

## Bureau of Industry and Security

The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership. BIS regulates the export of sensitive “dual use” goods and technologies in an effective and efficient manner; enforces export control, antiboycott, and public safety laws; cooperates with and assists other countries on export control and strategic trade issues; assists U.S. industry in complying with international arms agreements; monitors the viability of the U.S. defense industrial base; evaluates the effects on national security of foreign investments in U.S. companies; and supports continued U.S. technology leadership in industries that are essential to national security.

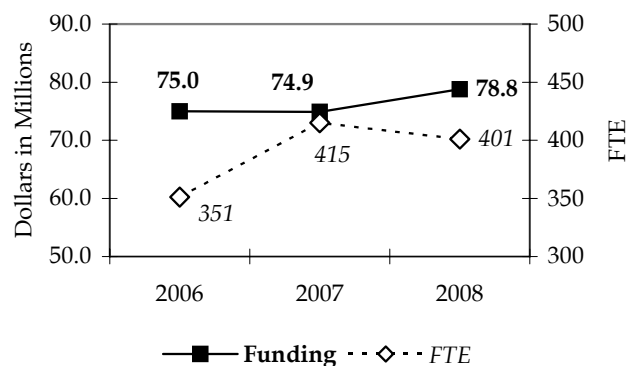
BIS’s mission priorities are:

- Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system:** BIS administers and enforces controls on exports of dual-use goods and technologies to counter proliferation of weapons of mass destruction, combat terrorism, and pursue other national security and foreign policy goals. BIS also serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC) and the International Atomic Energy Agency (IAEA) Additional Protocol. BIS’s enforcement efforts detect, prevent, and prosecute illicit dual-use export activity, with a primary focus on weapons of mass destruction, terrorism, and military diversion.
- Integrate non-U.S. actors to create a more effective global export control and treaty compliance system:** The effectiveness of U.S. export controls is enhanced by strong controls in other nations that export or transship sensitive goods and technologies. BIS works to improve the participation and compliance of existing members of multilateral export control regimes and cooperates with other countries to help them establish effective export control programs. As part of policy formulation and implementation toward key trading partners and transshipment countries, BIS engages in a robust end-use visit program.
- Ensure continued U.S. technology leadership in industries that are essential to national security:** BIS works to ensure that the United States remains competitive in industry sectors and sub-sectors critical to national security. To this end BIS analyzes the impact of export controls and trade policies on strategic U.S. industries, administers the Federal Government’s Defense Priorities and Allocations System (DPAS), reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

BIS accomplishes its mission priorities by developing clearly defined goals with actionable unit objectives and metrics; communicating its mission, priorities, goals, objectives, and metrics throughout the Bureau; and creating an empowering environment where BIS employees can grow, prosper, and be recognized.

The FY 2008 proposed budget includes savings from the base level that reflect efficiencies gained through interagency agreements and information technology.

Operations and Administration Appropriation and FTE



## Summary of Appropriations

<u>Funding Levels</u>	2006	2007	2008	Increase
<u>Appropriation</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations and Administration	\$75,029	\$74,853	\$78,776	\$3,923
<b>TOTAL APPROPRIATIONS</b>	<b>75,029</b>	<b>74,853</b>	<b>78,776</b>	<b>3,923</b>
<b>FTE</b>				
Operations and Administration	351	415	401	(14)
Reimbursable	2	1	1	0
<b>Total</b>	<b>353</b>	<b>416</b>	<b>402</b>	<b>(14)</b>

## Highlights of Budget Changes

### Appropriation: Operations and Administration

#### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2007 Continuing Resolution</b>			415	\$74,853
<b>Adjustment to support level in 2007 President's Budget</b>				3,729

