

# BUREAU OF INDUSTRY AND SECURITY



**FY 2011 President's Submission**

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Budget Estimates, Fiscal Year 2011**  
**President's Submission**

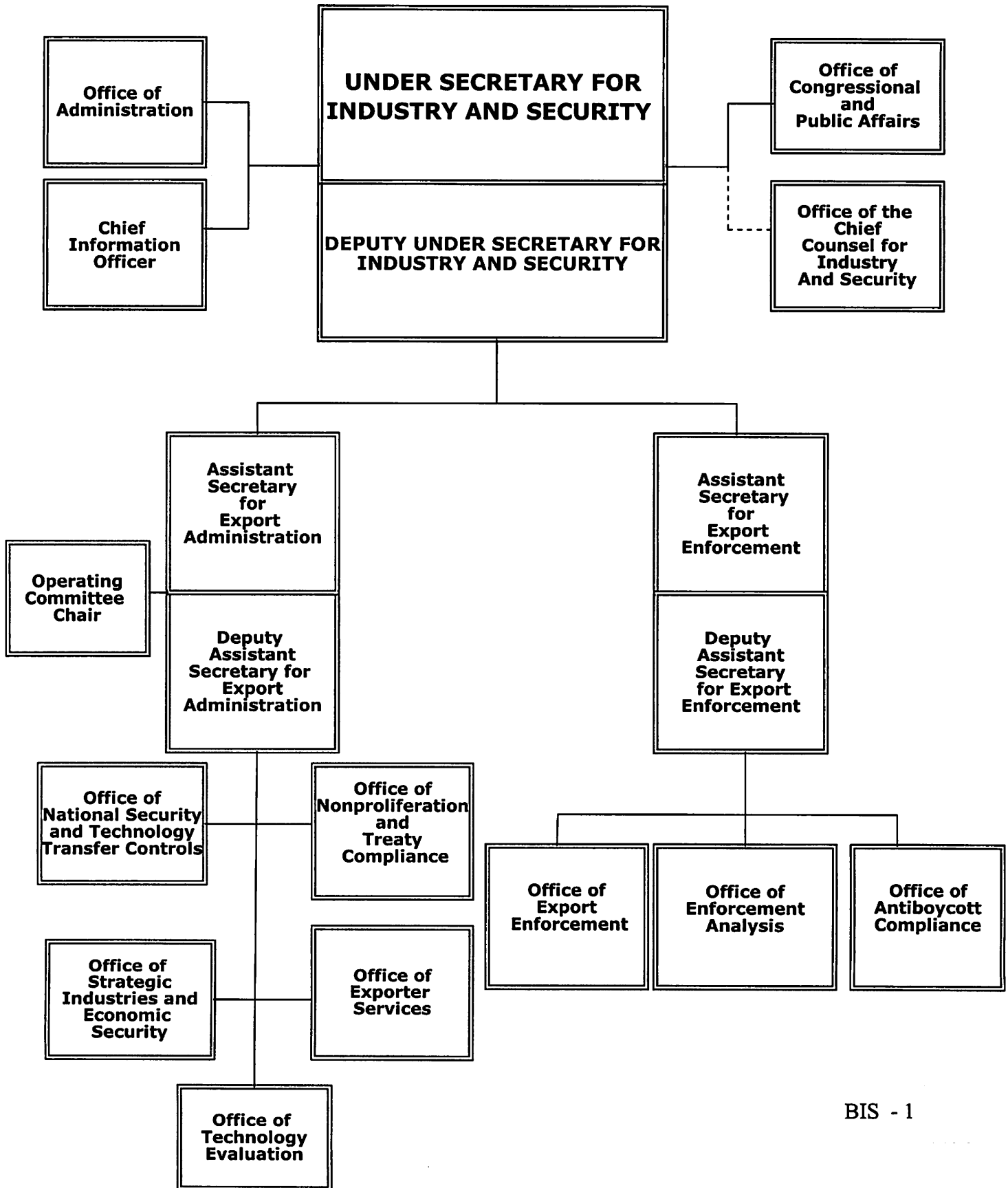
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# U.S. DEPARTMENT OF COMMERCE

## Bureau of Industry and Security



**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Budget Estimate, Fiscal Year 2011**

**President's Submission  
Executive Summary**

**BIS Mission:** 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. The BIS mission is closely aligned with, and supports, the following Department of Commerce Strategic Goal:

1. Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

BIS is the only agency within the Department of Commerce (DOC) specifically charged with meeting Departmental Objective 1.2: Advance responsible economic growth and trade while protecting American security.

