



A Record of Past Progress  
and a  
Roadmap for the Future

**Secretary Penny Pritzker**

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## Introduction

The Department of Commerce (the Department) sits at the intersection of all business and economic issues, both domestically and abroad. A single mission unites our 12 bureaus and 46,000 employees: **to help create the conditions for economic growth, job creation, and opportunity across the United States.**

The Department helps American companies prosper in the global economy. We issue patents and trademarks, as well as licenses to sell sensitive technologies abroad. We collect and provide data on demographics, the economy, and the weather, as well as a common language businesses can use to manage cybersecurity risk. We invest in advanced manufacturing clusters and facilitate foreign investment in the United States. We link minority-owned businesses with the capital, contracts, and markets they need to grow, and we connect communities across America through expanded broadband access.

Throughout President Obama's Administration, we took strides to make our team more outcome-driven and responsive and provide important commercial perspectives in policy discussions. Critical to our success has been our work to build a stronger bridge to the business community, include the private sector in our policymaking process, and serve as a key member of the President's economic cabinet.

## Record of Progress

The Department of Commerce has played an integral role in America's economic recovery. While government alone cannot create companies or jobs, it can help create the conditions for the private sector to grow and prosper. Our record of progress is focused on five areas: trade and investment, innovation, data, environment, and operational excellence.

## Trade & Investment: Opening Global Markets and Encouraging Investment in the United States

Our Department has supported the President's economic growth agenda by aggressively enforcing trade laws, increasing foreign direct investment, negotiating trade deals that create a level playing field for American workers, and using the power of America's business leaders to help shape policy in markets around the world. Our team has worked to steadily open new markets to U.S. goods and services, reduce trade barriers facing U.S. firms, and help our companies navigate challenging markets abroad.

### *Commercial Diplomacy*

Commercial diplomacy is based on a simple premise: America's commercial power and influence is unmatched. In an increasingly complex world, that power must be more effectively harnessed as a force alongside our more traditional foreign policy tools. Our allies and trading partners want American investment and the promise of private sector-led growth. And they know American companies can bring capital that creates jobs and economic opportunities. This provides our business leaders with an influential voice in foreign capitals, which can be used to promote policies consistent with our common strategic goals. This in turn helps level the playing field for American companies to sell more American products abroad while creating well-paying jobs here at home. As such, when our objectives have aligned, we have worked with the private sector as our policy partner. The Commerce Department has invested heavily in building a commercial diplomacy agenda, and the next Administration should continue developing more effective and focused commercial diplomacy strategies to support the President's foreign policy priorities.

### *Enforcing Our Trade Laws in Record Numbers*

The viability of U.S. manufacturers and the livelihoods of American workers has been threatened by ill-advised policies of certain foreign governments that subsidize the costs of production and artificially decrease the price of their exports at the expense of their trading partners. This Administration has taken substantial steps to confront this problem, and the Department has played a leading role. Antidumping duty (AD) and countervailing duty (CVD) investigations have reached historic highs. Specifically, the Department of Commerce and U.S. Customs and Border Protection are currently enforcing 350 AD/CVD orders that address dumped and/or unfairly subsidized imports. To meet this challenge of increased dumping, we expanded our capacities by adding more than three dozen positions in an effort to more quickly and effectively use our trade remedies. We also secured legislative changes that strengthen the effectiveness of the AD/CVD remedy, including provisions that improve Commerce's ability to deal with foreign producers that do not cooperate in AD/CVD proceedings and enhance the ability of Customs and Border Protection to combat evasion of anti-dumping and countervailing duties.

