



KASICH ACTION PLAN

RECLAIMING OUR POWER, MONEY, & INFLUENCE FROM WASHINGTON

DISMANTLING WASHINGTON: The Commerce Department is a Text Book Example of What Needs to Change **Fact Sheet**

For at least 30 years people have talked about dismantling the 40,000+ employee, \$12 billion U.S. Department of Commerce to help shrink the Washington bureaucracy. The reason is simple: the Department has become a cluttered “attic” for the federal government, hiding political pet projects, outdated programs, and agencies without a logical home. The resulting “Franken-agency” simply no longer makes sense. John Kasich will do more than just talk about this monstrosity—as president he will eliminate it, as part of an overall freeze and reduction of the federal workforce. Essential work of Commerce would be transferred to other agencies and unneeded programs, political projects, and expensive bureaucracy—as well as the cabinet position itself—would be eliminated. The most significant changes include:

Consolidate Stewardship of Natural Resources: Almost half of the Commerce Department’s budget goes to the National Oceanic and Atmospheric Administration, which includes the National Weather Service and its satellites, and the National Hurricane Center. These and other efforts align closely with the work of the Department of the Interior to preserve and safeguard America’s natural resources and, after a review to eliminate duplication, would be moved there.

Defend Intellectual Property: The U.S. Patent and Trademark Office plays a key role in fostering the climate for innovation and entrepreneurship by defending American intellectual property. Its unique culture and self-funding finance model make it well suited to succeed as an independent agency without adding to the federal bureaucracy.

Strengthen Trade Promotion & Expedite Trade Violation Enforcement: The Department’s International Trade Administration ineffectively brings together trade promotion, trade agreement enforcement, and data collection and analysis functions that are not natural fits.

- Expanding Markets for American Businesses and Workers: The trade promotion work of the Commercial Service and Global Markets division would function better in the State Department, especially since the overseas offices are usually located in embassies where they work closely with the State Department’s economic officers. Many of these functions would be augmented by coordination with U.S. Trade Representative.
- Enforcing Trade Agreements: Trade enforcement and compliance work, as well as industry analysis functions, are better suited at the International Trade Commission, an independent agency that already responds to trade violations. Aligning these functions more directly will help speed up responses to trade violations to better protect American workers.
- Improve Protection of Sensitive Technology: The Department’s Bureau of Industry and Security regulates exports of sensitive technologies to prevent them from being used against America by unfriendly nations or terror groups. Combining these national security and international engagement function is better suited at the State Department, which already coordinates closely with the Bureau on its work.

Return Economic Power to States and Communities: The Economic Development Administration’s grant programs for local communities are similar to those run by state governments and the Department of Housing and Urban Development. These programs would be carefully analyzed for duplication and those not eliminated would be transferred to HUD where they would be returned to states and communities in large flexible block grants. Trade adjustment efforts could be transferred to the Department of Labor, where a trade adjustment program already exists.

Better Support Minority Business: The mission and culture of the Department Minority Business Development Agency align

well with that of the Small Business Administration and would be transferred there to better service the needs of these important businesses.

Link Basic and Applied Science to Put New Ideas to Work and to Create Jobs: The National Institute of Standards and Technology (NIST) is a powerhouse of scientific know-how, with strong industry relationships via its standards-setting work. Additionally, the National Technical Information Services (NTIS) collects and disseminates scientific and technical information from government-funded research to expand knowledge. To help get new ideas out of the lab and into the marketplace—a longtime priority of Gov. Kasich—he would merge NIST and NTIS with the basic science research functions of the National Science Foundation. This new combined science center would create a well-aligned pipeline from basic research, through applied research and into industry, while also providing a robust platform for disseminating new breakthroughs. NIST's programs in support of manufacturers would be separated and merged with the Small Business Administration to provide these job creators a more seamless one-stop experience for the support they need.

More Efficiently Manage Telecommunication Spectrum: Today management of telecommunication spectrum is divided between the Federal Communications Commission (FCC), which has oversight of commercial and state and local spectrum, and the Department's National Telecommunication and Information Administration (NTIA), which oversees federal government spectrum. This disjointed management results in uneven approaches to spectrum allocation and technology development. The FCC has effectively encouraged advances that have made new bandwidth available but the NTIA has done little to force improvements in the federal government's management that could make new bandwidth available for commercial uses that grow the economy and create jobs.

Improve Coordination of Economic and Population Statistical Analysis: The Department is home to key statistical functions, including the Census Bureau and Bureau of Economic Analysis, which collect and analyze information about population and economic trends so that government and business can make better decisions about growth, investment and the delivery of services. Combining these agencies with the Department of Labor's Bureau of Labor Statistics is a natural fit given their common cultures and constituencies, and that many of the entities' reports frequently rely on information from each other.

Generate Savings and Efficiency—In the Billions?: Sometimes the best government is the government that doesn't exist. That is definitely true in the case of the Commerce Department. Its various pieces and parts do not belong together. Duplicative efforts must be eliminated or downsized, key economic development programs should be returned to states and communities and many offices would function better aligned with similar entities elsewhere in the federal government.

Shutting the Department to eliminate functions and consolidate overhead costs in others would produce significant savings. While closing and moving offices could bring initial cost increases, they would be more than recouped over time. Savings would vary based on how and where offices are moved, but overall savings would be significant: for every one percentage point reduction in spending, approximately \$1 billion would be saved over 10 years.

Additionally, certain key missions including economic development, natural resources and trade enforcement would be markedly improved by better aligning the federal agencies performing these functions. Many other functions can be shrunk and sent back to the states. The resulting improved services, better management and heightened teamwork will begin the long-overdue rebuilding of American's confidence that the federal government actually works for them.

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