#### Adjustments to Base

##### Other Changes

2007 Pay raise		\$226		
2008 Pay raise		954		
Payment to Working Capital Fund		83		
Civil Service Retirement System (CSRS)		(61)		
Federal Employees' Retirement System (FERS)		146		
Thrift Savings Plan		17		
Federal Insurance Contributions Act (FICA) - OASDI		62		
Health insurance		134		
Change in Compensable Days		324		
Employees' Compensation Fund		(116)		
Travel - Mileage		5		
Rent payments to GSA		118		
Postage		15		
Printing and reproduction		4		
Other services:				
Working Capital Fund		219		
NARA		7		
Fuel		52		
General Pricing Level Adjustment				
Transportation of things		3		
Communications, utilities, and miscellaneous		16		
Other services		185		
Supplies		20		
Equipment		50		
Subtotal, other cost changes			(2)	2,463
Less: Administrative Efficiencies			(2)	(767)
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>(2)</b>	<b>1,696</b>
<b>2008 Base</b>			<b>413</b>	<b>80,278</b>
Program Changes			(12)	(1,502)
<b>2008 APPROPRIATION</b>			<b>401</b>	<b>78,776</b>

**Comparison by Activity**

	2007 Estimate		2008 Base		2008 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Management & Policy Coordination	24	\$7,103	24	\$6,636	18	\$5,681	(6)	(\$955)
Export Administration	208	37,703	206	39,543	200	38,996	(6)	(547)
Export Enforcement	183	32,006	183	34,099	183	34,099	0	0
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>415</b>	<b>76,812</b>	<b>413</b>	<b>80,278</b>	<b>401</b>	<b>78,776</b>	<b>(12)</b>	<b>(1,502)</b>
REIMBURSABLE OBLIGATIONS	1	14,493	1	1,800	1	1,800	0	0
<b>TOTAL OBLIGATIONS</b>	<b>416</b>	<b>91,305</b>	<b>414</b>	<b>82,078</b>	<b>402</b>	<b>80,576</b>	<b>(12)</b>	<b>(1,502)</b>
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		(1,959)						
Unobligated balance, start of year (Reimbursable)		(6,801)						
Offsetting collections from:								
Federal funds	(1)	(6,942)			(1)	(1,050)		
Non-Federal sources		(750)				(750)		
Subtotal, financing	(1)	(16,452)			(1)	(1,800)		
<b>TOTAL BUDGET AUTHORITY /</b>	<b>415</b>	<b>74,853</b>			<b>401</b>	<b>78,776</b>		
<b>APPROPRIATION</b>								

**Highlights of Program Changes**

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Management and Policy Coordination	24	\$6,636	-6	-\$955

A decrease of 6 FTEs and \$955,000 is requested for the Office of International Programs (OIP). Consolidating OIP's Export Control and Border Assistance Program (EXBS) contract management functions in the State Department, and managing the substantive EXBS role through a liaison office in the Office of the Under Secretary will allow BIS to invest resources in high priority mission functions without resulting in loss of functionality to the U.S. Government.

The EXBS program has been supported by interagency agreements with the State Department whereby funds were transferred annually to BIS for program activities. Under the EXBS program, BIS supports an active program of international collaboration with countries needing assistance in the development of effective export control regimes. Through bilateral and regional cooperative activities with more than 80 countries, BIS helps cooperating nations create the infrastructure for an effective export control system that meets international standards, including: (1) building the legal framework, procedures, and requirements necessary to regulate the transfers of sensitive items; (2) enhancing enforcement capabilities to match this framework; and (3) developing an appropriate partnership between government and industry on export control. By restructuring BIS's support for EXBS to focus on the substance of export controls, BIS will strengthen its substantive contribution to these goals, while avoiding diffusion of effort on contracting skills.

OIP's policy formulation functions will be assumed by the BIS Office of the Under Secretary.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Export Administration	206	\$39,543	-6	-\$547

A decrease of 6 FTEs and \$547,000 is requested for the Operations Support Division in the Office of Exporter Services. With the successful completion of the Simplified Network Application Processing – Redevelopment (SNAP-R) project to provide exporters the ability to submit license applications online through a Web interface, the function of the Operations Support Division of Export Administration’s Office of Exporter Services will no longer be needed. Full implementation of the system will eliminate the need for scanning documents and will eliminate the need for copying and forwarding support documents to other agencies.