### *China*

The scope and nature of our interactions with the Chinese government has evolved dramatically. We have worked to make the Joint Commission on Commerce and Trade (JCCT) a continuous process in tandem with the Strategic and Economic Dialogue, and have made it a more dynamic and productive dialogue. While we have continued to use the JCCT to push the Chinese to address core commercial policy challenges – including excess capacity in steel and other sectors, the persistent theft of intellectual property and trade secrets, and an increasingly hostile and protectionist approach to digital policy challenges – we also have attempted to use it and our other engagements with senior officials to focus energy on deepening our understanding of their strategic economic priorities and looking for opportunities for greater collaboration. In addition, we are working to end China's dangerous and

market-distorting approach to developing an indigenous semiconductor industry and have continued to prioritize and invest heavily in trade enforcement.

### *Mexico*

Recognizing that the U.S. government had underinvested in the U.S.-Mexico economic relationship, the Department prioritized building stronger bilateral commercial ties with one of our most important economic partners, and we have achieved enormous success. Working closely with Vice President Biden, the Department has led the High Level Economic Dialogue since its 2013 launch. This mechanism has enabled our governments to more effectively collaborate on commercial priorities like developing modern border infrastructure that promote growth and job creation. We have made considerable progress on border infrastructure, energy, economic and workforce development, travel and tourism, and innovation and entrepreneurship.

### *India*

The Department has taken the lead on elevating our commercial ties with India through the creation of the U.S.-India Strategic and Commercial Dialogue. This mechanism will endure as a platform for commercial and strategic engagement on a wide range of issues. We have made great progress in key areas affecting our economic relationship, including ease of doing business, smart cities and infrastructure development, innovation and entrepreneurship, and standards harmonization.

### *Africa*

One major goal of the Administration has been to transform the U.S.-Africa relationship from one based on aid to one based on trade. Consistent with these goals, the Department created and launched the President's Doing Business in Africa initiative, which has allowed us to double our presence in African countries by opening new offices throughout the continent facilitating greater investment and supporting jobs here at home.

In partnership with Bloomberg Philanthropies, the Department also created the U.S.-Africa Business Forums, which took place in 2014 and 2016. The Forums brought together hundreds of American and African CEOs, and nearly every African head of state to facilitate U.S. private sector engagement in Africa, which helped generate \$23.1 billion in investment. The first U.S.-Africa Business Forum also led to the formation of the President's Advisory Council on Doing Business in Africa (PAC-DBIA), which I chair.

### *Cuba*

The Department has taken a lead role to fundamentally change U.S. policy toward Cuba. We launched the U.S.-Cuba Regulatory Dialogue and, in coordination with the Department of the Treasury's Office of Foreign Assets Control, the Department has published six sets of regulatory changes aimed at empowering the Cuban people through increased economic engagement. From January 2015 through September 2016, we issued 738 licenses for proposed exports and re-exports to Cuba valued at \$9.4 billion. In addition, we worked with the private sector to identify the most effective ways to increase economic engagement and ultimately benefit the Cuban people.

### *SelectUSA*

In 2011, the Department launched SelectUSA, the first federal initiative focused on creating world-class investment promotions to attract foreign direct investment to the United States. To date, this successful effort has facilitated \$23 billion in foreign direct investment creating and/or retaining tens of thousands of jobs across the country. The 2016 SelectUSA Investment Summit alone brought together 2,500

participants representing 70 international markets. SelectUSA has also established a presence at the U.S. embassies in each of the 30 largest markets for U.S. investment globally.

#### *Export Control Reform*

The Department has led a comprehensive reform of the export control system. Prior to this effort, the government's controls on defense items essentially were one-size-fits-all regardless of technological sensitivity, end use, or end user. Now, tens of thousands of less-sensitive defense items are subject to more nuanced and flexible regulations. The end result has been stronger military interoperability with our allies; reduced incentives for those allies' products to avoid U.S. content; government's resources focused on transactions of greatest concern; and improved regulatory reliability and predictability.

#### *National Travel and Tourism Strategy*

In partnership with the Department of the Interior, the Department of Commerce co-authored the National Travel and Tourism Strategy, which sets an ambitious goal to welcome 100 million annual international visitors by 2021. In 2015, 76 million people visited the United States, up from 67 million before the strategy's implementation. These visitors spent a record \$217 billion on goods and services, supporting 1.1 million U.S. jobs and making travel and tourism our country's number one services export.

