	No Data Flag: YES	Line Attributes: Units		
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>2009 - SEPTEMBER</b>	<b>2008 - SEPTEMBER</b>	<b>Previously Rptd</b>	<b>Line Item Changes</b>
1	Seized property	N/A				
2	Forfeited property	N/A				
3	Goods held under price support and stabilization programs	N/A				

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Note: 05 Inventories and Related Property Fiscal Year: 2009 Period: SEPTEMBER

Entity: 1300 Department of Commerce Agency Notes: Note 6 and Balance Sheet

Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Tab: Text Data

Line

1 Method used to calculate allowance for each category of inventory.

Answer

FY 2009 and FY 2008:  
Materials & Supplies - NOAA's National Logistics Support Center (NLSC): The methodology used for calculating the allowance for excess, obsolete and unserviceable inventory items at fiscal year end is the same for both supplies and equipment held at NLSC and consists of the upgrade and the systems decommissioning portions. The upgrade portion is calculated net of realizable value as the average of parts declared excess in the previous five years. For systems decommissioning, the National Weather Service (NWS) identifies systems that will be excessed in the next three years. Excess systems are valued net of the applicable net realizable value.

Materials & Supplies-NOAA's National Reconditioning Center (NRC): The allowance for excess, obsolete, and unserviceable operating materials and supplies inventory at the NWS's National Reconditioning Center consists of two parts. First, an allowance for equipment beyond economic repair for the previous five fiscal years. Secondly, equipment tagged for replacement within the next year is valued and included in the allowance at the full inventory value. The value of equipment tagged for the next two years is calculated by multiplying the inventory value times the percentage of the number of repairs in the last fiscal year to the total unserviceable inventory count. The percentage is never less than twenty percent nor greater than one hundred percent. Inventory expected to be replaced in the three fiscal years and beyond is assessed at full value.

2 Significant accounting principles and methods of applying those principles.  
3 Provide any other relevant information pertaining to this note.

FY 2009 and FY 2008: N/A  
FY 2009 and FY 2008: N/A

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Note: 06 Property, Plant, and Equipment  
Entity: 1300 Department of Commerce  
Status: Complete  
Fiscal Year: 2009  
Agency Notes: Notes 7 & 23, and Balance Sheet  
Period: SEPTEMBER  
I = Inactive Line

The accompanying notes are an integral part of these financial statements.

Closing Package Line Description		NB	Account Type	2009 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER
Line Status	Line Description	D	A	CY PP&E	CY Net PP&E	CY Accum. Depr.	PY PP&E	PY Accum. Depr.	PY Net PP&E
1	Property, Plant and Equipment			11,488,934	6,190,408	5,298,526	10,612,704	4,882,940	5,729,764
2	PP&E - balance beginning of year				6,190,408				
3	Prior-period adjustments (not restated)			640,974	640,974		592,483		592,483
4	Capitalized acquisitions from the public			359,913	359,913		340,722		340,722
5	Capitalized acquisitions from Government agencies			-108,978	-35,871	-73,107	-94,799	-85,244	-9,555
6	Deletions from the Balance Sheet				-15	15	37,824	22	37,802
7	Revaluations								
8	Stewardship reclassifications								
	Depreciation/amortization				-396,582	396,582		500,808	-500,808
	<b>Total</b>			<b>12,380,843</b>	<b>6,758,827</b>	<b>5,622,016</b>	<b>11,488,934</b>	<b>5,298,526</b>	<b>6,190,408</b>

Line Description	Question	Answer
Line Item Notes - Revaluations (CY Accum. Depr.)	Accumulated Depreciation is not allowed for this line. Please go back and erase any amount you entered.	When PP&E is written off, the asset value and the accumulated depreciation are both written off. Similar Line 5 adjustments were allowed in FY 2008.

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**Note:** 06 Property, Plant, and Equipment      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce      **Agency Notes:** Notes 7 & 23, and Balance Sheet  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

**Tab: Other Notes Info.**

Section: A	Section Name: Gross cost for PP&E for each category		Line Attributes: Dollars	Decimal: Zero			
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: Thousands
1	Buildings, structures, and facilities (including improvement to land)	Debit	1,191,770	1,120,138	1,120,138	0	
2	Furniture, fixtures, and equipment (including aircraft ships, vessels, small boats, and vehicles)	Debit	6,032,152	5,686,217	5,686,217	0	
3	Construction in progress	Debit	4,390,978	3,990,238	3,990,238	0	
4	Land and Land Rights	Debit	16,787	16,771	16,771	0	
5	Internal use software	Debit	574,427	488,850	488,850	0	
6	Assets under capital lease	Debit	25,407	51,348	51,348	0	
7	Leasehold improvements	Debit	149,316	135,366	135,366	0	
8	Other property, plant and equipment	Debit	6	6	6	0	
9	Total property, plant and equipment	N/A	12,380,843	11,488,934	11,488,934	0	

Threshold	Line Description	Question	Answer
Other Notes Info - Internal use software (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The increase in Internal Use Software is primarily due to software for the purpose of performing the 2010 Decennial Census. The increase is also due to the addition of the Comprehensive Large-Array Data Stewardship System (CLASS) and due to the completion of certain software systems including the Patent File Wrapper Phase II, Legal Information Filing and Tracking System, Corporate Planning Tool, and associated deployment, and multiple enhancements to existing systems that support patent and trademark operations.	

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**Note:** 06 Property, Plant, and Equipment  
**Entity:** 1300 Department of Commerce  
**Status:** Complete  
**Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Agency Notes:** Notes 7 & 23, and Balance Sheet  
**The accompanying notes are an integral part of these financial statements.**  
**I = Inactive Line**

**Section: A** **Section Name:** Gross cost for PP&E for each category  
**Line Attributes:** Dollars **Decimal:** Zero  
**Rounding Method:** Thousands  
**Threshold**  
**Line Description**  
 Other Notes Info - Assets under capital lease (2009 - SEPTEMBER)  
**Question**  
 Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)  
**Answer**  
 The decrease is due to the reclassification of Census Bureau equipment from "Assets Under Capital Lease" to the applicable Equipment account(s) because the capital lease liability for the equipment was fully paid during FY 2009. Accordingly, the equipment is no longer under a capital lease.

<b>Section: B</b>		<b>Section Name:</b> Accumulated Depreciation/Amortization				<b>Line Attributes:</b> Dollars		<b>Decimal:</b> Zero
<b>Line</b>	<b>Status</b>	<b>Line Description</b>	<b>NB</b>	<b>2009 - SEPTEMBER</b>	<b>2008 - SEPTEMBER</b>	<b>Previously Rptd</b>	<b>Line Item Changes</b>	<b>Rounding Method:</b> Thousands
1	Credit	Buildings, structures, and improvements to land)		443,565	410,543	410,543	0	
2	Credit	Furniture, fixtures, and equipment (including aircraft, ships, vessels, small boats, and vehicles)		4,724,450	4,473,260	4,473,259	1	
3	Credit	Internal use software		402,401	361,986	361,986	0	
4	Credit	Assets under capital lease		18,437	27,248	27,249	-1	
5	Credit	Leasehold improvements		33,163	25,489	25,489	0	
6	Credit	Other property, plant, and equipment						
7	N/A	Total accumulated depreciation/amortization		-5,622,016	-5,298,526	-5,298,526	0	

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**Note:** 06 Property, Plant, and Equipment  
**Entity:** 1300 Department of Commerce  
**Status:** Complete  
**Fiscal Year:** 2009  
**Period:** SEPTEMBER  
**Agency Notes:** Notes 7 & 23, and Balance Sheet  
**I = Inactive Line**

The accompanying notes are an integral part of these financial statements.

Section: C	Section Name: Intragovernmental Capitalized acquisition amounts				Line Attributes: Dollars	Decimal: Zero		
Line	Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: Thousands
1		General Services Administration	Debit	21,287	13,049	13,049	0	
2		Department of Defense	Debit	26,638	34,228	34,228	0	
3		Department of the Interior	Debit	634	322	322	0	
4		Department of Justice	Debit					
5		National Aeronautics and Space Administration	Debit	310,638	290,763	290,763	0	
6		All other departments	Debit	716	2,360	2,360	0	
7		Total capitalized assets from Federal agencies	N/A	359,913	340,722	340,722	0	

Section: D	Section Name: Gain/Loss on Sale/Disposition				Line Attributes: Dollars	Decimal: Zero		
Line	Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: Thousands
1		Gain/loss on sale/disposition of property, plant and equipment	Credit	-19,209	-8,066	-8,066	0	

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Note: 06 Property, Plant, and Equipment Fiscal Year: 2009 Period: SEPTEMBER  
Entity: 1300 Department of Commerce Agency Notes: Notes 7 & 23, and Balance Sheet  
Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Line	Question	Answer
1	Provide the physical quantity information by category for multiuse heritage assets that are included in the "Line Item Notes" tab of this note (SFFAS No. 16, par 9).	FY 2009 and FY 2008: NOAA has the following multi-use heritage assets: Galveston Laboratory, National Marine Fisheries Service (NMFS) Aquarium, NMFS Cottage M, St. George, and the Office of Atmospheric Research Great Lakes Environmental Research Laboratory, Lake Michigan Field Station. FY 2009 and FY 2008: N/A
2	Disclose any transfer of land where the book value is not known by the receiving entity, if material (SFFAS No. 6, par.72).	FY 2009 and FY 2008: N/A
3	Provide any other relevant information pertaining to this note and any material changes from the prior years' depreciation methods and capitalization thresholds.	FY 2009 and FY 2008: N/A

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**Note:** 07      Securities and Investments (Financial Accounting Standards Board (FASB) Statement No 115)      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: N/A  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Line Status	Line Description	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes
1	Fixed/Debt Securities (FASB 115 par 6 and 19): Non-U.S. Government Securities	0	0	0	0
2	Fixed/Debt Securities (FASB 115 par 6 and 19): Commercial Securities	0	0	0	0
3	Fixed/Debt Securities (FASB 115 par 6 and 19): Mortgage/asset backed Securities	0	0	0	0
4	Fixed/Debt Securities (FASB 115 par 6 and 19): Corporate and other bonds	0	0	0	0
5	Fixed/Debt Securities (FASB 115 par 6 and 19): All: Other fixed/debt securities	0	0	0	0
6	Equity Securities (FASB 115 par 6 and 19): Common Stocks	0	0	0	0
7	Equity Securities (FASB 115 par 6 and 19): Unit Trusts	0	0	0	0
8	Equity Securities (FASB 115 par 6 and 19): Other Equity Securities	0	0	0	0
9	Other	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Note: 07      Securities and Investments (Financial Accounting Standards Board (FASB) Statement No 115)      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300      Department of Commerce      Agency Notes: N/A  
 Status: Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Tab: Other Notes Info.									
Section:	A	Section Name: Investment Category - Held-to-Maturity Securities		No Data Flag: YES	Line Attributes: Dollars		Rounding Method: Thousands		
Line	Status	Line Description	NB	CY Basis (Costs) D	CY Unamortized Premium/Discount D	CY Net Investment	PY Basis (Costs) D	PY Unamortized Premium/Discount D	PY Net Investment
1		Fixed/Debt Securities: Non-U.S. Government securities	N/A						Decimal: Zero
2		Fixed/Debt Securities: Non-U.S. Commercial securities	N/A						
3		Fixed/Debt Securities: Mortgage/asset backed securities	N/A						
4		Fixed/Debt Securities: Corporate and other bonds	N/A						
5		Fixed/Debt Securities: Other fixed/debt securities	N/A						
6		Equity Securities: Common stocks	N/A						
7		Equity Securities: Unit trusts	N/A						
8		Equity Securities: All Other equity securities	N/A						
9		Other	N/A						
10		Total Held-to-Maturity Securities	N/A						

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**Note:** 07      Securities and Investments (Financial Accounting Standards Board (FASB) Statement No 115)      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      Department of Commerce      **Agency Notes:** N/A  
**Status:** Complete      **I = Inactive Line**  
 The accompanying notes are an integral part of these financial statements.

Line	Status	Line Description	NB	Section Name:	Investment Category - Available-for-Sale Securities	No Data Flag: YES	Line Attributes: Dollars			Decimal: Zero
							CY Basis (Costs) D	CY Unrealized Gain/Loss D	CY Market Value	
1		Fixed/Debt Securities: Non-US Government securities	N/A							
2		Fixed/Debt Securities: Commercial securities	N/A							
3		Fixed/Debt Securities: Mortgage/asset backed securities	N/A							
4		Fixed/Debt Securities: Corporate and other bonds	N/A							
5		Fixed/Debt Securities: All other fixed/debt securities	N/A							
6		Equity Securities: Common stocks	N/A							
7		Equity Securities: Common stocks	N/A							
8		Equity Securities: All other equity securities	N/A							
9		Other	N/A							
10		Total Available-for-Sale Securities	N/A							

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**Note:** 07      Securities and Investments (Financial Accounting Standards Board (FASB) Statement No 115)      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      Department of Commerce      **Agency Notes:** N/A  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      I = Inactive Line

Line	Status	Line Description	NB	CY Basis (Costs)	D	CY Unrealized Gain/Loss	D	CY Market Value	No Data Flag: YES	Line Attributes: Dollars		Decimal: Zero
										PY Basis (Costs)	D	
Rounding Method: Thousands												
1		Fixed/Debt Securities: Non-US Government securities	N/A									
2		Fixed/Debt Securities: Commercial securities	N/A									
3		Fixed/Debt Securities: Mortgage/asset backed securities	N/A									
4		Fixed/Debt Securities: Corporate and other bonds	N/A									
5		Fixed/Debt Securities: All other fixed/debt securities	N/A									
6		Equity Securities: Common stocks	N/A									
7		Equity Securities: Unit trusts	N/A									
8		Equity Securities: All other equity securities	N/A									
9		Other	N/A									
10		Total Trading Securities	N/A									

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<b>Note:</b> 07	Securities and Investments (Financial Accounting Standards Board (FASB) Statement No 115)	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> N/A	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Section: D	Section Name: Other Information (FASB 115, pars. 21a, 21c, 21d, 21e, and 22)	No Data Flag: YES	Previously Rptd	Line Attributes: Dollars	Decimal: Zero	
Line	Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Line Item Change
1		Proceeds from sales of available-for-sale securities	Debit			
2		Gross realized gains (included in earnings) from sales of available-for-sale securities	Debit			
3		Gross realized losses (included in earnings) from sales of available-for-sale securities	Credit			
4		Gross gains included in earnings from transfers of securities from available-for-sale into trading	Debit			
5		Gross losses included in earnings from transfers of securities from available-for-sale into trading	Credit			
6		Net unrealized holding gain on available-for-sale securities included in accumulated other comprehensive income	Debit			
7		Net unrealized holding loss on available-for-sale securities included in accumulated other comprehensive	Credit			

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<b>Note:</b> 07	Securities and Investments (Financial Accounting Standards Board (FASB) Statement No 115)	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> N/A	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

<b>Section:</b> D	<b>Section Name:</b> Other Information (FASB 115, pars. 21a, 21c, 21d, 21e, and 22)	<b>No Data Flag:</b> YES	<b>Line Attributes:</b> Dollars	<b>Decimal:</b> Zero		
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>2009 - SEPTEMBER</b>	<b>2008 - SEPTEMBER</b>	<b>Previously Rptd</b>	<b>Line Item Change</b>
8	Amount of gains/losses reclassified out of accumulated other comprehensive income into earnings for the period	Debit				
9	Portion of trading gains/losses that relates to trading securities still held at the reporting date	Debit				
10	Net carrying amount of sold/transferred held-to-maturity securities	Debit				
11	Net gain/loss in accum. other comp. income for any derivative that hedged the forecasted acquisition of HTM security	Debit				

<b>Tab:</b> Text Data	<b>No Data Flag:</b> YES	<b>Answer</b>
<b>Line</b> 1	<b>Question</b> Provide a description of the amounts reported on the "Line Item Notes" tab for lines 5, 8 and 9.	
2	Provide a description of the amounts reported on the "Other Notes Infor" tab for lines 5, 8 and 9 in Sections A through C.	
3	Provide the basis on which the cost of a security sold or the amount reclassified out of accumulated other comprehensive income into earnings was determined (FASB 115 par 21b).	
4	Provide the circumstances leading to the decision to sell or transfer the security for held-to-maturity securities (FASB 115 par 22).	
5	Provide any other relevant information pertaining to this note.	

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Note: 08      Other Assets      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300      Department of Commerce      Agency Notes: Notes 1 and 8, Balance Sheet  
 Status: Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

**Tab: Line Item Notes**

Closing Package Line Description		NB	Account Type	2009 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes
Other Assets		D	A	58,168	61,154	0
Variance:				0	0	0
<b>Line Status</b>	<b>Line Description</b>			<b>2009 - SEPTEMBER</b>	<b>2008 - SEPTEMBER</b>	<b>Line Item Changes</b>
1	Advances and prepayments			52,061	55,439	0
2	Regulatory Assets			6,107	5,715	0
3	Other Assets			58,168	61,154	0
	<b>Total</b>					

**Tab: Text Data**

Line	Question	Answer
1	Provide a description of advances and prepayments on the "Line Item Notes" tab for line 1.	FY 2009 and FY 2008: Advances are payments the Department has made to cover a part or all of a grant recipients anticipated expenses, or are advance payments for the cost of goods and services to be acquired. For grant awards, the recipient is required to periodically (monthly or quarterly) report the amount of costs incurred. Prepayments are payments the Department has made to cover certain periodic expenses before those expenses are incurred, such as subscriptions and rent.
2	Provide a description and related amounts for balances that exceed \$1 billion in the line titled "Other Assets" on the "Line Item Notes" tab.	FY 2009 and FY 2008: N/A
3	Provide any other relevant information pertaining to this note.	FY 2009 and FY 2008: N/A

**U.S. Department of the Treasury**  
**Financial Management Service**  
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**Note:** 09      Accounts Payable      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes:      Balance Sheet  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

**Tab: Line Item Notes**

Closing Package Line Description		NB	Account Type	2009 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes
Accounts Payable		C	L	371,067	345,215	
			Variance:	0	0	
<b>Line Status</b>	<b>Line Description</b>			<b>Previously Rptd</b>		<b>Rounding Method: Thousands</b>
1	Accounts Payable			345,215	0	<b>Decimal: Zero</b>
	<b>Total</b>			371,067	345,215	0

U.S. Department of the Treasury  
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**Note:** 10B Treasury securities held by the Government trust, revolving, and special funds  
**Entity:** 1300 Department of Commerce  
**Fiscal Year:** 2009  
**Period:** SEPTEMBER  
**Agency Notes:** N/A  
**Status:** Complete  
 The accompanying notes are an integral part of these financial statements.  
 I = Inactive Line

Tab: Other Notes Info.																
Section: A		Section Name: Investments in Federal Debt securities				Line Attributes: Dollars		Rounding Method: User-Defined				Decimal: User-Defined				
Line	Status	Line Description	NB	CY	Par value of the investment D	CY	Unamortized Discount C	CY	Unamortized premium D	No Data Flag: YES	PY	Par Value of the investment D	CY	Unamortized discount investment D	PY	Unamortized discount investment D
23			N/A													
24			N/A													
25			N/A													
26		All other programs and funds	N/A													
27		Total	N/A													
Section: B																
Section: B		Section Name: Fiduciary Funds - Treasury Securities Held by Deposit Funds with Fiduciary - Activity				Line Attributes: Dollars		Rounding Method: Thousands				Decimal: Zero				
Line	Status	Line Description	NB	CY	Par value of the investment D	CY	Unamortized discount C	CY	Unamortized premium D	No Data Flag: YES	PY	Net investment	CY	Net investment	PY	Net investment
1			N/A													
2			N/A													
3			N/A													
4			N/A													
5			N/A													
6			N/A													
7			N/A													
8			N/A													
9			N/A													
10			N/A													
11			N/A													
12			N/A													

**U.S. Department of the Treasury**  
**Financial Management Service**  
**Governmentwide Financial Report System**  
**GF006 - FR Notes Report**

**Note:** 10B Treasury securities held by the Government trust, revolving, and special funds  
**Fiscal Year:** 2009  
**Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce  
**Agency Notes:** N/A  
**Status:** Complete  
**The accompanying notes are an integral part of these financial statements.** I = Inactive Line

Section: B	Section Name: Fiduciary Funds - Treasury Securities Held by Deposit Funds with Fiduciary - Activity	No Data Flag: YES	Line Attributes: Dollars	Decimal: Zero			
Line	Status	Line Description	NB	CY Par value of the investment D	CY Unamortized discount C	CY Unamortized premium D	Rounding Method: Thousands
13			N/A				
14			N/A				
15			N/A				

Section: C	Section Name: Fiduciary Funds-Treasury Securities Held by All Other Agency Funds with Fiduciary Activity	No Data Flag: YES	Line Attributes: Dollars	Decimal: Zero			
Line	Status	Line Description	NB	CY Par value of the investment D	CY Unamortized discount C	CY Unamortized premium D	Rounding Method: Thousands
1			N/A				
2			N/A				
3			N/A				
4			N/A				
5			N/A				
6			N/A				
7			N/A				
8			N/A				
9			N/A				
10			N/A				
11			N/A				
12			N/A				
13			N/A				
14			N/A				
15			N/A				

**U.S. Department of the Treasury  
Financial Management Service  
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**Note:** 10B Treasury securities held by the Government trust, revolving, and special funds  
**Entity:** 1300 Department of Commerce  
**Status:** Complete  
**Fiscal Year:** 2009  
**Agency Notes:** N/A  
**Period:** SEPTEMBER  
**I = Inactive Line**

The accompanying notes are an integral part of these financial statements.

Section:	D	Section Name:	Treasury Securities Held by Government Trust Funds, Revolving Funds, and Special Funds (to be completed only by Treasury)	No Data Flag:	YES	Line Attributes:	Dollars	Decimal:	User-Defined
Line Status	Line Description	NB	CY Par value of the investment D	CY Unamortized Discount C	CY Unamortized premium D	CY Net Investment	PY Par Value of the investment D	PY Unamortized Discount C	
26	Total	N/A							
Line Status	Line Description	NB	PY Unamortized premium D						
26	Total	N/A							

U.S. Department of the Treasury  
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**Note:** 11 Federal Employee and Veteran Benefits Payable **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 12 and Balance Sheet  
**Status:** Complete. The accompanying notes are an integral part of these financial statements. **I = Inactive Line**

Closing Package Line Description		NB	Account	2009 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes	Rounding Method: Thousands	Decimal: Zero
Line Status	Line Description	C	Type	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd		
	Federal Employee and Veteran Benefits Payable			734,133	714,601	0		
			Variance:	0	0			
1	Pension and accrued benefits		L	471,600	448,100	448,100	0	
2	Post-retirement health and accrued benefits		L	44,600	49,000	49,000	0	
3	Veteran's compensation and burial benefits							
4	Life Insurance and accrued benefits							
5	FECA Benefits			171,234	169,463	169,463	0	
6	Liability for other retirement and postemployment benefits			46,699	48,038	48,038	0	
<b>Total</b>				<b>734,133</b>	<b>714,601</b>	<b>714,601</b>	<b>0</b>	

**U.S. Department of the Treasury  
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**Note:** 11 Federal Employee and Veteran Benefits Payable **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 12 and Balance Sheet  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.**  
 | = Inactive Line

**Tab: Other Notes Info.**

Section: A	Section Name:	Pension and Accrued Benefits Liability-To be completed for the amount entered for pension and accrued benefits in the "Line Item Notes" tab		Line Attributes: Dollars	Decimal: Zero			
Line	Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: Thousands
1		Pension and accrued benefits liability- beginning of period	Credit	448,100	416,000	416,000	0	
2		Prior-period adjustments(not restated)	Credit					
3		Prior (and past) service costs from plan amendments (or the initiation of a new plan) during the period	Credit					
4		Assumption Change Liability	Credit					
5		Normal Costs (SFFAS No. 5, par. 72)	Credit	6,600	5,600	5,600	0	
6		Interest on pension liability during the period	Credit	25,200	25,400	25,400	0	
7		Prior (and past) service cost (from the initiation of a new plan)	Credit					
8		Actuarial (gains)/losses	Credit	12,500	20,900	20,900	0	
9		Total pension expense (SFFAS No. 5, par.72)	N/A	-44,300	-51,900	-51,900	0	
10		Less Benefits Paid	Debit	20,800	19,800	19,800	0	
11		Pension and Accrued Benefits Liability-end of period	N/A	-471,600	-448,100	-448,100	0	

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
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**Note:** 11 Federal Employee and Veteran Benefits Payable **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 12 and Balance Sheet  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** **I = Inactive Line**

**Section: A** **Section Name:** Pension and Accrued Benefits Liability-To be completed for the amount entered for pension and accrued benefits in the "Line Item Notes" tab **Line Attributes:** Dollars **Decimal:** Zero  
**Threshold**  
**Line Description** **Question** **Answer**  
 Other Notes Info - Normal Costs (SFFAS No. 5, par. 72) Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year (unaudited). Below the Agency threshold of 10% and \$10M.

**Section: B** **Section Name:** Pension Liability Long-Term Significant Assumptions Used in 2008 and 2007 Valuation (SFFAS No. 5, par.67) **Line Attributes:** Percent

Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes
1	Rate of Interest	N/A	5.7500	5.7500	5.7500	.0000
2	Rate of inflation	N/A	3.0000	3.0000	3.0000	.0000
3	Projected salary increases	N/A	3.7500	3.7500	3.7500	.0000

**Section: C** **Section Name:** Postretirement Health and Accrued Benefits **Line Attributes:** Dollars **Decimal:** Zero

Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes
1	Postretirement health and accrued benefits liability- beginning of period (SFFAS No. 5, par.88)	Credit	49,000	45,400	45,400	0
2	Prior-period adjustments (not restated)	Credit				
3	Prior (and past) service costs from plan amendments (or the initiation of	Credit				

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**Note:** 11 Federal Employee and Veteran Benefits Payable **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 12 and Balance Sheet  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** | = Inactive Line

Section: C	Section Name: Postretirement Health and Accrued Benefits		Line Attributes: Dollars		Decimal: Zero		
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: Thousands
	a new plan) during the period						
4	Normal costs	Credit	1,300	1,400	1,400	0	
5	Interest on liability	Credit	2,700	2,500	2,500	0	
6	Change in medical cost trend rate assumption (gains)/losses	Credit					
7	Other actuarial (gains)/losses	Credit	-5,100	2,700	2,700	0	
8	Total postretirement health benefits expense	N/A	1,100	-6,600	-6,600	0	
9	Less claims paid	Debit	3,300	3,000	3,000	0	
10	Postretirement health and accrued benefits liability - end of period	N/A	-44,600	-49,000	-49,000	0	

Section: D	Section Name: Postretirement Health Liability Significant Assumptions Used in Determining the 2008 and 2007 Valuation		Line Attributes: Percent			
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes
1	Rate of interest	N/A	5.7500	5.7500	5.7500	.0000
2	Ultimate rate of health care cost trend	N/A	6.2500	6.2500	6.2500	.0000
3	Single equivalent rate of health care cost trend	N/A				

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**Note:** 11 Federal Employee and Veteran Benefits Payable **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 12 and Balance Sheet  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** | = Inactive Line

Section: G	Section Name: Other	No Data Flag: YES	Line Attributes: Dollars	Decimal: User-Defined			
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: User-Defined
1	Non-marketable Treasury securities held by Thrift Savings Plan (TSP) Fund	Debit					
2	Total assets of pension (SFFAS No.5, par. 68)	Debit					
3	Market value of investments in market-based and marketable securities included in line 2	Debit					
4	Total assets of other retirement benefit plans (SFFAS No. 5, par. 85)	Debit					
5	Market value of investments in market-based and marketable securities included in line 4 (SFFAS no. 5, par.85)	Debit					

Section: O	Section Name: Number of Pension Plans Administrated	Line Attributes: Units				
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes
1	Pension plans administrated	N/A			1,0000	-1,0000

**U.S. Department of the Treasury  
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Note: 11 Federal Employee and Veteran Benefits Payable  
Entity: 1300 Department of Commerce  
Status: Complete

Fiscal Year: 2009 Period: SEPTEMBER

Agency Notes: Note 12 and Balance Sheet

The accompanying notes are an integral part of these financial statements.

I = Inactive Line

**Tab: Text Data**

Line	Question	Answer
1	Provide the following information as it relates to the future policy benefits for noncancelable and renewable life insurance (other than whole life) (SFFAS No. 5, par. 110, table 9): a description of each component of the liability for future policy benefits, an explanation of its projected use, and any other potential uses.	FY 2009 and FY 2008: N/A
2	For pension plans that differ from the Civil Service Retirement System (CSRS), the Federal Employee Retirement System (FERS), and the Military Retirement System (MRS), describe how and why the assumptions differ from one of those plans (SFFAS No. 5, par. 67).	FY 2009 and FY 2008: The NOAA Corps is a uniformed service. Members of the NOAA Corps receive the same retirement benefits and services as do military personnel. Therefore, in the absence of any specific data on NOAA Corps personnel demographics, we believe it is appropriate to use the same actuarial assumptions which have been developed for similar systems, such as the system covering current and former members of the U.S. Military. Therefore, most of the assumptions used for this valuation are identical to those utilized for recent actuarial valuations of the U.S. Military Retirement System.
3	Provide the long-term projection of the significant assumptions used in determining pension liability and the related expense (example of assumptions: actuarial, economic, interest rate, and trend).	FY 2009 and FY 2008: Economic Assumptions: A study of economic trends by the Department of Defense Retirement Board of Actuaries supports their assumption that, over time, the interest rate on Federal securities will be 5.75 percent; the annual basic pay scale increase will be 3.75 percent; and annual inflation will be 3.00 percent. Unlike the military retirement system, the NOAA Corps Retirement System is not pre-funded, but the benefits are subject to the same economic conditions as the military retirement system, and we believe that these assumptions are reasonable and appropriate for purposes of the actuarial valuation.  Increases to Basic Pay and Pay Scale: The NOAA Corps Retirement System assumed pay scale is based on studies of the basic pay allowances schedules. Officers enter the service at the average age of twenty-nine and the earliest non-disability retirement can occur at twenty years of service. The basic pay of a member is assumed to increase annually by 3.75 percent plus career basic pay increases.
4	Provide the long-term projection of the significant assumptions used in determining the postretirement health benefits liability and the related expense (example of assumptions: actuarial, economic, interest rate, and trend).	See Word attachment.
7	Provide the source(s) of the information entered for "Line Item Notes" tab numbers 4, 5, and 6.	FY 2009 and FY 2008: The Department of Commerce Actuarial Valuation Report for the National Oceanic and Atmospheric Administration Corps Retirement System and Post-Retirement Medical Plan as of September 30, 2009 as prepared by the Hay Group.
8	Provide the source(s) for the components of pension expense entered in Section A.	FY 2009 and FY 2008: The Department of Commerce Actuarial Valuation Report for the National Oceanic and Atmospheric Administration Corps Retirement System and Post-Retirement Medical Plan as of September 30, 2009 as prepared by the Hay Group.
9	Provide the source(s) for the interest rate entered in Section B.	FY 2009 and FY 2008: The Department of Commerce Actuarial Valuation Report for the National Oceanic and Atmospheric Administration Corps Retirement System and Post-Retirement Medical Plan as of September 30, 2009 as prepared by the Hay Group.
10	Provide the source(s) for the components of postretirement expense entered in Section C.	FY 2009 and FY 2008: The Department of Commerce Actuarial Valuation Report for the National Oceanic and Atmospheric Administration Corps Retirement System and Post-Retirement Medical Plan as of September 30, 2009 as prepared by the Hay Group.

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<b>Note:</b> 11	Federal Employee and Veteran Benefits Payable	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b>	Note 12 and Balance Sheet
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

<b>Tab: Text Data</b>		<b>Question</b>	<b>Answer</b>
<b>Line</b> 11		Provide the source(s) for the interest rate entered in Section D.	FY 2009 and FY 2008: The Department of Commerce Actuarial Valuation Report for the National Oceanic and Atmospheric Administration Corps Retirement System and Post-Retirement Medical Plan as of September 30, 2009 as prepared by the Hay Group.
14		Provide any other relevant information pertaining to this note.	FY 2009 and FY 2008: N/A

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Note: 12 Environmental and Disposal Liabilities Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: Note 13 and Balance Sheet  
 Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Tab: Line Item Notes		Closing Package Line Description		NB	Account	2009 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes
Line Status	Line Description	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Variance:	2009 - SEPTEMBER	2008 - SEPTEMBER	2009 - SEPTEMBER
	Environmental and Disposal Liabilities					60,995	67,863	67,863
						0	0	0
9	Pribilof Island Cleanup	10,030		10,586				0
10	Nuclear Reactor	48,039		52,228				0
11	Other	2,926		5,049				0
12								
13								
14	Other Environmental and Disposal Liabilities							
	Total	60,995		67,863				0

**Threshold**

<b>Line Description</b>	<b>Question</b>	<b>Answer</b>
Line Item Notes - Other (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 10% and \$10M.

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**Note:** 12      Environmental and Disposal Liabilities      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: Note 13 and Balance Sheet  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

**Tab: Other Notes Info.**

Section: A	Section Name: Other Related Information	Line Attributes: Dollars	Decimal: Zero				
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method: Whole-Dollars
1	Unrecognized portion of estimated total cleanup costs associated with general property, plant, and equipment	Debit	48,039,549	52,228,000	52,228,000	0	

**U.S. Department of the Treasury  
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**Note:** 12      Environmental and Disposal Liabilities      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      Department of Commerce      **Agency Notes:** Note 13 and Balance Sheet  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      | = Inactive Line

**Tab: Text Data**

Line	Question	Answer
1	List the applicable laws and regulations covering cleanup requirements	<p><b>FY 2009 and FY 2008:</b>                      The following laws and regulations are used by NIST, with regard to Nuclear Reactor:                      10 CFR 50.82 Termination of License                      10CFR 20 Standards for Protection Against Radiation                      NUREG-1757 Consolidated NMSS Decommissioning Guidance,                      Decommissioning Process for Materials Licenses                      10 CFR 20-1402 Radiological Criteria for Unrestricted Use</p> <p><b>For FY 2009 Only:</b>                      The following additional regulation is used by NIST, with regard to Nuclear Reactor:                      NUREG-1307, Rev 13, Consolidated Decommissioning Guidance</p> <p><b>FY 2009 and FY 2008:</b>                      NOAA's environmental and disposal liabilities are a subset of environmental costs which includes responses to those Federal laws requiring corrective action, such as the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act (RCRA); and the Toxic Substances Control Act (TSCA). These laws authorize the Environmental Protection Agency to use government funds to perform any necessary clean up not performed by the offending party, and then seek to recover the costs. Please see NOAA Environmental Compliance Policy 98-03 for details.</p> <p>Most of NOAA's cleanup requirements fall under the TSCA (1976). However, the Pribilof Remediation Project is driven primarily by the Two Party Agreement (TPA) between NOAA and the Alaska Department of Environmental Conservation which derived the authority from the Alaska Administrative Code (18 AAC 75, Article 3 and 9) and secondarily by Public Law 104-91.</p>
2	Provide a description of the type of environmental and disposal liabilities identified.	<p><b>FY 2009 and FY 2008:</b>                      NIST operates a nuclear reactor licensed by the U.S. Nuclear Regulatory Commission, in accordance with NIST's mission of setting standards and examining new technologies. The Department currently estimates the cost of decommissioning this facility to be \$70.3 million. The NIST decommissioning estimate includes an assumption that an offsite waste disposal facility will become available, when needed, estimated in 2029. Currently, an offsite disposal location has not been identified, and the NIST environmental liability cost estimate includes an amount approved by the Nuclear Regulatory Commission for offsite waste disposal. The total estimated decommissioning cost is being accrued on a straight-line basis over the expected life of the facility. Under current legislation, funds to cover the expense of decommissioning the facility's nuclear reactor should be requested in a separate appropriation when the decommissioning date becomes relatively certain.</p> <p>The Department has incurred cleanup costs related to the costs of removing, containing, and/or disposing of hazardous waste from facilities used by NOAA. The Department has estimated its liabilities for environmental cleanup costs at all NOAA-</p>

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<b>Note:</b> 12	Environmental and Disposal Liabilities	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b>	Note 13 and Balance Sheet
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Tab: Text Data	Line	Question	Answer
3		Provide any other relevant information pertaining to this note.	<p>used facilities, including the decommissioning of ships. The largest of NOAAs environmental liabilities relates to the clean-up of the Pribilof Island in Alaska, which contains waste from the U.S. Department of Defense use during World War II. The Department does not recognize a liability for environmental cleanup costs for NOAA-used facilities that are less than \$25 thousand per project. When an estimate of cleanup costs includes a range of possible costs, the most likely cost is reported. When no cost is more likely than another, the lowest estimated cost in the range is reported. The liability is reduced as progress payments are made.</p> <p>The Department may have liabilities associated with asbestos-containing materials (ACM) and lead-based paints (LBP) at certain NOAA facilities. The Department has scheduled surveys to assess the potential for liabilities for ACM and LBP contamination. All known issues, however, are contained, and NOAA facilities meet current environmental standards. No cost estimates are presently available for facilities that have not yet been assessed for ACM or LBP issues.</p> <p>FY 2009 and FY 2008: N/A</p>

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<b>Note:</b> 13	Benefits Due and Payable	Fiscal Year: 2009	Period: SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	Agency Notes: N/A	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Tab: Line Item Notes		Closing Package Line Description		NB Account 2009 - SEPTEMBER		2008 - SEPTEMBER		Line Item Changes	
Line Status	Line Description	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Variance:	Thousands	Thousands	Thousands	Decimal: Zero
9	Other Entitlement Benefits Due and Payable					0	0	0	
	Total					0	0	0	

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**Note:** 14 Insurance Programs Other Than Veterans Affairs Fiscal Year: 2009 Period: SEPTEMBER  
**Entity:** 1300 Department of Commerce Agency Notes: N/A  
**Status:** Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

**Tab: Line Item Notes**

Closing Package Line Description		NB	Account	2009 - SEPTEMBER	2008 - SEPTEMBER			
Insurance Programs		C	Type					
			L	0	0			
		Variance:		0	0			
								Decimal: Zero
<b>Line Status</b>	<b>Line Description</b>			<b>2009 - SEPTEMBER</b>	<b>2008 - SEPTEMBER</b>	<b>Previously Rptd</b>	<b>Line Item Changes</b>	
6	Other Insurance Programs							
7								
8								
<b>Total</b>								

**Tab: Text Data** No Data Flag: YES

Line	Question	Answer
1	Provide a description for the type of insurance programs identified in the "Line Item Notes" tab.	
2	Provide the name, description, and the related amounts of the insurance programs entered on the line titled, "Other insurance programs" in the "Line Item Notes" tab.	
3	Provide any other relevant information pertaining to this note.	

