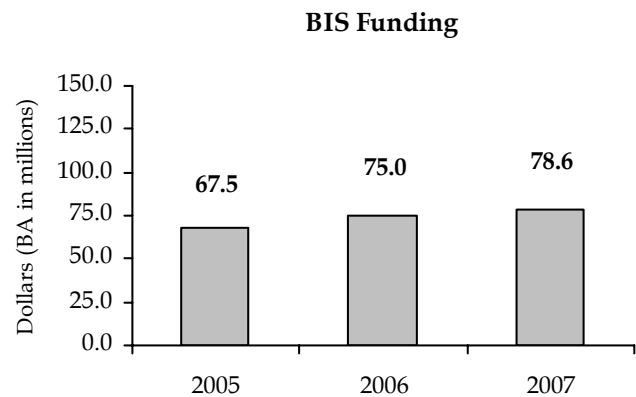


Bureau of Industry and Security

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 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; 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 policy goals. BIS also serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC). Funding requested in FY 2007 will fully support these responsibilities.
- 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. In FY 2007, BIS will continue its work to improve the participation and compliance of existing members of the multilateral export control regimes and cooperate with other countries to help them establish effective export control programs.
- Eliminate illicit export activity outside the global export control and treaty compliance system: BIS will maintain its enforcement efforts to detect, prevent, and prosecute illicit export activity occurring outside of the global export control system, with a primary focus on weapons of mass destruction and terrorism.
- 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; this commitment continues in FY 2007. To this end, BIS discharges responsibilities under the Defense Production Act and other laws, including administering the Federal government's Defense Priorities and Allocations System, preparing reports on selected U.S. industries and the impact of defense trade offsets, and advocating for U.S. defense companies competing for international sales opportunities.



Summary of Appropriations

<u>Funding Levels</u>	2005	2006	2007	Increase
<u>Appropriation</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations and Administration	\$67,480	\$75,029	\$78,582	\$3,553
TOTAL APPROPRIATIONS	67,480	75,029	78,582	3,553
FTE				
Operations and Administration	361	415	418	3
Reimbursable	1	1	1	0
Total	362	416	419	3

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>
2006 Appropriation			415	\$75,029

Adjustments to Base

Adjustments

Partial Restoration of FY 2006 rescission

251

Other Changes

2006 Pay raise		\$505		
2007 Pay raise		615		
Payment to Working Capital Fund		62		
Full-cost in 2007 of Positions Financed Part Year in 2006	3	383		
Within-Grade Step Increases		429		
Civil Service Retirement System (CSRS)		(25)		
Federal Employees' Retirement System (FERS)		206		
Thrift Savings Plan		7		
Federal Insurance Contributions Act (FICA) -OASDI		13		
Health insurance		173		
Employees' Compensation Fund		(23)		
Travel - Mileage		4		
Rent payments to GSA		72		
Printing and reproduction		4		
Other services:				
Working Capital Fund		312		
NARA		3		
General Pricing Level Adjustment				
Transportation of things		3		
Communications, Utilities & misc.		16		
Other services		204		
Supplies		23		
Equipment		44		
Subtotal, other cost changes			3	3,030
TOTAL, ADJUSTMENTS TO BASE			3	3,281
2007 Base			418	78,310
Program Changes			0	272
2007 APPROPRIATION			418	78,582

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Management & Policy Coordination	25	\$7,103	25	\$6,489	25	\$6,489	0	\$0
Export Administration	207	37,703	209	38,597	209	38,869	0	272
Export Enforcement	183	32,006	184	33,224	184	33,224	0	0
TOTAL DIRECT OBLIGATIONS	415	76,812	418	78,310	418	78,582	0	272
REIMBURSABLE OBLIGATIONS	1	16,134	1	7,692	1	7,692	0	0
TOTAL OBLIGATIONS	416	92,946	419	86,002	419	86,274	0	272
FINANCING								
Unobligated balance, start of year (Direct)		(1,783)						
Unobligated balance, start of year (Reimbursable)		(8,442)						
Offsetting collections from:								
Federal funds	(1)	(6,942)			(1)	(6,942)		
Non-Federal sources		(750)				(750)		
Subtotal, financing	(1)	(17,917)			(1)	(7,692)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	415	75,029			418	78,582		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
ECASS Modernization Initiative	209	\$38,597	+0	+\$272

