

Fiscal Year (FY) 2009 Budget Estimates
Defense Technology Security Administration
(DTSA)



February 2008

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**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

Budget Activity (BA) 4: Administration and Service Wide Activity

	FY 2007	Price	Program	FY 2008	Price	Program	FY 2009
	<u>Actuals</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
DTSA	21,487	668	1,193	23,348	647	9,473	33,468

* The FY07 Actual, FY08 Estimate, and FY09 Estimate columns contain no supplemental funding.

I. Description of Operations Financed: The Defense Technology Security Administration (DTSA) develops and implements Federal laws and regulations regarding international transfers of dual-use and defense-related goods, services, and technologies. The DTSA supports U.S. national security objectives by protecting critical technologies at home and abroad. These policies and regulations help achieve the following national goals:

- Preserve critical U.S. military warfighter technological advantages
- Support legitimate defense cooperation with foreign friends and allies
- Assure the health of the U.S. defense industrial base
- Prevent proliferation and diversion technology that could prove detrimental to U.S. national security interests
- Implement enterprise-wide policies and procedures to effectively support the DTSA's strategic direction.

The DTSA develops and implements the DoD international security programs and policies for the following activities:

- Manages the disclosure of classified military information and materiel to foreign governments and international organizations
- Monitors security requirements and procedures for intelligence exchanges, security assistance and armaments cooperation programs
- Oversees the administration of and acts as the interagency Chair of the National Disclosure Policy Committee (NDPC)

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates

I. Description of Operations Financed (continued):

- Manages international security aspects of foreign disclosure and international security requirements on behalf of the DoD.

The DTSA preserves critical U.S. military technological advantages by:

- Quantifying and qualifying the transfer of dual-use and defense related technology goods and services
- Shaping export control policy and guideline development to preserve U.S. military advantage
- Conducting thorough, consistent, and expeditious reviews of international technology transfers

The DTSA supports legitimate defense cooperation with foreign friends and allies by:

- Fostering bilateral and multilateral relationships to develop a shared view of technology security policy with international partners
- Ensuring technology security policy is implemented consistently through security cooperation actions
- Supporting interoperability among our friends and allies while ensuring the disclosure of classified military information is consistent with technology security policies

The DTSA assures the health of the U.S. defense industrial base by:

- Analyzing the national security implications of foreign investment in the U.S. based defense industry
- Facilitating U.S. industry competitiveness in the international marketplace while ensuring its ability to meet DoD needs
- Ensures technology security is considered in international acquisition programs

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates

I. Description of Operations Financed (continued):

The DTSA prevents the proliferation and diversion of technology that could prove detrimental to U.S. national security by:

- Identifying proliferation and diversion destinations of concern
- Shaping export control policy and guideline development to prevent the proliferation and diversion of technology
- Conducting thorough, consistent, and expeditious reviews of international technology transfer requests to prevent the proliferation and diversion of technology.

The DTSA implements enterprise-wide policies and procedures to effectively support the DTSA mission by:

- Utilizing customer-focused tools to optimize organizational operations
- Implementing a human capital strategy to recruit, shape, and sustain the DTSA workforce
- Maintaining effective and efficient internal management controls
- Managing security program that enables the mission and sustains operations
- Providing fiscal management that produces strategy-driven outcomes.

II. Force Structure Summary: N/A

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2009 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2008						
	FY 2007 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	Current <u>Estimate</u>	FY 2009 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>BA Subactivities</u>							
Operations	21,487	23,671	-323	-.013	23,348	23,348	33,468
Total	21,487	23,671	-323	-.013	23,348	23,348	33,468

* The FY 2007 Actual, FY08 Estimate and FY09 Estimate columns contain no supplemental funding.

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2009 Budget Estimates

III. Financial Summary (\$ in thousands)

B. Reconciliation Summary

	<u>Change</u> <u>FY 2008/FY 2008</u>	<u>Change</u> <u>FY 2008/FY 2009</u>
Baseline Funding	23,671	23,348
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-195	
Adjustments to Meet Congressional Intent	-10	
Congressional Adjustments (General Provisions)	-118	
Subtotal Appropriated Amount	23,348	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	23,348	
Anticipated Supplemental Reprogrammings		
Price Changes		647
Functional Transfers	n/a	
Program Changes	n/a	9,473
Current Estimate	23,348	33,468
Less: Wartime Supplemental		
Normalized Current Estimate	23,348	33,468

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates**

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2008 President's Budget Request (Amended, if applicable)		23,671
1. Congressional Adjustments		-323
a. Distributed Adjustments		
b. Undistributed Adjustments	-195	
c. Adjustments to meet Congressional Intent	-10	
d. General Provisions		
1) Sec 8097 - Contractor Efficiencies	-38	
2) Sec 8104 - Economic Assumptions	-80	
e. Congressional Earmarks - Indian Lands Environmental Impact		
FY 2008 Appropriated Amount		23,348
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2008 Baseline Funding		23,348
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2008 Estimate		23,348
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations		
FY 2008 Normalized Current Estimate		23,348
6. Price Change		647
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2008 Program		
b. One-Time FY 2009 Increases		
c. Program Growth in FY 2009		11342