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Note: 15 Other Liabilities  
 Entity: 1300 Department of Commerce  
 Status: Complete

Fiscal Year: 2009  
 Agency Notes: Notes 1 and 11, Balance Sheet  
 Period: SEPTEMBER

The accompanying notes are an integral part of these financial statements. I = Inactive Line

Closing Package Line Description		2009 - SEPTEMBER		2008 - SEPTEMBER		2008 - SEPTEMBER		2008 - SEPTEMBER		Line Item Changes	
Line Status	Line Description	2009 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	2008 - SEPTEMBER	Decimal: Zero				
1	Deferred revenue	873,937		943,591	943,591					0	
2	Accrued wages and benefits	228,933		155,826	155,826					0	
4	Other debt										
6	Legal and other contingencies	13,962		29,229	29,229					0	
7	Grant payments due to State and local governments and others	446,207		373,525	373,525					0	
8	Other employee and actuarial liabilities										
10	D.C. pension liability										
11	Custodial liabilities		23							0	
12	Accrued annual leave		284,162		264,737					0	
14	Advances and prepayments										
15	Farm and other subsidies										
16	Deposit funds	100,078		115,365	115,365					0	
17	Bonneville Power Administration Non-Federal power projects and capital lease liabilities and disposal liabilities	12,589		30,881	30,881					0	
18	Accrued Coupons for Digital-to-Analog Converter Box Program	24,489		165,534	165,534					0	
19											
20											
21	Other Liabilities		9,259	8,950	8,950					0	
	Total	1,993,639		2,087,640	2,087,640					0	

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<b>Note:</b> 15	Other Liabilities	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Notes 1 and 11, Balance Sheet	
<b>Status:</b> Complete	<b>The accompanying notes are an integral part of these financial statements.</b>		

I = Inactive Line

**Threshold**

**Line Description**

Line Item Notes - Accrued wages and benefits (2009 - SEPTEMBER)	<b>Question</b> Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	<b>Answer</b> Accrued Wages and Benefits increased in FY 2009 primarily due to the hiring of more staff for the 2010 Decennial Census. The increase was also due to an additional day being accrued in FY 2009 payroll and increased salaries for FY 2009.
Line Item Notes - Legal and other contingencies (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 10% and \$10M.
Line Item Notes - Grant payments due to State and local governments and others (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Grant Payments Due to State and Local Governments and Others increased in FY 2009 compared to FY 2008 as a result of a change in the grant accrual process to revise the expected drawdown (spending) patterns. Also, increased funding from the ARRA (\$150M) for EDA's Economic Development Assistance Program has resulted in increased accrued grants.
Line Item Notes - Deposit funds (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below the Agency threshold of 10% and \$10M.
Line Item Notes - Bonneville Power Administration Non-Federal power projects and capital lease liabilities and disposal liabilities (2009 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The decrease is primarily due to a Census Bureau capital lease liability at September 30, 2008 which was fully paid during FY 2009.

**Tab. Text Data**

**Line**

1	<b>Question</b> Provide more details on the liabilities reported on the "Line Item Notes" tab for each line 1 through 21 by including a description of the significant related amounts and providing the page number of the agency's financial report where the amount is identified.	<b>Answer</b> FY 2009 and FY 2008: More significant Other Liabilities include (1) Deferred Revenue, which primarily represents patent and trademark application and user fees that are pending action; (2) Accrued Grants, which represents the amount of grants payable to the grantees as of September 30; (3) Accrued Wages and Benefits earned by employees but not yet disbursed as of September 30; (4) Accrued Annual Leave, which represents annual leave and compensatory leave earned by employees but not disbursed as of September 30; (5) Customer Deposits (Deposit Funds), which represents amounts held in customer deposit accounts until customer orders are received, and (6) Accrued Coupons for Digital-Id-Analog Converter Box Program, which represents the projected amount due for coupons issued as of September 20 but not yet redeemed. FY 2009 and FY 2008: N/A
2	Provide a description and related amounts for balances that exceed \$50 million on the line titled, "Other liabilities," and provide the page number of the agency's financial report where the amount is identified.	FY 2009 and FY 2008: N/A
3	Provide any other relevant information pertaining to this note.	FY 2009 and FY 2008: N/A

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Note: 17      Prior-Period Adjustments      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300      Department of Commerce      Agency Notes: N/A  
 Status: Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Tab: Other Notes Info.											
Section:	A	Section Name:	Non-Federal Prior Period Adjustments (Not Restated)	No Data Flag:	YES	Line Attributes:	Dollars	Rounding Method:	User-Defined	Decimal:	User-Defined
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes					
1	Amounts that adjusted beginning net position - for change in accounting principles	Credit									
2	Amounts that adjusted beginning net position - for correction of errors	Credit									
<b>Section: B</b> <b>Section Name:</b> Restated Prior-Period Adjustments - Corrections of Errors for the Prior Year <b>No Data Flag:</b> YES <b>Line Attributes:</b> Dollars <b>Rounding Method:</b> User-Defined <b>Decimal:</b> User-Defined											
Line Status	Line Description	NB	Credit Amount C	Debit Amount D							
1		N/A									
2		N/A									
3		N/A									
4		N/A									
5		N/A									
6		N/A									
7		N/A									
8		N/A									
9		N/A									
10		N/A									

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<b>Note:</b> 17	Prior-Period Adjustments	Fiscal Year:	2009	Period:	SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b>	N/A		
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.				

I = Inactive Line

Tab: Text Data		No Data Flag: YES	Answer
Line	Question		
1	Describe the adjustments to current year or prior-year beginning net position that resulted from changes in accounting principles.		
2	Describe the adjustments to the prior-year beginning net position that resulted from correcting errors that occurred in years preceding the prior year.		
3	Describe the restatements to the prior-year that resulted from correcting errors that occurred in the prior year.		
4	Describe any Federal prior-period adjustments.		
5	Provide any other relevant information pertaining to this note. This would include information related to any immaterial errors that occurred in the prior period(s) that were corrected against the current year.		

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**Note:** 18 Contingencies (SFFAS Nos. 5 and 12) Fiscal Year: 2009 Period: SEPTEMBER  
**Entity:** 1300 Department of Commerce Agency Notes: Notes 11 and 16  
**Status:** Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

**Tab: Other Notes Info.**

Section:	A	Section Name:	Insurance Contingencies (Reasonably Possible Only)	No Data Flag:	YES	Line Attributes:	Dollars	Decimal:	User-Defined
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes			
4	Credit								
5	Credit								
6	Credit								
7	Credit								
8	Credit								
9	Other insurance contingencies								
10	Total	N/A							

Section:	B	Section Name:	Insurance in force (Sum of Policy Face Value and Dividends Paid)	No Data Flag:	YES	Line Attributes:	Dollars	Decimal:	User-Defined
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes			
3	Credit								
4	Credit								
5	Credit								
6	Credit								
7	Credit								
8	Other insurance in force								
9	Total	N/A							

Section:	C	Section Name:	Civil Litigation, Claims and Assessments	Line Attributes:	Dollars	Decimal:	Zero
Line Status	Line Description	NB	CY Accrued/Estimated amount	CY Claim amount (Unable to determine loss)	CY Estimated Range (High end)	PY Accrued/Estimated amount rued/Estimated amount	PY Estimated Range (Low end)
1	Probable	Credit	7,421	7,421	7,421	21,082	21,082
2	Reasonably Possible	Credit	153,361	153,361	153,361	137,921	137,921

Line Status	Line Description	NB	PY Estimated Range (High end)	PY Claim amount (unable to determine)
1	Probable	Credit	21,082	
2	Reasonably Possible	Credit	137,921	

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**Note:** 18 Contingencies (SFFAS Nos. 5 and 12) **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Notes 11 and 16  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** | = Inactive Line

Section: D		Section Name: Environmental Litigation, Claims, and Assessments				Line Attributes: Dollars		
Line	Status	Line Description	NB	CY	PY	CY Claim amount (unable to determine)	PY Accrued/Estimated amount	Decimal: Zero
				Estimated Range (Low end)	Estimated Range (High end)			
1		Probable	Credit	6,541	6,541	8,147	8,147	
2		Reasonably Possible	Credit	89,847	89,847	198,680	198,680	
Line	Status	Line Description	NB	PY	PY	PY	PY	
				Estimated Range (High Range)	Claim amount (unable to determine)	Claim amount (unable to determine)	Estimated Range (Low end)	
1		Probable	Credit	8,147			8,147	
2		Reasonably Possible	Credit	198,680			198,680	
Section: E		Section Name: Other Contingencies				Line Attributes: Dollars		
Line	Status	Line Description	NB	CY	PY	CY Reasonably Possible	PY Reasonably Possible	Decimal: User-Defined
3			Credit					
4			Credit					
5			Credit					
Section: F		Section Name: Other Contingencies				Line Attributes: Dollars		
Line	Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Decimal: User-Defined
3	I		Credit					
4	I		Credit					
5	I		Credit					

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**Note:** 18 Contingencies (SFFAS Nos. 5 and 12)  
**Entity:** 1300 Department of Commerce

**Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Agency Notes:** Notes 11 and 16

**Status:** Complete **The accompanying notes are an integral part of these financial statements.**

I = Inactive Line

**Tab: Text Data**

Line	Question	Answer
1	Describe the risk insurance programs that are in force.	FY 2009 & FY 2008: N/A
2	Provide the nature of the insurance contingencies.	FY 2009 & FY 2008: N/A
3	Provide the nature of the litigation contingencies, including the range of loss for probable liabilities.	<p>Range of loss: FY 2009: \$14.0 million FY 2008: \$29.2 million</p> <p>Nature: FY 2009 and FY 2008: The Department is subject to potential liabilities where adverse outcomes are probable, and claims are approximately \$14.0 million and \$29.2 million as of September 30, 2009 and 2008, respectively. Accordingly, \$14.0 million and \$29.2 million of contingent liabilities were included in Other Liabilities on the Consolidated Balance Sheets as of September 30, 2009 and 2008, respectively. For a majority of these claims, any amounts ultimately due will be paid out of Treasury's Judgment Fund. For the claims to be paid by Treasury's Judgment Fund, once the claims are settled or court judgments are assessed relative to the Department, the liability will be removed and an imputed Financing Source From Cost Absorbed by Others will be recognized.</p>
4	Provide the nature of the litigation contingencies including the range of loss for reasonably possible contingencies.	<p>Range of loss: FY 2009: \$243.2 million FY 2008: \$336.6 million</p> <p>Nature: FY 2009 and FY 2008: ENVIRONMENTAL LITIGATIONS, CLAIMS, AND ASSESSMENTS: The Department and other federal agencies are subject to potential liabilities for a variety of environmental cleanup costs, many of which are associated with the Second World War, at various sites within the U.S. Since some of the potential liabilities represent claims with no stated amount, the exact amount of total potential liabilities is unknown, but may exceed \$89.8 million as of September 30, 2009. For these potential liabilities, it is reasonably possible that an adverse outcome will result. It is not possible, however, to speculate as to a range of loss. In the absence of a settlement agreement, decree, or judgment, there is neither an allocation of response costs between the U.S. government and other potentially responsible parties, nor is there an attribution of such costs to or among the federal agencies implicated in the claims. Although the Department has been implicated as a responsible party, the U.S. Department of Justice was unable to provide an amount for these potential liabilities that is attributable to the Department. Of these potential liabilities, all will be funded by Treasury's Judgment Fund, if any amounts are ultimately due.</p> <p>FY 2009 and FY 2008: OTHER The Department and other federal agencies are subject to other potential liabilities. Since some of the potential liabilities represent claims with no stated amount, the exact amount of total potential liabilities is unknown, but may exceed \$153.4 million as of</p>

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<b>Note:</b> 18	Contingencies (SFFAS Nos. 5 and 12)	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b>	Notes 11 and 16
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Tab: Text Data Line	Question	Answer
5	Provide the total claim amount for cases assessed as "unable to determine" if significant. Also, provide a statement on whether this materiality affects the financial statements.	September 30, 2009. For these potential liabilities, it is reasonably possible that an adverse outcome will result. It is not possible, however, to speculate as to a range of loss. Of these potential liabilities, most will be funded by Treasury's Judgment Fund, if any amounts are ultimately due.
6	Describe the other claims that may derive from treaties or international agreements.	FY 2009 and FY 2008: N/A
7	Provide any other relevant information pertaining to this note.	FY 2009 and FY 2008: N/A

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**Note:** 19      Commitments      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      Department of Commerce      **Agency Notes:** Notes 14 and 16  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      | = Inactive Line

Section: A		Section Name: Capital leases-Asset		Line Attributes: Dollars		Decimal: Zero		
Line	Status	Line Description	NB	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal	Rounding Method: Thousands
1		Building	Debit		22,860		28,852	
2		Land	Debit					
3		Equipment	Debit		2,547		22,496	
4		Software license	Debit					
5		Other	Debit					
6		Accumulated depreciation/amortization	Credit		18,437		27,248	
7		Net assets under capital leases	N/A		6,970		24,100	
<b>Threshold</b>								
<b>Line Description</b>								
Other Notes Info - Building (CY Non-Federal)								
<p><b>Question</b> Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year. (unaudited)</p> <p><b>Answer</b> Below Agency threshold of 10% and \$10M.</p>								
Other Notes Info - Accumulated depreciation/amortization (CY Non-Federal)								
<p><b>Question</b> Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year. (unaudited)</p> <p><b>Answer</b> Below Agency threshold of 10% and \$10M.</p>								
Other Notes Info - Net assets under capital leases (CY Non-Federal)								
<p><b>Question</b> Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year. (unaudited)</p> <p><b>Answer</b> The decrease is due to the reclassification of Census Bureau equipment from "Assets Under Capital Lease" to the applicable Equipment account(s) because the capital lease liability for the equipment was fully paid during FY 2009. Accordingly, the equipment is no longer under a capital lease.</p>								
Other Notes Info - Equipment (CY Non-Federal)								
<p><b>Question</b> Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year. (unaudited)</p> <p><b>Answer</b> The decrease is due to the reclassification of Census Bureau equipment from "Assets Under Capital Lease" to the applicable Equipment account(s) because the capital lease liability for the equipment was fully paid during FY 2009. Accordingly, the equipment is no longer under a capital lease.</p>								

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**Note:** 19      **Commitments**      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      **Department of Commerce**      **Agency Notes:** Notes 14 and 16  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

Section: B	Section Name: Capital leases - Liability		Line Attributes: Dollars	Decimal: Zero
Line Status	Line Description	NB	PY Federal	PY Non-Federal
1	Future minimum lease programs	Credit	31,230	55,049
2	Imputed interest	Debit	13,149	15,991
3	Executory costs including any profit	Debit	5,492	8,177
4	Total capital lease liability	N/A	-12,589	-30,881

**Threshold**  
**Line Description**  
**Other Notes Info - Imputed interest (CY Non-Federal)**  
**Question**  
 Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year. (unaudited)  
**Answer**  
 Below Agency threshold of 10% and \$10M.  
**Other Notes Info - Executory costs including any profit (CY Non-Federal)**  
**Question**  
 Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year. (unaudited)  
**Answer**  
 Below Agency threshold of 10% and \$10M.  
**Other Notes Info - Future minimum lease programs (CY Non-Federal)**  
**Question**  
 Please provide explanations for any amounts that have changed by 10 percent or more between current fiscal year and prior fiscal year. (unaudited)  
**Answer**  
 The decrease is primarily due to a Census Bureau capital lease liability at September 30, 2008 which was fully paid during FY 2009.

Section: C	Section Name: Commitments: Operating leases and undelivered orders		Line Attributes: Dollars	Decimal: Zero
Line Status	Line Description	NB	PY Federal	PY Non-Federal
1	Operating leases	Credit	1,303,460	1,284,511
2	Undelivered orders	Credit	2,709,191	2,305,387

**Threshold**  
**Line Description**  
**Other Notes Info - Operating leases (CY Non-Federal)**  
**Question**  
 Please provide explanations for any amounts that have changed by 10% or more and or greater than \$500,000 between the current fiscal year and prior fiscal year. (unaudited)  
**Answer**  
 The increase is primarily due to a new lease in Ann Arbor, Michigan for NOAA's Great Lakes Environmental Research Laboratory.  
**Other Notes Info - Undelivered orders (CY Non-Federal)**  
**Question**  
 Please provide explanations for any amounts that have changed by 10% or more and or greater than \$500,000 between the current fiscal year and prior fiscal year. (unaudited)  
**Answer**  
 The increase is primarily due to: 1) an increase in NOAA advances to others related to the American Recovery and Reinvestment Act (ARRA) funds for Navy work on the Pacific Regional Center (PRC) in Hawaii; 2) an increase in NOAA advances funded by normal appropriations related to the PRC; and 3) an increase in NOAA advances related to ARRA funds for projects with the Air Force, NASA, and the Department of Energy.

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**Note:** 19      **Commitments**      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      **Department of Commerce**      **Agency Notes:** Notes 14 and 16  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      | = Inactive Line

**Section: C**      **Section Name:** Commitments: Operating leases and undelivered orders      **Line Attributes:** Dollars      **Decimal:** Zero  
**Rounding Method:** Thousands

**Threshold**

**Line Description**  
Other Notes Info - Undelivered orders (CY Federal)

**Question**  
Please provide explanations for any amounts that have changed by 10% or more and or greater than \$500,000 between the current fiscal year and prior fiscal year. (unaudited)

**Answer**  
The increase is primarily due to an increase in Census Bureau appropriations relating to the Decennial Census. An increase in appropriations will normally result in an increase of undelivered orders/delivered orders.

**Section: D**      **Section Name:** Other Commitments      **Line Attributes:** Dollars      **Decimal:** Zero  
**Rounding Method:** Thousands

Line	Status	Line Description	NB	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal
4		Long-term satellite and systems	Credit	7,222,200	4,717,670	7,327,400	4,849,748
10			Credit				
11			Credit				
12			Credit				
13			Credit				
14			Credit				
15		Total	N/A	-7,222,200	-4,717,670	-7,327,400	-4,849,748

**Tab: Text Data**

**Line**  
1

**Question**  
Describe the lessee's leasing arrangements including the basis on which contingent rental payments are determined, the existence and terms of renewal or purchase options, escalation clauses and restrictions imposed by lease agreement.

**Answer**  
FY 2009 and FY 2008: Most of the Department's facilities are rented from GSA, which generally charges rent that is intended to approximate commercial rental rates. For federal-owned property rented from GSA, the Department generally does not execute an agreement with GSA; the Department, however, is normally required to give 120 to 180 days notice to vacate. For non-federal owned property rented from GSA, an occupancy agreement is generally executed, and the Department may normally cancel these agreements with 120 days notice.  
FY 2009 and FY 2008: Agency Footnotes 14 and 16.

2

Provide any other relevant information pertaining to this note. (Reference the Note in the agency's Performance and Accountability Report.)

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**Note:** 20      Dedicated Collections (Excluding Funds Identified as Earmarked and Reported in Note 22 - Earmarked Funds)      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: N/A  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

**Tab: Other Notes Info.**

Section:	A	Section Name:	Assets - Current Year	No Data Flag:	YES	Fund balance with Treasury D	Interest receivable D	Other Fed assets D	Non-Federal assets D	Total assets
Line Status		Line Description	NB	Inv. in Fed debt securities - net D						
1	I		N/A							
2	I		N/A							
3	I		N/A							
4	I		N/A							
5	I		N/A							

Section:	B	Section Name:	Assets - Prior year	No Data Flag:	YES	Fund balance with Treasury D	Interest receivable D	Other Federal assets D	Non-Federal assets D	Total assets
Line Status		Line Description	NB	Inv. in Fed Debt Sec. - net D						
1			N/A							
2			N/A							
3			N/A							
4			N/A							
5			N/A							

Section:	C	Section Name:	Liabilities - Current Year	No Data Flag:	YES	Liability due and payable to beneficiaries C	Other liabilities C	Total liabilities
Line Status		Line Description	NB					
1	I		N/A					
2	I		N/A					
3	I		N/A					
4	I		N/A					
5	I		N/A					

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**Note:** 20      Dedicated Collections (Excluding Funds Identified as Earmarked and Reported in Note 22 - Earmarked Funds)      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: N/A  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Section: D	Section Name: Liabilities - Prior Year	No Data Flag: YES	Line Attributes: Dollars	Rounding Method: User-Defined	Decimal: User-Defined
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Liability due and payable to beneficiaries C</b>	<b>Other liabilities C</b>	<b>Total liabilities</b>
1	N/A				
2	N/A				
3	N/A				
4	N/A				
5	N/A				

Section: E	Section Name: Current Year - Revenue, financing, expenses, and other	No Data Flag: YES	Line Attributes: Dollars	Rounding Method: User-Defined	Decimal: User-Defined			
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Beginning net position C</b>	<b>Exchange revenue - Federal C</b>	<b>Exchange revenue - with the public C</b>	<b>Nonexchange revenue - Federal C</b>	<b>Nonexchange revenue - with the public C</b>	<b>Other financing sources C</b>
1	N/A							
2	N/A							
3	N/A							
4	N/A							
5	N/A							

Section: E	Section Name: Other changes in fund balance C	No Data Flag: YES	Line Attributes: Dollars	Rounding Method: User-Defined	Decimal: User-Defined
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Program expenses D</b>	<b>Other expenses D</b>	<b>Ending Net Position</b>
1	N/A				
2	N/A				
3	N/A				
4	N/A				
5	N/A				

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**Note:** 20      Dedicated Collections (Excluding Funds Identified as Earmarked and Reported in Note 22 - Earmarked Funds)      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: N/A  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Section: F		Section Name: Prior Year - Revenue, financing, expenses, and other		No Data Flag: YES		Line Attributes: Dollars		Rounding Method: User-Defined		Decimal: User-Defined	
Line	Status	Line Description	NB	Beginning net position	Exchange revenue - Federal	Exchange revenue - with the public	C	Nonexchange revenue - Federal	Nonexchange revenue - with the public	Other financing sources	C
1			N/A								
2			N/A								
3			N/A								
4			N/A								
5			N/A								
Section: G		Section Name: Other		No Data Flag: YES		Line Attributes: Dollars		Rounding Method: User-Defined		Decimal: User-Defined	
Line	Status	Line Description	NB	Other changes in fund balance	Program expenses	Other expenses	D	PY - Revenues	PY - Other financing sources	PY - Costs	D
1			N/A								
2			N/A								
3			N/A								
4			N/A								
5			N/A								

**U.S. Department of the Treasury**  
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**Note:** 20      Dedicated Collections (Excluding Funds Identified as Earmarked and Reported in Note 22 - Earmarked Funds)      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: N/A  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Section: H	Section Name: Other	No Data Flag: YES	Line Attributes: Dollars	Rounding Method: User-Defined	Decimal: User-Defined				
Line	Status	Line Description	NB	CY - Revenues C	CY - Costs D	PY - Other financing sources C	PY - Revenues C	PY - Other financing sources C	PY - Costs D
1	I		N/A						
2	I		N/A						
3	I		N/A						
4	I		N/A						
5	I		N/A						

**Tab: Text Data**      No Data Flag: YES      Answer

Line	Question
1	State the legal authority for the administrative entity of each fund to use the collections based on SFFAS No. 7, par. 85.
2	Provide any other relevant information pertaining to this note.

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**Note:** 22 Earmarked Funds **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 21, Balance Sheet, and SCNP  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** **I = Inactive Line**

**Tab: Other Notes Info.**

Line	Status	Line Description	NB	Section Name: Assets - Current Year	Cash and other monetary assets D	Fund balance with Treasury D	Inv in U. S. Treas. Sec.(net of prem. & disc) D	Line Attributes: Dollars			
								Interest Receivable D	Other Federal assets (with earmarked funds) D	Other Federal assets (with non-earmarked funds) D	
								Rounding Method: Thousands			
								Decimal: Zero			
21		USPTO Earmarked Funds	N/A		2,278	1,212,683					3,624
22		NTIA Digital Television Transition and Public Safety Fund	N/A			9,230,126					396,640
23		Broadband Technology Opportunities Program - Recovery Act	N/A			4,597,413					61,452
24		Digital-to-Analog Converter Box Program - Recovery Act	N/A			262,443					
25		Damage Assessment and Restoration Revolving Fund	N/A			37,168					165
26		All other earmarked funds	N/A			136,411					2,363
27		Intra-agency earmarked funds elimination amounts	N/A								
28		Total	N/A		2,278	15,476,244					464,244

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**Note:** 22 Earmarked Funds **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 21, Balance Sheet, and SCNP  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** | = Inactive Line

Section: A		Section Name: Assets - Current Year		Line Attributes: Dollars		Rounding Method: Thousands		Decimal: Zero	
Line Status	Line Description	NB	Other non-Federal assets D	Total assets	Interest Receivable D	Other Federal assets (with earmarked funds) D	Other Federal assets (with non-earmarked funds) D		
21	USPTO Earmarked Funds	N/A	215,678	1,434,263					
22	NTIA Digital Television Transition and Public Safety Fund	N/A		9,626,766					
23	Broadband Technology Opportunities Program - Recovery Act	N/A		4,658,865					
24	Digital-to-Analog Converter Box Program - Recovery Act	N/A		262,443					
25	Damage Assessment and Restoration Revolving Fund	N/A		37,333					
26	All other earmarked funds	N/A	15,328	154,102					
27	Intra-agency earmarked funds elimination amounts	N/A							
28	Total	N/A	231,006	16,173,772					
Section: B		Section Name: Assets - Prior Year		Line Attributes: Dollars		Rounding Method: Thousands		Decimal: Zero	
Line Status	Line Description	NB	Cash and other monetary assets D	Fund balance with Treasury D	Inv. in U.S. Treas. Sec. (net of prem. & disc.) D	Interest Receivable D	Other Federal assets (with non-earmarked funds) D	Other Federal assets (with non-earmarked funds) D	
21	USPTO Earmarked Funds	N/A	3,399	1,318,817				2,591	
22	NTIA Digital Television Transition and Public Safety Fund	N/A		1,204,539				55,433	
23	Broadband	N/A	0	0	0	0	0	0	0

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Note: 22 Earmarked Funds Fiscal Year: 2009 Period: SEPTEMBER

Entity: 1300 Department of Commerce

Agency Notes: Note 21, Balance Sheet, and SCNP

Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Section: B	Section Name: Assets - Prior Year		Line Attributes: Dollars		Decimal: Zero			
Line Status	Line Description	NB	Cash and other monetary assets D	Fund balance with Treasury D	Inv. in U.S. Treas. Sec. (net of prem. & disc.) D	Interest Receivable D	Other Federal assets (with earmarked funds) D	Other Federal assets (with non-earmarked funds) D
						Thousands		
24	Technology Opportunities Program - Recovery Act	N/A	0	0	0	0	0	0
25	Digital-to-Analog Converter Box Program - Recovery Act	N/A		41,737				11
26	Damage Assessment and Restoration Revolving Fund	N/A		109,814				1,102
27	All other earmarked funds	N/A						
28	Intra-agency earmarked funds elimination amounts	N/A	3,399	2,674,907	0	0	0	59,137
	<b>Total</b>							
			<b>Other non-Federal assets D</b>	<b>Total assets</b>				
21	USPTO Earmarked Funds	N/A	210,099	1,534,906				
22	NTIA Digital Television Transition and Public Safety Fund	N/A		1,259,972				
23	Broadband Technology Opportunities Program - Recovery Act	N/A	0	0				
24	Digital-to-Analog Converter Box Program - Recovery Act	N/A	0	0				
25		N/A		41,748				

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<b>Note:</b> 22	Earmarked Funds	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 21, Balance Sheet, and SCNP	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

<b>Section:</b> B	<b>Section Name:</b> Assets - Prior Year		<b>Line Attributes:</b> Dollars	<b>Decimal:</b> Zero
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Other non-Federal assets D</b>	<b>Total assets</b>
25	Damage Assessment and Restoration Revolving Fund			
26	All other earmarked funds	N/A	15,404	126,320
27	Intra-agency earmarked funds elimination amounts	N/A		
28	Total	N/A	225,503	2,962,946

<b>Section:</b> C	<b>Section Name:</b> Liabilities and Net Position - Current Year				<b>Line Attributes:</b> Dollars	<b>Decimal:</b> Zero	
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Benefits due and payable C</b>	<b>Other Federal liabilities (with earmarked funds) C</b>	<b>Other non-Federal liabilities C</b>	<b>Total liabilities</b>	<b>Ending net position C</b>
21	USPTO Earmarked Funds	N/A		19,109	1,039,360	-1,058,469	375,794
22	NTIA Digital Television Transition and Public Safety Fund	N/A		212	9,642	-9,854	9,616,912
23	Broadband Technology Opportunities Program - Recovery Act	N/A		597	591	-1,188	4,657,677
24	Digital-to-Analog Converter Box Program - Recovery Act	N/A			34,182	-34,182	228,261
25	Damage Assessment and Restoration Revolving Fund	N/A			684	-684	36,649
26	All other earmarked funds	N/A		12,410	11,527	-23,937	130,165
27	Intra-agency	N/A					

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Note: 22 Earmarked Funds Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: Note 21, Balance Sheet, and SCNP  
 Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Section: C	Section Name: Liabilities and Net Position - Current Year		Line Attributes: Dollars		Decimal: Zero		
Line Status	Line Description	NB	Benefits due and payable C	Other Federal liabilities (with earmarked funds) C	Other Fed. liabilities (with non-earmarked funds) C	Total liabilities	Ending net position C
28	earmarked funds elimination amounts Total	N/A		-32,328		-1,095,986	-15,045,458
21	USPTO Earmarked Funds	N/A	-1,434,263				
22	NTIA Digital Television Transition and Public Safety Fund	N/A	-9,626,766				
23	Broadband Technology Opportunities Program - Recovery Act	N/A	-4,658,865				
24	Digital-to-Analog Converter Box Program - Recovery Act	N/A	-262,443				
25	Damage Assessment and Restoration Revolving Fund	N/A	-37,333				
26	All other earmarked funds	N/A	-154,102				
27	Intra-agency earmarked funds elimination amounts Total	N/A					
28	Total	N/A	-16,173,772				

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Note: 22 Earmarked Funds Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: Note 21, Balance Sheet, and SCNP  
 Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Section: D	Section Name: Liabilities and Net Position - Prior Year	Line Attributes: Dollars		Decimal: Zero				
Line Status	Line Description	NB	Benefits due and payable C	Other Federal liabilities (with earmarked funds) C	Other Fed. liabilities (with non-earmarked funds) C	Other non-Federal liabilities C	Total liabilities	Ending net position C
			Rounding Method: Thousands					
21	USPTO Earmarked Funds	N/A		15,948		1,086,354	-1,102,302	432,604
22	NTIA Digital Television Transition and Public Safety Fund	N/A		4,727		186,176	-190,903	1,069,069
23	Broadband Technology Opportunities Program - Recovery Act	N/A	0	0	0	0	0	0
24	Digital - to - Analog Converter Box Program - Recovery Act	N/A						0
25	Damage Assessment and Restoration Revolving Fund	N/A			1	3,878	-3,879	37,869
26	All other earmarked funds	N/A		10,570		8,273	-18,843	107,477
27	Intra-agency earmarked funds elimination amounts	N/A						
28	Total	N/A	0	-31,246	0	-1,284,681	-1,315,927	-1,647,019

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**Note:** 22 Earmarked Funds **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 21, Balance Sheet, and SCNP  
**Status:** Complete **I = Inactive Line**  
 The accompanying notes are an integral part of these financial statements.