## Looking Ahead

#### *Complete the Trans-Pacific Partnership*

The completion of the Trans-Pacific Partnership is essential to America's economic strength, to our leadership in the Asia-Pacific region, and to our national security. But trade remains a complicated and highly charged topic for many citizens. To address these challenges, our government needs to reconsider our approach to delivering the benefits of completed trade agreements to our citizens. In addition, the inability of Congress to pass the agreement has left a vacuum that China is already attempting to fill with its own multilateral agreement that will exclude the U.S. and disadvantage our businesses and workers.

#### *Growing Our Footprint at Home and Abroad*

The Department's traditional trade responsibilities include helping American companies resolve specific issues abroad, working with foreign governments to address systemic trade policy challenges, enforcing trade laws, and building stronger ties to cultivate economic opportunities for companies to compete for new customers around the world. Globalization is creating a huge and growing demand by American companies for the Department's trade services and expertise. To meet this challenge and accomplish these goals, I believe there exists a need to increase the Department's Foreign Commercial Service and Export Assistance Center footprint as well as our enforcement resources, so that we can keep pace with growing caseloads.

#### *Increase Exports*

In addition, we need to open new markets and help U.S. companies grow exports. Rebalancing our economy to sell more globally is necessary because 95 percent of the world's consumers live outside the United States. This will represent an important shift in how our economy does business. We need to open new markets and maintain a level playing field, simultaneous with expanded export counseling and trade finance capabilities. To meet this opportunity, the Department's Commercial Service should expand to ensure that all American firms in tradeable sectors fully capitalize on the opportunities created by our trade agreements.

## **Innovation: Supporting Advanced Manufacturing, Skills Training, Entrepreneurship, and a Robust Digital Economy**

Between 1948 and 2012, over half the total increase in U.S. productivity growth, a key driver of economic growth, came from innovation and technological advancement. As “America’s Innovation Agency,” the Department of Commerce is responsible for fostering an environment that supports the invention and commercialization of new products and technologies. We are proud to have five Nobel Prize winning scientists on our team who embody our Department’s commitment to innovation.

### **Advanced Manufacturing**

#### *Manufacturing USA*

The Department manages and coordinates the Manufacturing USA Network (formerly the National Network of Manufacturing Innovation), an inter-agency initiative to develop and deploy the technologies and workforce of the future in a collaborative public-private partnership. This effort will have launched a network of public-private manufacturing institutes that will enhance America’s competitive advantage in advanced manufacturing by bringing cutting edge technologies from lab to market. Already, the more than \$600 million in federal funding invested in the first nine institutes has been matched by more than \$1.3 billion in non-federal investment. And more institutes are on the way.

#### *Investing in Manufacturing Communities Partnership*

Commerce is the lead agency for the Investing in Manufacturing Communities Partnership, an initiative that encourages local leaders from the private sector, local government, higher education, and economic development organizations to collectively identify a sector of manufacturing where their community has a comparative advantage and create a strategic plan that addresses every element of competitiveness from workforce and supply chain to infrastructure and trade. Twenty-four communities have been designated for preferred access to federal funding totaling approximately \$1.3 billion, and more than 65 other communities received technical assistance and benefitted from the strategic planning undertaken as part of the application process.

### **Skills Training**

#### *Skills for Business*

The Department plays a critical role in federal workforce development policymaking through our newly created Skills for Business initiative. While our Department does not fund training, advancing 21st century skills is integral to strengthening American competitiveness given the importance of talent development to our economy, especially in key sectors like manufacturing, cybersecurity, and engineering. We have led the effort to assure federal workforce expenditures are job driven, sponsored research on the value of apprenticeships to employers, and strengthened regional workforce development efforts.