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) Annualizing of FTEs and lower vacancy rate. (FY2008 Baseline: 17,666K)	226	
2) Support for operational functions such as increased cost for Defense Finance Accounting Services support, supplies, and equipment purchases and maintenance and Security Policy Administration Network (SPAN). (FY2008 Baseline: 5,682K)	11116	
9. Program Decreases		
a. Annualization of FY 2008 Program Decreases		
b. One-Time FY 2008 Increases		
c. Program Decreases in FY 2009		-1869
1) Civilian Pay: One less compensable day (FY2008 Baseline: 17,666K)	-66	
2) Reductions in TDY, Lease costs, communications, contractor support to process export licenses, and support for National Disclosure Policy and international security policy programs. (FY2008 Baseline: 5,682K)	-1803	
FY 2009 Budget Request	33,468	33,468

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates**

IV. Performance Criteria and Evaluation Summary

Technology Security Actions (TSAs) represent a wide range of work accomplished by the DTSA. These TSAs include processing dual-use, munitions licenses, Committee on Foreign Investment in the United States (CFIUS) transactions, technology security reviews, end user assessments, policy opinions, reviews of patent applications, and industrial security agreements. In general, a typical TSA represents a unit of work, which allows for the tracking and analysis of our business activity. The composite number of such actions actually counted represents the application of resources to achieve all mission, regulatory, statutory goals and objectives. Some TSAs are devoid of precise performance measurement. For example, the development of a 'policy' or an industrial security review may take some portion of three professionals a total of one staff week, whereas another may take several staff-months to develop and implement.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Technology Security Actions (TSAs)	116,017	118,337	120,704

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates

V. Personnel Summary

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Change FY 2007/ FY 2008</u>	<u>Change FY 2008/ FY 2009</u>
<u>Active Military End Strength (E/S) (Total)</u>	28	23	14	-5	-9
Officer	14	14	12	0	-2
Enlisted	14	9	2	-5	-7
<u>Civilian End Strength (Total)</u>	140	164	168	+24	+4
U.S. Direct Hire	140	164	168	+24	+4
Total Direct Hire	140	164	168	+24	+4
Memo: Reimbursable Civilians Included	29	38	38	+9	0
<u>Active Military Average Strength (A/S) (Total)</u>	28	23	14	-5	-9
Officer	14	14	12	0	-2
Enlisted	14	9	2	-5	-7
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	140	164	168	+24	+4
Total Direct Hire	140	164	168	24	+4
Memo: Reimbursable Civilians Included	29	38	38	+9	0
Average Annual Civilian Salary (\$ in thousands)	142.6	140.2	137.0	-2.4	-3.2

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2009 Budget Estimates

VI. OP 32 Line Items as Applicable (Dollars in thousands):

	FY 2007	FY 2008		FY 2008	FY 2009		FY 2009
	<u>Actual</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
		<u>Growth</u>	<u>Growth</u>		<u>Growth</u>	<u>Growth</u>	
<u>Civilian Personnel Compensation</u>							
101 Exec, Gen & Special Schedules	15,834	554	1,278	17,666	539	-452	17,753
199 Total Civilian Compensation	15,834	554	1,278	17,666	539	-452	17,753
<u>Travel</u>							
308 Travel of Persons	368	7	65	440	9	-0	449
399 Total Travel	368	7	65	440	9	0	449
<u>Other Fund Purchases</u>							
673 DFAS	0	0	150	150	-8	11	153
699 Total Purchases	0	0	150	150	-8	11	153
<u>Transportation</u>							
771 Commercial Transportation	34	1	0	35	1	0	36
799 Total Transportation	34	1	0	35	1	0	36
<u>Other Purchases</u>							
912 Rental Payments	1,082	27	-104	1,005	25	-5	1,025
914 Purchased Communications	141	3	119	263	5	0	268
917 Postal Services	0	0	6	6	0	0	6
920 Supplies & Materials	130	2	-5	127	3	-1	129
922 Equipment Maintenance	0	0	1	1	0	0	1
925 Equipment Purchases	453	9	-462	0	0	0	0
933 Studies, Analysis & Evaluation	0	0	95	95	2	0	97
987 Other Intra-Government	1,773	34	-236	1,571	31	9,943	11,545
989 Other Contracts	1,671	32	284	1,987	40	-23	2004
998 Other Cost	1	0	2	3	0	0	3
999 Total Other Purchases	5,251	106	-300	5,057	106	9,914	15,077
Grand Total	21,487	668	1,193	23,348	647	9,473	33,468