Section: D	Section Name: Liabilities and Net Position - Prior Year		Line Attributes: Dollars	Decimal: Zero
Line Status	Line Description	NB	Total liabilities and net position	Rounding Method: Thousands
21	USPTO Earmarked Funds	N/A	-1,534,906	
22	NTIA Digital Television Transition and Public Safety Fund	N/A	-1,259,972	
23	Broadband Technology Opportunities Program - Recovery Act	N/A	0	
24	Digital - to - Analog Converter Box Program - Recovery Act	N/A	0	
25	Damage Assessment and Restoration Revolving Fund	N/A	-41,748	
26	All other earmarked funds	N/A	-126,320	
27	Intra-agency earmarked funds elimination amounts	N/A		
28	Total	N/A	-2,962,946	

Section: E	Section Name: Revenue, Financing, Expenses, and Other - Current Year		Line Attributes: Dollars	Decimal: Zero
Line Status	Line Description	NB	Net position, beginning of period	Rounding Method: Thousands
21	USPTO Earmarked Funds	N/A	432,604	
22	NTIA Digital Television Transition and Public Safety Fund	N/A	1,069,069	
23	Broadband	N/A		

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**Note:** 22 Earmarked Funds **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 21, Balance Sheet, and SCNP  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** I = Inactive Line

Section: E	Section Name:	Revenue, Financing, Expenses, and Other - Current Year	Line Attributes: Dollars	Decimal: Zero				
Line Status	Line Description	NB	Net position, beginning of period C	Prior-period adjustment C	Investment revenue C	Individual income taxes and payroll tax withhold C	Unemployment and excise taxes C	Other taxes and receipts C
24	Technology Opportunities Program - Recovery Act	N/A						
25	Digital-to-Analog Converter Box Program - Recovery Act	N/A	37,869					5,335
26	Damage Assessment and Restoration Revolving Fund	N/A	107,477					17,079
27	All other earmarked funds	N/A						
28	Intra-agency earmarked funds elimination amounts	N/A	-1,647,019					-22,387
	<b>Total</b>							
Line Status	Line Description	NB	Miscellaneous earned revenue C	Intragovernmental transfers, net C	Program net cost - public D	Program net cost - Intragovernmental D	Non-program expenses D	Net position, end of period
21	USPTO Earmarked Funds	N/A		-2,000	-342,533	397,343		-375,794
22	NTIA Digital Television Transition and Public Safety Fund	N/A		9,311,557	589,166	174,521		-9,616,912
23	Broadband Technology Opportunities Program - Recovery Act	N/A		4,669,945	4,840	7,428		-4,657,677
24	Digital-to-Analog Converter Box Program - Recovery Act	N/A		579,396	350,994	141		-228,261
25		N/A		5,730	12,053	232		-36,649

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**Note:** 22 Earmarked Funds **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** Note 21, Balance Sheet, and SCNP  
**Status:** Complete **The accompanying notes are an integral part of these financial statements.** I = Inactive Line

Section: E	Line Status	Line Description	Section Name: NB	Revenue, Financing, Expenses, and Other - Current Year	Miscellaneous earned revenue C	Intragovernmental transfers, net C	Program net cost - public D	Program net cost - Intragovernmental D	Non-program expenses D	Line Attributes: Dollars	
										Rounding Method: Thousands	Decimal: Zero
	25	Damage Assessment and Restoration Revolving Fund	N/A								
	26	All other earmarked funds	N/A	31,841			34,564	-8,332			-130,165
	27	Intra-agency earmarked funds elimination amounts	N/A								
	28	Total	N/A	-14,596,469			649,084	571,333			-15,045,458

Section: F	Line Status	Line Description	Section Name: NB	Revenue, Financing, Expenses, and Other - Prior Year	Net position, beginning of period C	Prior-period adjustment C	Investment revenue C	Individual income taxes and payroll tax withhold C	Unemployment and excise taxes C	Other taxes and receipts C
	21	USPTO Earmarked Funds	N/A		464,020					
	22	NTIA Digital Television Transition and Public Safety Fund	N/A		-46,389					
	23	Broadband Technology Opportunities Program - Recovery Act	N/A							0
	24	Digital-to-Analog Converter Box Program - Recovery Act	N/A							0
	25	Damage Assessment and Restoration Revolving Fund	N/A		33,042					14,780
	26	All other earmarked funds	N/A		101,674					20,582
	27	Intra-agency	N/A							

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Note: 22 Earmarked Funds  
Entity: 1300 Department of Commerce  
Status: Complete

Fiscal Year: 2009 Period: SEPTEMBER  
Agency Notes: Note 21, Balance Sheet, and SCNP  
I = Inactive Line

The accompanying notes are an integral part of these financial statements.

Section: F	Line Status	Line Description	NB	Section Name: Revenue, Financing, Expenses, and Other - Prior Year	Net position, beginning of period C	Prior-period adjustment C	Intragovernmental transfers, net C	Program net cost - public D	Intragovernmental D	Program net cost - Intragovernmental D	Non-program expenses D	Other taxes and receipts C	Net position, end of period
		earmarked funds elimination amounts											
28		Total	N/A		-552,347								-35,362
21		USPTO Earmarked Funds	N/A			-1,000		-321,215		351,631			-432,604
22		NTIA Digital Television and Public Safety Fund	N/A			1,778,983		646,157		17,368			-1,069,069
23		Broadband Technology Opportunities Program - Recovery Act	N/A										0
24		Digital-to-Analog Converter Box Program - Recovery Act	N/A										0
25		Damage Assessment and Restoration Revolving Fund	N/A			6,798		15,711		1,040			-37,869
26		All other earmarked funds	N/A			9,928		27,570		-2,863			-107,477
27		Intra-agency earmarked funds elimination amounts	N/A										
28		Total	N/A		-1,794,709		368,223		367,176				-1,647,019

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Note: 22 Earmarked Funds Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: Note 21, Balance Sheet, and SCNP  
 Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

Section: G	Section Name: Number of Agency Earmarked Funds		Line Attributes: Units			
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes
1	Total number of earmarked funds	N/A	7.0000	5.0000	4.0000	1.0000

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<b>Note:</b> 22	Earmarked Funds	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 21, Balance Sheet, and SCNP	
<b>Status:</b> Complete	<b>The accompanying notes are an integral part of these financial statements.</b>		
		<b>I = Inactive Line</b>	

**Tab: Text Data**

Line	Question	Answer
1	Provide a general description of the individual earmarked funds reported in the Other Notes Info tab (SFFAS No. 27, par. 33). Also describe how the entity accounts for and reports the fund (SFFAS No. 27, par. 23.1).	See Word Attachment.
2	State the legal authority for the administrative entity of each fund to use the revenues and other financing sources based on SFFAS No. 27, par. 23.1	<p>FY 2009 and FY 2008: USPTO Earmarked Funds: a) USPTO Salaries and Expenses Fund - annual appropriations law(s); b) USPTO Patent and Trademark Surcharge Fund - Omnibus Budget Reconciliation Act of 1990, as amended by the Omnibus Budget Reconciliation Act of 1993; annual appropriations law(s), if any.</p> <p>NTIA Digital Television Transition and Public Safety Fund: Deficit Reduction Act of 2005, P.L. 109-171 Section 3001-3014.</p> <p>Coastal Zone Management Fund: 16 USC Section 1456a; annual appropriations law(s).</p> <p>NTIS Revolving Fund: Annual appropriations law(s).</p> <p>Damage Assessment and Restoration Revolving Fund: 33 USC Section 2706; annual appropriations law(s).</p> <p>FY 2009 Only: Broadband Technology Opportunities Program - The American Recovery and Reinvestment Act of 2009 (P.L. 111-5).</p> <p>Digital-to-Analog Converter Box Program - American Recovery and Reinvestment Act of 2009 (P.L. 111-5).</p> <p>NTIS Revolving Fund: Annual appropriations law(s).</p> <p>FY 2009 and FY 2008: N/A</p>
3	Explain any changes in legislation during or subsequent to the reporting period and before the issuance of the financial statements that significantly changes the purpose of the fund or that redirects a material portion of the accumulated balance (SFFAS No. 27, par. 23.3).	
4	Provide the sources of revenue and other financing for amounts reported in columns 3 through 8 of Sections E and F in the Other Notes Info tab (SFFAS No. 27, par. 23.2).	<p>FY 2009 and FY 2008: USPTO Earmarked Funds: Revenue From the Public: Primary source is fees for patent and trademark services. Intragovernmental Revenue: Primary source fees for patent and trademark services.</p> <p>NTIA Digital Television Transition and Public Safety Fund: Other Financing Sources/(Uses), Net: Primary financing source is Transfers In of Spectrum Auction Proceeds from Federal Communications Commission. For FY 2009, a significant financing use was the Transfer Out of Spectrum Auction Proceeds to Treasury General Fund.</p> <p>Damage Assessment and Restoration Revolving Fund: Revenue From the Public: Primary source is monies received for the reimbursement of expenses related to oil or hazardous substance spill response activities, or natural</p>

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<b>Note:</b> 22	Earmarked Funds	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 21, Balance Sheet, and SCNP	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Tab: Text Data Line	Question	Answer
5	Provide any other relevant information pertaining to this note, including explanation for prior-period adjustments, if any.	<p>resource damage assessment, restoration, rehabilitation, replacement, or acquisition activities conducted by NOAA.</p> <p>Other Financing Sources/(Uses), Net: Primary financing use is transfer(s) in from other federal agencies.</p> <p>All Other Earmarked Funds (see a), b), and c) below):</p> <p>a) Coastal Zone Management Fund (included in All Other Earmark Funds): Revenue From the Public: Primary source is interest revenue on Loans Receivable. Other Financing Sources/(Uses), Net: Primary financing source is intra-bureau transfer(s) out to another NOAA fund group.</p> <p>b) NTIS Revolving Fund (included in All Other Earmarked Funds): Revenue From the Public: Primary source is sales of products and services. Intragovernmental Revenue: Primary source is sales of products and services.</p> <p>c) Others (included in All Other Earmarked Funds): Primarily a) transfers in from another federal agency less intra-bureau transfers out to another NOAA fund group for a NOAA fund group related to promotion and development of fisheries products and research; b) interest revenue of the Environmental Improvement Restoration Fund; and c) nonexchange revenue from the public of the Limited Access System Administration Fund.</p> <p>FY 2009 Only:                      Broadband Technology Opportunities Program - Recovery Act:                      Other Financing Sources/(Uses), Net: Primary financing source is Appropriations Received. Primary financing use is transfers out to another federal agency and to another Departmental entity.</p> <p>Digital-to-Analog Converter Box Program - Recovery Act:                      Other Financing Sources/(Uses), Net: Primary financing source is Appropriations Received. Primary financing use is a transfer out to another federal agency.</p> <p>FY 2009 and FY 2008: N/A</p>

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<b>Note:</b> 25	Stewardship Land	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 23 and RSI	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Section: A		Section Name: Stewardship Land (SFFAS No. 29, par. 40d)- Unaudited		Line Attributes: Units			
Line	Status	Line Description	NB	Beginning Balance	Acquired	Withdrawn	Ending Balance
1		Public Land	N/A				
2		National Forest System	N/A				
3		National Wildlife Refuge System	N/A				
4		National Park System	N/A				
5		Mission land	N/A				
6		Water, power, and recreation	N/A				
7		All other	N/A	528,040.0000	195,555.0000		723,595.0000

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<b>Note:</b> 25	Stewardship Land	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 23 and RSI	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		<b>I = Inactive Line</b>	

**Tab: Text Data**

Line	Question	Answer
1	Describe the predominant uses of the stewardship land (SFFAS 29, par. 40c).	<p><b>Note:</b> Stewardship Land units presented in Section A are square miles. See Word Attachment</p> <p>FY 2009 and FY 2008: National Marine Sanctuaries: The waters and resources of the National Marine Sanctuaries are generally in good condition, though some specific resources (e.g. certain coral reefs, some commercial and recreational fisheries, and some benthic habitats) are threatened.</p> <p>Papahānumokūkea Marine National Monument: The condition of the Papahānumokūkea Marine National Monument is good, but the Monument does face emerging threats.</p> <p>Aleutian Islands Habitat Conservation Area: The condition of Aleutian Islands Habitat Conservation Area is generally good, although some specific resources are threatened. For example, the conservation area contains six small areas of fragile coral gardens.</p> <p>FY 2009 Only: Rose Atoll Marine National Monument: The condition of the Rose Atoll Marine National Monument is good.</p> <p>Marianas Trench Marine National Monument: The condition of the Marianas Trench Marine National Monument is good.</p> <p>Pacific Remote Islands Marine National Monument: The condition of the Pacific Remote Islands Marine National Monument is good.</p>
2	Provide the condition of the stewardship land (SFFAS 29, par. 41).	
3	Provide a brief statement explaining how the stewardship land relates to the mission of the agency (SFFAS No. 29, par. 40a).	See Word Attachment
4	Provide a brief description of the agency's stewardship policies for stewardship land (SFFAS No. 29, par. 40b).	<p>FY 2009: Written policy statements or permit guidelines for the National Marine Sanctuaries and Monuments have been developed for the areas of acoustic impacts, artificial reefs, climate change, invasive species, marine debris, and submarine cables. The Office of Marine National Sanctuaries answers the most frequently asked questions related to alternative energy and oil and gas policy decisions for national marine sanctuaries.</p> <p>FY 2008: Written policy statements or permit guidelines for the National Marine Sanctuaries and the Papahānumokūkea Marine National Monument have been developed for the areas of acoustic impacts, artificial reefs, and climate change. In development are policy positions or management approaches for alternative energy, aquaculture, cruise ship discharge, invasive species, marine debris, and underwater cables.</p>
5	Provide any other information relevant information pertaining to this note.	FY 2009 and FY 2008: N/A

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**Note:** 26 Heritage Assets  
**Entity:** 1300 Department of Commerce  
**Status:** Complete  
**Fiscal Year:** 2009  
**Period:** SEPTEMBER  
**Agency Notes:** Note 23 and RSI  
**I = Inactive Line**  
 The accompanying notes are an integral part of these financial statements.

Section: A		Section Name: Collection Type Heritage Assets (SFFAS No. 29, par. 25d) - Unaudited		Line Attributes: Units					
Line	Status	Line Description	NB	CY Physical units as of the beginning of the year	CY Physical units added	CY Physical units withdrawn	CY Physical units ending balance	PY Physical units beginning balance	PY Physical units added
1		Collection Type Heritage Assets	N/A	714,597.0000	386.0000	-599,268.0000	115,715.0000	267,453.0000	474,765.0000
2			N/A						
3			N/A						
4			N/A						
5			N/A						
Section: B		Section Name: Non-Collection Type Heritage Assets (SFFAS No. 29, par. 25d) - Unaudited		Line Attributes: Units					
Line	Status	Line Description	NB	CY Physical units beginning balance	CY Physical units added	CY Physical units withdrawn	CY Physical units ending balance	PY Physical units beginning balance	PY Physical units added
1		Non-Collection Type Physical Units	N/A	6.0000			6.0000	6.0000	
2			N/A						
3			N/A						
4			N/A						
5			N/A						

**U.S. Department of the Treasury**  
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<b>Note:</b> 26	Heritage Assets	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b>	Note 23 and RSI
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Section:	B	Section Name:	Non-Collection Type Heritage Assets (SFFAS No. 29, par. 25d) - Unaudited	Line Attributes:	Units
Line	Status	Line Description	NB	PY Physical units withdrawn	PY Physical units-ending balance
1		Non-Collection Type Physical Units	N/A		6.0000
2			N/A		
3			N/A		
4			N/A		
5			N/A		

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Fiscal Year: 2009 Period: SEPTEMBER

Agency Notes: Note 23 and RSI

Note: 26 Heritage Assets

Entity: 1300 Department of Commerce

Status: Complete

The accompanying notes are an integral part of these financial statements.

I = Inactive Line

**Tab: Text Data**

Line	Question	Answer
1	Provide a brief statement explaining how heritage assets relate to the mission of the agency (SFFAS No. 29, par. 25a).	See Word Attachment.
2	Provide a brief description of the agency's stewardship policies for each major category of the heritage assets (SFFAS No. 29, par. 25b).	See Word Attachment.
3	Provide a brief description of the condition of each category of the heritage assets (SFFAS 29, par. 26).	<p>FY 2009 and FY 2008: The Departments collection-type heritage assets are related to NOAA, NIST, and Census Bureau.</p> <p>The majority of NOAAs collection-type heritage assets are primarily related to the NOAA Central Library and the Thunder Bay Sanctuary Resource Collection. The books, journals, and other publications that make up the majority of the NOAA Central Library collection-type heritage assets are in poor and very poor condition. The heritage assets of the Thunder Bay Sanctuary Resource Collection are in good condition, and the heritage assets of the National Climatic Data Center Library are generally in fair condition.</p> <p>NIST currently maintains the Museum and History Program, which collects, conserves, and exhibits artifacts such as scientific instruments, equipment, objects and records of significance to NIST and the National Bureau of Standards (NBS). This program provides institutional memory and demonstrates the contributions of NIST to the development of standards, measurement, technology, and science. Conditions of these artifacts are listed in the Registrar's database and are generally fair.</p> <p>NIST Information Services Division (ISD) maintains the historical archives, rare book collection, and oversees the oral history program. The historical collection contains titles that are considered classics of historical scientific interest, books by prominent contemporary scientists, and books by NIST authors or about NIST work. Materials are not specifically purchased for the collection nor are funds specifically allocated for the collection. Conditions of these books are generally fair. The photos and manuscripts maintained include images of NIST staff, facilities, and artifacts that demonstrate NIST accomplishments. These images are in good condition.</p> <p>Heritage assets at the Census Bureau are items considered unique for their historical, cultural, educational, technological, methodological, or artistic importance. These assets help illustrate the social, educational, and cultural heritage of the Census Bureau. Some items, because of their age or obvious historical significance, are inherently historical artifacts. These historical artifacts include but are not limited to: Hollerith Key Punch, Hollerith Tabulator, Gang Punch, Pantograph, Census Enumerators Badge, Steel Hand Bander, Unisys Tape and Reel, Film Optical Sensing Device, and any items which represent the uniqueness of the omission of the Census Bureau. The heritage assets at the Census Bureau are classified as generally being in good condition.</p>

Non-Collection Type:  
NOAA's non-collection type heritage assets are generally in good condition.

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<b>Note:</b> 26	Heritage Assets	<b>Fiscal Year:</b> 2009	<b>Period:</b> SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 23 and RSI	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.   = Inactive Line		

Tab: Text Data	Question	Answer
4	Provide any other relevant information pertaining to this note.	FY 2009 and FY 2008: N/A

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**Note:** 27      Fiduciary Activities      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: Note 20  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

**Tab: Other Notes Info.**

Section:	A	Section Name:	Schedule of Fiduciary Net Assets - Deposit Funds - Current Year	Line Attributes:	Dollars	Decimal:	Zero	
Line	Status	Line Description	NB	Fid Inv in Fed Debt Sec-net of prem and discounts	Int Rec on Fid Fed Debt Sec D	Inv in Non-Fed Debt Sec (and related int rec) D	Cash and cash equivalents D	Other assets D
1		Patent Cooperation Treaty	N/A			9,134		
2		Madrid Protocol	N/A			452		
3			N/A					
4			N/A					
5			N/A					
6			N/A					
7			N/A					
8			N/A					
9			N/A					
10			N/A					
11			N/A					
12			N/A					
13			N/A					
14			N/A					
15			N/A					

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**Note:** 27      **Fiduciary Activities**      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      **Department of Commerce**      **Agency Notes:** Note 20  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

<b>Section: A</b>		<b>Section Name:</b> Schedule of Fiduciary Net Assets - Deposit Funds - Current Year		<b>Line Attributes:</b> Dollars	<b>Decimal:</b> Zero
<b>Line</b>	<b>Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Other liabilities C</b>	<b>Total fiduciary net assets</b>
				<b>Liability due and payable to beneficiaries C</b>	
1		Patent Cooperation Treaty	N/A		9,134
2		Madrid Protocol	N/A		452
3			N/A		
4			N/A		
5			N/A		
6			N/A		
7			N/A		
8			N/A		
9			N/A		
10			N/A		
11			N/A		
12			N/A		
13			N/A		
14			N/A		
15			N/A		

<b>Section: B</b>		<b>Section Name:</b> Schedule of Fiduciary Activity - Deposit Funds - Current Year		<b>Line Attributes:</b> Dollars	<b>Decimal:</b> Zero				
<b>Line</b>	<b>Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Beginning fid net assets bal. D</b>	<b>Fiduciary contributions C</b>	<b>Fiduciary revenues C</b>	<b>Investment earnings C</b>	<b>Gain (loss) on disposition of investments, net C</b>	<b>All other inflows to net assets C</b>
1		Patent Cooperation Treaty	N/A	11,598					
2		Madrid Protocol	N/A		-116,818				
3			N/A	311	-8,618				
4			N/A						
5			N/A						
6			N/A						
7			N/A						
8			N/A						
9			N/A						
10			N/A						

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**Note:** 27      **Fiduciary Activities**      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      **Department of Commerce**      **Agency Notes:** Note 20  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

Section: B		Section Name: Schedule of Fiduciary Activity - Deposit Funds - Current Year		Line Attributes: Dollars		Rounding Method: Thousands		Decimal: Zero	
Line	Status	Line Description	NB	Beginning fid net assets bal. D	Fiduciary contributions C	Fiduciary revenues C	Investment earnings C	Gain (loss) on disposition of investments, net C	All other inflows to net assets C
11			N/A						
12			N/A						
13			N/A						
14			N/A						
15			N/A						
Line	Status	Line Description	NB	Disbursements to and on behalf of beneficiaries D	Administrative and other expenses D	All other outflows from net assets D	Ending fiduciary net assets bal.		
1		Patent Cooperation Treaty	N/A	-119,282			9,134		
2		Madrid Protocol	N/A	-8,477			452		
3			N/A						
4			N/A						
5			N/A						
6			N/A						
7			N/A						
8			N/A						
9			N/A						
10			N/A						
11			N/A						
12			N/A						
13			N/A						
14			N/A						
15			N/A						

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**Note:** 27      Fiduciary Activities      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: Note 20  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      | = Inactive Line

Section: C	Section Name: Schedule of Changes in Non-Valued Fiduciary Asset - Deposit Funds - Current Year	No Data Flag: YES	Line Attributes: Units				
Line	Status	Line Description	NB	Beginning quantity of non-valued fid assets	Additions to quantity	Subtractions from quantity	Ending quantity of non-valued fid assets
1			N/A				
2			N/A				
3			N/A				
4			N/A				
5			N/A				
6			N/A				
7			N/A				
8			N/A				
9			N/A				
10			N/A				
11			N/A				
12			N/A				
13			N/A				
14			N/A				
15			N/A				

Section: D	Section Name: Schedule of Fiduciary Net Assets - All Other Agency Funds - Current Year	No Data Flag: YES	Line Attributes: Dollars						
Line	Status	Line Description	NB	Fid Inv in Fed Debt Sec-net of prem and discounts D	Fid FBWT (USSGL 1010 only) D	Int Rec on Fid Fed Debt Sec D	Inv in Non-Fed Debt Sec (and related int rec) D	Cash and cash equivalents D	Other assets D
1			N/A						
2			N/A						
3			N/A						
4			N/A						
5			N/A						
6			N/A						
7			N/A						
8			N/A						
9			N/A						
10			N/A						

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**Note:** 27      **Fiduciary Activities**      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      **Department of Commerce**      **Agency Notes:** Note 20  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

Section:	D	Section Name:	Schedule of Fiduciary Net Assets - All Other Agency Funds - Current Year	No Data Flag:	YES	Line Attributes:	Dollars	Decimal:	Zero
Line Status	Line Description	NB	Fid Inv in Fed Debt Sec-net of prem and discounts D	Fid FBWT (USSGL 1010 only) D	Int Rec on Fid Fed Debt Sec D	Inv in Non-Fed Debt (and related int rec) D	Cash and cash equivalents D	Other assets D	
11		N/A							
12		N/A							
13		N/A							
14		N/A							
15		N/A							
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>Liability due and payable to beneficiaries C</b>	<b>Other liabilities C</b>	<b>Total fiduciary net assets</b>				
1		N/A							
2		N/A							
3		N/A							
4		N/A							
5		N/A							
6		N/A							
7		N/A							
8		N/A							
9		N/A							
10		N/A							
11		N/A							
12		N/A							
13		N/A							
14		N/A							
15		N/A							

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**Note:** 27      **Fiduciary Activities**      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      **Department of Commerce**      **Agency Notes:** Note 20  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

Section: E	Section Name: Schedule of Fiduciary Activity - All Other Agency Funds - Current Year	No Data Flag: YES	Line Attributes: Dollars	Decimal: Zero					
Line	Status	Line Description	NB	Beginning fid net assets bal. D	Fiduciary contributions C	Fiduciary revenues C	Investment earnings C	Gain (loss) on disposition of investments, net C	All other inflows to net assets C
1			N/A						
2			N/A						
3			N/A						
4			N/A						
5			N/A						
6			N/A						
7			N/A						
8			N/A						
9			N/A						
10			N/A						
11			N/A						
12			N/A						
13			N/A						
14			N/A						
15			N/A						

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**Note:** 27      **Fiduciary Activities**      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      **Department of Commerce**      **Agency Notes:** Note 20  
**Status:** Complete      **The accompanying notes are an integral part of these financial statements.**      **I = Inactive Line**

Section: E	Section Name: Schedule of Fiduciary Activity - All Other Agency Funds - Current Year	No Data Flag: YES	Line Attributes: Dollars	Decimal: Zero			
Line Status	Line Description	NB	Disbursements to and on behalf of beneficiaries D	Administrative and other expenses D	All other outflows from net assets D	Ending fid net asset bal.	Rounding Method; Thousands
1		N/A					
2		N/A					
3		N/A					
4		N/A					
5		N/A					
6		N/A					
7		N/A					
8		N/A					
9		N/A					
10		N/A					
11		N/A					
12		N/A					
13		N/A					
14		N/A					
15		N/A					

Section: F	Section Name: Schedule of Changes in Non-Valued Fiduciary Assets - All Other Agency Funds - Current Year	No Data Flag: YES	Line Attributes: Units			
Line Status	Line Description	NB	Beginning quantity of non-valued fid assets	Additions to quantity	Subtractions from quantity	Ending quantity of non-valued fid assets
1		N/A				
2		N/A				
3		N/A				
4		N/A				
5		N/A				
6		N/A				
7		N/A				
8		N/A				
9		N/A				
10		N/A				
11		N/A				

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<b>Note:</b> 27	Fiduciary Activities	Fiscal Year: 2009	Period: SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	<b>Agency Notes:</b> Note 20	
<b>Status:</b> Complete	The accompanying notes are an integral part of these financial statements.		
		I = Inactive Line	

Section:	F	Section Name: Schedule of Changes in Non-Valued Fiduciary Assets - All Other Agency Funds - Current Year	No Data Flag: YES	Line Attributes: Units			
Line	Status	Line Description	NB	Beginning quantity of non-valued fid assets	Additions to quantity	Subtractions from quantity	Ending quantity of non-valued fid assets
12			N/A				
13			N/A				
14			N/A				
15			N/A				

Section:	G	Section Name: Number of Agency Fiduciary Activities	No Data Flag: YES	Line Attributes: Units	
Line	Status	Line Description	NB	Total number of fid funds - deposit funds	Total number of fid funds - all other agency funds
1			N/A		
2			N/A		
3			N/A		
4			N/A		
5			N/A		
6			N/A		
7			N/A		
8			N/A		
9			N/A		
10			N/A		
11			N/A		
12			N/A		
13			N/A		
14			N/A		
15			N/A		

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Fiscal Year: 2009 Period: SEPTEMBER

Agency Notes: Note 20

Note: 27 Fiduciary Activities

Entity: 1300 Department of Commerce

Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

**Tab: Text Data**

Line	Question	Answer
1	Describe the fiduciary relationship, for example, the applicable legal authority, the objectives of the fiduciary activity, and a general description of the beneficial owners or class of owners of each fiduciary fund (SFFAS No. 31, par. 18 (a)).	FY 2009 and FY 2008: The Patent Cooperation Treaty authorized USPTO to collect patent filing and search fees on behalf of the World Intellectual Property Organization (WIPO), European Patent Office, Korean Intellectual Property Office, and the Australian Patent Office, from U.S. citizens requesting an international patent. The Madrid Protocol Implementation Act authorized USPTO to collect trademark application fees on behalf of the International Bureau of WIPO from U.S. citizens requesting an international trademark. FY 2009 and FY 2008: N/A
2	Provide information on any significant changes in fiduciary net assets from the prior period (SFFAS No. 31, par. 18 (c)).	FY 2009 and FY 2008: N/A
3	Provide the TAS for all funds with fiduciary activities.	FY 2009 and FY 2008: Fiduciary activities are recorded in the Patent Cooperation Treaty Deposits (13X6538), and the Madrid Protocol Fees (13X6554).
4	For any cash included in the Schedules of Fiduciary Net Assets, indicate if the cash is represented by balances on deposit with either the U.S. Treasury or with a commercial banking institution (SFFAS No. 31, par. 12).	FY 2009 and FY 2008: N/A
5	Provide a description of any cash equivalents included in the Schedules of Fiduciary Net Assets.	FY 2009 and FY 2008: N/A
6	For any non-monetary assets included in the Schedules of Fiduciary Net Assets, provide a description of the composition of the assets, the method(s) of valuation, and the changes (if any) from prior-period accounting methods (SFFAS No. 31, par. 18 (c)).	FY 2009 and FY 2008: N/A
7	For any non-valued fiduciary assets included in the Schedules of Non-Valued Fiduciary Assets, provide a description of the non-valued assets (SFFAS No. 31, par. 18 (d)).	FY 2009 and FY 2008: N/A
8	If separate audited financial statements are issued for an individual fiduciary activity with a fiscal yearend other than September 30, indicate the fiduciary activity's fiscal year (SFFAS No. 31, par. 18 (e)).	FY 2009 and FY 2008: N/A
9	If separate audited financial statements are issued for an individual fiduciary activity, disclose the basis of accounting used and the auditor's opinion on the current or most recent financial statements. If the auditor's opinion was not unqualified, disclose the reason(s) stated by the auditors and refer the reader to the audit opinion for further information (SFFAS No. 31, par. 12 (a)).	FY 2009 and FY 2008: N/A
10	If separate audited financial statements are issued for an individual fiduciary activity, provide information on the reader can obtain a copy of the financial statements and the audit opinion thereon (SFFAS No. 31, par. 19).	FY 2009 and FY 2008: N/A
11	If more than one agency is responsible for administering a fiduciary activity, and the separate portions of the activity can be clearly identified with another responsible agency, identify the other agency(ies) involved in managing the activity (SFFAS No. 31, par. 19).	FY 2009 and FY 2008: N/A
12	Provide any other relevant information pertaining to this note.	



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Note: 28A Financial and Housing Market Stabilization - Investment in GSE Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: N/A  
 Status: Complete The accompanying notes are an integral part of these financial statements. I = Inactive Line

**Tab: Other Notes Info.**

Section: A	Section Name: Appraisal Value at Reporting Date	No Data Flag: YES	Line Attributes: Dollars	Decimal: Zero
Line Status	Line Description	NB	CY- Appraisal value at reporting date	PY- Appraisal value at reporting date
1	Fannie Mae senior preferred stock	Debit		
2	Freddie Mac senior preferred stock	Debit		
3	Fannie Mae warrants common stock	Debit		
4	Freddie Mac warrants common stock	Debit		
5		Debit		
6		Debit		
7		Debit		
8	All other stock	Debit		
9	Total	N/A		

Section: B	Section Name: Other Related Information	No Data Flag: YES	Line Attributes: Dollars	Decimal: Zero
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER
1	Debt and mortgage backed securities outstanding - Fannie Mae	Debit		
2	Debt and mortgage backed securities outstanding - Freddie Mac	Debit		
3	Debt and mortgage backed securities outstanding - Other	Debit		
4	Revenue recognized from acquisition of preferred stocks and warrants	Credit		

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**Note:** 28A      Financial and Housing Market Stabilization - Investment in GSE      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300      Department of Commerce      Agency Notes: N/A  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Section:	B	Section Name:	Other Related Information	No Data Flag:	YES	Line Attributes:	Dollars	Decimal:	Zero
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes	Rounding Method:	Thousands	
5	The liquidation preference value per share of senior preferred stock	NB	Debit						
6	Nominal cost of common stock on a fully-diluted basis	NB	Debit						
<b>Section: C</b> Section Name:      Other Related Information      No Data Flag: YES      Line Attributes: Units									
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes			
1	Number of non-voting senior preferred stock - shares	NB	N/A						
<b>Section: D</b> Section Name:      Other Related Information      No Data Flag: YES      Line Attributes: Percent									
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes			
1	Rate of dividends	NB	N/A						

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**Note:** 28B Financial and housing Market Stabilization - GSE Keepwell Payable      Fiscal Year: 2009      Period: SEPTEMBER  
**Entity:** 1300 Department of Commerce      Agency Notes: N/A  
**Status:** Complete      The accompanying notes are an integral part of these financial statements.      I = Inactive Line

Tab: Line Item Notes		Closing Package Line Description		2009 - SEPTEMBER		2008 - SEPTEMBER		2008 - SEPTEMBER		Line Item Changes	
Line Status	Line Description	NB	Account Type	2009 - SEPTEMBER	2008 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	2009 - SEPTEMBER	2008 - SEPTEMBER	Line Item Changes	Decimal: Zero
	Keepwell payable		C	0	0	0	0	0	0		
	Variance:		L	0	0	0	0	0	0		
1	Keepwell Payable - Fannie Mae										
2	Keepwell Payable - Freddie Mac										
3											
4											
5	All other payables										
	Total										

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<b>Other Data:</b> 01	Statement of Operations and Changes in Net Position	Fiscal Year: 2009	Period: SEPTEMBER
Entity: 1300	Department of Commerce	Agency Notes: N/A	
Status: Complete			

I = Inactive Line

**Tab: Other Data Info.**

<b>Section:</b> A	<b>Section Name:</b> Nonexchange Revenue: Specific potential accruals not made as a result of using the modified cash basis of accounting.	<b>No Data:</b> YES	<b>Line Attributes:</b> Dollars	<b>Decimal:</b> User-Defined		
<b>Line Status</b>	<b>Line Description</b>	<b>NB</b>	<b>CY - Low Range</b>	<b>CY - High Range</b>	<b>PY - Low Range</b>	<b>PY - High Range</b>
1		Debit				
2		Debit				
3		Debit				
4		Debit				
5		Debit				

**Tab: Other Text Data**

<b>Section:</b> A	<b>Section Name:</b> Nonexchange Revenue: Specific potential accruals not made as a result of using the modified cash basis of accounting.	<b>No Data:</b> YES	<b>Answer</b>
<b>Line</b>	<b>Question</b>		
1	Provide the practical and inherent limitations affecting the accrual of taxes and duties. (SFFAS No. 7, par.64)		

U.S. Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System  
 GF007 - Other Data Report

<b>Other Data:</b> 02	Taxes	Fiscal Year: 2009	Period: SEPTEMBER
Entity: 1300	Department of Commerce	Agency Notes: N/A	
Status: Complete			

I = Inactive Line

Tab: Other Data Info.			
Section:	A	Section Name: Taxes (SSFAS No.7, par. 67-69)	No Data: YES
Line Status	Line Description	NB	2009 - SEPTEMBER
1	Estimated realized value of compliance assessments as of the end of the period	Debit	2008 - SEPTEMBER
2	Estimated realizable value of pre-assessment work-in-progress	Debit	Previously Rptd
3	Changes in 1 and 2 above	Debit	Line Item Changes
4	Other claims for refunds not yet accrued but likely to be paid when administrative actions are completed	Debit	
5	Management's best estimate of unasserted claims for refunds	Debit	
6	Changes in 4 and 5 above	Debit	
7	Amount of assessments written off that continue to be statutorily collectible	Debit	

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

Other Data: 02	Taxes	Fiscal Year: 2009	Period: SEPTEMBER
Entity: 1300	Department of Commerce	Agency Notes: N/A	
Status: Complete			

I = Inactive Line

**Tab: Other Data Info.**

Section:	B	Section Name:	Provide the following amount if a range is estimable and not included in Sec. A (SFFAS No. 7 par 67)	No Data:	YES	Line Attributes:	Dollars	Rounding Method:	User-Defined	Decimal:	User-Defined
Line Status	Line Description	NB	CY Low	CY High	PY Low	PY High					
1	Realizable value of pre-assessment work-in-progress	Debit									
2	Changes in line 1 above	Debit									
3	Management's best estimate of unasserted claims for refunds	Debit									
4	Changes in line 3 above	Debit									

**Tab: Other Text Data**

Section:	A	Section Name:	Taxes (SFFAS No.7, par. 67-69)	No Data:	YES	Answer
Line	Question					
1	Provide the explicit definitions of estimated amounts of the size of the tax gap.					
2	Provide the appropriate explanation of the limited reliability of the estimates of the size of the tax gap.					
3	Provide cross-references to portions of the tax gap due from identified noncompliant taxpayers and importers.					
4	Provide the estimates of the annual tax gap (amounts should specifically define whether it includes or excludes estimates of tax due on illegally earned revenue).					
5	Disclose the amounts by which trust funds may be over- or under-funded in comparison with the requirements of law, if reasonable estimable.					