### **Entrepreneurship**

#### *Promoting a Robust and Effective Intellectual Property System*

The strength and vitality of the U.S. economy depends on effective mechanisms that protect and encourage the development of new ideas. With the passage of the America Invents Act, the Department continues to improve our service to American innovators by improving patent quality, speeding the patent process, and curbing abuse. In the last five years, we opened the first-ever permanent Patent and Trademark regional offices in Detroit, Denver, Silicon Valley, and Dallas, bringing our services closer to our customers. We also launched the Patents for Humanity program to accelerate the use of patented technologies for humanitarian purposes.

### *Regional Innovation*

Through our Regional Innovation Strategies program and the i6 Challenge, the Department awarded \$59 million in capacity-building grants to help entrepreneurs in diverse regions of the country move ideas to market, supporting the creation and expansion of research-commercialization centers and early-stage seed-capital funds.

### *Harnessing Private Sector Expertise to Support Entrepreneurship*

The Department is committed to supporting startups at every phase of their business cycle. In 2014, we created the Presidential Ambassadors for Global Entrepreneurship Program, which I chair. Through this effort, 20 of the nation's most recognized and successful entrepreneurs commit to mentoring the next generation of innovators both domestically and abroad. The Department also created and leads the National Advisory Council for Innovation and Entrepreneurship (NACIE). Comprised of experts from the public and private sectors, NACIE is responsible for providing executable recommendations on how our innovation and entrepreneurship policies and programs can be most effective.

### *Moving Technologies from Lab to Market*

The Department has played a leading role in the Lab-to-Market initiative, a whole-of-government effort to increase the economic impact of Federally-funded research and development by accelerating and improving the transfer of new technologies from the laboratory to the commercial marketplace. The Department has worked with partners across the federal government to create more open access to federal opportunities and to empower more effective collaborations by streamlining policies and tools that help connect entrepreneurs with federal agencies.

## **Strengthening our Digital Economy**

### *Cybersecurity*

In an economy increasingly vulnerable to cybersecurity threats, the Department plays a central role in the federal government's policymaking focused on securing America's data networks and systems. In 2014, the Department released the Framework for Improving Critical Infrastructure Cybersecurity. Created through unprecedented collaboration between private industry and government, the voluntary Framework consists of standards, guidelines, and practices that promote the protection of critical infrastructure networks. The Framework has become the gold standard for cyber-risk management and has gained widespread acceptance.

In addition, the Department worked closely to support the President's Commission on Enhancing National Cybersecurity, and will be taking steps to ensure that the Commission's recommendations are incorporated into our future actions. We also lead efforts on state-of-the-art identity protection, cybersecurity workforce training, and solving technological challenges by working cooperatively with the private sector.

### *Protecting a Free and Open Internet: IANA Transition, U.S.-E.U. Privacy Shield, and APEC*

An open and free internet is the lifeblood of the global economy that powers commerce and promotes economic opportunity and human rights around the world – deeply-held American values that lead to global stability, security, and well-being. This Administration – and President Obama himself – strongly supported the Federal Communications Commission's "net neutrality" decision to adopt the strongest rules possible to ensure Internet Service Providers cannot become gatekeepers to the Internet's content or create paid fast lanes for access to the best services. And for our part, the Department has a number of accomplishments that advance this goal:

- On October 1, 2016, the Department transferred its stewardship role over the Internet Assigned Numbers Authority (IANA) functions to the non-profit, non-governmental entity, Internet Corporation for Assigned Names and Numbers. The internet stakeholder community is now in charge of overseeing the global domain name system as originally intended. This makes for a stronger, more open Internet, which helps ensure no authoritarian government can ever control it.
- The Department's successful completion of the E.U.-U.S. Privacy Shield framework provides U.S.-based companies with a reliable mechanism for data transfers between the European Union and the United States while maintaining rigorous privacy standards. This framework is essential to supporting the more than \$260 billion in cross-Atlantic digital services trade occurring annually.
- The United States is working to advance the Asia-Pacific Economic Cooperation's (APEC) Cross Border Privacy Rules system, a voluntary but enforceable scheme of mutually recognized data privacy practices for companies doing business in participating APEC economies. By minimizing unnecessary barriers to cross-border data flows resulting from inconsistent privacy regulations in participating APEC economies, the system is intended to facilitate trade while strengthening consumer trust across the Asia Pacific.

