

TECHNOLOGY AND TELECOMMUNICATIONS ADMINISTRATION

Secretary Evans proposes to modernize the Department of Commerce by bringing together the National Telecommunications and Information Administration (NTIA) and the e-commerce policy functions of the International Trade Administration (ITA) with the Technology Administration (TA). This proposal will formalize and strengthen the existing relationships between TA, NTIA and ITA to better reflect the convergence in the digital economy. Today's most controversial and complex public policy issues facing the technology and telecommunications industries are rooted in the convergence of technology and telecommunications—broadband, digital rights management, privacy, management of Internet names and addresses, and cybersecurity. Convergence is the business reality of the digital economy and it should be the business model of the federal government.

The modernization will enable the Department to better serve the technology and telecommunications industries. The telecommunications infrastructure is the foundation for much of the technology innovation today. Formally joining the TA and NTIA will tighten that connection on a policy level and lead to a better understanding of the impact of rapid technological change on our telecommunications infrastructure. This is a smart management decision that will improve effectiveness, streamline processes, and create efficiencies supporting the President's Management Agenda.

Question: What is the rationale for the reorganization?

Answer: This proposal will formalize and strengthen the existing relationships in technology and telecommunications policy between TA, NTIA, and ITA (Trade Development's e-commerce policy staff) to better reflect the digital convergence in the global economy. It will also enable the Department to better serve these important industries through enhanced coordination in domestic and international policy development.

Question: Why is the reorganization good for telecommunications policy?

Answer: Telecommunications policy will remain a core focus area of the proposed Technology and Telecommunications Administration. The new agency will strengthen the Administration's advocacy of telecommunications policy by: increasing senior leadership of telecommunications issues with the addition of a Presidentially-appointed Under Secretary to join the Assistant Secretary for Communications and Information in interagency and external advocacy; streamlining the public's interface with the Department on technology and telecommunications issues; and realigning human resources by policy function to enhance Departmental responsiveness to emerging telecommunications issues.

Question: Who will lead the Technology and Telecommunications Administration?

Answer: The Under Secretary for Technology and Telecommunications (currently the Under Secretary for TA) will oversee the agency. The Assistant Secretary for

Communications and Information, the Assistant Secretary for Technology Policy and the Director of the National Institutes of Standards and Technology (NIST) will maintain their leadership roles of NTIA, OTP and NIST, respectively.

Question: Will NTIA still maintain its direct advisory role to the President?

Answer: The legislation does not change in any way the Presidential advisory role of NTIA.

Question: What about the NTIA and NIST labs in Boulder, Colorado? Will they be impacted by this reorganization?

Answer: The Department has no current plans to consolidate the NTIA and NIST labs in Boulder, Colorado.

Question: Will this reorganization require changes in authorization jurisdiction by Congress?

Answer: This reorganization could be achieved without any jurisdictional changes. However, the Department feels strongly that Congress should determine the best course of action regarding Congressional oversight.

Question: The transfer of the e-commerce policy team of ITA is not covered in the proposed legislation. Does the Department intend to move forward with the transfer of ITA staff to the new Technology and Telecommunications Administration?

Answer: Present plans are for the Secretary to move ahead with this transfer following Congressional enactment of the proposed reorganization bill.

Question: What is the private sector's response to the reorganization?

Answer: The Department has received overwhelming support for its proposed reorganization of the technology and telecommunications policy operations. Supporters include: American Electronics Association, Business Software Alliance, CapNet, eBay, Information Technology Association of America, Information Technology Industry Council, TechNet, US Telecom Association, AT&T, SBC, VeriSign and WindRiver Corp.

Question: Why was the reorganization not formally submitted with the President's FY 2004 Budget?

Answer: The rationale for this departmental reorganization is to improve management and coordination of technology and telecommunications policy. In the near-term, this reorganization will be resource-neutral and the primary impact on the budget will be structural. The Department will submit a budget amendment to the Office of

Management and Budget and Congress, revising the President's FY 2004 budget request for TA and NTIA in order to present NTIA as part of TA.

Question: What are the projected cost savings?

Answer: Although measurable savings and operational enhancements are anticipated, the Administration's primary purpose is to modernize the Department's formulation of technology and telecommunications policy, consistent with the convergence of technology and telecommunications of the private sector.

The efficiencies gained from the reorganization will result in savings of potentially five full-time positions. It is anticipated that these savings will result from the consolidation of certain administrative functions throughout the proposed Technology and Telecommunications Administration. These operational enhancements, in tandem with employee's use of voluntary early retirement authority (VERA) and voluntary separation incentive pay (VSIP), will enable the agency to identify more specific cost savings once the proposed organization becomes operational.

Question: Will there be lay-offs as a result of the consolidation?

Answer: Any savings that result from the reorganization will be realized through attrition or reassignment within the Department; no reduction-in-force will be necessary.

Question: How many positions in TA, NTIA and ITA will be impacted by the reorganization?

Answer: As of February 13, 2003, TA has 3,374 authorized full-time equivalent (FTE) positions; NTIA has 303 authorized FTEs; ITA's e-commerce policy team has 5 FTEs.

Question: What are the budgets of each Departmental entity involved in the reorganization?

Answer: The FY 2003 budget for the Technology Administration bureau is \$728 million. The FY 2003 budget for NTIA totals \$73.3 million. The President's budget for FY 2004 includes approximately \$540 million for TA and \$21.4 million for NTIA.

Question: How many employees in TA and NTIA are Presidentially-appointed and required Senate confirmation?

Answer: TA has three Presidential Appointments with Senate confirmation (PAS) positions (Under Secretary for Technology, Assistant Secretary for Technology Policy, and Director of NIST). NTIA has one PAS (Assistant Secretary for Communications and Information).

Question: Is the Department seeking Voluntary Early Retirement Authority (VERA) for the proposed Technology and Telecommunications Administration?

Answer: The legislation establishing the Department of Homeland Security provided government-wide access to VERA and to Voluntary Separation Incentive Pay (VSIP) -- effective tools in the strategic management of human capital. We anticipate that both these authorities will be utilized once the proposed organization vests, which, we anticipate, will result in additional resource savings, and help to minimize employee disruptions through this reorganization.

Question: We understand that portions of the TA and NTIA are currently participating in the government-wide Demonstration Project for testing the usefulness of human resources management concepts, including pay banding. How will issues of pay be addressed in the proposed organization?

Answer: The Department has sufficient slots under the Demonstration Project to cover all transferring resources, thereby allowing the proposed organization to function with one pay system for its headquarters activities. (NIST participated in the Department's first demonstration project, which was made permanent in 1996. Additionally, NTIA employees located at the Boulder, Colorado laboratory are currently participating in the Demonstration Project. The National Technical Information Service functions under traditional pay policy.)

An additional enhancement to insure seamless employee servicing is the proposed consolidation of human resources operations at NIST, which now provides services to TA . NTIA is currently serviced by the ITA's human resources office. These functions will be transferred to NIST.