The Export Control Automated Support System (ECASS) for electronic processing of export license applications is essential to BIS's ability to advance the national security, foreign policy, and economic objectives of the United States by effectively administering a U.S. dual-use export control and treaty compliance system. ECASS provides licensing officers with the information and functionality they need to process the large number of license applications they receive -- currently 15,000 per year and growing.

The current ECASS is two decades old and lacks the technology needed to keep up with the increasing complexity of license applications. It also lacks the interagency interfaces and data-mining tools necessary to combat terrorists and Weapons of Mass Destruction (WMD) proliferators most effectively. BIS is currently in the process of redesigning the legacy ECASS system. The ECASS Modernization Initiative will fill existing gaps in the system by applying technologies that have emerged over the past decade to revitalize the core BIS mission-critical licensing processes and improve productivity, quality, and data-mining capabilities.

In FY 2007, BIS will reengineer 10 percent of its licensing application processes and define a high-level set of requirements for the computer system changes required to support the reengineered processes. It will also initiate work on defining new interagency interfaces and advanced data-mining tools that will increase BIS's analytical capabilities.

BIS Performance Measures

Performance Goals (Obligations) and Measures (Targets)

(Dollars in millions)

BIS is currently in the process of reviewing its mission statement, performance goals, measures and targets to better reflect the strategic aims of the Department of Commerce, Bureau of Industry and Security, and the Administration.

	<u>2005</u> <u>Actual</u>	<u>2006</u> <u>Estimate /</u> <u>Target</u>	<u>2007</u> <u>Estimate /</u> <u>Target</u>
Goal 1: Advance U.S. National Security, Foreign Policy, and Economic Interests by Enhancing the Effectiveness and Efficiency of the Export Control System	\$29.5 ¹	\$33.9	\$38.3
Median Processing Time for Referrals of Export Licenses to Other Agencies (Days)	3	9	9
Median Processing Time for Export Licenses Not Referred to Other Agencies (Days)	7	15	15
Median Processing Time for Issuing Draft Regulations (Months)	1	3	3
Level of Exporter Understanding of BIS Export Control Requirements - Value of Information (average score on scale of 1-5)	4.2	4.2	4.2
Level of Exporter Understanding of BIS Export Control Requirements - Percent Knowledge Gained (Index)	46%	45%	45%
Percent of Industry Assessments Resulting in BIS Determination on Export Controls	New	100%	100%
Goal 2: Ensure U.S. Industry Compliance with the Chemical Weapons Convention (CWC) Agreement	\$7.2 ¹	\$7.2	\$7.2
Number of Site Assistance Visits Conducted to Assist Companies Prepare for International Inspections	12	2	2
Goal 3: Prevent Illegal Exports and Identify Violators of Export Prohibitions and Restrictions for Prosecution	\$31.7 ¹	\$35.3	\$32.5
Number of Investigative Actions That Result in the Prevention of a Violation and Cases Which Result in a Criminal and/or Administrative Prosecution	583	315	315
Number of Post-Shipment Verifications Completed	512	500	500
Goal 4: Enhance the Export and Transit Control Systems of Nations Seeking to Improve Their Export Control System	\$8.6 ¹	\$16.5	\$8.3
Number of Targeted Deficiencies Remedied in the Export Control Systems of Program Nations	40	40	40
Total ²	\$77.0 ¹	\$92.9	\$86.3

1. This dollar amount has been updated as of December, 2005 (after the Performance and Accountability Report for FY 2005).

2. 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.