To fulfill its mission in support of these Commerce Department goals and objectives, BIS focuses on three priorities and two enablers.

**BIS Performance Goals (Priorities):**

1. Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system
2. Integrate non-U.S. actors to create a more effective global export control and treaty compliance system
3. Ensure continued U.S. technology leadership in industries that are essential to national security

**Enablers (cut across priorities and facilitate their achievement):**

- E1. Leadership at all levels
- E2. Focused management

BIS has translated these priorities and enablers into specific BIS goals, unit objectives, and metrics. In this way, BIS prioritizes its programs to contribute – directly and successfully – to the Secretary's priorities concerning: Innovation and Intellectual Property, Green and Blue Business, Trade Promotion, and Effective, Efficient Service Provider.

**Primary BIS Activities:**

**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 emphasis 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 continues to refine its performance measures to: (1) focus on long-term and short-term results; (2) measure work under its control; (3) use representative data; and (4) create new measures to support new initiatives/programs and budget increases.

#### **Statement of Organization and Objectives:**

The three primary components of BIS (for budget purposes) all have roles in meeting specific Secretarial and Department goals, objectives, and priorities in the context of the BIS mission.

**Management and Policy Coordination (MPC):** This activity supports all Bureau performance goals and enablers which, in turn, support DOC strategic goals 1 and 5. MPC includes the functions performed by the Office of the Under Secretary and supporting staff offices. The primary objectives are to develop, analyze, and coordinate policy initiatives within BIS on an interagency basis. This activity includes resources for BIS's engagement with other agencies to strengthen the capability of foreign countries to control strategic exports and to help stop the diversion of sensitive items. This program specifically supports Bureau performance goals 1, 2, and 3.

**Export Administration (EA):** This activity supports Bureau performance goals 1, 2, and 3 which, in turn, support DOC strategic goal 1. It includes the functions performed by the Office of the Assistant Secretary for EA and the supporting offices, which carry out BIS programs related to export control policy and regulations, export licenses, treaty compliance, treaty obligations relating to weapons of mass destruction, and the defense industrial and technology base to meet national security needs. The primary objectives are to regulate the export of items determined to require export licenses for reasons of national security, nonproliferation, foreign policy, or short supply; ensure that approval or denial of license applications is consistent with U.S. economic and security concerns; promote within the business community an understanding of export control regulations; represent the Department in interagency and international fora relating to export controls, particularly multilateral regimes; monitor and seek to ensure the availability of industrial resources for national defense under the authority of the DPA; analyze the impact of export controls on strategic industries; and assess the security consequences for the United States of certain foreign investment.

**Export Enforcement (EE):** This activity supports Bureau performance goals 1 and 2 which, in turn, support DOC strategic goal 1. It includes the functions performed by the Office of the Assistant Secretary for EE and supporting offices, including support for programs carried out by federal law enforcement officers. The primary objectives are to detect and prevent the illegal export of controlled goods and technology; to investigate and help sanction violators of U.S. export control, anti-terrorist and public safety laws and regulations; to educate the business community to help prevent violations; and to administer U.S. law and regulations restricting participation in foreign boycotts.

**Summary of Budget Request:**

For Fiscal Year 2011, BIS is requesting \$113.1 million. This is an increase of \$12.7 million over the Fiscal Year 2010 request. The increase includes \$2.3 million for necessary cost of living adjustments and \$10.4 million for program enhancements and new initiatives that will advance BIS's export control and enforcement activities. The program initiative is as follows:

**Export Enforcement Expansion (38 Positions, 29 FTE, and \$10,415,000).** In FY 2011, EE needs to continue to improve upon the aggressive posture it has assumed in response to the Administration's various mandates in the arena of counter proliferation and export enforcement. Doing so will place BIS in the best possible position to execute its critical mission of ensuring that sensitive U.S. dual-use goods and technologies are not misused by proliferators, terrorists and others working contrary to the national security interests of the United States, and will significantly enhance outreach and education efforts directed to promote and encourage compliant exports. EE has several significant ongoing investigations and operations which highlight the current need for more investigators and program enhancements to pursue these national security imperatives.