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

Fiscal Year: 2009      Period: SEPTEMBER

Other Data: 09      Stewardship Investments  
Entity: 1300      Department of Commerce

Agency Notes:      RSSI

Status: Complete      I = Inactive Line

**Tab: Other Data Info.**

Section: A      Section Name: Investment in Non-Federal physical property (SFFAS No. 8, par 87)

Line Attributes: Dollars  
Rounding Method: Millions      Decimal: One

Line Status	Line Description	NB	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
1	National Estuarine Research Reserves	Debit	11.7	11.8	11.6	6.8	15.4
2	Coastal and Estuarine Land Conservation Program	Debit	21.6	28.1	34.7	18.5	15.5
3	Public Works	Debit	139.9	133.5	155.5	180.1	220.1
4	Economic and Defense Adjustments	Debit	68.6	60.0	53.5	53.1	75.4
5	Global Climate Change Mitigation Incentive Fund	Debit	.2				
6	Other non-Federal physical property	Debit	6.3	1.8	4.4	24.2	10.1

**Threshold**

Line Description	Question	Answer
Other Data Info - National Estuarine Research Reserves (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Coastal and Estuarine Land Conservation Program (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Public Works (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Economic and Defense Adjustments (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Other non-Federal physical property (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

Other Data: 09 Stewardship Investments Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: RSSI  
 Status: Complete I = Inactive Line

**Tab: Other Data Info.**

Section:	B	Section Name:	Research and Development: Investment in Development (SFFAS No. 8, par. 94, 99 & 100)	Line Attributes: Dollars	Decimal: One		
Line Status	Line Description	NB	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
1	NIST Laboratories	Debit	15.4	14.4	15.3	16.7	14.3
2	Advanced Technology Program	Debit	25.1	23.2	30.9	58.0	96.0
3	Protect, Restore, and Manage the Use of Coastal and Ocean Resources	Debit	8.1	11.4	12.3	14.0	8.6
4	Advance Understanding of Climate Variability and Change	Debit	60.5	35.7	12.3	12.3	5.3
5	Provide Accurate and Timely Weather and Water Information	Debit	32.7	39.2	50.2	20.9	41.9
6	Other investment in development	Debit	.7	.2	.2	.1	

Threshold	Line Description	Question	Answer
Other Data Info - NIST Laboratories (FY 2009)		Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below the Agency threshold of 20% and \$10M.
Other Data Info - Protect, Restore, and Manage the Use of Coastal and Ocean Resources (FY 2009)		Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Advance Understanding of Climate Variability and Change (FY 2009)		Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	The NOAA Advance Understanding of Climate Variability and Change investment fluctuated \$24.8 million from \$35.7 million in FY 2008 to \$60.5 million in FY 2009 due to a gradual growth in development costs associated with NOAA's Office of Oceanic and Atmospheric Research (OAR) in the area of Climate Development. This results primarily from NOAA having increased expenditures in the area of Research and Development Equipment, which is being tracked as a component of Climate Development.
Other Data Info - Provide Accurate and Timely Weather		Please provide explanations for any amounts that have	Below Agency threshold of 20% and \$10M.

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

Other Data: 09 Stewardship Investments      Fiscal Year: 2009      Period: SEPTEMBER  
 Entity: 1300 Department of Commerce      Agency Notes: RSSI  
 Status: Complete      | = Inactive Line

Section: B	Section Name: Research and Development: Investment in Development (SFFAS No. 8, par. 94, 99 & 100)	Line Attributes: Dollars	Decimal: One
Tab: Other Data Info.		Rounding Method: Millions	
<b>Threshold</b>		<b>Answer</b>	
<b>Line Description</b> and Water Information (FY 2009)	<b>Question</b> changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)		
Other Data Info - Other investment in development (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.	
Other Data Info - Advanced Technology Program (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.	

Section: C	Section Name: Investment in Human Capital (SFFAS No. 8, par 100)	Line Attributes: Dollars	Decimal: One				
		Rounding Method: Millions					
Line Status	Line Description	NB	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
1	National Sea Grant College Program	Debit	.7	.5	.5	.7	.7
2	National Estuarine Research Reserve Program	Debit	1.0	.8	.8	.9	.9
3	Educational Partnership Program	Debit	15.0	12.8	14.2	13.9	7.0
4	Ernest F. Hollings Undergraduate Scholarship Program	Debit	3.6	3.6	4.1	3.8	.3
5	Other Investments in human capital	Debit	.4				

Section: C	Section Name: Investment in Human Capital (SFFAS No. 8, par 100)	Line Attributes: Dollars	Decimal: One
Tab: Other Data Info.		Rounding Method: Millions	
<b>Threshold</b>		<b>Answer</b>	
<b>Line Description</b> Other Data Info - Educational Partnership Program (FY 2009)	<b>Question</b> Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.	

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
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Other Data: 09 Stewardship Investments Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: RSSI  
 Status: Complete I = Inactive Line

**Tab: Other Data Info.**

Section: D	Section Name: Research and Development: Investment in Basic Research (SFFAS No. 8, par.99 & 100)	Line Attributes: Dollars Rounding Method: Millions	Decimal: One				
Line Status	Line Description	NB	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
1	NIST Laboratories	Debit	144.9	132.8	110.7	85.2	66.6
2		Debit					
3		Debit					
4		Debit					
5		Debit					
6	Other investments in basic research	Debit					

**Threshold**

Line Description	Question	Answer
Other Data Info - NIST Laboratories (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.

Section: E	Section Name: Research and Development: Investment in Applied Research (SFFAS No. 8, par 100)	Line Attributes: Dollars Rounding Method: Millions	Decimal: One				
Line Status	Line Description	NB	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
1	NIST Laboratories	Debit	378.5	381.0	345.3	345.8	325.6
2	Advanced Technology Program/Technology Innovation Program	Debit	25.0	23.2	31.0	58.0	96.1
3	Protect, Restore, and Manage the Use of Coastal and Ocean Resources	Debit	211.5	229.8	225.9	250.7	242.4
4	Advance Understanding of Climate Variability and Change	Debit	140.4	145.9	145.9	160.2	157.8
5	Provide Accurate and Timely Weather and Water Information	Debit	138.9	140.3	101.6	109.0	105.4

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**Other Data:** 09 Stewardship Investments      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce      **Agency Notes:** RSSI  
**Status:** Complete      | = Inactive Line

**Tab: Other Data Info.**

Section: E	Section Name: Research and Development: Investment in Applied Research (SFFAS No. 8, par 100)	Line Attributes: Dollars	Decimal: One
Line Status	Line Description	Line Description	Line Description
6	Other investment in applied research		
		FY 2009	FY 2005
		.5	9.2
		FY 2008	FY 2006
		1.6	3.2
		FY 2007	
		2.3	

Threshold	Question	Answer
Other Data Info - NIST Laboratories (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Protect, Restore, and Manage the Use of Coastal and Ocean Resources (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Advance Understanding of Climate Variability and Change (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Provide Accurate and Timely Weather and Water Information (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Other investment in applied research (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.
Other Data Info - Advanced Technology Program/Technology Innovation Program (FY 2009)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Below Agency threshold of 20% and \$10M.

**Tab: Other Text Data**

Section: A	Section Name: Investment in Non-Federal physical property (SFFAS No. 8, par 87)	Answer
1	Provide a description of federally owned physical property transferred to state and local governments. (SFFAS No. 8, par 87)	FY 2009 and FY 2008: N/A

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

Period: SEPTEMBER

Fiscal Year: 2009

Agency Notes: RSSI

Other Data: 09 Stewardship Investments

Entity: 1300 Department of Commerce

Status: Complete

I = Inactive Line

<b>Tab: Other Text Data</b>	
<b>Section: A</b>	<b>Section Name:</b> Investment in Non-Federal physical property (SFFAS No. 8, par.87)
<b>Line</b>	<b>Question</b>
2	Provide a description of the major programs of Federal investments in non-Federal property. (SFFAS No.8, par. 87)
	<b>Answer</b> See Word attachment.
<b>Tab: Other Text Data</b>	
<b>Section: B</b>	<b>Section Name:</b> Research and Development: Investment in Development (SFFAS No. 8, par. 94, 99 & 100)
<b>Line</b>	<b>Question</b>
1	Provide a description of the major programs of Federal investments in development. (SFFAS No. 8, par. 100)
2	Provide a description of the progress of major development projects including the results with respect to projects completed or otherwise terminated during the year and the status of projects that will continue (SFFAS No. 8, par. 99)
	<b>Answer</b> See Word attachment.  See Word attachment.
<b>Tab: Other Text Data</b>	
<b>Section: C</b>	<b>Section Name:</b> Investment in Human Capital (SFFAS No. 8, par 100)
<b>Line</b>	<b>Question</b>
1	Provide a description of the major education and training programs considered Federal investments in human capital. (SFFAS No.8, par. 94)
	<b>Answer</b> See Word attachment.
<b>Tab: Other Text Data</b>	
<b>Section: D</b>	<b>Section Name:</b> Research and Development: Investment in Basic Research (SFFAS No. 8, par.99 & 100)
<b>Line</b>	<b>Question</b>
1	Provide a description of the major programs of Federal investments in basic research. (SFFAS No. 8, par. 100)
2	Provide a description of any major new discoveries made during the year (SFFAS No. 8, par. 99)
	<b>Answer</b> See Word attachment.  See Word attachment.
<b>Tab: Other Text Data</b>	
<b>Section: E</b>	<b>Section Name:</b> Research and Development: Investment in Applied Research (SFFAS No. 8, par 100)
<b>Line</b>	<b>Question</b>
1	Provide a description of the major programs of Federal investments in applied research. (SFFAS No. 8, par. 100)
2	Provide a description of any major new applications developed during the year (SFFAS No. 8, par. 100)
	<b>Answer</b> See Word attachment.  See Word attachment.

U.S. Department of the Treasury  
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Governmentwide Financial Report System  
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Other Data: 09      Stewardship Investments      Fiscal Year: 2009      Period: SEPTEMBER  
Entity: 1300      Department of Commerce      Agency Notes:      RSSI  
Status: Complete      I = Inactive Line

Tab: Other Text Data	
Section:	Section Name:
E	Research and Development: Investment in Applied Research (SFFAS No. 8, par 100)
Line	Question
	par. 99)
	Answer

U.S. Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System  
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<b>Other Data:</b> 10	Deferred Maintenance	Fiscal Year:	2009	Period:	SEPTEMBER
<b>Entity:</b> 1300	Department of Commerce	Agency Notes:	RSI		
<b>Status:</b> Complete					

I = Inactive Line

Tab: Other Data Info.		Section Name: Range of Amounts		Line Attributes: Dollars		Rounding Method: Thousands		Decimal: Zero				
Section:	A	NB	CY- Low	D	CY- High	D	PY- Low	D	PY- High	D	PY - Critical Maintenance	D
1	Buildings, structures, and facilities	N/A	444,103		584,525		458,650		570,895		514,520	
2	Furniture, fixtures, and equipment	N/A										
3	Other general property, plant, and equipment	N/A										
4	Heritage assets	N/A	11,760		14,370		11,760		14,370			
5	Stewardship land	N/A										

U.S. Department of the Treasury  
 Financial Management Service  
 Governmentwide Financial Report System  
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Other Data: 15 Risk Assumed-Federal Insurance and Guarantee Programs(SFFAS No. 5, par. 105, 106, and 114) Fiscal Year: 2009 Period: SEPTEMBER  
 Entity: 1300 Department of Commerce Agency Notes: N/A  
 Status: Complete I = Inactive Line

**Tab: Other Data Info.**

Section:	A	Section Name:	Risk Assumed	No Data:	YES	Line Attributes:	Dollars	Decimal:	User-Defined
Line Status	Line Description	NB	2009 - SEPTEMBER	2008 - SEPTEMBER	Previously Rptd	Line Item Changes			
1	Present value of unpaid expected losses (net of associated premiums)	Debit							
2	Periodic changes	Debit							

**Tab: Other Text Data**

Section:	A	Section Name:	Risk Assumed	No Data:	YES	Answer
Line	Question					
1	Provide the indicators of the range of uncertainty around insurance related estimates and sensitivity of the estimates to changes in major assumptions (SFFAS No.5, par.114)					
2	Provide the actuarial or financial methods used to measure the present value of unpaid expected losses (SFFAS No. 5, par. 114)					

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

**Other Data:** 16 Analysis of FR Operating Revenue to Budget Receipts **Fiscal Year:** 2009 **Period:** SEPTEMBER  
**Entity:** 1300 Department of Commerce **Agency Notes:** N/A  
**Status:** Complete I = Inactive Line

Section: A		Section Name: Fiscal 2009 Operating Revenues Not Reported in the Budget Receipts		Line Attributes: Dollars	Rounding Method: Thousands	Decimal: Zero		
Line Status	Line Description	NB	CY-Individual income tax and tax withholdings	CY-Corporation income taxes	CY-Unemployment taxes	CY-Excise taxes	CY-Estate and gift taxes	CY-Customs duties
1	Undistributed Offsetting receipts (offset against outlays)	Credit						
2	Proprietary receipts from the public (offset against outlays)	Credit						
3	Rents and royalties on the outer continental shelf lands (offset against outlays)	Credit						
4	Offsetting governmental receipts (offset against outlays)	Credit						
5	Intrabudgetary transactions (offset against outlays)	Credit						
6		Credit						
7		Credit						
8		Credit						
Line Status	Line Description	NB	CY-Other taxes and receipts	CY-Miscellaneous earned revenue				
1	Undistributed Offsetting receipts (offset against outlays)	Credit						
2	Proprietary receipts from the public (offset against outlays)	Credit	84,975					
3	Rents and royalties on the outer	Credit						

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

<b>Other Data:</b> 16	Analysis of FR Operating Revenue to Budget Receipts	Fiscal Year: 2009	Period: SEPTEMBER
Entity: 1300	Department of Commerce	Agency Notes: N/A	
Status: Complete			

I = Inactive Line

Tab: Other Data Info.			
Section:	A	Section Name:	Fiscal 2009 Operating Revenues Not Reported in the Budget Receipts
Line Status	Line Description	NB	CY-Other taxes and receipts CY-Miscellaneous earned revenue
	continental shelf lands (offset against outlays)		
4	Offsetting governmental receipts (offset against outlays)	Credit	
5	Intrabudgetary transactions (offset against outlays)	Credit	16,349
6		Credit	
7		Credit	
8		Credit	

Section:	B	Section Name:	Fiscal 2009 Budget Receipts Not Reported in the Operating Revenue
Line Status	Line Description	NB	CY-Individual income taxes CY-Corporation income taxes CY-Employment and general retirement CY-Unemployment insurance CY-Other retirement CY-Excise taxes
1	Earned (exchange) revenue reported in the Statement of Net Cost	N/A	
2		N/A	
3		N/A	
4		N/A	

Line Status	Line Description	NB	CY-Estate and gift taxes CY-Customs duties CY-Miscellaneous receipts
1	Earned (exchange) revenue reported in the Statement of Net Cost	N/A	2,713,778
2		N/A	

**U.S. Department of the Treasury  
Financial Management Service  
Governmentwide Financial Report System  
GF007 - Other Data Report**

**Other Data:** 16      Analysis of FR Operating Revenue to Budget Receipts      **Fiscal Year:** 2009      **Period:** SEPTEMBER  
**Entity:** 1300      Department of Commerce      **Agency Notes:** N/A  
**Status:** Complete      I = Inactive Line

**Tab: Other Data Info.**

<b>Section:</b> B	<b>Section Name:</b> Fiscal 2009 Budget Receipts Not Reported in the Operating Revenue	<b>Line Attributes:</b> Dollars	<b>Decimal:</b> Zero
<b>Line Status</b>	<b>Line Description</b>	<b>Line Attributes:</b> Dollars	<b>Decimal:</b> Zero
3	NB    CY-Estate and gift taxes		
4	N/A    CY-Customs duties		
	N/A    CY-Miscellaneous receipts		

**Tab: Other Text Data**

<b>Section:</b> A	<b>Section Name:</b> Fiscal 2009 Operating Revenues Not Reported in the Budget Receipts	
<b>Line</b>	<b>Question</b>	<b>Answer</b>
1	Provide a detailed description of the undistributed offsetting receipts reconciling item(s).	N/A
2	Provide a detailed description of the proprietary receipts from the public reconciling item(s).	The Department's FY 2009 Proprietary Receipts From the Public (offset against outlays) primarily consists of: a) collection of \$56.1 million in a general fund receipt account of a downward subsidy reestimate payable to Treasury General Fund for the Emergency Steel Loan Guarantee Program; and b) collection of \$20.7 million in a general fund receipt account of downward subsidy reestimates/negative subsidies payable to Treasury General Fund primarily for NOAA's Fisheries Finance loan programs.
3	Provide a detailed description of the offsetting governmental receipts reconciling item(s).	N/A
4	Provide a detailed description of the intrabudgetary transaction reconciling item(s).	The Department's FY 2009 Intrabudgetary Transactions (offset against outlays) primarily consists of a) collection of \$9.6 million in a special fund receipt account of interest income for NOAA's Environmental Improvement and Restoration Fund; and b) collections of \$6.6 million in a general fund receipt account for EDA funds payable to Treasury General Fund.
5	Provide a detailed description of the agency entered description reconciling item(s).	N/A

**Tab: Other Text Data**

<b>Section:</b> B	<b>Section Name:</b> Fiscal 2009 Budget Receipts Not Reported in the Operating Revenue	
<b>Line</b>	<b>Question</b>	<b>Answer</b>
1	Provide a detailed description of the earned revenue reconciling item(s).	N/A
2	Provide a detailed description of the agency entered description reconciling item(s).	N/A

**U.S Department of Treasury  
Governmentwide Financial Reporting System  
Additional Note to the Special-Purpose Financial Statements  
Entity – 1300 Department of Commerce**

**Attachment A - Summary of Significant Accounting Policies (Additional Note 29)**

A. Basis of Presentation

The *Budget and Accounting Procedures Act of 1950* allows the Secretary of the Treasury to stipulate the format and requirements of executive agencies to furnish financial and operational information to the President and Congress to comply with *Government Management Reform Act of 1994* (GMRA) (Pub. L. No. 103-356), which requires the Secretary of the Treasury to prepare and submit annual audited financial statements of the executive branch. The Secretary of the Treasury developed guidance in the U.S Department of Treasury's Financial Manual (TFM) Volume 1, Part 2, Chapter 4700 to provide agencies with instructions to meet the requirements of GMRA. The TFM Chapter 4700 requires agencies to:

1. Reclassify all items and amounts on the audited consolidated, department-level balance sheet, statements of net cost, changes in net position/income statement, and statement or note on custodial activity, if applicable, to the special-purpose financial statements.
2. Disclose special-purpose financial statement line item amounts identified as Federal by trading partner and amount (amounts should be net of intra-bureau and intra-departmental eliminations).
3. Disclose notes required by the special-purpose financial statement line items and other notes required in the *Financial Report of the U.S. Government* (FR); and
4. Disclose other data not contained in the primary FR financial statements and notes required to meet requirement of U.S. generally accepted accounting principles

The TFM Chapter 4700 requires agencies to use the Governmentwide Financial Report System to input the above information. For purposes of the Special-purpose financial statements, Closing Package is comprised of the following GFRS Modules:

1. Closing Package Financial Statement Reports (GF003F)
2. Trading Partner Summary Note Report (GF004F)
3. Closing Package Line Reclassification Summary Report (GF003G)
4. FR Notes Report (GF006)
5. Other Data Report (GF007)

The generic format for the special-purpose financial statements is based on the U.S. Standard General Ledger (USSGL) crosswalk to the FR financial statements and notes. In May 2009 and August 2009, Treasury issued TFM Transmittal Letter No. 650 and Transmittal Letter No. S2 09-02, respectively, effective for fiscal year 2009, that revised the mapping of

certain USSGL accounts to the special-purpose financial statements and resulted in agencies reclassifying the accompanying fiscal year 2008 special-purpose financial statements to conform with the fiscal year 2009 presentation. Therefore, certain amounts in the fiscal year 2008 columns on the accompanying special-purpose financial statements differ from the amounts in the columns labeled “previously reported.”

## B. Description of Reporting Entity

The Department of Commerce (the Department) is a cabinet-level agency of the Executive Branch of the U.S. government. Established in 1903 to promote U.S. business and trade, the Department’s broad range of responsibilities includes predicting the weather, granting patents and registering trademarks, measuring economic growth, gathering and disseminating statistical data, expanding U.S. exports, developing innovative technologies, helping local communities improve their economic development capabilities, promoting minority entrepreneurial activities, and monitoring the stewardship of national assets. The Department is composed of 12 bureaus, the Emergency Oil and Gas and Steel Loan Guarantee Programs, the National Intellectual Property Law Enforcement Coordination Council, and Departmental Management.

## C. Basis of Accounting and Presentation

The Department’s fiscal year ends September 30. These financial statements reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. Budgetary accounting is designed to recognize the obligation of funds according to legal requirements, which in many cases is made prior to the occurrence of an accrual-based transaction. Budgetary accounting is essential for compliance with legal constraints and controls over the use of federal funds.

These financial statements have been prepared from the accounting records of the Department in conformance with U.S. generally accepted accounting principles (GAAP) and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in Revised Circular No. A-136, *Financial Reporting Requirements*. GAAP for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board, which is the official body for setting the accounting standards of the U.S. government.

Throughout these financial statements, intragovernmental assets, liabilities, earned revenue, and costs have been classified according to the type of entity with whom the transactions were made. Intragovernmental assets and liabilities are those from or to other federal entities. Intragovernmental earned revenue represents collections or accruals of revenue from other federal entities, and intragovernmental costs are payments or accruals to other federal entities.

The Department is a party to allocation transfers with other federal agencies as both a transferring (parent) entity and/or a receiving (child) entity. Allocation transfers are legal

delegations by one department of its authority to obligate budget authority and outlay funds to another department. A separate fund account (allocation account) is created in the U.S. Treasury as a subset of the parent fund account for tracking and reporting purposes. All allocation transfers of balances are credited to this account, and subsequent obligations and outlays incurred by the child entity are charged to this allocation account as they execute the delegated activity on behalf of the parent entity. Generally, all financial activity related to these allocation transfers (e.g. budget authority, obligations, and outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived. EDA allocates funds, as the parent, to the U.S. Department of Agriculture's Rural Development Administration. Therefore, all financial activity related to these funds are reported in the Department's financial statements. NIST, NOAA, EDA, Census Bureau, BEA, NTIS, and USPTO receive allocation transfers, as the child, from the General Services Administration, Environmental Protection Agency, Delta Regional Authority, and Appalachian Regional Commission. Activity relating to these child allocation transfers is not reported in the Department's financial statements.

#### D. Earmarked Funds

Earmarked funds are financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from the government's general revenues. Earmarked funds include a general fund, public enterprise revolving funds (not including credit reform financing funds), special funds, and a trust fund. (See FR Notes Report No. 22, Earmarked Funds.)

#### E. Elimination of Intra-entity and Intra-Departmental Transactions and Balances

Transactions and balances within a reporting entity (intra-entity) have been eliminated from the financial statements, except as noted below. Transactions and balances among the Department's entities (intra-Departmental) have been eliminated from the *Consolidated Balance Sheets*, the *Consolidated Statements of Net Cost*, and the *Consolidated Statements of Changes in Net Position*. The *Statements of Budgetary Resources* are presented on a combined basis; therefore, intra-Departmental and intra-entity transactions and balances have not been eliminated from these statements.

#### F. Fund Balance with Treasury

Fund Balance with Treasury is the aggregate amount of funds in the Department's accounts with the U.S. Department of the Treasury (Treasury). Deposit Funds primarily represent the Spectrum Auction Proceeds Liability to the Federal Communications Commission (FCC) and amounts held in customer deposit accounts.

Treasury processes cash receipts and disbursements for the Department's domestic operations. Cash receipts and disbursements for the Department's overseas operations are primarily processed by the U.S. Department of State's financial service centers.

#### G. Accounts Receivable, Net

Accounts Receivable are recognized primarily when the Department performs reimbursable services or sells goods. Accounts Receivable are reduced to net realizable value by an Allowance for Uncollectible Accounts. This allowance is estimated periodically using methods such as the identification of specific delinquent receivables, and the analysis of aging schedules and historical trends adjusted for current market conditions.

#### H. Advances and Prepayments

Advances are payments the Department has made to cover a part or all of a grant recipient's anticipated expenses, or are advance payments for the cost of goods and services to be acquired. For grant awards, the recipient is required to periodically (monthly or quarterly) report the amount of costs incurred. Prepayments are payments the Department has made to cover certain periodic expenses before those expenses are incurred, such as subscriptions and rent. Advances and Prepayments are included in Other Assets.

#### I. Direct Loans and Loan Guarantees

A direct loan is recorded as a receivable after the Department disburses funds to a borrower. The Department also makes loan guarantees with respect to the payment of all or part of the principal or interest on debt obligations of non-federal borrowers to non-federal lenders. A borrower-defaulted loan guaranteed by the Department is recorded as a receivable from the borrower after the Department disburses funds to the lender.

Interest Receivable generally represents uncollected interest income earned on loans. For past-due loans, only up to 180 days of interest income is generally recorded.

Foreclosed Property is acquired primarily through foreclosure and voluntary conveyance, and is recorded at the fair market value at the time of acquisition. Foreclosed Property is adjusted to the current fair market value each fiscal year-end.

*Direct Loans and Loan Guarantees Obligated before October 1, 1991 (pre-FY 1992):* Loans Receivable are reduced by an Allowance for Loan Losses, which is based on an analysis of each loan's outstanding balance. The value of each receivable, net of any Allowance for Loan Losses, is supported by the values of pledged collateral and other assets available for liquidation, and by the Department's analysis of financial information of parties against whom the Department has recourse for the collection of these receivables.

The Economic Development Revolving Fund is required to make annual interest payments to Treasury after each fiscal year-end, based on its outstanding receivables at September 30.

*Direct Loans and Loan Guarantees Obligated after September 30, 1991 (post-FY 1991):* Post-FY 1991 obligated direct loans and loan guarantees and the resulting receivables are governed by the Federal Credit Reform Act of 1990.

For a direct or guaranteed loan disbursed during a fiscal year, a subsidy cost is initially recognized. Subsidy costs are intended to estimate the long-term cost to the U.S. government of its loan programs. The subsidy cost equals the present value of estimated cash outflows over the life of the loan, minus the present value of estimated cash inflows, discounted at the applicable Treasury interest rate. Administrative costs such as salaries are not included in the subsidy costs. Subsidy costs can arise from interest rate differentials, interest subsidies, delinquencies and defaults, loan origination and other fees, and other cash flows. The Department calculates its subsidy costs based on a model created and provided by OMB.

A Loan Receivable is recorded at the present value of the estimated cash inflows less cash outflows. The difference between the outstanding principal of the loan and the present value of its net cash inflows is recorded as the Allowance for Subsidy Cost. A subsidy reestimate is normally performed annually, as of September 30. The subsidy reestimate takes into account all factors that may have affected the estimated cash flows. Any adjustment resulting from the reestimate is recognized as a subsidy expense (or a reduction in subsidy expense). The portion of the Allowance for Subsidy Cost related to subsidy modifications and reestimates is calculated annually, as of September 30.

The amount of any downward subsidy reestimates as of September 30 must be disbursed to Treasury in the subsequent fiscal year. Appropriations are normally obtained in the following fiscal year for any upward subsidy reestimates.

#### J. Inventory, Materials, and Supplies, Net

Inventory, Materials, and Supplies, Net are stated at the lower of cost or net realizable value primarily under the weighted-average and first-in, first-out methods, and are adjusted for the results of physical inventories. Inventory, Materials, and Supplies are expensed when consumed. There are no restrictions on their sale, use, or disposition.

#### K. General Property, Plant, and Equipment, Net

General Property, Plant, and Equipment, Net (General PP&E) is composed of capital assets used in providing goods or services. General PP&E is stated at full cost, including all costs related to acquisition, delivery, and installation, less Accumulated Depreciation. General PP&E also includes assets acquired through capital leases, which are initially recorded at the amount recognized as a liability for the capital lease at its inception.

*Capitalization Thresholds:* The Department's general policy is to capitalize General PP&E if the initial acquisition price is \$25 thousand or more and the useful life is two years or more. NOAA is an exception to this policy, based on a cost vs. benefits and materiality analysis given the size of NOAA, having a capitalization threshold of \$200 thousand. General PP&E with an acquisition cost less than the capitalization threshold is expensed when purchased. When the purchase of a large quantity of items, each costing less than the capitalization threshold, would materially distort the amount of costs reported in a given period, the purchase is capitalized as a group.

*Depreciation:* Depreciation is expensed on a straight-line basis over the estimated useful life of the asset with the exception of leasehold improvements, which are depreciated over the remaining life of the lease or over the useful life of the improvement, whichever is shorter. Land and Construction-in-progress are not depreciated.

*Real Property:* The U.S. General Services Administration (GSA) provides most of the facilities in which the Department operates, and generally charges rent based on comparable commercial rental rates. Accordingly, GSA-owned properties are not included in the Department's General PP&E. The Department's real property primarily consists of facilities for NIST and NOAA. Land Improvements consist of a retaining wall to protect against shoreline erosion.

*Construction-in-progress:* Costs for the construction, modification, or modernization of General PP&E are initially recorded as Construction-in-progress. The Department's construction-in-progress consists primarily of satellites under development for NOAA, and major laboratory renovations and construction projects under development for NIST. Upon completion of the work, the costs are transferred to the appropriate General PP&E account.

## L. Liabilities

A liability for federal accounting purposes is a probable and measurable future outflow or other sacrifice of resources as a result of past transactions or events.

*Accounts Payable:* Accounts Payable are amounts primarily owed for goods, services, or capitalized assets received, progress on contract performance by others, and other expenses due.

*Loans Payable -Debt to Treasury:* The Department has borrowed funds from Treasury for its various credit programs: Fisheries Finance Traditional, Tuna Fleet, and Individual Fishing Quota (IFQ) Direct Loans, Fishing Vessel Obligation Guarantee (FVOG) Program, Bering Sea Pollock Fishery Buyout, Pacific Groundfish Buyback Loans, Crab Buyback Loans, Bering Sea and Aleutian Islands Non-Pollock Buyback Loans, and Emergency Steel Loan Guarantee Program. To simplify interest calculations, all borrowings are dated October 1. Interest rates are based on a weighted average of rates during the term of the borrowed funds. The weighted average rate for each cohort's borrowing is recalculated at the end of each fiscal year during which disbursements are

made. Annual interest payments on unpaid principal balances as of September 30 are required. Principal repayments are required only at maturity, but are permitted at any time during the term of the loan. The Department's primary financing source for repayments of Debt to Treasury is the collection of principal on the associated Loans Receivable. Balances of any borrowed but undisbursed funds will earn interest at the same rate used in calculating interest expense. The amount reported for Debt to Treasury includes accrued interest payable.

The Department has also borrowed funds from Treasury for its Digital Television Transition and Public Safety Fund. This NTIA fund, which was created by the Digital Television Transition and Public Safety Act of 2005, receives proceeds from the auction of licenses for recovered analog spectrum from discontinued analog television signals, and provides funding for several programs from these receipts. This Act, as well as the Security and Accountability For Every Port Act of 2006, also provides borrowing authority to the Department to commence specified programs prior to the availability of earned auction proceeds. As of September 30, 2009, NTIA has fully reimbursed Treasury for the borrowings, without interest. NTIA shall reimburse Treasury for the borrowings, without interest, as funds are deposited into the Fund.

*Spectrum Auction Proceeds Liability to Federal Communications Commission:* FCC completed the auction of licenses for recovered analog spectrum in March 2008. These auction proceeds provide funding for several programs. An auction proceed is considered a liability to FCC until FCC grants the license. When the license is granted, a budgetary financing source is recognized on the Consolidated Statement of Changes in Net Position, for the earned net auction proceed (auction proceed less FCC administrative fees due to FCC), and the liability is reduced by the dollar amount of the license granted.

*Other Liabilities - Resources Payable to Treasury:* Resources Payable to Treasury includes liquidating fund assets in excess of liabilities that are being held as working capital for the Economic Development Revolving Fund loan programs and the FVOG loan guarantee program. EDA's Drought Loan Portfolio is a non-entity asset; therefore, the amount of the Portfolio is also recorded as a liability to the Treasury General Fund. The Portfolio collections are returned to Treasury monthly, and the liability is reduced accordingly.

*Other Liabilities - Unearned Revenue:* Unearned Revenue is the portion of monies received for which goods and services have not yet been provided or rendered by the Department. Revenue is recognized as reimbursable costs are incurred, and the Unearned Revenue balance is reduced accordingly. Unearned Revenue also includes the balances of customer deposit accounts held by the Department. The intragovernmental Unearned Revenue primarily relates to monies collected in advance under reimbursable agreements. The majority of the Unearned Revenue with the public represents patent and trademark application and user fees that are pending action.

*Benefits Program Contributions Payable - Accrued FECA Liability:* The Federal Employees Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred

work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S. Department of Labor (DOL), which pays valid claims against the Department and subsequently seeks reimbursement from the Department for these paid claims. Accrued FECA Liability, included in Intragovernmental Other Liabilities, represents amounts due to DOL for claims paid on behalf of the Department.

*Loan Guarantee Liabilities:* Post-FY 1991 obligated loan guarantees are governed by the Federal Credit Reform Act of 1990. For a guaranteed loan disbursed during a fiscal year, a subsidy cost is initially recognized. Subsidy costs are intended to estimate the long-term cost to the U.S. government of its loan programs. The subsidy cost equals the present value of estimated cash outflows over the lives of the loans, minus the present value of estimated cash inflows, discounted at the applicable Treasury interest rate. Administrative costs such as salaries are not included in the subsidy costs. Subsidy costs can arise from interest rate differentials, interest subsidies, delinquencies and defaults, loan origination and other fees, and other cash flows. The Department calculates its subsidy costs based on a model created and provided by OMB.

For a non-acquired guaranteed loan outstanding, the present value of the estimated cash inflows less cash outflows of the loan guarantee is recognized as a Loan Guarantee Liability. The Loan Guarantee Liability is normally reestimated annually each year, as of September 30. The subsidy reestimate takes into account all factors that may have affected the estimated cash flows. Any adjustment resulting from the reestimate is recognized as a subsidy expense (or a reduction in subsidy expense).

*Federal Employee and Veteran Benefits Payable - Actuarial FECA Liability:* Actuarial FECA Liability represents the liability for future workers' compensation (FWC) benefits, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved cases. The liability is determined by DOL annually, as of September 30, using a method that utilizes historical benefits payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value using OMB's economic assumptions for ten-year Treasury notes and bonds. To provide more specifically for the effects of inflation on the liability for FWC benefits, wage inflation factors (Cost of Living Allowance) and medical inflation factors (Consumer Price Index - Medical) are applied to the calculation of projected future benefits. These factors are also used to adjust historical payments of benefits by the Department to current-year constant dollars.

The model's resulting projections are analyzed by DOL to ensure that the amounts are reliable. The analysis is based on two tests: (1) a comparison of the percentage change in the liability amount by agency to the percentage change in the actual payments; and (2) a comparison of the ratio of the estimated liability to the actual payment of the beginning year calculated for the current projection to the liability-payment ratio calculated for the prior projection.

*Federal Employee and Veteran Benefits Payable - NOAA Corps Retirement System Liability and NOAA Corps Post-retirement Health Benefits Liability:* These liabilities are recorded at the actuarial present value of projected benefits, calculated annually, as of September 30. The actuarial cost method used to determine these liabilities is the aggregate entry age normal method. Under this method, the actuarial present value of projected benefits is allocated on a level basis over the earnings or the service of the group between entry age and assumed exit ages. The portion of this actuarial present value allocated to the valuation year is called the normal cost. Actuarial gains and losses, and prior and past service costs, if any, are recognized immediately in the year they occur, without amortization. The actuarial calculations use U.S. Department of Defense Retirement Board of Actuaries economic assumptions (as used by the U.S. Military Retirement System) for investment earnings on federal securities, annual basic pay increases, and annual inflation. The medical claim rates used for the NOAA Corps Post-retirement Health Benefits Liability actuarial calculations are based on the claim rates used for the U.S. Department of Defense Medicare-Eligible Retiree Health Care Fund actuarial valuations. Demographic assumptions appropriate to covered personnel are also used.

*Environmental and Disposal Liabilities:* NIST operates a nuclear reactor licensed by the U.S. Nuclear Regulatory Commission, in accordance with NIST's mission of setting standards and examining new technologies. The Department currently estimates the cost of decommissioning this facility to be \$70.3 million. The NIST decommissioning estimate includes an assumption that an offsite waste disposal facility will become available, when needed, estimated in 2029. Currently, an offsite disposal location has not been identified, and the NIST environmental liability cost estimate includes an amount approved by the Nuclear Regulatory Commission for offsite waste disposal. The total estimated decommissioning cost is being accrued on a straight-line basis over the expected life of the facility. Under current legislation, funds to cover the expense of decommissioning the facility's nuclear reactor should be requested in a separate appropriation when the decommissioning date becomes relatively certain.