#### *Increasing Digital Access: Broadband Technology Opportunities Program (BTOP)*

The Department built a \$4.2 billion grant program from scratch and funded projects that increase access to broadband in unserved and underserved areas. The projects helped create jobs and narrowed the digital divide. So far, BTOP has constructed or upgraded 117,000 miles of broadband network infrastructure, connected 25,787 community anchor institutions, enrolled 671,585 new broadband service subscribers, and has disbursed \$3.833 billion in grants.

#### *Digital Economy Board of Advisors*

We created the Digital Economy Board of Advisors in 2015. Composed of leading technologists, business leaders, social sector executives, and expert policy makers, the board's mission is to provide advice to increase domestic prosperity, improve education, and facilitate participation in political and cultural life through the application and expansion of digital technologies.

#### *Digital Attaches*

Responding to the changing nature of global trade, in March 2016, the Department launched our Digital Attaches pilot program, placing commercial service officers in six markets abroad to serve as dedicated resources for U.S. companies navigating digital economy hurdles overseas. This past October, we announced an expansion of the program. This initiative will continue to drive policy advocacy on technology issues, ensure linkages between trade policy and trade promotion efforts, and provide front-line assistance for U.S. small and medium enterprises.

### **Infrastructure and Economic Development**

#### *FirstNet*

FirstNet was created by Congress to design, build, and operate the first-ever self-sustaining interoperable national public safety broadband network. We have worked closely with FirstNet to help them evolve into a more mature organization, and will maintain rigorous review and oversight processes to ensure FirstNet's success as it builds out its network.



### *Strategic Investment in Economic Development*

To implement the President's vision for modernizing support for communities, the Department has taken a leadership role in the integration of federal economic development assistance. This approach has increased the impact of federal support by coordinating the funding streams from multiple agencies and targeting them to communities that have adopted coherent strategies and comprehensive plans. The results can be seen in communities supported by the Investing in Manufacturing Communities Partnership and the Partnerships for Opportunity and Workforce and Economic Revitalization Initiative.

## Looking Ahead

### *Strengthening the Digital Economy*

The federal government is currently not properly organized to face the challenges posed by the 21st century digital economy. Looking forward, there needs to be a government-wide focus to address five critical issues: access, trust and security online, promoting a free and open Internet globally, addressing the challenges and opportunities of emerging technologies, and preparing workers for jobs in the digital economy. As the President's statutorily designated principal adviser on telecommunications and information policy issues, the Department can and must quickly transform to be the lead agency with respect to the digital economy, just as it has led with other sectors.

- **Access:** Too many U.S. households still do not have broadband access. Filling that need is not currently happening organically through the marketplace. We must develop policies and incentives and integrate experienced technical network talent to encourage investment in infrastructure to connect all Americans.
- **Trust and Security Online:** The digital economy cannot flourish if consumers and businesses do not trust their privacy and security online. The Administration has made progress with our Consumer Privacy Bill of Rights, the U.S.-E.U. Privacy Shield, the Cybersecurity Framework, and the APEC's Cross Border Privacy Rules. But we face a growing global cybersecurity crisis, with consumers and companies suffering at the hands of criminals and nation-states. The next Administration must work with the private sector to promote strong and innovative cybersecurity policies, pursue baseline privacy rules that protect consumers while supporting innovation, and continue the national debate regarding government access to data and the use of encryption as a security tool.
- **Promoting a Free and Open Internet Globally:** We must continue to pursue trade agreements and other policies that protect cross-border data flows, discourage digital protectionism, and ensure open digital markets.
- **Addressing the Challenges and Opportunities of Emerging Technologies:** For America to remain competitive, government must strive to encourage emerging technologies ranging from the Internet of Things to autonomous vehicles to biotechnology to artificial intelligence. The Department's role in this effort is to be an evangelist, a promoter, and to break down barriers to innovation. We must also help the private sector by identifying the tough policy issues raised by new technologies and address them early in the product development life cycle.