## BIS Performance Measures

BIS supports the Department’s strategic goal to provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers. BIS has continued to refine its performance measures to: (1) focus on results, (2) measure work under its control, (3) use representative data, and (4) create new measures to support new initiatives/programs.

### Performance Goals and Measures

(Dollars reflect obligations in Millions)

	2006 Actual	2007 Estimate /Target	2008 Estimate /Target
<b>Goal 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</b>	\$73.0	\$80.8	\$69.6
Percent of licenses requiring interagency referral referred within nine days	98%	95%	95%
Median processing time for new regime regulations (months)	2.5	3	3
Percent of attendees rating seminars highly	90%	85%	85%
Percent of declarations received from U.S. industry in accordance with CWC Regulations (time lines) that are processed, certified and submitted to the State Department in time for the US to meet its treaty obligations	100%	100%	100%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge <i>(Moved from Goal 3)</i>	872	450	450
<b>Goal 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System</b>	\$2.8	\$4.5	\$4.8
Number of targeted deficiencies remedied in the export control systems of cooperating countries	40	<i>Discontinued</i>	
Number of end-use checks completed <i>(Moved from Goals 1 and 3)</i>	942	850	850
<b>Goal 3: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security</b>	\$6.4	\$5.9	\$6.2
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls <i>(Moved from Goal 4)</i>	N/A*	100%	100%
<b>Total**</b>	<b>\$82.2</b>	<b>\$91.3</b>	<b>\$80.6</b>

BIS has revised its performance goals and measures for FY 2007 and FY 2008. FY 2006 funding shown above has been calculated using the new goal definitions to allow a consistent year-to-year comparison of performance goal funding for 2006 through 2008 based on the revised goals.

\* No industry assessments were completed in FY 2006 to allow a three month determination on export controls. These assessments will be measured in FY 2007.

\*\*Total obligations may differ from the reports in the other tables in this section and Congressional Justification exhibits due to the inclusion of prior year funds in the amounts cited above.

## BIS Performance Goals, Measures and Targets Crosswalk (FY 2006 – FY 2008)

FY 2006 BIS GPRA Performance Measures	2006 Actual	FY 2007/ 2008 BIS GPRA Performance Measures	2007 Target	2008 Target
<u>Goal 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</u>		<u>Goal 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</u>		
Measure 1a: Percent of licenses requiring interagency referral referred within nine days	98%	Measure 1a: Percent of licenses requiring interagency referral referred within nine days	95%	95%
Measure 1b: Median processing time for new regime regulations (months)	2.5	Measure 1b: Median processing time for new regime regulations (months)	3	3
Measure 1c: Percent of attendees rating seminars highly	90%	Measure 1c: Percent of attendees rating seminars highly	85%	85%
Measure 1d: Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations	100%	Measure 1d: Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations	100%	100%
Measure 1e: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	872	Measure 1e: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	450	450
Measure 1f: Number of End-Use Checks completed FY 2006: (500 PSVs + 200 PLCs) FY 2007: (600 PSVs + 200 PLCs)	942			
<u>Goal 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System</u>		<u>Goal 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System</u>		
Measure 2a: Number of targeted deficiencies remedied in the export control systems of cooperating countries	40	Measure 2a: Number of End-Use Checks completed FY 2007: (600 PSVs + 200 PLCs) FY 2008: (650 PSVs + 200 PLCs)	850	850
<u>Goal 3: Eliminate Illicit Export Activity Outside the Global Export Control and Treaty Compliance System</u>				
Measure 3a: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	872			
Measure 3b: Number of End-Use Checks completed FY 2006: (500 PSVs + 200 PLCs) FY 2007: (600 PSVs + 200 PLCs)	942			
<u>Goal 4: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security</u>		<u>Goal 3: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security</u>		
Measure 4a: Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	N/A*	Measure 3a: Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%

\* No industry assessments were completed in FY 2006 to allow a three month determination on export controls. These assessments will be measured in FY 2007.