The Department has incurred cleanup costs related to the costs of removing, containing, and/or disposing of hazardous waste from facilities used by NOAA. The Department has estimated its liabilities for environmental cleanup costs at all NOAA-used facilities, including the decommissioning of ships. The largest of NOAA's environmental liabilities relates to the clean-up of the Pribilof Island in Alaska, which contains waste from the U.S. Department of Defense's use during World War II. The Department does not recognize a liability for environmental cleanup costs for NOAA-used facilities that are less than \$25 thousand per project. When an estimate of cleanup costs includes a range of possible costs, the most likely cost is reported. When no cost is more likely than another, the lowest estimated cost in the range is reported. The liability is reduced as progress payments are made.

The Department may have liabilities associated with asbestos-containing materials (ACM) and lead-based paints (LBP) at certain NOAA facilities. The Department has scheduled surveys to assess the potential for liabilities for ACM and LBP contamination.

All known issues, however, are contained, and NOAA facilities meet current environmental standards. No cost estimates are presently available for facilities that have not yet been assessed for ACM or LBP issues.

*Other Liabilities - Accrued Payroll and Annual Leave:* These categories include salaries, wages, and other compensation earned by employees, but not disbursed as of September 30. Annually, as of September 30, the balances of Accrued Annual Leave are adjusted to reflect current pay rates. Sick leave and other types of non-vested leave are expensed as taken.

*Other Liabilities - Accrued Grants:* The Department administers a diverse array of financial assistance programs and projects concerned with the entire spectrum of business and economic development efforts that promote activities such as expanding U.S. exports, creating jobs, contributing to economic growth, developing innovative technologies, promoting minority entrepreneurship, protecting coastal oceans, providing weather services, managing worldwide environmental data, and using telecommunications and information technologies to better provide public services. Disbursements of funds under the Department's grant programs are generally made when requested by grantees. These drawdown requests may be received and fulfilled before grantees make the program expenditures. When the Department has disbursed funds but the grant recipient has not yet reported expenditures, these disbursements are recorded as advances. If a recipient, however, reports program expenditures that have not been advanced by the Department by September 30, such amounts are recorded as grant expenses and grants payable as of September 30.

*Other Liabilities - Accrued Coupons for Digital-to-Analog Converter Box Program:* NTIA's Digital-to Analog Converter Box Program provides households in the U.S. with forty-dollar coupons (two per household maximum) that can be applied toward the purchase of digital-to-analog converter boxes. This liability represents the projected amount due for coupons issued as of September 30 but not yet redeemed.

*Other Liabilities - Capital Lease Liabilities:* Capital leases are leases for property, plant, and equipment that transfer substantially all the benefits and risks of ownership to the Department.

*Other Liabilities - ITA Foreign Service Nationals' Voluntary Separation Pay:* This liability, included in Other Liabilities, is based on the salaries and benefit statuses of employees in countries where governing laws require a provision for separation pay.

*Other Liabilities - Contingent Liabilities and Contingencies:* A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. A contingent liability (included in Other Liabilities) and an expense are recognized when a past event has occurred, and a future outflow or other sacrifice of resources is measurable and probable. A contingency is considered probable when the future confirming event or events are more likely than not to occur, with the exception of

pending or threatened litigation and unasserted claims. For pending or threatened litigation and unasserted claims, the future confirming event or events are likely to occur. A contingency is disclosed in the Notes to the Financial Statements if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred. A contingency is considered reasonably possible when the chance of the future confirming event or events occurring is more than remote but less than probable. A contingency is not recognized as a contingent liability and an expense nor disclosed in the Notes to the Financial Statements when the chance of the future event or events occurring is remote. A contingency is considered remote when the chance of the future event or events occurring is slight.

#### M. Commitments

Commitments are preliminary actions that will ultimately result in an obligation to the U.S. government if carried through, such as purchase requisitions, estimated travel orders, or unsigned contracts/grants. Major long-term commitments are disclosed in FR Notes Report Note 19, Commitments.

#### N. Net Position

Net Position is the residual difference between assets and liabilities, and is composed of Unexpended Appropriations and Cumulative Results of Operations.

Unexpended Appropriations represent the total amount of unexpended budget authority, both obligated and unobligated. Unexpended Appropriations are reduced for Appropriations Used and adjusted for other changes in budgetary resources, such as transfers and rescissions. Cumulative Results of Operations is the net result of the Department's operations since inception.

#### O. Revenues and Other Financing Sources

*Appropriations Used:* Most of the Department's operating funds are provided by congressional appropriations of budget authority. The Department receives appropriations on annual, multiple-year, and no-year bases. Upon expiration of an annual or multiple-year appropriation, the obligated and unobligated balances retain their fiscal year identity, and are maintained separately within an expired account. The unobligated balances can be used to make legitimate obligation adjustments, but are otherwise not available for expenditures. Annual and multiple-year appropriations are canceled at the end of the fifth year after expiration. No-year appropriations do not expire. Appropriations of budget authority are recognized as used when costs are incurred, for example, when goods and services are received or benefits and grants are provided.

*Exchange and Non-exchange Revenue:* The Department classifies revenue as either exchange revenue or non-exchange revenue. Exchange revenue is derived from transactions in which both the government and the other party receive value, including

processing patents and registering trademarks, the sale of weather data, nautical charts, and navigation information, and other sales of goods and services. This revenue is presented on the Department's *Consolidated Statements of Net Cost*, and serves to reduce the reported cost of operations borne by the taxpayer. Non-exchange revenue is derived from the government's sovereign right to demand payment, including fines for violations of fisheries and marine protection laws. Non-exchange revenue is recognized when a specifically identifiable, legally enforceable claim to resources arises, and to the extent that collection is probable and the amount is reasonably estimable. This revenue is not considered to reduce the cost of the Department's operations, and, is, therefore, reported on the *Consolidated Statements of Changes in Net Position*.

In certain cases, law or regulation sets the prices charged by the Department, and, for program and other reasons, the Department may not receive full cost (e.g., the processing of patents and registering of trademarks, and the sale of weather data, nautical charts, and navigation information). Prices set for products and services offered through the Department's working capital funds are intended to recover the full costs incurred by these activities.

*Imputed Financing Sources From Cost Absorbed by Others (and Related Imputed Costs):* In certain cases, operating costs of the Department are paid for in full or in part by funds appropriated to other federal entities. For example, Civil Service Retirement System pension benefits for applicable Departmental employees are paid for in part by the U.S. Office of Personnel Management (OPM), and certain legal judgments against the Department are paid for in full from the Judgment Fund maintained by Treasury. Through FY 2008, OMB limited Imputed Costs to recognize by federal entities to the following: (1) employees' pension benefits; (2) health insurance, life insurance, and other benefits for retired employees; (3) other postemployment benefits for retired, terminated, and inactive employees, including severance payments, training and counseling, continued health care, and unemployment and workers' compensation under FECA; and (4) losses in litigation proceedings. Effective FY 2009, there is no longer a limitation on Imputed Costs to be recognized by federal entities, and the Department, accordingly, recognizes all Imputed Costs paid for in full or in part by other federal entities. The additional imputed costs recorded were not material. The Department includes applicable Imputed Costs on the *Consolidated Statements of Net Cost*. In addition, an Imputed Financing Source from Cost Absorbed by Others is recognized on the *Consolidated Statements of Changes in Net Position*.

*Transfers In/(Out):* Intragovernmental transfers of budget authority (i.e., appropriated funds) or of assets without reimbursement are recorded at book value.

#### P. Employee Retirement Benefits

*Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS):* Most employees of the Department participate in either the CSRS or FERS defined-benefit pension plans. FERS went into effect on January 1, 1987. FERS and Social Security automatically cover most employees hired after December 31, 1983.

Employees hired prior to January 1, 1984 could elect to either join FERS and Social Security, or remain in CSRS.

The Department is not responsible for and does not report CSRS or FERS assets, accumulated plan benefits, or liabilities applicable to its employees. OPM, which administers the plans, is responsible for and reports these amounts.

For CSRS-covered regular employees, the Department was required to make contributions to the plan equal to 7.0 percent of an employee's basic pay. Employees contributed 7.0 percent of basic pay. For each fiscal year, OPM calculates the U.S. government's service cost for covered employees, which is an estimate of the amount of funds, that, if accumulated annually and invested over an employee's career, would be enough to pay that employee's future benefits. Since the U.S. government's estimated service cost exceeds contributions made by employer agencies and covered employees, this plan is not fully funded by the Department and its employees. The Department has recognized an Imputed Cost and an Imputed Financing Source From Cost Absorbed by Others for the difference between the estimated service cost and the contributions made by the Department and its covered employees.

For FERS-covered regular employees, the Department was required to make contributions of 11.2 percent (since FY 2005) of basic pay. Employees contributed .8 percent of basic pay. For each fiscal year, OPM calculates the U.S. government's service cost for covered employees. For FY 2009, since the U.S. government's estimated service cost exceeds contributions made by employer agencies and covered employees, this plan was not fully funded by the Department and its employees. For FY 2009, the Department has recognized an Imputed Cost and an Imputed Financing Source From Cost Absorbed by Others for the difference between the estimated service cost and the contributions made by the Department and its covered employees. For FY 2008, this plan was fully funded by the Department and its employees.

Employees participating in FERS are covered under the Federal Insurance Contributions ACT (FICA), for which the Department contributes a matching amount to the Social Security Administration.

*NOAA Corps Retirement System:* Active-duty officers of the NOAA Corps are covered by the NOAA Corps Retirement System, an unfunded, pay-as-you-go, defined-benefit plan administered by the Department. Participants do not contribute to this plan. Plan benefits are based primarily on years of service and compensation. Participants, as of September 30, 2009, included 301 active duty officers, 348 nondisability retiree annuitants, 18 disability retiree annuitants, and 47 surviving families. Key provisions include voluntary nondisability retirement after 20 years of active service, disability retirement, optional survivor benefits, Consumer Price Index (CPI) optional survivor benefits, and CPI adjustments for benefits.

*Foreign Service Retirement and Disability System, and the Foreign Service Pension System:* Foreign Commercial Officers are covered by the Foreign Service Retirement and

Disability System and the Foreign Service Pension System. ITA makes contributions to the systems based on a percentage of an employee's pay. Both systems are multi employer plans administered by the U.S. Department of State. The Department is not responsible for and does not report plan assets, accumulated plan benefits, or liabilities applicable to its employees. The U.S. Department of State, which administers the plan, is responsible for and reports these amounts.

*Thrift Savings Plan (TSP):* Employees covered by CSRS and FERS are eligible to contribute to the U.S. government's TSP, administered by the Federal Retirement Thrift Investment Board. A TSP account is automatically established for FERS-covered employees, and the Department makes a mandatory contribution of one percent of basic pay. Beginning in January 2008, FERS and CSRS covered employees have no limit on the percentage of pay contributed to their TSP account. However, the total contribution for 2009 may not exceed the IRS limit of \$16.5 thousand. The Department makes no matching contributions for CSRS-covered employees. TSP participants age 50 or older who are already contributing the maximum amount of contributions for which they are eligible may also make catch-up contributions, subject to the IRS dollar limit for catch-up contributions.

*Federal Employees Health Benefit (FEHB) Program:* Most Departmental employees are enrolled in the FEHB Program, which provides post-retirement health benefits. OPM administers this program and is responsible for the reporting of liabilities. Employer agencies and covered employees are not required to make any contributions for post retirement health benefits. OPM calculates the U.S. government's service cost for covered employees each fiscal year. The Department has recognized the entire service cost of these post-retirement health benefits for covered employees as an Imputed Cost and an Imputed Financing Source From Cost Absorbed by Others.

*NOAA Corps Post-retirement Health Benefits:* Active-duty officers of the NOAA Corps are covered by the health benefits program for the NOAA Corps, which provides post retirement health benefits. This is a pay-as-you-go plan administered by the Department. Participants do not make any contributions to this plan.

*Federal Employees Group Life Insurance (FEGLI) Program:* Most Department employees are entitled to participate in the FEGLI Program. Participating employees can obtain basic term life insurance, with the employee paying two-thirds of the cost and the Department paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers this program and is responsible for the reporting of liabilities. For each fiscal year, OPM calculates the U.S. government's service cost for the post-retirement portion of basic life coverage. Because the Department's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the Department has recognized the entire service cost of the post retirement portion of basic life coverage as an Imputed Cost and an Imputed Financing Source From Cost Absorbed by Others.

#### Q. Use of Estimates

The preparation of financial statements requires the Department to make estimates and assumptions that affect these financial statements. Actual results may differ from those estimates.

#### R. Tax Status

The Department is not subject to federal, state, or local income taxes. Accordingly, no provision for income taxes is recorded.

#### S. Fiduciary Activities

Fiduciary activities are the collection or receipt, and the management, protection, accounting, and disposition by the U.S. government of cash or other assets in which non-federal individuals or entities have an ownership interest that the U.S. government must uphold. Fiduciary cash and other assets are not assets of the U.S. government, and, accordingly, are not recognized in the accompanying consolidated financial statements.

The Department's fiduciary activities consists of the following: The Patent Cooperation Treaty authorizes USPTO to collect patent filing and search fees on behalf of the World Intellectual Property Organization (WIPO), European Patent Office, Korean Intellectual Property Office, and the Australian Patent Office, from U.S. citizens requesting an international patent. The Madrid Protocol Implementation Act authorizes USPTO to collect trademark application fees on behalf of the International Bureau of WIPO from U.S. citizens requesting an international trademark. These fiduciary activities for FY 2009 are reported in FR Notes Report No. 27, Fiduciary Activities.

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**Attachment B: FR Notes Report Note 11 - Federal Employee and Veteran Benefits Payable  
(Text Data)**

*4) Provide the long- term projection of the significant assumptions used in determining the postretirement health benefits liability and the related expense (example of assumptions: actuarial, economic, interest rate, and trend).*

**Answer:**

**FY 2009 and FY 2008:** The medical trend assumptions listed in Table A below represent the assumed increase in expected medical claim rates. These assumptions are the same as those used by the Department of Defense in projecting the liabilities for the U.S. Military retirees.

**Table A  
Medical Trend Assumptions  
Assumed Increase in Medical Expenses  
MTF (Direct Care) and TRICARE  
Non-Medicare**

From FY:	To FY:	MTF (Direct Care)			TRICARE		
		Inpatient	Outpatient	Prescription Drugs	Inpatient	Outpatient	Prescription Drugs
2009	2010	4.18%	4.18%	4.18%	5.41%	9.94%	7.28%
2010	2011	4.27%	4.27%	4.27%	5.44%	9.71%	7.22%
2011	2012	4.36%	4.36%	4.36%	5.48%	9.50%	7.15%
2012	2013	4.45%	4.45%	4.45%	5.51%	9.29%	7.09%
2013	2014	4.54%	4.54%	4.54%	5.54%	9.09%	7.04%
2014	2015	4.63%	4.63%	4.63%	5.58%	8.91%	6.98%
2015	2016	4.72%	4.72%	4.72%	5.61%	8.73%	6.93%
2016	2017	4.81%	4.81%	4.81%	5.65%	8.55%	6.88%
2017	2018	4.90%	4.90%	4.90%	5.69%	8.39%	6.83%
2018	2019	4.99%	4.99%	4.99%	5.72%	8.23%	6.79%
2019	2020	5.08%	5.08%	5.08%	5.76%	8.07%	6.74%
2020	2021	5.17%	5.17%	5.17%	5.80%	7.92%	6.70%
2021	2022	5.26%	5.26%	5.26%	5.83%	7.77%	6.66%
2022	2023	5.35%	5.35%	5.35%	5.87%	7.62%	6.62%
2023	2024	5.44%	5.44%	5.44%	5.91%	7.48%	6.58%
2024	2025	5.53%	5.53%	5.53%	5.95%	7.33%	6.54%
2025	2026	5.62%	5.62%	5.62%	5.98%	7.19%	6.50%
2026	2027	5.71%	5.71%	5.71%	6.02%	7.06%	6.46%
2027	2028	5.80%	5.80%	5.80%	6.06%	6.92%	6.43%
2028	2029	5.89%	5.89%	5.89%	6.10%	6.78%	6.39%
2029	2030	5.98%	5.98%	5.98%	6.14%	6.65%	6.36%
2030	2031	6.07%	6.07%	6.07%	6.17%	6.52%	6.32%
2031	2032	6.16%	6.16%	6.16%	6.21%	6.38%	6.28%
<b>Ultimate</b>		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

**Table A (Cont'd) Medicare  
MTF (Direct Care) TRICARE**

From FY:	To FY:	Inpatient	Outpatient	Prescription Drugs	Inpatient	Outpatient	Prescription Drugs
2009	2010	3.58%	4.21%	3.00%	4.58%	5.21%	8.23%
2010	2011	3.34%	3.83%	3.41%	4.34%	4.83%	8.06%
2011	2012	3.37%	4.01%	3.81%	4.37%	5.01%	7.90%
2012	2013	3.62%	4.54%	4.22%	4.62%	5.54%	7.75%
2013	2014	3.58%	4.48%	4.63%	4.58%	5.48%	7.61%
2014	2015	3.71%	4.65%	5.03%	4.71%	5.65%	7.48%
2015	2016	3.76%	5.38%	5.44%	4.76%	6.38%	7.35%
2016	2017	3.90%	5.87%	5.84%	4.90%	6.87%	7.23%
2017	2018	4.04%	5.89%	6.25%	4.98%	6.83%	7.11%
2018	2019	4.19%	5.91%	6.25%	5.07%	6.79%	7.05%
2019	2020	4.34%	5.94%	6.25%	5.15%	6.75%	6.99%
2020	2021	4.49%	5.96%	6.25%	5.24%	6.71%	6.94%
2021	2022	4.63%	5.99%	6.25%	5.32%	6.67%	6.88%
2022	2023	4.78%	6.01%	6.25%	5.40%	6.64%	6.82%
2023	2024	4.93%	6.03%	6.25%	5.49%	6.60%	6.76%
2024	2025	5.07%	6.06%	6.25%	5.57%	6.56%	6.71%
2025	2026	5.22%	6.08%	6.25%	5.66%	6.52%	6.65%
2026	2027	5.37%	6.11%	6.25%	5.74%	6.48%	6.59%
2027	2028	5.51%	6.13%	6.25%	5.83%	6.44%	6.53%
2028	2029	5.66%	6.15%	6.25%	5.91%	6.40%	6.48%
2029	2030	5.81%	6.18%	6.25%	6.00%	6.37%	6.42%
2030	2031	5.96%	6.20%	6.25%	6.08%	6.33%	6.36%
2031	2032	6.10%	6.23%	6.25%	6.17%	6.29%	6.31%
<b>Ultimate</b>		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

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**Attachment C: FR Notes Report Note 22 - Earmarked Funds (Text Data)**

**1) Provide a general description of the individual earmarked funds reported in the Other Notes Info tab (SFFAS No. 27, par.33). Also describe how the entity accounts for and reports the fund (SFFAS No. 27, par 23.1).**

*Answer:*

**FY 2009 and FY 2008:**

The **USPTO Earmarked Funds** consist of its Salaries and Expenses Fund, and the Patent and Trademark Surcharge Fund. The Salaries and Expenses Fund contains monies used for the administering of the laws relevant to patents and trademarks and advising the Secretary of Commerce, the President of the United States, and the Administration on patent, trademark, and copyright protection, and trade-related aspects of intellectual property. This fund is used for USPTO's two core business activities—granting patents and registering trademarks—that promote the use of intellectual property rights as a means of achieving economic prosperity. These activities give innovators, businesses, and entrepreneurs the protection and encouragement they need to turn their creative ideas into tangible products, and also provide protection for their inventions and trademarks. Since FY 1993, the Salaries and Expenses Fund has been funded primarily by the collection of fees for patent and trademark services. The USPTO may use monies from this fund only as authorized by Congress via appropriations. The Patent and Trademark Surcharge Fund, a Special Fund Receipt Account at Treasury. The USPTO may use monies from this account only as authorized by Congress and made available by the issuance of a Treasury warrant. As of September 30, 2009, \$233.5 million is held in this fund.

The **NTIA Digital Television Transition and Public Safety Fund** makes digital television available to every home in America, improves communications between local, state, and federal agencies, allows smaller television stations to broadcast digital television, and improves how warnings are received when disasters occur. NTIA received funding from borrowings from the Bureau of Public Debt, and repaid the Bureau of Public Debt from the proceeds of the auction of recovered analog spectrum which was completed in March 2008. The proceeds from the auction provide funding for several programs, and has been and is expected to be further used to reduce the National Deficit. The law establishing this program can be found in the Deficit Reduction Act of 2005, P.L. 109-171 Section 3001-3014.

The **Coastal Zone Management Fund**, operated by NOAA, is primarily used for interstate projects, demonstration projects for improving coastal zone management, and emergency grants to state coastal zone management agencies to address unforeseen or

disaster-related circumstances. The law establishing the Coastal Zone Management Fund can be found in 16 USC Section 1456a.

The **NTIS Revolving Fund** is used to collect, process, market, and disseminate government-sponsored and foreign scientific, technical, and business information, and to assist other agencies with their information programs. Activities funded by the NTIS Revolving Fund allow customers, both public and private, access to scientific and technical information produced by and for the federal government. All receipts from the sale of products and services are deposited in this fund, and all expenses, including capital expenditures, are paid from it.

The **Damage Assessment and Restoration Revolving Fund** receives monies for the reimbursement of expenses related to oil or hazardous substance spill response activities, or natural resource damages assessment, restoration, rehabilitation, replacement, or acquisition activities conducted by NOAA. The recovered sums by a federal, state, indian, or foreign trustee for natural resource damages is retained by the trustee and is only used to reimburse or pay costs incurred by the trustee for the damaged natural resources. The law establishing the Damage Assessment and Restoration Revolving Fund can be found in 33 USC Section 2706. Natural Resources.

**FY 2009 Only:**

The **Broadband Technology Opportunities Program - Recovery Act** includes funds from the American Recovery and Reinvestment Act of 2009 (Recovery Act) that provides awards to eligible entities to develop and expand broadband services to rural and underserved areas and improve access to broadband by public safety agencies. Specifically, funds will be used for innovative programs that encourage sustainable adoption of broadband services, to upgrade technology and capacity at public computing centers, including community colleges and public libraries, and for the development and maintenance of statewide broadband inventory maps.

The **Digital-to-Analog Converter Box Program - Recovery Act** includes funds from the Recovery Act that allowed NTIA to issue coupons to households to ensure vulnerable populations were prepared for the transition from analog-to-digital television transmission.

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**Attachment D: FR Notes Report Note 25 - Stewardship Land (Text Data)**

- 1. Describe the predominant uses of the stewardship land (SFFAS 29, par. 40c).**
- 3. Provide a brief statement explaining how the stewardship land relates to the mission of the agency (SFFAS No. 29, par. 40a).**

*Answer to 1. and 3.:*

**Stewardship Marine Sanctuaries, Marine National Monuments, and Conservation Area:**

NOAA maintains the following Stewardship PP&E, which are similar in nature to stewardship land:

**FY 2009 and FY 2008:**

***National Marine Sanctuaries:*** In 1972, Congress passed the Marine Protection, Research, and Sanctuaries Act (Act) in response to a growing awareness of the intrinsic environmental and cultural value of coastal waters. The Act authorized the Secretary of Commerce to designate discrete areas as National Marine Sanctuaries. These protected waters provide a secure habitat for species close to extinction, and also protect historically significant shipwrecks and prehistoric artifacts. The sanctuaries are also used for recreational diving and sport fishing, and support valuable commercial industries such as fishing and kelp harvesting. As of September 30, 2009, 13 National Marine Sanctuaries, which include near-shore coral reefs and open ocean, have been designated, covering a total area of nearly 19,000 square miles. Each individual sanctuary site (Monterey Bay, the Florida Keys, the Olympic Coast, and Channel Island are the largest four) conducts research and monitoring activities to characterize existing resources and document changes.

***Papahānaumokuākea Marine National Monument:*** The majority of all coral reef habitats located in U.S. waters surround the Northwestern Hawaiian Islands (NWHI). The NWHI Coral Reef Ecosystem Reserve is the nation's largest marine protected area, and was established by Executive Orders in December 2000 and January 2001, in accordance with the National Marine Sanctuaries Amendments Act of 2000. On June 15, 2006, the President created the world's second largest marine conservation area off the coast of the northern Hawaiian Islands. This conservation area, designated the Northwestern Papahānaumokuākea Marine National Monument, encompasses nearly 140,000 square miles of U.S. waters, including approximately 5,200 square miles of relatively undisturbed coral reef habitat that is home to more than 7,000 species. The Monument will be managed by NOAA, with the Department of the Interior, and the State of Hawaii.

***Aleutian Islands Habitat Conservation Area:*** On July 28, 2006, NOAA Fisheries Service formally established the Aleutian Islands Habitat Conservation Area in Alaska, which covers nearly 370,000 square miles and may harbor among the highest diversity of deep-water corals in the world. The conservation area established a network of fishing closures in the Aleutian Islands and Gulf of Alaska, and protects habitat for deep water corals and other sensitive features that are slow to recover once disturbed by fishing gear or other activities. Six small areas that include fragile coral gardens discovered by NOAA Fisheries Service scientists will be closed to all bottom-contact fishing gear. This effort is part of a network of new marine protected areas in Alaskan waters designed to protect essential fish habitat and prevent any further damage of the area.

**FY 2009 Only:**

***Rose Atoll Marine National Monument:*** On January 6, 2009, President Bush designated Rose Atoll in American Samoa a Marine National Monument. The atoll includes the Rose Atoll National Wildlife Refuge. It also includes about 20 acres of land and 1,600 acres of lagoon and is one of the most pristine atolls in the world. The areas around the atoll support a dynamic reef ecosystem that is home to many land and marine species, many of which are threatened or endangered. The Department of the Interior has primary management responsibility of the atoll while NOAA has primary management responsibility for the marine areas of the monument seaward of mean low water, with respect to fishery-related activities regulated pursuant to the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) and any other applicable authorities. Management strategies will be developed in coming years.

***Marianas Trench Marine National Monument:*** On January 6, 2009, President Bush designated the Marianas Trench Marine National Monument. The Monument consists of approximately 95,000 square miles of submerged lands and waters of the Mariana Archipelago. It includes three units: the Islands Unit, the waters and submerged lands of the three northernmost Mariana Islands; the Volcanic Unit, the submerged lands within 1 nautical mile of 21 designated volcanic sites; and the Trench Unit, the submerged lands extending from the northern limit of the Exclusive Economic Zone of the United States in the Commonwealth of the Northern Mariana Islands (CNMI) to the southern limit of the Exclusive Economic Zone of the U.S. in the Territory of Guam. No waters are included in the Volcanic and Trench Units, and CNMI maintains all authority for managing the three islands within the Islands Unit (Farallon de Pajaros or Uracas, Maug, and Asuncion) above the mean low water line. The Department of the Interior has primary management responsibility for the monument while NOAA has primary management responsibility with respect to fishery-regulated activities regulated pursuant to the Magnuson-Stevens Fishery Conservation and Management Act and any other applicable authorities. NOAA will develop a management plan, and, with the Department of the Interior, establish an advisory council for the Monument. These actions will require the preparation of associated National Environmental Policy Act documentation.

***Pacific Remote Islands Marine National Monument:*** On January 6, 2009, President Bush designated the Pacific Remote Islands Marine National Monument. The Pacific Remote Islands area consists of Wake, Baker, Howland, and Jarvis Islands, Johnston

Atoll, Kingman Reef, and Palmyra Atoll, which lie to the south and west of Hawaii. With the exception of Wake Island, these islands are administered as National Wildlife Refuges by the U.S. Fish and Wildlife Service of the Department of the Interior. They sustain many endemic species including corals, fish, shellfish, marine mammals, seabirds, water birds, land birds, insects, and vegetation not found elsewhere.

NOAA has primary responsibility for management of the monument seaward of the area 12 nautical miles of the mean low water lines of Wake, Baker, Howland, and Jarvis Islands, Johnston Atoll, Kingman Reef, and Palmyra Atoll, with respect to fishery-related activities regulated pursuant to the Magnuson-Stevens Fishery Conservation and Management Act and any other applicable legal authorities. Management strategies will be developed in coming years.

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**Attachment E: FR Notes Report Note 26 – Heritage Assets (Text Data)**

**1) Provide a brief statement explaining how heritage assets relate to the mission of the agency (SFFAS 29, par. 25a).**

*Answer:*

**FY 2009 and FY 2008:**

NOAA's collection-type heritage assets are comprised primarily of books, journals, publications, photographs and motion pictures, manuscripts, records, nautical chart plates, and artifacts. Many of these heritage assets are maintained by the NOAA Central Library (Library). As evidenced by a search of international catalogs, 35 to 50 percent of the Library's collection is unique. Historically, 40 percent of the items catalogued are not found anywhere else. Many older books cannot be replaced. The works include 17th century works of Francis Bacon and Robert Boyle, 18th century works of Daniel Bernouilli, Daniel Defoe, and Pierre Bouguer, and 19th and 20th century works of Benjamin Franklin and George Washington Carver. The Library has an extensive collection of historical Coast and Geodetic Survey materials (from 1807) and Weather Bureau materials (from the 1830s), including foreign and historical meteorological data, information on instruments, and metadata.

NOAA's collection-type heritage assets include items in the Thunder Bay Sanctuary Research Collection (Collection). In 2004, the Thunder Bay National Marine Sanctuary (jointly managed by NOAA and the State of Michigan to protect and interpret a nationally significant collection of shipwrecks and other maritime heritage resources) established an agreement with the Alpena County George N. Fletcher Public Library to jointly manage this Collection. Amassed over a period of more than 40 years by historian C. Patrick Labadie, the Collection includes information about such diverse subjects as Great Lakes ports and waterways, docks, cargoes, ships, shipbuilders, owners and fleets, machinery and rigging, notable maritime personalities, and shipwrecks. Special features of the Collection are extensive collections of a) data cards listing most of the ships on the Great Lakes before year 1900, a roster of some 15,000 vessels complete with descriptive data and highlights of the ships' careers and their ultimate losses; and b) ship photograph negatives of 19th and 20th century Great Lakes ships. Heritage assets also include copies of vessel ownership documents, contemporary ship photographs, books, and other items documenting the Great Lakes history.

NOAA's collection-type heritage assets also include items in the National Climatic Data Center Library. Heritage assets include a) books, manuals, and slides; b) thermometers, gauges, and radiosondes; and c) laboratory equipment.

NOAA also maintains the following non-collection type heritage assets (historical buildings and structures): 1) Galveston Laboratory; 2) National Marine Fisheries Service (NMFS) St. George Sealing Plan; 3) NMFS Cottage M, St. George; 4) NMFS St. Paul Old Clinic/Hospital; 5) NMFS Aquarium, and 6) Office of Atmospheric Research Great Lakes Environmental Research Laboratory (GLERL), Lake Michigan Field Station.

NIST currently maintains collection-type heritage assets under its Museum and History Program, which collects, conserves, and exhibits artifacts, such as scientific instruments, equipment, objects, and records of significance to NIST and predecessor agencies. This program provides institutional memory and demonstrates the contributions of NIST to the development of standards measurement, technology, and science. The Information Services Division (ISD) maintains the historical archives, rare book collection, and oversees the oral history program. The historical archives and rare book collection contain titles that are considered “classics” of historical scientific interest, books by prominent contemporary scientists, and books by NIST authors or about NIST work. Titles are recommended for inclusion by ISD staff and customers. Materials are not specifically purchased for the collection nor are funds specifically allocated for the collection. Photos and manuscripts include images of NIST staff, facilities, and artifacts that demonstrate NIST accomplishments.

Collection-type heritage assets maintained by Census Bureau are items considered unique for their historical, cultural, educational, technological, methodological, or artistic importance. They help illustrate the social, educational, and cultural heritage of the Census Bureau. Some items because of their age or obvious historical significance are inherently historical artifacts. Some examples of these historical artifacts include: 1900 Hollerith Key Punch, Hollerith Tabulator (Dial), Gang Punch, Pantograph, Census Bureau Enumerators Badge Data, Data Stewardship Button, Steel Hand Bander, Unisys Tape and Reel, Film Optical Sensing Device for Input to Computers (FOSDIC), and Artwork and Gifts.

**2) Provide a brief description of the agency's stewardship policies for each major category of the heritage assets (SFFAS 29, par. 25b).**

***Answer:***

**FY 2009 and FY 2008:**

NOAA has established policies for heritage assets to ensure the proper care and handling of these assets under its control or jurisdiction. The Deputy Under Secretary of NOAA has established the Heritage Assets Working Committee to administer NOAA's stewardship policies and procedures. In carrying out these policies and procedures, the Working Committee:

- Maintains a nationwide inventory of heritage assets, ensuring that they are identified and recorded in the Personal Property Heritage Asset Accountability System;

- Establishes nationwide NOAA policies, procedures, and standards for the preservation, security, handling, storage, and display of NOAA heritage assets;
- Tracks and updates each loan of NOAA heritage assets, including assigning current values and inventory numbers, and reporting the current condition of heritage assets;
- Determines the feasibility of new asset loans, such as meters, standard tide gauges, portraits, and books for exhibit loans;
- Collects heritage assets and properties of historic, cultural, artistic, or educational significance to NOAA.

NIST's Museum and History Program has policies in place for acquisitions and loans. Objects are either on display or in storage and are not used by visitors. Archives, including the historical book collection, are used according to established research library policies and procedures. When considering artifacts for accession, the following criteria are considered:

- Direct connection to NIST program activity
- Direct connection to a NIST prominent person
- Physical size
- Safety considerations

Archive material is not loaned. Artifacts are rarely loaned, but can be loaned within established policies and procedures for educational purposes, scholarly research, and limited public exhibition to qualified institutions. The loan policy packet for these artifacts includes an introduction to the NIST Loan Program, Borrower Checklist, Artifact Loan Request, NIST Loan Policy, Insurance Requirements, Facilities Report, Outgoing Loan Agreement, Condition Report Form, and Outgoing Loan Process.

ISD preserves and promotes the history of NIST through a program that collects, organizes, and preserves records of enduring value and encourages and supports their use by researchers. The policies and procedures cover such topics as submitting reference inquiries, regulations for use of the archives collection, scope of archives collection, criteria for accepting archival material, providing physical and bibliographic access, preservation, and reviewing the collection.

**FY 2009 Only:**

Census Bureau has developed a Project Charter for heritage assets which has developed policy and procedures for the acquisition and removal of Census Bureau heritage assets. If a Census Bureau employee receives a gift from a foreign government's statistical agency or any other agency while on official government travel, the Census Bureau employee will deliver the item to a member of Census Bureau's Heritage Assets Committee for review upon his or her return to Census Bureau, if the item is valued at more than \$25 dollars. The Committee will decide if the item meets the criteria for a heritage asset based on the uniqueness, historical age, and/or if the item helps to illustrate Census Bureau's historic contributions to the nation's growth. If the item is deemed a heritage asset, the applicable property management office will ensure the heritage asset is catalogued and stored in a safe, secure environment, allowing for appropriate

preservation and conservation. All necessary actions will be taken to reduce deterioration of heritage assets due to environmental conditions, and to limit damage, loss, and misuse of heritage assets. The Committee meets on a regular basis to determine if any heritage assets should be removed from the approved list, or if a newly arrived item should be classified as a heritage asset. Once a determination has been made to no longer classify an item as a heritage asset, Census Bureau will follow any applicable established policies and procedures for surplus property.

**FY 2008 Only:**

Census Bureau has established policies and procedures for the overall process for heritage assets for the categories of “Collectible Assets” and “Artwork, Books, and Gifts” The policies and procedures will mirror those established for the management of accountable property and sensitive items in regards to the receiving, maintenance, and accessing of personal property. The Census Bureau applicable property management office will ensure all heritage assets are catalogued and stored in a safe, secure, environment allowing for appropriate preservation and conservation. All necessary actions will be taken to reduce deterioration due to environmental conditions, and to limit damage, loss, and misuse of heritage assets.