- **Preparing Workers for Jobs in the Digital Economy:** Recognizing that 600,000 information technology jobs in America are currently unfilled, the Department must remain engaged as a voice for the business community to encourage policy that helps ensure we have a workforce ready for the challenges presented by the digital economy.

#### *Advanced Manufacturing*

This Administration has built a strong foundation for continued growth in American manufacturing. To build on that, the Department and Congress should look to grow and better connect the institutes in the Manufacturing USA Network, strengthen the competitiveness of America's small- and medium-sized manufacturing companies through the enhancement of the Manufacturing Extension Partnership Program, and invest in training workers with the skills that will be valued by employers.

#### *Further Integration of Economic Development*

Both the federal government and communities have benefited from our more strategic approach to supporting economic development. The next Administration could have an even greater impact through closer coordination between our Department and the Department of Agriculture to promote rural development, the Department of Transportation to maximize the impact of transportation investments, and the Environmental Protection Agency to promote brownfields redevelopment and water infrastructure.

## Unleashing the Power of Government Data

The Department of Commerce, known as “America’s Data Agency,” is one of the largest publishers of government data, generating more than 20 terabytes daily. Our Department has made it easier for individuals and organizations to gain insights and develop innovations based on our data. We continue to work with the private sector on solutions that make data sets more accessible and usable. Our long-term vision is to enable the innovators, healthcare professionals, charities, non-profits, public servants, and others to use our open data to enable and scale solutions for the public good.

### *Unleashing Our Data*

To accelerate our efforts, the Department has:

- Created the **Commerce Data Service**, an internal team of data scientists and engineers who bring the right expertise in-house;
- Started a **Data Academy** to both teach data science and apprentice our staff on specific projects;
- **“Wrangled” our data**, released more bulk data sets, built application programming interfaces (APIs), created tutorials, and built our own front end tools;
- Built **scalable internal-facing products** (such as visualization and client identification tools) to solve problems and demonstrate what can be done with data in our programs;
- Leveraged **private-sector innovators** who are willing to donate their technology for free to solve public problems;
- Created the **Opportunity Project**, to drive government and tech community collaboration to spur the development of digital tools that use federal open data to increase access to opportunity in communities around the country.
- Established **Joint Venture Program** to partner with universities, nonprofits, and industry professionals and explore innovative technical solutions that help federal agencies responsibly leverage their data to make better decisions.

### *Improving the Quality, Scope, and Timeliness of Economic Statistics*

We have prioritized the improvement of core economic indicators such as GDP, and we have materially reduced the size of revisions from the initial release. We are also working with the private sector to improve the timeliness and quality of our statistics.

### *2010 Census*

The Department of Commerce conducted a successful 2010 decennial census and determined that our nation’s population stood at 308,700,000 people, a 9.7 percent increase from the 2000 Census population of 281,400,000.

## Looking Ahead

To achieve the most out of our assets, Commerce must do more than simply make its data available. Below are a number of concrete steps I recommend:

### *2020 Census*

Building off the lessons learned from 2010, the 2020 Census is designed to be more automated, modern, and dynamic. By using new technologies, innovative techniques, and new data sources, there is the potential to save up to \$5.2 billion while maintaining the highest standards of accuracy. To achieve this overall cost savings, adequate testing and implementation funds are needed in the coming fiscal years.

### *A Deeper Talent Bench*

The next Administration must be bold and creative in finding new ways to hire and pay high-skilled employees. We currently struggle to fill these jobs – and the talent we have too often leaves for the private sector where higher pay awaits them. This is just as true for cybersecurity as it is for data. Whether it be creating a “Cyber Corps” or providing student loan forgiveness, we as a government will find ourselves at a disadvantage if we do not do more to entice and retain technical experts and give them a role at policymaking and program-implementation tables.