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**Attachment F: Other Data Note 9 – Stewardship Investments (Text Data)**

**Section A: Investment in Non-Federal Physical Property (SFFAS No. 8, par 87)**

*2. Provide a description of the major programs of Federal investments in non-Federal property used. (SFFAS No. 8, par 87)*

**Answer:**

**FY 2009 and FY 2008:**

Non-federal physical property investments are expenses included in the Department's Net Cost of Operations for the purchase, construction, or major renovation of physical property owned by state and local governments. Based on a review of the Department's programs, NOAA and EDA have significant investments in non-federal physical property.

**NOAA:**

**National Estuarine Research Reserves (NERR):** The NERR system consists of 27 estuarine reserves protected by federal, state, and local partnerships that work to preserve and protect the nation's estuaries. The NERR system helps to fulfill NOAA's stewardship mission to sustain healthy coasts by improving the nation's understanding and stewardship of estuaries. Estuarine reserves are the areas where freshwater from rivers meet the ocean. These areas are known as bays, swamps, sloughs, and sounds. These important coastal habitats are used as spawning grounds and nurseries for the nation's commercial fish and shellfish. Estuaries filter much of the polluted runoff from rivers and streams that would otherwise contaminate oceans. The reserves were created with the passage of the Coastal Zone Management Act of 1972, and, as of September 30, 2009, encompassed approximately 1.3 million acres of estuarine waters, wetlands, and uplands. The newest reserve, Mission-Aransas, TX, was designated on May 3, 2006. NERRs are state-operated and managed in cooperation with NOAA. NOAA's investments in non-federal physical property are for the acquisition of lands and development or construction of facilities, auxiliary structures, and public access routes for any NERR site.

**Coastal and Estuarine Land Conservation Program:** This program was established under the Commerce, Justice, and State Appropriations Act of 2002, "for the purpose of protecting important coastal and estuarine areas that have significant conservation, recreation, ecological, historical, or aesthetic values, or that are threatened by conversion from their natural or recreational state to other uses." The investments in non-federal

physical property include matching grants awarded to state and local governments for land acquisition in coastal and estuarine areas. Since FY 2002, matching grants have been directed to 166 such projects.

**Coastal Zone Management Fund:** The Coastal Zone Management Program is authorized by the Coastal Zone Management Act of 1972, and administered at the federal level by NOAA's Office of Ocean and Coastal Resource Management. The investments in non-federal physical property include incidental expenses of land acquisition, and low-cost construction on behalf of various state and local governments, for the purpose of preservation or restoration of coastal resources and habitats. NOAA's financing supports various coastal states in their redevelopment of deteriorating and urbanized waterfronts and ports, as well as providing for public access to beaches and coastal areas. The state and local governments receive funding for these investments through NOAA grant expenditures, and these grant expenditures also include funding for purposes other than the investments in non-federal physical property. There is currently not in place a mechanism for the state and local governments to determine and report to NOAA the amount of monies they expend for the investments in non-federal physical property. The Department, accordingly, cannot report the amount of investments in non-federal physical property for the Coastal Zone Management Fund.

**EDA:**

**Public Works:** The Public Works program promotes long-range economic development in distressed areas by providing investments for vital public infrastructure and development facilities. These critical investments enable communities to attract new, or support existing, businesses that will generate new jobs and income for unemployed and underemployed residents. Among the types of projects funded are water, sewer, fiber optics, access roads, and facilities such as industrial and business parks, business incubator and skill training facilities, and port improvements.

**Economic and Defense Adjustments:** The Economic and Defense Adjustments program provides flexible investments for communities facing sudden or severe economic distress to diversify and stabilize its economy. Factors that seriously threaten the economic survival of local communities include essential plant closures, military base closures or realignments, defense laboratory or contractor downsizings, natural resource depletion, out-migration, under-employment, and destructive impacts of foreign trade.

**Global Climate Change Mitigation Incentive Fund (GCCMIF):** The GCCMIF program was established to strengthen the linkage between economic development and environmental quality. The purpose and mission of the GCCMIF program is to finance projects that foster economic development by advancing the green economy in distressed communities. The GCCMIF program is the development and use of products and services that contribute to economic growth and alleviate economic distress by respecting and revitalizing the environment. The GCCMIF program supports projects that create jobs through, and increase private capital investment in, efforts to limit the nation's

dependence on fossil fuels, enhance energy efficiency, curb greenhouse gas emissions, and protect natural systems.

**Disaster Recovery:** The Disaster Recovery program awards grants for the repair of infrastructure and economic development related facilities damaged by floods and other natural disasters. Funding for the Disaster Recovery program is generally through supplemental funding from Congress for recovery efforts to save, sustain, and preserve private enterprise and job creation in economically distressed communities.

**Section B: Research and Development: Investment in Development (SFFAS No. 8, par. 94, 99 & 100)**

*1. Provide a description of the major programs of Federal investments in development. (SFFAS No. 8, par. 100)*

*Answer:*

**FY 2009 and FY 2008:**

Investments in R&D are expenses that are included in the Department's Net Cost of Operations. The investments are divided into three categories: (1) basic research, the systematic study to gain knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications toward processes or products in mind; (2) applied research, the systematic study to gain knowledge or understanding necessary for determining the means by which a recognized and specific need may be met; and (3) development, the systematic use of the knowledge and understanding gained from research for the production of useful materials, devices, systems, or methods, including the design and development of prototypes and processes. The investments are made with the expectation of maintaining or increasing national economic productive capacity, or yielding other future economic or societal benefits. Based on a review of the Department's programs, the only significant investments in R&D are by NIST and NOAA.

**NIST:**

**NIST Laboratories Program:**

NIST Laboratories have been the stewards of the nation's measurement infrastructure since their inception in 1901 as the National Bureau of Standards. NIST Laboratories foster scientific and technological leadership by helping the U.S. to drive and take advantage of the increased pace of technological change, fostering more efficient transactions in the domestic and global marketplace, and addressing other critical needs assigned to NIST by the Administration and Congress. In support of the American Competitiveness Initiative, NIST develops and disseminates measurement techniques, reference data, test methods, standards, and other infrastructural technologies and services required by U.S. industry, government, and academia to compete in the 21st

century. NIST laboratories promote innovation, facilitate trade, and ensure public safety and security by strengthening the nation's measurement and standards infrastructure.

The American Recovery and Reinvestment Act of 2009 included \$250 million in funding for NIST laboratory research, measurements, and other services supporting economic growth and U.S. innovation through funding of such items as competitive grants, research fellowships, advanced measurement equipment and supplies, standards-related research that supports the security and interoperability of electronic medical records to reduce health care costs and improve the quality of care, and development of a comprehensive framework for a nationwide, fully interoperable smart grid for the U.S. electric power system. This funding will result in additional R&D investments for the NIST Laboratories Program.

### **Advanced Technology Program (ATP)/Technology Innovation Program (TIP):**

ATP is a cost-shared funding program for businesses that was intended to develop new technologies for commercial use. ATP was abolished by the America COMPETES Act, which was signed into law by President Bush on August 9, 2007. This same Act established TIP, which supports, promotes, and accelerates innovation in the United States by offering cost-shared funding for high-risk, high-reward research in areas of critical national need.

Critical national need areas in TIP are those for which government attention is demanded because the magnitude of the problem is large and the societal challenges that need to be overcome are not being addressed. TIP was explicitly established within NIST to assist U.S. small- and medium-size businesses, institutes of higher education, national laboratories, and non-profit research organizations to conduct high-risk, high-reward research that has the potential for yielding transformational results with wide-reaching implications, and that is within NIST's areas of technical competence. The America COMPETES Act statute allows for continued support for previously awarded ATP projects and new TIP awards.

### **NOAA:**

NOAA conducts a substantial program of environmental R&D in support of its mission, much of which is performed to improve the United States' understanding of and ability to predict environmental phenomena. The scope of research includes:

- Improving predictions and warnings associated with the weather, on timescales ranging from minutes to weeks;
- Improving predictions of climate, on timescales ranging from months to centuries;
- Improving understanding of natural relationships to better predict and manage renewable marine resources and coastal and ocean ecosystems.

NOAA also conducts research that is intended to provide a solid scientific basis for environmental policy-making in government. Examples of this research include

determining the stratospheric ozone-depleting potential of proposed substitutes for chlorofluorocarbons (CFCs), and identifying the causes of the episodic high rural ozone levels that significantly damage crops and forests.

NOAA conducts most R&D in-house; however, contractors to NOAA undertake most systems R&D. External R&D work supported by NOAA includes that undertaken through federal-academic partnerships such as the National Sea Grant College Program, the Cooperative Institutes of the Environmental Research Laboratories, the Climate and Global Change Program, and the Coastal Ocean Program.

Here is a brief description of the major R&D programs of NOAA:

**Environmental and Climate:** The Office of Oceanic and Atmospheric Research is NOAA's primary research and development office. This office conducts research in three major areas: climate research; weather and air quality research; and ocean, coastal, and Great Lakes research. NOAA's research laboratories, Climate Program Office, and research partners conduct a wide range of research into complex climate systems, including the exploration and investigation of ocean habitats and resources. NOAA's research organizations conduct applied research on the upper and lower atmosphere as well as the space environment.

**Fisheries:** NOAA's NMFS is responsible for the management and stewardship of living marine resources and their habitat within the Nation's Exclusive Economic Zone. NMFS manages these resources through science-based conservation and management, and the protection and restoration of healthy ecosystems to ensure their continuation as functioning components of ecosystems, while also affording economic opportunities and enhancing the quality of life for the American public. Fishery stocks and protected species are surveyed, catch data are collected, and research is conducted to better understand the variables affecting the abundance and variety of marine fishes and protected species. Protection of endangered species, restoration of coastal and estuarine fishery habitats, and enforcement of fishery regulations are primary NOAA activities. The research and management of living marine resources is conducted in partnership with states, universities, other countries, and international organizations.

**Marine Operations and Maintenance and Aircraft Services:** These efforts support NOAA's programs requiring operating days and flight hours to collect data at sea and in the air. NOAA's Marine and Aviation Operations manage a wide variety of specialized aircraft and ships to complete NOAA's environmental and scientific missions. The aircraft collect the environmental and geographic data essential to NOAA hurricane and other weather and atmospheric research, conduct aerial surveys for hydrologic research to help predict flooding potential from snowmelt, and provide support to NOAA's fishery research and marine mammal assessment programs. NOAA's ship fleet provides oceanographic and atmospheric research and fisheries research vessels to support NOAA's strategic plan elements and mission.

**Weather Service:** The National Weather Service conducts applied research and development, building upon research conducted by NOAA laboratories and the academic community. Applied meteorological and hydrological research is integral to providing more timely and accurate weather, water, and climate services to the public.

**Other Programs:** As a national lead for coastal stewardship, National Ocean Service promotes a wide range of research activities to create the strong science foundation required to advance the sustainable use of precious coastal systems. Understanding of the coastal environment is enhanced through coastal ocean activities that support science and resource management programs. The National Environmental Satellite Data and Information Service, through its Office of Research and Applications, conducts atmospheric, climatological, and oceanic research into the use of satellite data for monitoring environmental characteristics and their changes. It also provides guidance for the development and evolution of spacecraft and sensors to meet future needs.

*2. Provide a description of the progress of major development projects including the results with respect to projects completed or otherwise terminated during the year and the status of projects that will continue. (SFFAS No. 8, par. 99)*

*Answer:*

**FY 2009:**

**NOAA:**

**NOAA Extending Operational Use of Bering Sea Shelf Moorings to Ice-Covered Areas:** NOAA scientists are improving long-term biophysical moorings in the Bering Sea to provide real-time data during the winter when extensive portions of this sea are covered by sea ice. The moorings provide platforms for NOAA and other scientists to deploy scientific instruments in this data-poor, but highly productive, region of the world. Presently, the moorings measure ocean temperature, salinity, fluorescence, nutrients, and zooplankton abundance; also, passive listening devices record the sounds of marine mammals. Year-round reporting of data in real-time will provide critical knowledge about commercial and protected resources of the Bering Sea and improve NOAA's delivery of information to guide the stewardship of living marine resources.

Development of a real-time data communications link for under-ice biophysical moorings continues. NOAA scientists successfully redeployed standard winter moorings in April 2009 after the ice began its seasonal retreat. Several of the replacement moorings had surface meteorological towers and real time communication capability. Unfortunately, local weather conditions blew the sea ice back over one of the redeployed moorings (near the Pribilof Islands) and the mooring was lost. This underscores the difficulty of working in a marginal ice zone and the value of completing design, testing, and implementation of moorings in marginal ice zones.

In 2009, scientists purchased their first ice-thickness sensors. The sensors are critical for determining the magnitude and variability in ice thickness at the mooring sites. They will

be deployed in 2010 and will provide the data necessary to write a statement of requirements for the project engineers.

**Cooperative Research on the Application of Passive Acoustics to Integrated Ocean Observing Systems:** This is the second year of a National Ocean Partnership Program (NOPP) funded study which will continue through late FY 2010 to develop techniques required to characterize the acoustic environment and health of the Stellwagen Bank National Marine Sanctuary (SBNMS) ecosystem. This collaborative venture between NMFS/Northeast Fisheries Science Center (NEFSC), National Ocean Service (NOS)/SBNMS, Cornell University, and Marine Acoustics, Inc. will monitor the sanctuary for biological and anthropogenic noise over a continuous 30-month period using an array of ten passive acoustic Marine Autonomous Recording Units (MARUs). MARU data allows a comparison of sanctuary noise levels with: (1) baleen whale and fish distribution, (2) baleen whale audiogram models to estimate the potential for hearing loss, (3) the sounds produced by baleen whales and fish to determine the potential for masking, and (4) tagging data of baleen whales to study individual behavioral effects. NOS has developed methodologies to combine MARU data with that derived from the U.S. Coast Guard's Automatic Identification System (AIS) to directly identify the sound contribution from large commercial vessels and specific vessel classes, including those many miles from the sanctuary. Researchers are also combining MARU data with commercial whale watch and fishing vessel tracks obtained from onboard observers to help understand each industry's contribution to the sanctuary noise budget.

The ultimate aim of this project is to integrate biological and anthropogenic site characterizations into an overall sound budget capable of providing a "3-D acoustic ecosystem snapshot" of the sanctuary. Researchers will do this by establishing an ocean observing system within the SBNMS and developing cutting edge techniques that can be applied to other regions or Sanctuaries. In accomplishing these tasks, the project addresses many of the recommendations made by the National Research Council's Committee on the Potential Impacts of Ambient Noise in the Ocean on Marine Mammals.

To date, this project has resulted in two major manuscripts, which redefine and redirect existing bench marks. These are now in press in *Marine Ecology Progress Series*, Theme Section on Marine Acoustics: Clark et al., "Acoustic Masking in Marine Ecosystems: Intuitions, Analysis, and Implications"; and Van Parijs et al., "Mitigation, management and research applications of real time and archival passive acoustic sensors over variable temporal and spatial time scales." Furthermore, this project ran an Ocean Noise Symposium at the International Marine Conservation Congress in May 2009 aimed at demonstrating the tool set developed for defining ocean noise, evaluating the acoustic communication range and the effects of anthropogenic sources thereon, and demonstrating how this tool set can be transposed and used elsewhere.

**New AUV for Monitoring Fish and their Habitat in the Pacific:** The Northwest Fisheries Science Center (NWFSC) and the Pacific Islands Fisheries Science Center (PIFSC) have worked with researchers at Woods Hole Oceanographic Institution

(WHOI) to redesign the SeaBed Autonomous Underwater Vehicle (AUV) to improve its capabilities for monitoring fish populations and habitat in rocky areas. Traditional fish monitoring techniques, such as trawl surveys, are of limited applicability in such areas due to the rugged nature of the terrain. Habitat monitoring in high relief areas is also difficult since towed systems can tangle in very rugged terrain. Hover-capable bottom tracking AUVs, on the other hand, offer a unique tool that is appropriate for work in such areas.

The Seabed AUV developed by Hanumant Singh at WHOI is a multi-hull hover-capable vehicle that, unlike traditional torpedo shaped AUVs, is capable of working extremely close to the seafloor, while maintaining very precise altitude and navigation control. Its small footprint, coupled with its 2000m depth rating, makes it an ideal platform for conducting surveys off the continental shelf on ships ranging from standard NOAA oceanographic vessels to smaller fishing vessels of opportunity.

Researchers made key modifications in 2008 and this new configuration of the AUV can simultaneously obtain forward and downward looking bottom imagery to improve the identification of groundfish in images. This will allow the development of non-extractive surveys to monitor groundfish in previously un-assessed rocky habitats. The combination of autonomous operation, hover, and bottom tracking capabilities, along with new camera configurations, will enhance efforts to quantitatively characterize coral reef ecosystem habitats and communities as well. Use of the Seabed AUV is expected to provide significant improvements in the linear kilometers of seafloor that will be imaged and the resolution and positioning accuracy of the imagery, as well as simultaneously reducing ship time requirements. Researchers are making the new camera configurations based on tests conducted in collaboration with the University of Puerto Rico in Spring 2008. They conducted initial data collections and pilot surveys in the Western Pacific in March 2009. They tested the new camera configuration and were trained on control software and test mapping off of Honolulu in early March. In late March, they conducted mapping off the coast of California in collaboration with Channel Islands Marine Sanctuary. Mapping in the Sanctuary included mapping in the "footprint" marine protected area and at a 1950's private plane crash site within the Sanctuary.

**Genetic Stock Identification Used to Estimate Chinook Bycatch in Groundfish Fishery:** The Alaska Regional Office recently prepared an Environmental Impact Statement which highlighted the need to understand the impact of bycatch from the Bering Sea and Aleutian Islands (BSAI) groundfish fishery on various stocks of Pacific salmon. Salmon from western Alaska were of particular concern as many populations of are experiencing significantly low levels of return, dramatically impacting subsistence and commercial salmon fisheries. In April 2009, the North Pacific Fishery Management Council established a hard cap for the Chinook salmon bycatch, and is now considering various protective measures for chum salmon.

In FY 2009, the Alaska Fisheries Science Center's (AFSC) Auke Bay Laboratories began a one-year genetic stock identification project to analyze a limited sample from the Chinook bycatch. AFSC's North Pacific Groundfish Observer Program collected these

samples throughout the 2008 BSAI groundfish fishery as part of a feasibility study. The objectives of this project are to (1) identify the strata for which sufficient numbers of samples from the 2008 Chinook bycatch can be analyzed, and (2) produce stock composition estimates for that limited strata. Although the sampling methods employed for this pilot study are not likely to yield a sample set representative of the entire bycatch, the results will give indications of the presence/absence of particular stocks, produce recommendations for improvements to the sampling protocols, and establish high-throughput procedures for the efficient analysis of samples from future fisheries.

The AFSC is also working in collaboration with the University of Alaska Fairbanks School of Fisheries and Ocean Sciences to investigate marine distributions (temporal and spatial) of chum salmon populations or of regional aggregations of chum salmon in the Bering Sea using chum bycatch samples collected from 1988 to 2005. Identifying temporally stable regional stock distributions of chum salmon may help fisheries managers potentially redirect the groundfish fishery away from aggregations of high-priority chum stocks. The development of a genetic baseline incorporating both SNP (single nucleotide polymorphism) and microsatellite markers facilitate this study. Researchers are completing genotyping this year with results to follow thereafter.

#### **2008 Northwestern Hawaiian Island Reef Assessment and Monitoring Program**

**Cruise Completed:** Scientists from the Coral Reef Ecosystem Division (CRED) within NMFS's Pacific Islands Fisheries Science Center (PIFSC) successfully completed the 2008 Northwestern Hawaiian Island Reef Assessment and Monitoring Program (RAMP) cruise on October 12, 2008. This 32-day cruise aboard the NOAA Ship Hi'ialakai conducted biological and oceanographic monitoring in the Northwestern Hawaiian Islands (NWHI), specifically: French Frigate Shoals, Maro Reef, Laysan Island, Lisianski Island/Neva Shoals, Pearl and Hermes Atoll (PHA), Kure Atoll, and Midway Atoll. CRED scientists led the field party that included collaborators from the Papanāumokuākea Marine National Monument and the Hawaii Department of Aquatic Resources. The fieldwork yielded several key findings: (1) Large algae blooms were observed along the northeastern backreef of Midway, along with a more extensive distribution along the fringing reefs and backreefs at Kure; (2) Only 41 sharks of all species were recorded during all combined towed-diver surveys, down from previous years; and (3) Coral bleaching was observed at varying levels at all NWHI, with relatively low levels for all sites; towed-diver surveys observed higher paling/bleaching levels of montiporas recorded at PHA in the southwest backreef areas and paling/bleaching on pocillopora col. on the southwest forereef.

**Towed Stereo-camera System Developed:** The Southwest Fisheries Science Center (SWFSC) Fisheries Resources Division's (FRD) Advanced Survey Technology Group has developed a towed stereo-camera system for validating acoustic targets and estimating fish species and sizes while underway at survey speeds of up to 12 knots. Researchers at the SWFSC successfully trialed the "FasTowCam" in the Puget Sound during a much abbreviated, ad-hoc period aboard the NOAA ship *Miller Freeman*. As a result, SWFSC refined the towing bridle and the actuator belt-drive system to allow the FasTowCam to track and hold depth stably at speeds ranging from one to ten knots, and depths to 15 m. Researchers further tested the FasTowCam at ten knots in Puget Sound in

early May, and the mechanics, electronics and winch system operated well.

**NOAA Scientists Complete Annual Antarctic Marine Ecosystem Survey:** The 2008-2009 U.S. Antarctic Marine Living Resources Survey, conducted by the Antarctic Ecosystem Research Division at NOAA's SWFSC, represents the 23rd annual survey conducted in the South Shetland Islands region of Antarctica. The data collected complement a long-term dataset that is critical to national and international management of fisheries in the Southern Ocean by the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR), of which the U.S. is a Member. Due to recent, rapid and pervasive ecosystem changes, the survey is also important for the detection and management of climate change and its effects on international fisheries.

In 2009, NOAA operated two field stations, one jointly with the National Science Foundation, during the breeding period of land-based Antarctic predators. In addition, the SWFSC conducted two ship-based surveys: one survey of pelagic (open-water) zooplankton, seabirds and marine mammals around the South Shetland Islands; and a second survey of finfish and benthic invertebrates around the South Orkney and South Shetland Islands.

**Pacific Reef Assessment and Monitoring Program Research Cruise to the Main Hawaiian Islands Completed:** Researchers from NOAA's Coral Reef Ecosystem Division, the Hawaii Division of Aquatic Resources (DAR), University of Hawaii, San Diego State University, and National Geographic completed the 2008 Main Hawaiian Island (MHI) Reef Assessment and Monitoring Program (RAMP) cruise on November 14, 2008. During the 30-day cruise, the researchers conducted integrated ecosystem assessments of fish, corals, macroinvertebrates, algae, and oceanographic and water quality around the islands of Hawaii, Maui, Lanai, Molokai, Oahu, Kauai, Niihau, and Lehua Rock, with a primary focus on reef areas not previously monitored by DAR. For the first time on a MHI-RAMP cruise, researchers surveyed the microbial community; tested a National Geographic DropCam system; deployed 36 Autonomous Reef Monitoring Structures to monitor indices of cryptic invertebrate biodiversity; and collected water samples assess carbonate chemistry associated with ocean acidification. Consistent with prior MHI-RAMP observations: abundance of apex predators (sharks, jacks) and prevalence of coral disease were low; there were also signs of coral community deterioration in some populated areas.

**Pacific Reef Assessment and Monitoring Program Research Cruise to Wake Island Completed:** Researchers from NOAA's Coral Reef Ecosystem Division, University of Hawaii, San Diego State, and the University of Guam completed the 2009 Wake Atoll Reef Assessment and Monitoring Program (RAMP) cruise on April 1, 2009. The 21-day cruise began in Pearl Harbor and ended in Apra Harbor, Guam and included a five-day deployment at Wake. In addition to Rapid Ecological Assessments (REA) at all previous sites, 17 new fish REA sites were established. Towed-diver surveys encircled the island with considerable overlap at multiple depths. Researchers deployed Autonomous Reef Monitoring Structures (ARMS) at four new sites. In addition to successful recovery and replacement of all existing long-term oceanographic monitoring instrumentation, researchers deployed nine new oceanographic instruments for an intensive short-term

study with the University of Hawaii. Researchers also completed both shallow and deep hydrographic surveys, and water quality surveys around the island.

**Reef Assessment and Monitoring Program Research Cruise to Guam and the Commonwealth of the Northern Mariana Islands Completed:** Scientists from NOAA's Pacific Islands Fisheries Science Center's Coral Reef Ecosystem Division and partner agencies completed the 4th biennial Mariana Archipelago Reef Assessment and Monitoring Program cruise surveying the coral reef ecosystems of Guam, Rota, Aguijan, Tinian, Saipan, Sarigan, Pagan, Asuncion, Supply Reef, Farallon de Pajaros, Maug, Agrihan, Alamagan, Guguan, Zealandia Bank, and Anatahan. Preliminary analyses of towed-diver surveys of fish measuring over 50 cm in length revealed lower abundance than in previous years, and smaller differences in abundance between the uninhabited northern islands and the populated southern islands. Sharks have continued to exhibit a declining trend in abundance since surveys began in 2003. Fine-scale biological assessments of the marine benthos revealed values for coral diversity, percent cover, and disease comparable to previous assessments. Diversity of algae was lower in the northern islands, where turf algae replaced macroalgae as the dominant form. Surveys also revealed unusually high levels of cyanophytes like blue-green algae, particularly along the western-facing shores of Pagan Island. Although the causative factors of these conditions are not understood, it is speculated that iron-rich ash originating from recent volcanic activity may be related to these unusual findings. Alternatively, this increased cyanophyte cover may simply be part of a previously undocumented natural cycle.

#### **NIST:**

**Development of a Smart Grid Interoperability Standards Framework:** Working with industry, government, and other stakeholders, NIST is expediting the identification and development of interoperability standards critical to achieving a reliable and robust Smart Grid. Accelerating the development of the Smart Grid is among the top priorities of the Obama Administration. In recognition of this urgency, in March 2009, NIST identified one of its senior executives to serve as National Coordinator for Smart Grid Interoperability to provide visible leadership at the national level. In April 2009, NIST launched a three-phase plan to expedite the development and promote widespread adoption of Smart Grid interoperability standards. This plan includes further engaging stakeholders to achieve consensus on Smart Grid standards, launching a formal private-public partnership to facilitate development of additional standards, and developing a plan for testing and certification to ensure that Smart Grid equipment and systems conform to standards for security and interoperability. To augment NIST staff resources, NIST awarded the Electric Power Research Institute (EPRI) a short-term contract to engage stakeholders, facilitate public workshops and provide technical assistance in assessing standards needs and developing a draft interim standards roadmap. NIST used this report and public input in drafting Release 1.0 of the NIST Smart Grid Interoperability Standards Framework, released on September 24, 2009. NIST's expanded role in smart grid interoperability standards is supported by the Energy Independence and Security Act of 2007, which charges NIST with "primary responsibility to coordinate development of a framework that includes protocols and

model standards for information management to achieve interoperability of smart grid devices and systems..."

**New Building Code Revisions Adopt NIST Recommendations From World Trade**

**Center Study:** Future buildings—especially tall structures—should be increasingly resistant to fire, more easily evacuated in emergencies, and safer overall, as a result of 23 major and far-reaching building and fire code changes approved recently by the International Code Council (ICC) based on recommendations from NIST. The recommendations were part of NIST's investigation of the collapses of New York City's World Trade Center (WTC) towers on September 11, 2001. The new codes address areas such as increasing structural resistance to building collapse from fire and other incidents; requiring a third exit stairway for tall buildings; increasing the width of all stairways by 50 percent in new high-rises; and ensuring effective coverage throughout a building for emergency responder radio communications. NIST also released its final report on the September 11, 2001, collapse of the 47-story World Trade Center building 7 (WTC 7) in New York City.

**Nanotechnologists Gain Powerful New Materials Probe:** Researchers at NIST and Johns Hopkins University have constructed a unique tool for exploring the properties of promising new materials with unprecedented sensitivity and speed—potentially allowing researchers to identify quickly those most useful for nanotechnology and industrial applications. This novel instrument, called the Multi-Axis Crystal Spectrometer (MACS), bombards a sample of material with low-energy neutrons, which then bounce off the sample's constituent atoms in specific directions and with specific velocities that reflect the arrangement of atoms within the material. Analyzing how neutrons scatter from a sample can tell scientists a great deal about the material's physical properties, but older spectrometers are limited to relatively large samples and offer less range in the conditions under which they can be tested. MACS overcomes these limitations, and its unique construction has additional advantages. These improvements mean that MACS could become a favorite tool for scientists who must choose—and choose quickly—what material to grow next.

**World's First Nanofluidic Device With Complex 3-D Surfaces Built:** Researchers at NIST and Cornell University have capitalized on a process for manufacturing integrated circuits at the nanometer (billionth of a meter) level to engineer the first-ever nanoscale fluidic device with complex three-dimensional surfaces. The lilliputian chamber is a prototype for future tools with custom-designed surfaces to manipulate and measure different types of nanoparticles in solution. Among the potential applications are processing nanoscale materials for manufacturing products such as pharmaceuticals, sorting mixtures of nanoparticles for environmental health and safety investigations, and isolating and confining individual DNA strands for scientific study.

**Viscosity-enhancing Nanomaterials May Double Service Life of Concrete:** Engineers at NIST are patenting a method that is expected to double the service life of concrete. The key is a nano-sized additive that slows down penetration of chloride and sulfate ions from road salt, sea water, and soils into the concrete. Infiltrating chloride and sulfate ions cause

internal structural damage over time that leads to cracks and weakens the concrete. A reduction in ion transport translates to reductions in both maintenance costs and the catastrophic failure of concrete structures. A non-provisional patent application was filed in September 2008, and the technology is now available for licensing from the U.S. government.

**Memory With a Twist: NIST Develops a Flexible Memristor:** NIST researchers have used inexpensive, readily available materials to create an electronic memory chip that can be bent or twisted—some 4,000 times in tests—and still keep functioning. Though not yet ready for the marketplace, the new device is promising not only because of its potential application in medicine as tiny wearable sensors, but because it also appears to possess the characteristics of a memristor, a fundamentally new component for electronic circuits that industry scientists developed in 2008.

**NIST's LIDAR May Offer Peerless Precision in Remote Measurements:** By combining the best of two different distance measurement approaches with a super-accurate technology called an optical frequency comb, researchers at NIST have built a laser ranging system that can pinpoint multiple objects with nanometer precision over distances up to 100 kilometers. The novel LIDAR (“light detection and ranging”) system could have applications from precision manufacturing lines on Earth to maintaining networks of satellites in perfect formation, creating a giant space-based platform to search for new planets.

**NIST Issues First Reference Material For Tissue Engineering:** NIST issued its first reference materials to support the new and growing field of tissue engineering for medicine. The new NIST materials are samples of a typical tissue scaffold material that have been measured and documented by NIST for three different degrees of porosity. Three-dimensional tissue scaffolds, under development for some years, are biodegradable materials that are meant to be implanted in the body to provide a structurally sound framework for the patient's cells to implant and grow, in time repairing damaged tissue. The scaffolds are meant to be absorbed gradually by the body and replaced by normal tissue. Today, they are used most commonly to help repair damaged bone, but other applications are being studied.

**FY 2008:**

**NOAA:**

**Scientific collaboration with industry improves management of key recreational fishery:** In partnership with fishermen in FY 2007 and FY 2008, the Southwest Fisheries Science Center (SWFSC) has been assessing the habitat and stocks of selected rockfish species in two marine conservation areas recently created in the Southern California Bight through the use of a new non-lethal surveying technique. Because marine sport fishing is a significant industry in Southern California, non-lethal fish surveying techniques are essential to maintaining rockfishes and other overfished species that are estimated at or below 25 percent of their pristine levels. The new survey method

combines the information obtained from multi-frequency echo sounders mounted on Commercial Passenger Fishing Vessels (CPFV) with images captured by video and still cameras deployed from a remotely operated vehicle. The first 60-day survey of the Southern California Bight began in FY 2007 using the NOAA ship David Starr Jordan and was completed in FY 2008 using the CPFV Outer Limits.

**Genetic stock identification testing used to estimate Chinook salmon distribution:** NOAA scientists from the SWFSC and Northwest Fisheries Science Center (NWFSC) have launched a wide-ranging collaboration with the commercial salmon fleet and the states of California, Oregon and Washington to improve data collection on the ocean distribution and migration patterns of West Coast Chinook salmon stocks. The core technology of this highly collaborative effort is genetic stock identification (GSI), which involves determination of the river and stock of origin for salmon by DNA analysis of a small piece of fin tissue, which can be collected non-lethally. An important aspect of the collaborative project is the collection of exact location information (GPS coordinates) for individual fish in the catch, allowing evaluation of the ocean distribution of Chinook salmon on a stock-specific basis. In the future, the project will be expanded to include the collection of additional biological information for individual fish, such as scale age analysis, and oceanographic data that may provide insight into the environmental factors that influence distribution and abundance of this important fish.

**New technology helps tribes detect harmful toxins in shellfish:** In the Northwest, the primary harmful algal bloom toxin affecting shellfish is domoic acid. This toxin is produced by blooms of microscopic algae known as Pseudo-nitzschia and accumulates in shellfish, crabs and fish. Tribal and non-tribal communities alike suffer severe economic losses due to recreational and commercial harvesting closures and lost tourism. To meet the need for a safe, rapid, cost-effective monitoring tools used by tribes, local environmental groups and state agencies to monitor biotoxins in shellfish, NMFS fisheries scientists and collaborators adapted a medical technology to rapidly test for antibodies for domoic acid (rapid detection bioassay kits). Development began in 2006 with testing occurring in 2007 and 2008. Three scientists from NOAA's National Marine Fisheries Service were recently awarded the 2007 NOAA Technology Transfer Award for their development and commercialization of these rapid, cost-effective kits. The technology will help coastal tribes quickly and accurately determine contamination levels in shellfish and expedite harvesting decisions for shellfish beds in remote areas of the Washington coast. As a result, tribes now have the capability to monitor their subsistence food source for domoic acid levels within two hours of sampling at a cost of about \$10 per sample. Through collaboration with the North Pacific Marine Science Organization (PICES) and the Government of Japan, this technology will be transferred to the Philippine Government (Bureau of Fisheries and Aquatic Resources) in January 2009 as a screening tool to prevent human illness and death. A research paper describing this method will be published in the journal Harmful Algae in December 2008.

**NOAA deploys fourth "smart buoy" on the Captain John Smith Chesapeake National Historic Trail:** NOAA's Chesapeake Bay Office has deployed its fourth "smart buoy" as part of the Captain John Smith Chesapeake National Historic Trail—the nation's

first water-based National Historic Trail. The Chesapeake Bay Interpretive Buoy System (CBIBS) is an observing system, interpretive trail guide, and educational resource being developed by NOAA. CBIBS is a system of buoys placed along portions of the Captain John Smith Chesapeake National Historic Trail and is designed to mark significant points along the Trail. These state-of-the-art, interactive buoys, provide real-time meteorological, oceanographic, and water-quality information at different points along the trail. Following three successful deployments in 2007, the fourth interpretive buoy was launched in July 2008 near Deltaville, VA., off Stingray Point and a fifth was deployed at the mouth of the Susquehanna near Havre de Grace, MD on September 13, 2008. One more buoy will be launched in 2008, on the Elizabeth River off of Norfolk, VA. The concept for these 'smart buoys' grew out of NOAA's advancements in Earth observing systems. NOAA is the lead agency for the U.S. Integrated Ocean Observing System—a cornerstone of the President's U.S. Ocean Action Plan—and these buoys will be part of the larger Chesapeake Bay Observing System. These measurements, as well as historical and cultural information about the Bay, can be accessed over the internet or by phone.

**NMFS continues to develop FishWatch, a seafood consumer guide:** Seafood consumers in the U.S. increasingly concerned about the sustainability and quality of seafood, can now turn to a NOAA Fisheries Service Web site, FishWatch, for the latest information. The Web site, at <http://www.fishwatch.noaa.gov>, was launched in August 2007 with consumer information on 30 popular seafood species. After its launch, the site quickly became one of the most visited sites on the NOAA Fisheries website. In February 2008, new species and features were added to the site, which now provides sustainability and health information and recipes on over 75 seafood species. The President's Ocean Commission charged NOAA Fisheries Service with informing the public about the status of the living marine resources managed by the agency, and FishWatch is an outgrowth of that initiative. FishWatch provides seafood consumers with timely information about seafood, such as red snapper. The Web site includes environmental details on the status of fish populations, as well as nutritional facts and information on seafood and health. FishWatch also provides critical trade information, such as where seafood comes from and how much money it brings to the economy.

**NOAA celebrates the International Polar Year with important Antarctic research:** NOAA's Antarctic Marine Living Resources (AMLR) Program is charged with providing the scientific information needed to conserve and manage the marine living resources in the oceans surrounding Antarctic. AMLR utilizes land, sea, and space-based platforms to gather information on the environment and ecology from the northern end of the Antarctic Peninsula, and through cooperation with international partners, relates this to the state of the Southern Ocean. During the 2007/2008 austral summer, AMLR completed its 22<sup>nd</sup> consecutive year of research in the Antarctic Peninsular region. The Program's mission of tracking the food web relationships between Antarctic krill and its predators, as well as collecting environmental data under changing sea ice conditions is critical to managing these resources wisely.

In support of the International Polar Year (IPY), which runs from March 2007 to March 2009, the annual field season research was bolstered to increase the breadth and depth of our understanding of the Antarctic ecosystem. The research included: testing iron in water samples to test the hypothesis of iron limitation to primary production; expanding an on-going investigation of surface currents by deploying fifty additional drifter buoys; initiating research on leopard seal foraging range and ecology studies; conducting the first comprehensive, ship-based ecosystem-wide study of the South Orkney Islands; and completing the first fur seal census since 2000, which included the discovery of a breeding colony in the western area of the South Shetland Islands chain. In addition, an AMLR researcher participated in an eight-week voyage to characterize the biodiversity, abundance and distribution of Ross Sea species for the IPY. The data collected will be used to determine the effects of climate change in the area.

**NOAA research provides comprehensive overview of Arctic bowhead whales:**

During 2008, scientists at NOAA's Alaska Fisheries Science Center (AFSC) were responsible for directing and conducting several large-scale research projects on endangered bowhead whales in the Arctic. Together these studies are providing an unprecedented picture of the population status and ecology of this species. Bowhead whales, which were greatly depleted by 19<sup>th</sup> century commercial whaling, are recovering well from exploitation, and are the focus of a well-managed traditional native hunt in Alaska. Despite this recovery, the bowhead population of the western Arctic is potentially at risk from climate change and impacts of oil and gas development in the region. NOAA scientists conducted extensive aerial surveys to count and assess the distribution of bowhead whales in the Beaufort and Chukchi Seas. NOAA scientists also worked with colleagues from a variety of scientific institutions and disciplines to carry out a detailed program of research on the habitat use and requirements, acoustics, migratory movements, and feeding ecology of this population. The information produced by these projects will be vital to better understand the challenges faced by bowhead whales in an Arctic environment that is changing due to climate warming, increasing industrial activities, and shifting ecosystems. The results from this research will also be critically important to facilitating future federal actions regarding the management and conservation of this endangered species.

**First dedicated NOAA-NMFS fish survey of the Beaufort Sea.** Scientists from the AFSC conducted NMFS's first dedicated fish survey of the Beaufort Sea during Summer 2008 (July 30 to August 30, 2008). The goals of the survey are to provide a baseline for analysis of the impacts of future oil and gas development in the Beaufort Sea and for the study of climate change. The project will also provide information for the Arctic Fisheries Management Plan currently under development by the North Pacific Fishery Management Council. The species composition, distribution and abundance of benthic fish and invertebrates were assessed with standard bottom trawl methods. Pelagic fish were surveyed with fisheries acoustics and mid-water nets. In addition, oceanographic data and zooplankton samples were collected to assess water column properties and the prey available to fish. Scientists also recorded marine mammal observations and conducted transect surveys for seabird distribution and abundance. A total of 26 bottom

trawls were conducted and seven acoustic transects were surveyed, each approximately 30 nautical miles long

**Coral Reef Ecosystem Monitoring Report for American Samoa: 2002–2006:** As the most comprehensive integrated ecosystem assessment of the coral reefs of American Samoa to date, the Coral Reef Ecosystem Monitoring Report for American Samoa, released in July 2008, provides detailed spatial and temporal analyses for each of the five island/atoll groups within American Samoa (Tutuila and Aunu`u Islands, Ofu and Olosega Islands, Ta`u Island, Swains Island, and Rose Atoll). The research was compiled from interdisciplinary surveys conducted during three American Samoa Reef Assessment and Monitoring Program (ASRAMP) research cruises in 2002, 2004, and 2006, led by the Coral Reef Ecosystem Division of the Pacific Islands Fisheries Science Center (PIFSC) in close collaboration with key partners from other NOAA offices, federal, state, and territorial agencies, academia, and non governmental organizations. Since these integrated ecosystem observations are consistent with and comparable to other Pacific RAMP observations in the Hawaiian Archipelago, the Territory of Guam, the Commonwealth of the Northern Mariana Islands, and the Pacific Remote Island Areas, they provide an unprecedented opportunity to better understand the condition and health of the coral reefs of American Samoa relative to other reefs across the Pacific.

#### **NIST:**

**Standards set for energy-conserving LED lighting:** NIST scientists, in cooperation with national standards organizations, have taken the lead in developing the first two standards for solid-state lighting in the United States. This new generation lighting technology uses light-emitting diodes (LEDs) instead of incandescent filaments or fluorescent tubes to produce illumination that cuts energy consumption significantly. These standards detail the color specifications of LED lamps and LED light fixtures, and the test methods that manufacturers should use when testing these solid-state lighting products for total light output, energy consumption and chromaticity, or color quality. Solid-state lighting is expected to significantly reduce the amount of energy needed for general lighting, including residential, commercial and street lighting. The Department of Energy predicts that phasing in solid-state lighting over the next 20 years could save more than \$280 billion in 2007 dollars.

**Improving neutron detection:** Researchers at NIST and the University of Maryland have developed a new optical method that can detect individual neutrons and record them over a range of intensities at least 100 times greater than existing detectors. The new detector promises to improve existing neutron measurements and enable tests of new phenomena beyond the Standard Model, the basic framework of particle physics. The prototype laboratory device is based on the emission of light, known as Lyman alpha light, from hydrogen atoms produced when neutrons are absorbed by helium-3 atoms ( $^3\text{He}$ ). Although it is the brightest light emitted by the sun and is one of the most abundant forms of light in the universe, Lyman alpha is invisible to the eye because it lies in the far ultraviolet region of the optical spectrum. This light is recorded by the new

device, known as the Lyman alpha neutron detector (LAND). The LAND won an R&D 100 award from Research and Development Magazine in July 2008.

**Bioimaging in living color:** NIST and the National Institutes of Health researchers reported in June 2008 that customized microscopic magnets might one day be injected into the body to add color to magnetic resonance imaging (MRI) while enhancing sensitivity and the amount of information provided by images. Unlike the chemical solutions now used as image-enhancing contrast agents in MRI, the NIST/NIH micromagnets rely on a precisely tunable feature—their physical shape—to adjust the radio frequency (RF) signals used to create images. The RF signals then can be converted into a rainbow of optical colors by computer. Sets of different magnets designed to appear as different colors could, for example, be coated to attach to different cell types, such as cancerous versus normal. The new micromagnets also could act as “smart tags,” identifying particular cells, tissues or physiological conditions for medical research or diagnostic purposes. The magnets could also make medical diagnostic images as information-rich as the optical images of tissue samples now common in biotechnology, which already benefits from a variety of colored markers such as fluorescent proteins and tunable quantum dots.

**Improving subterranean communication:** As part of a project to improve wireless communications for emergency responders, NIST researchers have confirmed that underground tunnels—generally a difficult setting for radios—can have a frequency “sweet spot” at which signals may travel several times farther than at other frequencies. The finding, which uses extensive new data to confirm models developed in the 1970s, may point to strategies for enhancing rescue communications in subways and mines. The optimal frequency depends on the dimensions of the tunnel. The NIST data will support the development of open standards for design of optimal systems, especially for emergency responders. NIST researchers note that the results may help design wireless systems that improve control of, for example, search and rescue robots in subways.

**NIST mini-sensor may ‘change the way we live’:** A tiny sensor that can detect magnetic field changes as small as 70 femtoteslas—equivalent to the brain waves of a person daydreaming—has been demonstrated at NIST. The sensor could be battery-operated and could reduce the costs of non-invasive biomagnetic measurements such as fetal heart monitoring. The device also may have applications such as homeland security screening for explosives. The prototype device is almost 1,000 times more sensitive than NIST’s original chip-scale magnetometer demonstrated in 2004. The new sensor is already powerful enough for fetal heart monitoring; with further work, the sensitivity can likely be improved to a level in the 10 femtotesla range, sufficient for additional applications such as measuring brain activity. Potential NIST collaborators are interested in making a portable MEG helmet that could be worn by epileptics to record brain activity before and during seizures. The devices would be much smaller and lighter than the Superconducting Quantum Interference Devices (SQUID) helmets currently used for such studies. The NIST sensor also may have applications in MRI or in airport screening for explosives based on detection of nuclear quadrupole resonance in nitrogen compounds.

## **Section C: Investment in Human Capital (SFFAS No. 8, par 100)**

### ***1. Provide a description of the major education and training programs considered Federal investments in human capital. (SFFAS No. 8, par. 94)***

**Answer:**

**FY 2009 and FY 2008:**

Human capital investments are expenses, included in the Department's Net Cost of Operations, for education and training programs that are intended to increase or maintain national economic productive capacity and produce outputs and outcomes that provide evidence of the constant or increasing national productive capacity. These investments exclude education and training expenses for federal civilian and military personnel. Based on a review of the Department's programs, the most significant dollar investments in human capital are by NOAA.

**NOAA:**

**National Sea Grant College Program:** Sea Grant is a nationwide network, administered through NOAA, of 32 university-based programs that work with coastal communities. With the adoption in 1966 of the National Sea Grant College Act, Congress established an academic/industry/government partnership that would enhance the nation's education, economy, and environment into the 21st century. The program supports activities designed to increase public awareness of coastal, ocean, and Great Lakes issues, to provide information to improve management decisions in coastal, ocean, and Great Lakes policy, and to train graduate students in marine and Great Lakes science. The Knauss Fellowship Program offers qualified masters and doctoral students the opportunity to spend a year working on marine and Great Lakes policy issues with the Executive and Legislative branches of the federal government. There is also a Graduate Fellowship Program for Ph.D. candidates in the specialized areas of population dynamics and marine resource economics. Participants in this program can receive up to three years of funding.

**National Estuarine Research Reserve Program:** This program supports activities designed to increase public awareness of estuary issues, provide information to improve management decisions in estuarine areas, and train graduate students in estuarine science. The National Estuarine Research Reserve System's Graduate Research Fellowship (GRF) Program offers qualified masters and doctoral students the opportunity to address scientific questions of local, regional, and national significance. The result is high-quality research focused on improving coastal management issues. All GRF projects must be conducted in a National Estuarine Research Reserve and enhance the scientific understanding of the reserve's ecosystem. As of September 30, 2009, 53 Graduate Research Fellowships have been awarded.

**Educational Partnership Program:** The NOAA Educational Partnership Program (EPP) with Minority Serving Institutions (MSI) provides financial assistance through competitive processes to minority serving institutions that support research and training

of students in NOAA-related sciences. The program's goal is to increase the number of educated, trained, and graduated students from underrepresented communities in science and technology directly related to NOAA's mission. The EPP/MSI also seeks to increase collaborative research efforts between NOAA scientists and researchers at minority serving academic institutions. Financial assistance is provided through four competitive program components: the Cooperative Science Centers, the Environmental Entrepreneurship Program, the Graduate Sciences Program, and the Undergraduate Scholars Program.

NOAA provides funding to eligible MSIs on a competitive basis to educate, train, and graduate students in NOAA sciences, particularly atmospheric, oceanic, environmental, living marine resources, remote sensing, and scientific environmental technology. NOAA EPP Cooperative Science Centers' goals are to:

- Educate, train, and graduate students, particularly from underrepresented communities, in NOAA mission sciences;
- Develop expertise in a NOAA scientific area;
  - Strengthen and build capacity in a NOAA scientific and management area
  - Build research experience in a NOAA scientific and management area
- Increase graduation rates of students from underrepresented communities in NOAA mission sciences;
- Impact NOAA workforce statistics by increasing representation from underrepresented communities in NOAA mission sciences; and
- Leverage NOAA funds to build the education and research capacity at MSIs.

The EPP/MSI Environmental Entrepreneurship Program (EEP) provides funding to eligible minority serving institutions on a competitive basis to engage students to pursue advanced academic study and entrepreneurship opportunities in the NOAA-related sciences. NOAA's EEP supports student training and experiential learning opportunities for the purpose of stimulating job creation and business development, and revitalizing local communities. EEP's objective is to increase the number of students at MSIs proficient in environmental business enterprises.

The Graduate Sciences Program (GSP) is aimed primarily at increasing opportunities for students in NOAA-related fields to pursue research and educational training in atmospheric, environmental, remote sensing, and oceanic sciences at MSIs when possible. The GSP offers between two years (master's candidates) to four years (doctoral students) of NOAA-related research and training opportunities. The GSP provides college graduates entry-level employment and hands-on research and work experience at NOAA. Nine students were selected to participate in the GSP in FY 2009. The program plans to add five students in FY 2010.

The Undergraduate Scholarship Program is designed to increase the number of students who undertake course work and graduate with degrees in the targeted areas integral to NOAA's mission. Appointments are for two years, and are made to students who have recently declared or are about to declare a major in atmospheric, oceanic, or

environmental science. The students participate in research, training, and development activities at NOAA offices and facilities during two summer internships. 11 students started the program in FY 2009.

**Ernest F. Hollings Undergraduate Scholarship Program:** This program was established in 2005 to (1) increase undergraduate training in oceanic and atmospheric science, research, technology, and education, and foster multidisciplinary training opportunities; (2) increase public understanding and support for stewardship of the ocean and atmosphere and improve environmental literacy; (3) recruit and prepare students for public service careers with NOAA and other agencies at the federal, state, and local levels of government; and (4) recruit and prepare students for careers as teachers and educators in oceanic and atmospheric science and to improve scientific and environmental education in the U.S. There were 112 students that started the program in 2008. 122 students started the program in FY 2009.

**Southeast Fisheries Science Center's Recruiting Training Research Program:** This is a joint program between NMFS and Virginia Tech to: (1) recruit top undergraduates into the field of fisheries population dynamics and careers with NMFS; (2) train graduate students; and (3) conduct population dynamics and stock assessment research in support of the NMFS mission. The program also offers graduate courses and workshops in computer programming, simulation modeling, and fish population dynamics. In 2009, 15 undergraduate students from across the country participated in a week-long undergraduate workshop, eight students participated in a six-week summer program, and three M.S. students were supported by the program at Virginia Tech. In 2010, the program is expected to operate at a similar scale.

**Section D: Research and Development: Investment in Basic Research (SFFAS No. 8, par. 99 & 100)**

*1. Provide a description of the major programs of Federal investments in basic research. (SFFAS No. 8, par. 100)*

*Answer:*

**FY 2009 and FY 2008:**

**NIST:**

NIST Laboratories have been the stewards of the nation's measurement infrastructure since their inception in 1901 as the National Bureau of Standards. NIST Laboratories foster scientific and technological leadership by helping the U.S. to drive and take advantage of the increased pace of technological change, fostering more efficient transactions in the domestic and global marketplace, and addressing other critical needs assigned to NIST by the Administration and Congress. In support of the American Competitiveness Initiative, NIST develops and disseminates measurement techniques, reference data, test methods, standards, and other infrastructural technologies and services required by U.S. industry, government, and academia to compete in the 21st

century. NIST laboratories promote innovation, facilitate trade, and ensure public safety and security by strengthening the nation's measurement and standards infrastructure.

The American Recovery and Reinvestment Act of 2009 included \$250 million in funding for NIST laboratory research, measurements, and other services supporting economic growth and U.S. innovation through funding of such items as competitive grants, research fellowships, advanced measurement equipment and supplies, standards-related research that supports the security and interoperability of electronic medical records to reduce health care costs and improve the quality of care, and development of a comprehensive framework for a nationwide, fully interoperable smart grid for the U.S. electric power system. This funding will result in additional R&D investments for the NIST Laboratories Program.

**2. Provide a description of any major new discoveries made during the year. (SFFAS No. 8, par 99)**

**Answer:**

**FY 2009:**

**NIST:**

**JILA/NIST Scientists Get a Grip on Colliding Fermions to Enhance Atomic Clock accuracy:** NIST physicists have measured and controlled seemingly forbidden collisions between neutral strontium atoms—a class of antisocial atoms known as fermions, which are not supposed to collide when in identical energy states. The advance makes possible a significant boost in the accuracy of atomic clocks based on hundreds or thousands of neutral atoms. Beyond atomic clocks, the high precision of JILA's experimental setup is expected to be useful in other applications requiring exquisite control of atoms, such as quantum computing—potentially ultra-powerful computers based on quantum physics—and simulations to improve understanding of other quantum phenomena such as superconductivity.

**Neutron Researchers Discover Widely Sought Property in Magnetic Semiconductor:** Researchers from NIST, Korea University, and the University of Notre Dame have confirmed theorists' hopes that thin magnetic layers of semiconductor material could exhibit a prized property known as antiferromagnetic coupling—in which one layer spontaneously aligns its magnetic pole in the opposite direction as the next magnetic layer. This discovery raises hopes for even smaller and faster gadgets that could result from magnetic data storage in a semiconductor material, which could then quickly process the data through built-in logic circuits controlled by electric fields. The team conducted their studies at the NIST Center for Neutron Research using a technique known as polarized neutron reflectometry.

**Long-sought Protein Structure May Help Reveal How 'Gene Switch' Works:** The bacterium behind one of mankind's deadliest scourges, tuberculosis, is helping researchers at NIST and Brookhaven National Laboratory move closer to answering the

decades-old question of what controls the switching on and off of genes that carry out all of life's functions. The team reported that it had defined—for the first time—the structure of a “metabolic switch” in its “off” state. The switch, which is found inside most types of bacteria, is a protein that in the “on” state activates the genes that help a microbe survive in a human host. The researchers hope that once the switching mechanism is understood, the data can be used to develop new methods for preventing tuberculosis and other pathogenic bacterial diseases. Additionally, researchers believe that learning how this specific protein switch works may provide insight into how genes in general are regulated.

**For Refrigeration Problems, a Magnetically Attractive Solution:** An exotic metal alloy discovered by an international collaboration working at the NIST Center for Neutron Research may prove to be the long-sought material that permits magnetic cooling in home refrigeration instead of commonly used gas-compression systems. Magnetic cooling, though used for decades in science and industry, has yet to find application in the home because of technical and environmental hurdles—but the collaboration may have overcome them. The alloy, a magnetocaloric material that changes temperature when exposed to a magnetic field, is a mixture of manganese, iron, phosphorus and germanium. Though not yet ready for the marketplace, it is the first magnetocaloric that functions at near room temperature to contain neither gadolinium nor arsenic, rendering it both safer and cheaper than other magnetocalorics. It also has such strong properties that a system based on it could rival gas compression in efficiency.

**NIST Study Offers First Detailed Look at the Progress of a Wildland-Urban Interface Fire:** To better understand these Wildland-Urban Interface (WUI) fires and how best to prevent or fight them, researchers at NIST have issued an in-depth study on fire behavior and defensive actions taken in a community during such a fire. The NIST report is the first in a series of three publications to understand WUI fire behavior. The second publication, in progress, will examine the role of construction and landscaping on the probability of a structure's survival. A third report will describe a study that uses the data to build a computer-generated virtual community to test the fire behavior predicted by different fire models and compare the results to the observed fire behavior and structural response.

**Cold Atoms Could Replace Hot Gallium in Focused Ion Beams:** Scientists at NIST have developed a radical new method of focusing a stream of ions into a point as small as one nanometer (one billionth of a meter). Because of the versatility of their approach—it can be used with a wide range of ions tailored to the task at hand—it is expected to have broad application in nanotechnology both for carving smaller features on semiconductors than now are possible and for nondestructive imaging of nanoscale structures with finer resolution than currently possible with electron microscopes.

**Researchers Demonstrate Novel ‘Quantum Data Buffering’ Scheme:** Researchers from NIST and the University of Maryland study how to cache sizable amounts of information in a “quantum buffer” without disturbing the fragile entanglement of quantum states at the heart of the strange world of quantum computing. Such a buffer

could be used to control the data flow inside a yet-to-be-built quantum computer that theoretically could solve problems unreachable by the best conventional computers. While such “delayed entanglement” has been demonstrated before for individual photons, it has never been accomplished in information-rich quantum images.

**JILA Scientists Create First Dense Gas of Ultracold ‘Polar’ Molecules:** Scientists at JILA, a joint institute of the NIST and the University of Colorado at Boulder, NIST and Temple University in Philadelphia have produced the first high-density gas of ultracold “polar” molecules—molecules with a positive electric charge at one end and a negative charge at the other—that are both stable and capable of strong interactions. Practical benefits could include new chemical reactions and processes for making designer materials and improving energy production, new methods for quantum computing using charged molecules as quantum bits, new tools for precision measurement such as optical molecular clocks or molecular systems that enable searches for new theories of physics beyond the Standard Model, and improved understanding of condensed matter phenomena such as colossal magnetoresistance and superconductivity.

**FY 2008:**

**NOAA:**

**Migratory Behavior of Green Sturgeon Revealed by Acoustic Tagging:** NMFS scientists have published a paper describing extensive migrations of green sturgeon through the coastal waters between California and southeast Alaska. Green sturgeon were tagged with acoustic pingers and their movements monitored by arrays of hydrophones along the west coast of North America. The researchers found that many green sturgeon undertake extensive seasonal migrations, spending summers in southern areas and winters off British Columbia. This pattern of movement is quite unusual among migratory animals, which typically overwinter at lower latitudes and spend summers at higher latitudes. The results indicate that southern DPS green sturgeon, which are protected under the Endangered Species Act, may be impacted by activities far from their spawning river, such as Canadian bottom trawl fisheries. Additionally, the results of the study have already found significant application in the proposed designation of critical habitat for the southern Distinct Population Segment of green sturgeon, a federally-listed threatened species.

**Persistent Man-made Chemical Pollutants Found in Deep-Sea Octopods and Squids:** New evidence that chemical contaminants are finding their way into the deep-sea food web has been found in cephalopods (a class of organisms that includes octopods, squids, cuttlefishes and nautilus). Cephalopods are the primary food for 28 species of odontocetes, the sub-order of cetaceans that have teeth and include beaked, sperm, killer and beluga whales and narwhals as well as dolphins and porpoises.

NOAA researchers in collaboration with other academic researchers, collected nine species of cephalopods from depths between 1,000 and 2,000 meters (about 3,300 to 6,600 feet) in 2003 in the western North Atlantic Ocean using a large mid-water

trawl. Twenty-two specimens were analyzed for a variety of contaminants. Among the chemicals detected were tributyltin (TBT), polychlorinated biphenyls (PCBs), brominated diphenyl ethers (BDEs), and dichlorodiphenyl-trichloroethane (DDT), a pesticide banned in the U.S. in the 1970s but still used on a limited basis in some parts of the world to control diseases like malaria. They are known as persistent organic pollutants (POPs) because they don't degrade and they persist in the environment for a very long time.

Recent studies have reported the accumulation of POPs in the blubber and tissues of whales and other predatory marine mammals as well as in some deep-sea fish. Other investigators had speculated that the pollutants in marine mammals had resulted from feeding on contaminated squids. However, almost no information existed prior to this study about POPs in deep-sea cephalopods.

**Ancient Deep Sea Coral Reefs Off Southeastern U.S. Serve as Underwater “Islands” in the Gulf Stream, Home to Many New Species of Animals:**

Largely unexplored deep-sea coral reefs, some perhaps hundreds of thousands of years old, off the coast of the southeastern U.S. are not only larger than expected, but also home to commercially valuable fish populations and many newly discovered species. Results from a series of NOAA-funded expeditions to document these previously unstudied and diverse habitats and their associated marine life have revealed some surprising results. The coral habitats explored during the expeditions appear to be more extensive than previously believed and are important habitat for several species of commercially and recreationally important fish as well as sponges, crabs, brittle stars and other creatures. The corals also contain historical data about changing ocean climate and productivity, and are hotspots of biodiversity. Many organisms live in and around these deep coral habitats, including species new to science and species with pharmaceutical potential.

Additional background information and images from these expeditions can be found on the NOAA Ocean Explorer web site (<http://oceanexplorer.noaa.gov/explorations/explorations.html>) under the “Islands in the Stream” and the “Life on the Edge” expeditions.

**NOAA Researchers Find Aquaculture Promising Method to Grow Black Sea Bass:**

Black sea bass is an important recreational and commercial fishery along the Atlantic coast of the US, but landings have decreased in recent decades as the demand for this fish as seafood and in sushi markets has risen. In an attempt to meet that demand, NOAA researchers recently evaluated the potential of black sea bass for commercial aquaculture and found promising results.

After two separate culture trials over a period of four years, NOAA fisheries biologists found that sea bass can be grown from larvae to adults in recirculating aquaculture systems (RAS), eating a diet of commercial pellet feeds. Black sea bass grow slowly in the wild. According to the Massachusetts Division of Marine Fisheries, the largest black sea bass caught by an angler in Massachusetts's waters weighed eight pounds, and off Florida the record is just over five pounds. However, the average catch size is a 12-inch fish generally weighing about one pound. Black sea bass can be grown rapidly in RAS

where they can attain weights in under two years that take wild stocks three years or more to achieve.

**NOAA Scientists Discover New Kelp Species Found in the Aleutian Archipelago.**

*Aureophycus alueticus*, or Golden V Kelp was previously unknown to scientists, was discovered by a researcher from Auke Bay Laboratories, and published in the August issue of the Journal of Phycology. Genetic analyses were significant indicating this kelp is not only a new species and genus, but does not belong to any recognized family.

**Journal Publication "Ocean's Least Productive Waters Are Expanding":** Through the use of a SeaWiFS, a sensor aboard NASA's orbiting SeaStar spacecraft, PIFSC researchers have discovered that the areas of lowest surface chlorophyll water in the North and South Pacific, and North and South Atlantic have been expanding at about 2 percent per year. This change in ocean biology, linked to the warming of sea surface waters, may negatively affect the populations of many fish species trying to survive in these desert-like environments. The warming increases stratification of the ocean waters, preventing deep ocean nutrients from rising to the surface and resulting in a decrease in plant life. These barren areas are found in roughly 20 percent of the world's oceans and are within subtropical gyres - the swirling expanses of water on either side of the equator. The low-productivity zones, likened to deserts, now cover an estimated 51 million square kilometers in these two oceans. The least productive area of the Indian Ocean shows the same trend, but there has been too much variability for it to be statistically significant. This research was published in the journal Geophysical Research Letters in February 2008.

**NIST:**

**Physicists produce quantum-entangled images:** Using a convenient and flexible method for creating twin light beams, researchers from NIST and the University of Maryland have produced "quantum images," pairs of information-rich visual patterns whose features are "entangled," or inextricably linked by the laws of quantum physics. In addition to promising better detection of faint objects and improved amplification and positioning of light beams, the researchers' technique for producing quantum images—unprecedented in its simplicity, versatility, and efficiency—may someday be useful for storing patterns of data in quantum computers and transmitting large amounts of highly secure encrypted information. A next goal for the researchers is to produce quantum images with slowed-down light; such slowed images could be used in information storage and processing as well as communications applications.

**New iron-based superconductors reinforce link to magnetism:** NIST researchers have learned that a new class of iron-based superconductors discovered earlier in 2008 shares similar unusual magnetic properties with previously known high-temperature superconductors based on copper-oxide materials. The importance of magnetism to high-temperature superconductors (HTS) is remarkable because normally magnetism strongly interferes with conventional, low-temperature superconductors. According to the research, magnetism now may prove to be an integral element of HTS materials. These

superconductors may one day enable energy and environmental gains by significantly improving the efficiency of electricity storage and transmission over long distances.

**Unlocking secrets of early-stage Alzheimer's:** NIST researchers and three collaborating institutions are using a new laboratory model of the membrane surrounding neurons in the brain to study how a protein long suspected of a role in early-stage Alzheimer's disease actually impairs a neuron's structure and function. Medical experts have hypothesized for years that small polypeptides called amyloid beta peptides somehow create a "leaky" membrane that disrupts this balanced back-and-forth switching of the electrical potential and, in turn, normal impulse transmission. Alzheimer's disease—the progressive brain disorder that is the nation's sixth leading cause of death—is believed to start with such breakdowns. Researchers at NIST have developed a laboratory model that recreates a simplified version of the nerve cell membrane, allowing the study of Alzheimer's disease mechanisms at the molecular level.

**Testing a potential hydrogen storage compound:** Researchers at NIST's Center for Neutron Research (NCNR), in collaboration with scientists at the University of Maryland and the California Institute of Technology, have demonstrated that a novel class of materials called metal-organic frameworks could enable a practical hydrogen fuel tank. One of several classes of materials that can bind and release hydrogen under the right conditions, MOFs could be engineered so that refueling is as easy as pumping gas at a service station is today, and don't require the high temperatures (110 to 500 C) some other materials need to *release* hydrogen. The researchers used neutron scattering and gas adsorption techniques to determine that at 77 K (-196 C), MOF-74 can absorb more hydrogen than any unpressurized framework structure studied to date—packing the molecules in more densely than they would be if frozen in a block.

**NIST 'quantum logic clock' rivals mercury ion as world's most accurate:** An atomic clock that uses an aluminum atom to apply the logic of computers to the peculiarities of the quantum world now rivals the world's most accurate clock, based on a single mercury atom. Both clocks are at least 10 times more accurate than the current U.S. time standard. The measurements were made in a yearlong comparison of the two next-generation clocks, both designed and built at NIST. The clocks were compared with record precision, allowing scientists to measure the relative frequencies of the two clocks to 17 digits—the most accurate measurement of this type ever made. The comparison produced the most precise results yet in the worldwide quest to determine whether some of the fundamental constants that describe the universe are changing slightly over time, an important research question that may alter basic models of the cosmos. The aluminum and mercury clocks are both based on natural atomic vibrations and would neither gain nor lose one second in over 1 billion years—if they could run for such a long time—compared to about 80 million years for NIST-F1, the U.S. time standard based on cesium atoms.

**Improving neutron detection:** Researchers at NIST and the University of Maryland have developed a new optical method that can detect individual neutrons and record them over a range of intensities at least 100 times greater than existing detectors. The new

detector promises to improve existing neutron measurements and enable tests of new phenomena beyond the Standard Model, the basic framework of particle physics. The prototype laboratory device is based on the emission of light, known as Lyman alpha light, from hydrogen atoms produced when neutrons are absorbed by helium-3 atoms ( $^3\text{He}$ ). Although it is the brightest light emitted by the sun and is one of the most abundant forms of light in the universe, Lyman alpha is invisible to the eye because it lies in the far ultraviolet region of the optical spectrum. This light is recorded by the new device, known as the Lyman alpha neutron detector (LAND). The LAND won an R&D 100 award from Research and Development Magazine in July 2008.

**Section E: Research and Development: Investment in Applied Research (SFFAS No. 8, par 100)**

*1. Provide a description of the major programs of Federal investments in applied research. (SFFAS No. 8, par. 100)*

**Answer:**

**FY 2009 and FY 2008:**

**NOAA:**

NOAA conducts a substantial program of environmental R&D in support of its mission, much of which is performed to improve the U.S.'s understanding of and ability to predict environmental phenomena. The scope of research includes:

- Improving predictions and warnings associated with the weather, on time scales ranging from minutes to weeks;
- Improving predictions of climate, on time scales ranging from months to centuries; and
- Improving understanding of natural relationships to better predict and manage renewable marine resources and coastal and ocean ecosystems.

The NOAA also conducts research that is intended to provide a solid scientific basis for environmental policy-making in government. Examples of this research include determining the stratospheric ozone-depleting potential of proposed substitutes for chlorofluorocarbons (CFCs), and identifying the causes of the episodic high rural ozone levels that significantly damage crops and forests.

The NOAA conducts most R&D in-house; however, contractors to NOAA undertake most systems R&D. External R&D work supported by NOAA includes that undertaken through federal-academic partnerships such as the National Sea Grant College Program, the Cooperative Institutes of the Environmental Research Laboratories, the Climate and Global Change Program, and the Coastal Ocean Program.

Here is a brief description of the major R&D programs of NOAA:

**Environmental and Climate:** The Office of Oceanic and Atmospheric Research is NOAA's primary research and development office. This office conducts research in three major areas: climate research, weather and air quality research, and ocean, coastal, and Great Lakes research. The NOAA's research laboratories, Office of Global Programs, and research partners conduct a wide range of research into complex climate systems, including the exploration and investigation of ocean habitats and resources. The NOAA's research organizations conduct applied research on the upper and lower atmosphere as well as the space environment.

**Fisheries:** The NOAA's NMFS is responsible for the management and stewardship of living marine resources and their habitat within the Nation's Exclusive Economic Zone. The NMFS manages these resources through science-based conservation and management, and the protection and restoration of healthy ecosystems to ensure their continuation as functioning components of ecosystems, while also affording economic opportunities and enhancing the quality of life for the American public. Fishery stocks and protected species are surveyed, catch data are collected, and research is conducted to better understand the variables affecting the abundance and variety of marine fishes and protected species. Protection of endangered species, restoration of coastal and estuarine fishery habitats, and enforcement of fishery regulations are primary bureau activities. The research and management of living marine resources is conducted in partnership with states, universities, other countries, and international organizations.

**Marine Operations and Maintenance and Aircraft Services:** These expenditures support NOAA's programs requiring operating days and flight hours to collect data at sea and in the air. The NOAA's Marine and Aviation Operations manage a wide variety of specialized aircraft and ships to complete NOAA's environmental and scientific missions. The aircraft collect the environmental and geographic data essential to NOAA hurricane and other weather and atmospheric research, conduct aerial surveys for hydrologic research to help predict flooding potential from snowmelt, and provide support to NOAA's fishery research and marine mammal assessment programs. The NOAA's ship fleet provides oceanographic and atmospheric research and fisheries research vessels to support NOAA's strategic plan elements and mission.

**Weather Service:** The National Weather Service conducts applied research and development, building upon research conducted by NOAA laboratories and the academic community. Applied meteorological and hydrological research is integral to providing more timely and accurate weather, water, and climate services to the public.

**Other Programs:** As a national lead for coastal stewardship, National Ocean Service promotes a wide range of research activities to create the strong science foundation required to advance the sustainable use of precious coastal systems. Understanding of the coastal environment is enhanced through coastal ocean activities that support science and resource management programs. The National Environmental Satellite Data and Information Service, through its Office of Research and Applications, conducts atmospheric, climatological, and oceanic research into the use of satellite data for

monitoring environmental characteristics and their change. It also provides guidance for the development and evolution of spacecraft and sensors to meet future needs.

**NIST:**

NIST Laboratories have been the stewards of the nation's measurement infrastructure since their inception in 1901 as the National Bureau of Standards. NIST Laboratories foster scientific and technological leadership by helping the U.S. to drive and take advantage of the increased pace of technological change, fostering more efficient transactions in the domestic and global marketplace, and addressing other critical needs assigned to NIST by the Administration and Congress. In support of the American Competitiveness Initiative, NIST develops and disseminates measurement techniques, reference data, test methods, standards, and other infrastructural technologies and services required by U.S. industry, government, and academia to compete in the 21st century. NIST laboratories promote innovation, facilitate trade, and ensure public safety and security by strengthening the nation's measurement and standards infrastructure.

The American Recovery and Reinvestment Act of 2009 included \$250 million in funding for NIST laboratory research, measurements, and other services supporting economic growth and U.S. innovation through funding of such items as competitive grants, research fellowships, advanced measurement equipment and supplies, standards-related research that supports the security and interoperability of electronic medical records to reduce health care costs and improve the quality of care, and development of a comprehensive framework for a nationwide, fully interoperable smart grid for the U.S. electric power system. This funding will result in additional R&D investments for the NIST Laboratories Program.