### *Privacy and Equality*

Policymakers and regulators must encourage the social and economic benefits from the use of big data analytics, but must also be vigilant about issues like privacy protection, the possibility of re-identification of individuals, and the unintended consequences of algorithmic decision-making. In addition, we must make sure that all parts of our society benefit from more open data. There will need to be significant future investment in infrastructure and services to enable innovation around our data.

### *A Better, Faster Procurement Process*

We need to push for better, faster ways for the federal government to acquire technologies like modernizing data storage and authorizing use of open source tools. Doing so will enable innovation and make it easier for smaller companies to work with the federal government.

### *New Investments and Authorities*

Specific authorizations and appropriations for data science, infrastructure, and software development will be critical. Also, congressional action that would permit the sharing of information among the federal government’s statistical agencies could materially advance our work and reduce costs.

## Environment: Advancing Environmental Intelligence and Ensuring Productive Fisheries and Ecosystems

The Department of Commerce is committed to advancing the scientific research and environmental intelligence necessary to help communities and businesses prepare for a changing climate. Moreover, because U.S. industry is uniquely positioned to devise technological solutions and provide leadership in sustainability practices to confront the challenge of climate change, we are helping facilitate the success of U.S. firms operating in the clean energy sector both domestically and abroad.

### *Advancing Environmental Intelligence*

In 2014, the Department launched the U.S. Climate Resilience Toolkit, which combines government-wide resources into one easy-to-access location to better support Americans in their efforts to understand and address the climate related risks facing their communities. These resources also inform state, local, and business decision-making to strengthen resilience. In addition, we are providing unique market intelligence to help industry strategically deploy resources in renewable energy, smart grid, and traditional environmental technologies. We are also informing mitigation planning, and making businesses and communities more hazard-resilient through efforts such as our Disaster Resilience Framework.

### *Improving Weather Predictions and Supporting Key Decision Makers*

The Department is strengthening the National Weather Service to be more responsive to stakeholder needs and more effective in supporting emergency managers, first responders, government officials, businesses, and the public. Through development of new weather models coupled with high-performance computing upgrades, we have improved weather forecasts, increasing the lead time for warnings of severe weather events and saving lives.

### *Deploying the Nation's Next Generation Weather Satellites*

During this Administration, we have developed and deployed the nation's next generation of geostationary and polar orbiting weather satellites, which serve as the backbone of weather forecasts. We just launched the most advanced weather satellite ever built. Called GOES-R, it will revolutionize forecasting and save lives by collecting three times more data and providing four times better resolution, enabling more effective and targeted warnings of severe weather events. Given the current age and capabilities of our polar orbiting satellites, we must prioritize and execute the planned 2017 launch of JPSS-1 to ensure there will be no gaps in satellite coverage.

### *Opening the National Water Center*

In May 2015 the Department opened the National Water Center at the University of Alabama, the first facility in the nation dedicated to water forecast operations and research. As the country becomes more vulnerable to events like drought and flooding, the National Water Center will serve as a hub of integrated water prediction and forecasting for the federal government.

### *Rebuilding Fisheries and Combating Seafood Fraud*

The United States has become the global leader in sustainable seafood. During this Administration, we have largely ended the practice of overfishing and successfully rebuilt a record number of fishery stocks that have been depleted. Due to our effective management, overfishing has hit an all-time low and 40 stocks have been returned to productive levels. The U.S. fishing industry contributed nearly \$200 billion to the American economy in 2014 and supports 1.83 million jobs. Nevertheless, improper fishing continues to undermine the economic and environmental sustainability of global fisheries. The

Department co-chaired the President's Task Force on Illegal Unreported and Unregulated Fishing to level the economic playing field by combatting international pirate fishing and seafood fraud.

#### *Building a 21st Century Fleet*

Over the last eight years, we have added three modern vessels to our world-class oceanographic research fleet to support the nation's economic and environmental needs. These vessels provide a wide range of services to the nation, from supporting the science that underpins economic fishery management decisions to charting coastal ports and seaways essential to the maritime industry. However, without new and sustained investment in the future, the aging fleet will be reduced to half its size in just over a decade.

#### *Restoring Gulf Coast Ecosystems*

Following the Deep Water Horizon oil spill and the subsequent the implementation of the RESTORE Act in 2012, the Department has stood up the Gulf Coast Ecosystem Restoration Council whose mission is to rebuild and revitalize the ecosystems and economy of the Gulf Coast. The Council set the rules and regulations necessary to disburse the BP and TransOcean settlement dollars and is now working to fund critical restoration projects.

### Looking Ahead

The Department of Commerce should continue to play a convening role to spur U.S. innovators to seize the business opportunity presented by the rapid global energy transformation currently underway. We must continue to build a clean energy economy that both benefits the environment and creates American jobs. To help communities and businesses prepare for a changing climate, while also facilitating the success of American companies that are developing and deploying climate solutions, the Department should look to:

#### *Expand Access to Our Climate Data*

We should utilize the full array of federal data and services to improve the assessment and quantification of the risks associated with climate change. Businesses and communities alike continue to clamor for better and more actionable information to inform their decisions. Expanding upon these efforts should be a priority.

#### *Incentivize States and Businesses to Adopt Clean Energy Solutions*

Policymakers can accelerate job growth by providing financial incentives for states to exceed clean energy goals, and by facilitating the creation of new projects, infrastructure, and industries to match regional energy needs and existing industrial ecosystems. Federal and private industry research investments must be aligned, establishing additional joint public-private research collaborations to bring clean energy innovations to scale.

## Operational Excellence

We have made operational excellence a foundation of our management approach, examples of which are woven throughout this memo. We have prioritized: improving customer service, increasing employee morale, and running the department strategically and professionally.

I am proud that our Department has won plaudits for improved customer service from a variety of third parties. Specifically, the Department has been one of the Top Five in the Partnership for Public Service's "Best Places to Work" ranking throughout my tenure. Also, in early 2016, our Business USA Team was given the President's Customer Service Award for the ongoing service provided to America's military veterans under their Veteran Entrepreneur Initiative.

## Looking Ahead

### *Enterprise Services Initiative*

The federal systems for hiring and procurement remain a challenge to carrying out the daily work of our employees and launching any new initiatives. Our enterprise services initiative to transform mission enabling services – HR, information technology, financial management, and acquisition – offers the promise of substantial improvement over our current systems so that we can hire and buy more effectively and efficiently in order to fulfill our mission. We have already made enormous progress: we have awarded a contract for human resources services, bringing in a group of experts to tackle our hiring backlog; and we have implemented strategic sourcing to better leverage our buying power across the Department, all while saving millions of dollars.

## Conclusion

I am proud of the team at the Department of Commerce and all of our accomplishments that have advanced the President's priorities. The Department's success stems from the tone and objectives President Obama set to generate broad-based prosperity in America. As part of his commitment to economic growth, he recognized that the Administration needed a stronger relationship with the business community and that our private sector leaders needed to be involved in the policymaking process. Our team has taken that vision seriously and has worked to implement those economic priorities over the last eight years.

I have come to believe that American businesses and the American taxpayer would be much better served by a streamlined "Department of Business," similar to the President's 2012 government reorganization proposal. A reorganized Department with a unified strategic plan for trade negotiations and enforcement, economic development, export financing, production of economic statistics and data, technology, and other business-focused services would provide stronger customer service to American businesses competing in a global economy.

Serving as the 38th Secretary of Commerce has truly been one of the great honors of my life. I want to thank President Obama for the opportunity he has given me, the trust he has put in our leadership, and the faith he has put in the 46,000 professionals at the Department to execute his vision.

It has been my privilege to serve.