**Advanced Technology Program (ATP):** ATP is a cost-shared funding program for businesses that was intended to develop new technologies for commercial use. ATP was abolished by the America COMPETES Act, which was signed into law by the President on August 9, 2007. However, this statute allows for continued support for previously awarded ATP projects and the 56 new FY 2007 awards. Special attention is being given to documenting the results of funded research to ensure maximum private sector use is made of this investment in the years ahead.

*2. Provide a description of any major new applications developed during the year. (SFFAS No. 8, par. 99)*

*Answer:*

**FY 2009:**

**NOAA:**

**Journal Publication "The Marine Ecosystem of the Pribilof Domain, Southeastern Bering Sea":** NOAA and other researchers have discovered a new and unique continental shelf domain, the Pribilof Domain. Elevated nutrient supply, summer post-bloom primary production, and advection of large zooplankton differentiate the Pribilof

Domain from the rest of the Middle Shelf Domain. These differences help to sustain populations of fish in the region, as well as marine mammals and seabirds breeding on the Pribilof Islands. This publication, a special issue of *Deep-Sea Research II: Topical Studies in Oceanography*, confirms regional enhanced productivity at the base of the marine food chain; how it is used by commercial and protected species; and how it is affected by climate change.

This special issue was published as Volume 55, Issues 16-17 (August 2008), but was not available until much later. The volume includes 18 original science articles, two introductory articles, and one synthesis article. The synthesis article (Hunt et al., 2008) provides an ecosystem approach to viewing changes in living marine resources and trends in other upper trophic level components. The issue has two important conclusions: the area around the Pribilof Islands operate semi-independently from the rest of the shelf, and the warm period of the early 2000s had a significant and potentially negative effect on the southeastern portion of the shelf where many of our living marine resources from the eastern Bering Sea are harvested. Nine AFSC, five Pacific Marine Environmental Laboratory (PMEL), and four authors from the Joint Institute for the Study of the Atmosphere and Ocean contributed to the special issue.

**NMFS Scientists Continue Programs to Transfer Best Practices in Bycatch Reduction and Sea Turtle Careful Release Protocols Around the World:** SEFSC's Pascagoula Laboratory gear specialists lead turtle excluder device (TED) and bycatch mitigation training and technology transfer activities all over the world. During FY 2009, SEFSC's teams visited Panama, El Salvador, French Guiana, Ecuador, Colombia and Costa Rica providing TEDs training to fishers and marine enforcement personnel. Additionally, the teams conducted training in the use of modified gillnets to reduce sea turtle captures in Trinidad.

SEFSC has also developed and recently updated careful release protocols for sea turtle release with minimal injury (NOAA Technical Memorandum NMFS-SEFSC-580). This document details tools and techniques for removing fishing gear from incidentally captured sea turtles, as well as other bycatch species. NMFS conducts careful release protocol workshops in the United States and internationally to educate fishermen how to use these tools and protocols to reduce post-hooking mortality by minimizing the amount of fishing gear remaining on the turtle at release. NMFS fishery observers are trained in these techniques as well, so that they may act as technology transfer stewards upon request. SEFSC tests and certifies newly developed gear removal tools through laboratory and field trials for use with sea turtles.

**NMFS-SEFSC Continues to Lead Scientific Investigations on Atlantic Highly Migratory Species (HMS):** SEFSC is continuing scientific investigations of the ecology and productivity of Atlantic HMS species, in support of U.S. scientific commitments to the International Commission for the Conservation of Atlantic Tunas (ICCAT) and domestic fishery management demands. Research, monitoring, and coordination activities associated with these investigations are detailed under the FY 2008 heading.

***In-Situ* Ichthyoplankton Imaging System Successfully Deployed:** NEFSC

successfully deployed the *In-Situ* Ichthyoplankton Imaging System (*ISIIS*) on a Center Ecosystems Monitoring cruise. *ISIIS* is a towed system that images plankton in relatively large volumes at high resolution and is capable of effectively “sampling” larval fish. The system greatly improves the ability to survey early life stage of fish and to supply fishery-independent information about stock status and structure. *ISIIS* was deployed from the NOAA Ship Delaware II along two transects south of Narragansett Bay; this is the first application outside of Florida waters and the first from a NOAA vessel. *ISIIS* has the potential to revolutionize the sampling of fish early life stages, and if this potential is realized, the technology could be used across NMFS to bring additional fishery independent information into the next generation of stock assessments. This work is supported by the NMFS Advanced Sampling Technology Working Group.

In an effort to measure habitat use, migration patterns, and subpopulation connectivity of fish stocks in the Northwest Atlantic, NEFSC collaborated with university scientists to develop an ultrasonic telemetry receiver system that can be integrated into an AUV. The AUVs are gliders currently used by IOOS for regional-scale physical surveys of the coastal ocean. Adding the telemetry system to the AUV creates an effective method to sample ultrasonically tagged fishes over large areas with only one receiver while collecting a synoptic physical data record of pelagic habitats. This application has the potential to greatly increase the coverage of acoustic tagging studies, which currently require the more costly deployment of multiple-moored receivers typically placed in spatially restricted grids at the sea floor.

**NOAA Scientists Developing Tools for Bering Sea Ecosystem Assessment and Forecasting:** NOAA Fisheries and NOAA Research personnel at the AFSC and PMEL are advancing the ability to sustain coastal marine resources of the eastern Bering Sea. NOAA researchers in collaboration with the National Science Foundation and the North Pacific Research Board are conducting research to determine the impacts of climate variability and develop the ability to forecast the ecosystem’s response. By evaluating the regional accuracy of long-term climate models, and using their predictions to drive biophysical models of living marine resource productivity, this applied research is developing exciting new tools for use by resource managers and other stakeholders.

**Modeling Stream Temperature for Salmon Habitat:** The SWFSC Fisheries Ecology Division (FED) has developed a stream temperature model for the California Central Valley Project (CVP) that operates at spatio-temporal scales suitable for estimating salmonid mortality. Within the managed rivers of the CVP, salmon species listed under the Endangered Species Act (ESA) are restricted to lowland habitat because they no longer have access to their ancestral spawning sites above dams and other impassable barriers. Low-water flows and elevated temperatures are further degrading marginal habitat as state and federal water project managers consider the short-term and seasonal needs of agriculture, urban users, hydroelectric production, and flood control when making water allocation decisions. On the Upper Sacramento River the current management approach, as designated in the CVP Operations Criteria and Plan (OCAP), requires water flows sufficient to maintain a temperature at or below 56°F at a given compliance point downstream from the reservoir discharge. This model assesses different

water release management strategies on salmon mortality and to provide short-term forecasts of stream conditions. The model is based on water flow and discharge temperature, and applies a basic heat budget approach that incorporates atmospheric inputs (primary drivers are solar radiation, air temperature, wind speed, and cloud cover) to track water temperature downstream. The modeled stream temperatures are then applied to salmon mortality models to evaluate the biological effectiveness of various water management scenarios. Model simulations can be made interactively using web-based data services, developed in conjunction with SWFSC Environmental Research Division (ERD). From these models, SWFSC researchers are developing science-based summaries to meet the specific demands of regional water and other resource managers. SWFSC has demonstrated the model with a web-based interface to potential end-users in NOAA Fisheries, U.S. Fish and Wildlife Service, and the U.S. Bureau of Reclamation.

Scientists report on causes of Sacramento River fall Chinook salmon collapse: A multi-agency scientific review panel, led by scientists at the SWFSC Fisheries Ecology and Environmental Research Divisions and NWFSC, released a report on March 18, 2009 that outlines the potential causes for the recent severe decline in the abundance of Sacramento River fall Chinook salmon (SRFC). The panel found that poor conditions in the coastal ocean in 2005 and 2006 resulted in unusually poor survival of fall-run Chinook salmon returning to the River in 2007 and 2008. These fish entered the ocean during periods of weak upwelling, warm sea surface temperatures, and scarce food. Freshwater water quality and flow factors were ruled out as direct causes of the collapse. Factors possibly contributing to the collapse included damage to freshwater habitat from land and water development in the Sacramento-San Joaquin watershed, and reduced Chinook population diversity due to hatchery practices, since most fall Chinook are now born in hatcheries. The panel noted that the key to reducing variation in the abundance of salmon is increasing their genetic diversity and maintaining their freshwater habitat. This could be achieved by reforming hatchery practices; managing for naturally-produced fall Chinook; and restoring habitats in the rivers, the San Francisco Delta and Bay.

**Workshop to Establish a Climate Research Vision/Strategy/Program within the NMFS Pacific Islands Fisheries Science Center (PIFSC):** PIFSC held a climate workshop in Honolulu on August 5-6, 2009, and included PIFSC staff, selected scientific and policy experts in fields related to climate change, and state resource managers. The workshop consisted of one full day of presentations designed to bring participants up to date on the state of climate change science, and a second full day of breakout groups designed to collect information on current climate activities at PIFSC, research gaps, and potential research projects PIFSC could be undertaking to support resource managers and improve climate science. PIFSC completed a preliminary summary report of the workshop findings, which will serve as the strategic plan for climate-related research at PIFSC.

**Arctic Nearshore Fishes—Establishing a Baseline in a Dynamic Environment:** The Arctic is home to many species of fish, seabirds, and marine mammals. Most of the Arctic is pristine, but all of it is vulnerable to increasing stress from coastal development and changing environmental disturbances. The Arctic is warming at an alarming rate; the

present extent of Arctic sea ice is the second lowest on record, further reinforcing a long-term state of decline. Other threats to the Arctic environment include increased demand for oil and gas exploration and development; mining; increased transportation activities; and commercial fishing. Current information is needed on Arctic fish distribution, essential habitats, food webs, and species at risk in order to make informed management decisions regarding potential effects from offshore oil exploration and global climate change. This is especially true for shallow-water areas, which are often ignored in fisheries surveys.

In response to this need, NMFS Alaska Fisheries Science Center scientists have been examining shallow-water fish assemblages near Barrow since 2007 to establish a baseline for long-term monitoring. Over 20 fish species have been identified to date; the two most abundant are capelin and Arctic cod. Both of these species are extremely important as prey for marine mammals and seabirds. All catch data is included in the Nearshore Fish Atlas of Alaska website. Other data collected include temperature, salinity, ph, and baseline hydrocarbon measurements.

**Study on the Efficacy of Modified Longline Fishing Gear or Fishing Operations as a Means of Reducing Bycatch completed:** The NMFS Pacific Island Fisheries Science Center (PIFSC) carried out a longline experiment consisting of 45 paired sets (90 sets total) to evaluate a technique which maintains target catch rates while reducing non-target catch rates. Researchers compared control sets to experimental sets in which the shallowest hooks (less than 100m depth) were eliminated. Researchers hypothesized that eliminating shallow hooks would maximize target catch of deeper dwelling species, such as bigeye tuna, while at the same time, reducing incidental catch of many other non-target, but marketable epi-pelagic species (e.g. billfish); bycatch (discards) of other fishes and sharks; and protected sea turtles and marine mammals. Research findings supported the hypothesis that the catch rates of bigeye tuna was not impacted by eliminating shallow hooks. The experimental sets also resulted in reduced longline interactions and impacts to non-targeted species, including wahoo, dolphinfish, blue marlin, striped marlin, and shortbill spearfish. However, for the non-targeted species sickle pomfret, the catch rate was significantly higher in the experimental sets compared to control sets. The reason for the differences in catch rates between gear types is likely due to the vertical habitat preferences of the species involved; interactions with epi-pelagic species with shallow distributions in the uniform mixed layer were reduced by deploying hooks greater than 100m. By logical extension, the experimental gear will also likely reduce interactions with sea turtles. Except for additional leadweights, floats, and floatlines, only slight modification of existing longline fishing gear and methods were required to deploy the experimental gear. The main drawback of this method was the increased amount of time to deploy and retrieve the gear.

**Changes in Relative Abundance of Species at the Top of the Central North Pacific Subtropical Gyre Ecosystem, 1996-2006:** Catch rates for the 13 most abundant species caught in the deep-set Hawaii-based longline fishery over the past decade (1996-2006) provide evidence of a change at the top of the North Pacific subtropical ecosystem. Catch rates for apex predators such as blue shark, bigeye and albacore tunas, shortbill spearfish,

and striped marlin declined from 3 to 9% per year while catch rates for 4 mid-trophic species, mahimahi, sickle pomfret, escolar, and snake mackerel increased by 6 to 18% per year. The mean trophic level of the catch for these 13 species declined 5%, from 3.85 to 3.66. A shift in the ecosystem to an increase in mid-trophic level, fast-growing and short-lived species is suggested by the decline in apex predators in the catch from 70% to 40% and the increase in species with production biomass values of 1.0 or larger in the catch from 20% to 40%. This new ecosystem may exhibit more temporal variation in response to climate variability.

**Refinements to the Operational TurtleWatch Advisory for the Hawaii-Based Longline Fishery:** NMFS Pacific Island Fisheries Science Center (PIFSC) researchers analyzed dive data from 17 depth recorders attached to loggerhead sea turtles in the Hawaii-based longline fishing ground. A subset of the analyzed dive behavior results were incorporated into a joint probability model which was used to predict the temperature regions where the highest loggerhead interactions were expected to occur. The modeled temperature range was compared with the existing TurtleWatch model to understand whether the addition of loggerhead dive behavior improves the dynamic habitat TurtleWatch model. The results of the dive data showed that dive behavior was fairly uniform across the surface temperatures inhabited by turtles during the time of the year when the bulk of interactions with the fishery occurred. The initial application of dive data to the model did not substantially improve the ability to explain the interactions by the fishery.

## **NIST:**

**NIST, DOD, and Intelligence Agencies Join Forces to Secure U.S. Cyber Infrastructure:** NIST, in partnership with the Department of Defense (DOD), the Intelligence Community (IC), and the Committee on National Security Systems (CNSS), has released the first installment of a three-year effort to build a unified information security framework for the entire federal government. Historically, information systems at civilian agencies have operated under different security controls than military and intelligence information systems. This installment is titled NIST Special Publication 800-53, Revision 3, Recommended Security Controls for Federal Information Systems and Organizations. This revised security control catalog provides the most state-of-the-practice set of safeguards and countermeasures for information systems ever developed. The updated security controls—many addressing advanced cyber threats—were developed by a joint task force that included NIST, DOD, the IC, and the CNSS with specific information from databases of known cyber attacks and threat information.

**For Refrigeration Problems, a Magnetically Attractive Solution:** An exotic metal alloy discovered by an international collaboration working at the NIST Center for Neutron Research may prove to be the long-sought material that permits magnetic cooling in home refrigeration instead of commonly used gas-compression systems. Magnetic cooling, though used for decades in science and industry, has yet to find application in the home because of technical and environmental hurdles—but the collaboration may have overcome the hurdles. The alloy, a magnetocaloric material that

changes temperature when exposed to a magnetic field, is a mixture of manganese, iron, phosphorus, and germanium. Though not yet ready for the marketplace, it is the first magnetocaloric that functions at near room temperature to contain neither gadolinium nor arsenic, rendering it both safer and cheaper than other magnetocalorics. It also has such strong properties that a system based on it could rival gas compression in efficiency.

**Random Antenna Arrays Boost Emergency Communications:** First responders could boost their radio communications quickly at a disaster site by setting out just four extra transmitters in a random arrangement to significantly increase the signal power at the receiver, according to theoretical analyses, simulations, and proof-of-concept experiments performed at NIST. The NIST work may provide a practical solution to a common problem in emergency communications. The vast amount of metal and steel-reinforced concrete in buildings and rubble often interferes with or blocks radio signals. This was one factor in the many emergency communications difficulties during the response to the attacks on the World Trade Center on September 11, 2001.

**Electronic Methods Potentially Secure for Sending Blank Ballots Overseas; Serious Issues Remain for Receiving Votes:** Electronic technologies could be deployed immediately and reliably to augment slower postal mail for distributing ballots to U.S. citizens living abroad, but using telephone, e-mail, and the Web to transmit completed ballots still faces significant unresolved issues, according to a report released by NIST. The report discusses how postal mail and four electronic transmission options (telephone, fax, e-mail, and Web sites) could be used in the overseas voting process. It identifies issues and threats associated with using these methods to register voters, distribute blank ballots, and return voted ballots. In addition, the report suggests control measures that can mitigate some of the specific threats identified. The need to verify that each completed ballot comes from a registered voter and has not been changed in transit, while preserving voter privacy, makes the threats to the return of voted ballots by e-mail and Web “difficult to overcome,” according to the NIST report. To ensure that voters receive unaltered ballots, the NIST report recommended specific control measures, such as cryptography and back up communications lines, depending on the electronic method chosen. Voter registration could also be accomplished electronically using these technologies.

**Updated Specification Issued for PIV Card Implementations:** NIST scientists have released an updated technical specification for Personal Identity Verification (PIV) cards that are being phased in by federal departments and agencies for use by their employees and contractors. The technical specification updates the specifications issued in 2006 and will assist federal departments and agencies that are implementing the PIV system and the vendors and system integrators that supply PIV system components and services. NIST is responsible for providing the technical specification for the PIV cards—smart

cards that securely store data such as fingerprint templates and a facial image that are used to verify the cardholder's identity.

**FY 2008:**

**NOAA:**

**California Commercial Landings Data Recovered:** NMFS completed work on a California commercial landings database covering landings from 1931 to 2007. Landings from 1931 through 1968 were recovered through the NESDIS Climate Database. The recovered data, when combined with more recent landings estimates from the California Cooperative Groundfish Survey from 1969-2007, forms one of the longest detailed catch records in the US. The 1931-68 period includes monthly summaries of catches. These data are now openly available to the public for use in stock assessments and monitoring of climate effects. NMFS is currently working with the California Department of Fish and Game to extend the geographic summary information to more recent years.

**Integrated Ecosystem Assessment (IEA) for Puget Sound and the California**

**Current:** NWFSC is leading a team of scientists to conduct a preliminary IEA in Puget Sound in collaboration with the Puget Sound Partnership. The NOAA approach to IEA is: to identify ecosystem goals; indicators, and targets to assess the health of the Sound's ecosystem; conduct risk analysis to determine the current status and key threats; generate alternative management strategies; and, evaluate the strategies and resulting ecosystem status. This approach will help decision-makers understand the ecosystem services most at risk, identify management strategies with the best chance of producing recovery, and increase public awareness and support for recovery and management actions to promote a healthy Puget Sound ecosystem. To date, NWFSC has been working with the Puget Sound Partnership to develop clear ecosystem-based management operational objectives with specific performance measures. NWFSC has worked with technical teams to develop a provisional list of ecosystem indicators, and is using ecosystem models to test indicator performance. The teams are using ecosystem models to develop management targets for proposed indicators. Potential threats are being mapped and basic spatial analyses are being performed. Statistical models are being used to evaluate the potential effect of different management scenarios on ecosystem status. Additionally, development of ecosystem models is progressing, and these models will be used to forecasting the likely outcome of suites of management actions. Lessons from the Puget Sound IEA effort will help guide development of an IEA for the California Current and provide a foundation for ecosystem-based management.

**Alaskan Observer Information System Re-Designed:** The AFSC implemented a major re-design of the information collection system used by observers deployed on the commercial Alaskan groundfish fleet. This re-design was a major upgrade effecting both how the information is collected and stored. The re-design implementation is responsive to a number of key users needs, and it will provide an information system that will serve the needs of a host of internal and external clients well into the future. Notable was that this was a change to a production data system on which fisheries managers, scientists and

industry are dependent for real time information. Implementation was complex as it involved re-training several hundred observers and deploying a new data entry application on over 100 vessels and shore side processing plants across Alaska. This was accomplished without a break in the service providing fisheries dependent information to clients.

**NOAA Scientists Develop New Tool for Measuring the Nutritional Status of Fish in the Field:** Bioelectrical impedance analysis (BIA) has previously been used in human health to monitor the progress of patients with degenerative diseases. In FY 2008, AFSC scientists determined the limitations to applying BIA to fish, demonstrated its utility under laboratory conditions and applied the method to characterize the quality of fish habitat in Alaska.

**NMFS Scientists Transfer Best Practices in Bycatch Reduction Around the World:** Southeast Fisheries Science Center's (SEFSC) Pascagoula Laboratory gear specialists lead turtle excluder device (TED) and bycatch mitigation training and technology transfer activities all over the world. They provide technical assistance to the U.S. State Department in conducting international TED-use verification trips in support of U.S. Public Law 101-162 (Sea Turtle/Shrimp export rule). These include TED technical training workshops for trawl fisheries that interact with sea turtles, pelagic longline sea turtle mitigation technology workshops, Bycatch Reduction Device technical training workshops for trawl fisheries and TED use and enforcement. Countries visited in 2008 for these activities include Morocco, Honduras, Guatemala, Nicaragua, and Costa Rica.

**Development of Unmanned Aircraft System (UAS):** During the Oscar E. Sette cruise 08-02 (March 24-April 9, 2008), the UAS prototype (dubbed the Malolo 1, Hawaiian for "flying fish") was deployed for a total of nine logged flights. The UAS's airframe was specified to have a downward looking video camera, systems to telemeter the video to a base station located on the ship, and software to analyze the video for anomalous objects (i.e. floating debris). The aircraft was designed to be launched from the ship and, upon completion of its flight, to land on the water and be recovered by a small boat. The trials demonstrated that the prototype UAS could be launched from a ship, fly in 20+ knot winds, and be recovered at sea with minimal damage or loss. Higher order issues such as camera/instrument package integration, anomaly detection algorithms, and autonomous flight/survey execution will be the focus of the next round of trials scheduled for FY 2009.

**NMFS-SEFSC Leads Scientific Investigations on Atlantic Highly Migratory Species (HMS):** SEFSC has responsibility for scientific investigations of the ecology and productivity of Atlantic HMS species, in support of U.S. scientific commitments to the International Commission for the Conservation of Atlantic Tunas (ICCAT) and domestic fishery management demands. Primary responsibilities are to monitor catch and effort; to conduct stock assessments; and to conduct biological research in support of HMS stock assessments, providing scientific advice to both domestic and international management bodies. These tasks require collaboration and coordination with other NMFS research and management offices and also require frequent interactions with federal, state, academic,

and private institutions. SEFSC also invests considerable resources in transferring stock assessment capacity to other nations through ICCAT, the Caribbean RFMO, IATTC and other mechanisms.

**Development of Autonomous Underwater Vehicle for Fisheries Observation and Management:** As a coordinated effort among all NOAA Fisheries Service Science Centers, NOAA's Advanced Sampling Technologies Working Group is developing a portable autonomous underwater vehicle (AUV). This is the first NOAA Fisheries Service AUV and the first of its kind to include a suite of fisheries-specific instrumentation. The AUV may be deployed from fisheries survey vessels, small craft, or the shore to gather data required for ecosystems-based fisheries management. This capability would assist in investigating areas previously unobservable from shipboard instrumentation as well as conducting longer term monitoring of essential habitats. The portable size also allows for world-wide shipping to conduct or enhance stock assessments of fish. Southwest Fisheries Science Center Advanced Survey Technologies Program scientists are currently testing and refining this prototype vehicle and conducting pilot research projects that will guide future fisheries research investments in AUVs.

#### **NIST:**

**Enabling nanotechnology:** Researchers at NIST have reported a new technique to sort batches of carbon nanotubes by length using high-speed centrifuges. Many potential applications for carbon nanotubes depend on the lengths of these microscopic cylinders, and one of the most important features of the new technique, say the scientists, is that it should be easily scalable to produce industrial quantities of high-quality nanotubes. In biomedical applications, for example, it has been shown that whether or not nanotubes are taken up in cells depends critically on length. Nanotubes used as components in future microcircuits obviously need to fit in place, and in optical applications, a nanotube's length determines how strongly it will absorb or emit light. While other techniques have been shown to sort nanotubes by length, this is the first approach that could be scaled up to produce commercially important quantities of nanotubes in a given length range. The process also removes much of unwanted junk—particularly metal particles—from the batch. NIST has applied for a patent on the process.

**NIST shows on-card fingerprint match is secure, speedy:** A fingerprint identification technology for use in Personal Identification Verification (PIV) cards that offers improved protection from identity theft meets the standardized accuracy criteria for federal identification cards, according to NIST researchers. Recent tests assessed the accuracy and security of two variations on this model that, if accepted for government use, would offer improved features. The first allows the biometric data on the card to travel across a secure wireless interface to eliminate the need to insert the card into a reader. The second uses an alternative authentication technique called "match-on-card" in which biometric data from the fingerprint scanner is sent *to* the PIV smart card for matching by a processor chip embedded in the card. The researchers found that 10 cards with a standard 128-byte-long key and seven cards that use a more secure 256-byte key

passed the security and timing test using wireless. On the accuracy side, one team met the criteria set by NIST and two others missed narrowly.

**Building bridges between conventional and molecular electronics:** Researchers at NIST have set the stage for building the “evolutionary link” between the microelectronics of today built from semiconductor compounds and future generations of devices made largely from complex organic molecules. The team has demonstrated that a single layer of organic molecules can be assembled on the same sort of substrate used in conventional microchips. The ability to use a silicon crystal substrate that is compatible with the industry-standard CMOS (complementary metal oxide semiconductor) manufacturing technology paves the way for hybrid CMOS-molecular device circuitry—the necessary precursor to a “beyond CMOS” totally molecular technology—to be fabricated in the near future. The next step, the team reports, is to fabricate a CMOS-molecular hybrid circuit to show that molecular electronic components can work in harmony with current microelectronics technologies.

**Testing a potential hydrogen storage compound:** Researchers at NIST’s Center for Neutron Research (NCNR), in collaboration with scientists at the University of Maryland and the California Institute of Technology, have demonstrated that a novel class of materials called metal-organic frameworks could enable a practical hydrogen fuel tank. One of several classes of materials that can bind and release hydrogen under the right conditions, MOFs could be engineered so that refueling is as easy as pumping gas at a service station is today, and don’t require the high temperatures (110 to 500 C) some other materials need to *release* hydrogen. The researchers used neutron scattering and gas adsorption techniques to determine that at 77 K (-196 C), MOF-74 can absorb more hydrogen than any unpressurized framework structure studied to date—packing the molecules in more densely than they would be if frozen in a block.

**NIST ‘quantum logic clock’ rivals mercury ion as world’s most accurate:** An atomic clock that uses an aluminum atom to apply the logic of computers to the peculiarities of the quantum world now rivals the world’s most accurate clock, based on a single mercury atom. Both clocks are at least 10 times more accurate than the current U.S. time standard. The measurements were made in a yearlong comparison of the two next-generation clocks, both designed and built at NIST. The clocks were compared with record precision, allowing scientists to measure the relative frequencies of the two clocks to 17 digits—the most accurate measurement of this type ever made. The comparison produced the most precise results yet in the worldwide quest to determine whether some of the fundamental constants that describe the universe are changing slightly over time, an important research question that may alter basic models of the cosmos. The aluminum and mercury clocks are both based on natural atomic vibrations and would neither gain nor lose one second in over 1 billion years—if they could run for such a long time—compared to about 80 million years for NIST-F1, the U.S. time standard based on cesium atoms.

**Bioimaging in living color:** NIST and the National Institutes of Health researchers reported in June 2008 that customized microscopic magnets might one day be injected

into the body to add color to magnetic resonance imaging (MRI) while enhancing sensitivity and the amount of information provided by images. Unlike the chemical solutions now used as image-enhancing contrast agents in MRI, the NIST/NIH micromagnets rely on a precisely tunable feature—their physical shape—to adjust the radio frequency (RF) signals used to create images. The RF signals then can be converted into a rainbow of optical colors by computer. Sets of different magnets designed to appear as different colors could, for example, be coated to attach to different cell types, such as cancerous versus normal. The new micromagnets also could act as “smart tags,” identifying particular cells, tissues or physiological conditions for medical research or diagnostic purposes. The magnets could also make medical diagnostic images as information-rich as the optical images of tissue samples now common in biotechnology, which already benefits from a variety of colored markers such as fluorescent proteins and tunable quantum dots.

**Improving subterranean communication:** As part of a project to improve wireless communications for emergency responders, NIST researchers have confirmed that underground tunnels—generally a difficult setting for radios—can have a frequency “sweet spot” at which signals may travel several times farther than at other frequencies. The finding, which uses extensive new data to confirm models developed in the 1970s, may point to strategies for enhancing rescue communications in subways and mines. The optimal frequency depends on the dimensions of the tunnel. The NIST data will support the development of open standards for design of optimal systems, especially for emergency responders. NIST researchers note that the results may help design wireless systems that improve control of, for example, search and rescue robots in subways.

**NIST mini sensor may ‘change the way we live’:** A tiny sensor that can detect magnetic field changes as small as 70 femtoteslas—equivalent to the brain waves of a person daydreaming—has been demonstrated at NIST. The sensor could be battery-operated and could reduce the costs of non-invasive biomagnetic measurements such as fetal heart monitoring. The device also may have applications such as homeland security screening for explosives. The prototype device is almost 1,000 times more sensitive than NIST’s original chip-scale magnetometer demonstrated in 2004. The new sensor is already powerful enough for fetal heart monitoring; with further work, the sensitivity can likely be improved to a level in the 10 femtotesla range, sufficient for additional applications such as measuring brain activity. Potential NIST collaborators are interested in making a portable MEG helmet that could be worn by epileptics to record brain activity before and during seizures. The devices would be much smaller and lighter than the Superconducting Quantum Interference Devices helmets currently used for such studies. The NIST sensor also may have applications in MRI or in airport screening for explosives based on detection of nuclear quadrupole resonance in nitrogen compounds.



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Chief Financial Officer**  
**Assistant Secretary for Administration**  
Washington, D.C. 20230

November 16, 2009

Ms. Diane Dudley  
Partner  
KPMG LLP  
2001 M Street, N.W.  
Washington, DC

Dear Ms. Dudley:

This letter is in connection with your audits of the U.S. Department of Commerce's (Department) Closing Package Financial Statement Reports – Balance Sheets as of September 30, 2009 and 2008; and the related Closing Package Financial Statement Reports – Statements of Net Cost and Statements of Changes in Net Position, and the accompanying Financial Report Notes Report for the years then ended; the accompanying Additional Note No. 29; the accompanying Trading Partner Summary Note Report – Balance Sheets as of September 30, 2009 and 2008; and the related Trading Partner Summary Note Report – Statements of Net Cost and Statements of Changes in Net Position for the years then ended (hereinafter referred to as the special-purpose financial statements). We understand that your audits were for the purpose of expressing an opinion as to whether the special-purpose financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles and the presentation requirements set forth in the U.S. Department of the Treasury's Financial Manual, *Volume I Part 2 – Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government (I TFM 2-4700)*. These supplemental representations are in addition to the letter of representations made on November 10, 2009 in connection with the audits of the Department's consolidated financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits, and that these representations are as of the date of your auditors' report on the special-purpose financial statements and pertain to the period covered by the special-purpose financial statements.

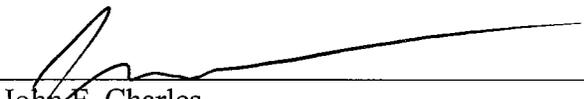
1. No information has come to our attention that would cause us to believe that any of the representations that we provided to you in our management representation letter dated November 10, 2009 should be modified.
2. No events have occurred subsequent to November 10, 2009 and through the date of this letter that would require adjustment to or disclosure in the special-purpose financial statements.

3. We are responsible for the fair presentation of the special-purpose financial statements in conformity with U.S. generally accepted accounting principles and the presentation requirements set forth in I TFM 2-4700.
4. The special-purpose financial statements are fairly presented in conformity with U.S. generally accepted accounting principles and the presentation requirements set forth in I TFM 2-4700.
5. We have made available to you all financial records and related data relevant to the reclassification of the Department's audited, consolidated financial statements for presentation in the special-purpose financial statements and accompanying notes as prescribed in I TFM 2-4700.
6. There are no material transactions or balances that have not been properly reclassified in the special-purpose financial statements or disclosed in the notes accompanying the special-purpose financial statements.
7. We are responsible for establishing and maintaining internal control over financial reporting in the preparation of the special-purpose financial statements and for complying with the requirements set forth in I TFM 2-4700.
8. Those internal controls over financial reporting in place on September 30, 2009 provided reasonable assurance that the special-purpose financial statements are in conformity with the requirements set forth in I TFM 2-4700.
9. We believe that the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the special-purpose financial statements taken as a whole.

Very truly yours,

U.S. Department of Commerce

  
\_\_\_\_\_  
Lisa Casias  
Deputy Chief Financial Officer and  
Director for Financial Management

  
\_\_\_\_\_  
John F. Charles  
Acting Chief Financial Officer and  
Deputy Assistant Secretary for Administration

U. S. Department of Commerce  
 Summary of Unadjusted Misstatements - GAO Format  
 Consolidated Financial Statement Audit  
 September 30, 2009

Departmentwide Financial Statement Line Item (Closing Package Line)	Adjustment Number	Federal Governmental (F) or Nonfederal Public (N)	SGL Account Number	Description of Unadjusted Misstatement	Known Misstatements		Likely Misstatements		Fiscal Year
					Debit	(Credit)	Debit	Credit	
General Property, Plant, and Equipment, Net, Personal Property (Property, Plant, and Equipment) Gross Cost with the Public (Non-Federal Gross Cost) Cumulative Results of Operations (Net Position)	1	N	1750	Various NOAA personal property errors related to corrections made by NOAA in FY 2009 that should have been made in prior years, as well as remaining property adjustments not yet recorded	14,340,000				2009
		N	6100		17,153,000				
		N	3100			(31,493,000)			
Undelivered Orders Downward Adjustments of Prior-Year Unpaid Undelivered Orders	2	N N	4801 4871	Undelivered Orders that Should have been deobligated at September 30, 2009			57,749,000	(57,749,000)	2009

**Summary of Uncorrected Misstatements - Balance Sheet**

	Adjustment Number	Known Misstatements		Likely Misstatements (includes Known Misstatements)		Account balance document reference	Account balance debit (credit)
		Debit	Net Debit (Credit)	Debit	Net Debit (Credit)		
<p>Note: The line items presented are a mirror of those in the entity's financial statements.</p>							
<u>Assets</u>							
Property, Plant, and Equipment	1	\$ 14,340,000	\$ 14,340,000	\$ 14,340,000	\$ 14,340,000	R6	\$ 6,758,827,000
All Other Assets							27,197,958,000
Total Assets		14,340,000	14,340,000	14,340,000	14,340,000	R6	\$ 33,956,785,000
<u>Liabilities</u>							
Non Federal Other Liabilities						R6	\$ (1,993,639,000)
All Other Liabilities							(2,627,126,000)
Total Liabilities						R6	(4,620,765,000)
<u>Net Position</u>							
Total Net Position	1	(14,340,000)	(14,340,000)	(14,340,000)	(14,340,000)	R6	(29,336,020,000)
Total Liabilities and Net Position		(14,340,000)	(14,340,000)	(14,340,000)	(14,340,000)	R6	\$ (33,956,785,000)
Total Uncorrected Misstatements		\$ 14,340,000	\$ (14,340,000)	\$ 14,340,000	\$ (14,340,000)		

**Summary of Uncorrected Misstatements - Statement of Net Cost**

	Adjustment Number	Known Misstatements		Likely Misstatements (includes Known Misstatements)		Account balance document reference	Account balance debit (credit)
		Debit	(Credit)	Debit	(Credit)		
Non Federal Gross Cost	1	\$ 17,153,000	\$ 17,153,000	\$ 17,153,000	\$ 17,153,000		
All Other Gross Cost		\$ 17,153,000	\$ 17,153,000	\$ 17,153,000	\$ 17,153,000	R6	\$ 10,480,128,000
Department Total Gross Cost		17,153,000	17,153,000	17,153,000	17,153,000	R6	2,060,389,000
Departmental Total Earned Revenue						R6	(2,713,778,000)
Net Cost		\$ 17,153,000	\$ 17,153,000	\$ 17,153,000	\$ 17,153,000	R6	\$ 9,826,739,000