# 2011 Annual Performance Plan Formulation



# **Bureau of Industry and Security**

## **Section 1 Mission Statement**

The mission of BIS is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U. S. strategic technology leadership.

## **Section 2 Corresponding DOC Strategic Goals**

Strategic Goal 1: Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

DOC Performance Objective 1.2: Advance responsible economic growth and trade while protecting American security.

### **Rationale:**

This objective is important to the nation as it focuses on ensuring fair competition in international trade, advancing U.S. national security and economic interests by enhancing the efficiency of the export control system, preventing illegal exports and identifying violators of export prohibitions and restrictions for prosecution, enhancing the export and transit control systems of nations that lack effective control arrangements, ensuring U.S. industry compliance with the CWC Agreement, and undertaking a variety of functions to support the viability of the U.S. defense industrial base.

The Department continues to face the task of advancing U.S. foreign policy and security goals while addressing viable opportunities to expand the U.S. market base. The Department's success in reconciling these imperatives stems from its ability to integrate efforts to support the President's commercial and foreign policy goals to promote freedom and liberty through free and fair trade while pursuing expanding profitable markets for U.S. goods and services.

BIS supports this objective by administering the U.S. dual-use export control system. Dual-use items subject to the Department's regulatory jurisdiction have predominantly civilian uses, but could also have conventional military, WMD, and terrorism-related applications. BIS effectively administers the dual-use export control system by: (1) writing and promulgating regulations, (2) processing license applications, (3) enforcing adherence to U.S. law and regulations, (4) conducting outreach to exporters, (5) strengthening the export control systems of other countries, (6) assessing the viability of key sectors of the defense industrial base, and (7) assuring the timely availability of industrial resources to meet national defense and emergency preparedness requirements.

### **Goals:**

**BIS Performance Goal / Outcome 1: 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 CWC and the 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.

**BIS Performance Goal / Outcome 2: 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.

**BIS Performance Goal / Outcome 3: 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 DPAS, reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

In order to successfully accomplish these goals, BIS places a high priority on the following enablers:

- Leadership at all levels: 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.
- Focused management: BIS accomplishes its mission priorities by effectively executing the President's Management Agenda.

### **Section 3 Impact of Recovery Act (for Bureaus with Recovery Act funds)**

BIS did not receive Recovery Act funds.

### **Section 4 Priorities and Management Challenges**

The FY 2011 request is tailored to support BIS's ongoing programs and to address BIS's ability to advance the Bureau's first Performance Goal: maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system.

BIS will continue to improve and advance the aggressive posture it has assumed in response to the Administration's various mandates in the arena of counter proliferation and export enforcement. Doing so will place BIS in the best possible position to execute its critical mission of ensuring that sensitive U.S. dual-use goods and technologies are not misused by proliferators, terrorists, and others working contrary to the national security interests of the United States.

## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

#### Measure 1a - Percent of licenses requiring interagency referral referred within nine days

<b>Measure Description</b>	Generally, dual-use (products that may have both civilian and military applications) commodity license applications fall into two categories: 1) referred licenses, includes those licenses that require an opinion from another agency (i.e., Department of State, Department of Energy, Central Intelligence Agency, etc.), thus the name "referred licenses;" and 2) non-referred licenses, which are those license requests that BIS may review/approve without being referred to any other federal agency. Referred licenses comprise approximately 85% of the license applications, with the remaining 15% being non-referred licenses. This measure is designed to measure the effectiveness of BIS in meeting the target of referring 95% of those licenses requiring referral within 9 days.					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	98%	98%	98%	99%	95%	98%
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	98%	98%	98%	99%	95%	98%
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	ECASS	Quarterly	ECASS	EA will verify ECASS reports by running similar reports to determine if they produce the same results.	None	None

## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

#### Measure 1b - Median processing time for new regime regulations (months)

<b>Measure Description</b>	Regulatory changes resulting from multilateral regime plenary sessions are those agreed to by our export control partners. If those changes result in tighter controls, they must be implemented to address national security or proliferation concerns, and if they result in liberalizations, they must be implemented to ensure that U.S. industry is not disadvantaged vis-à-vis our allies. Therefore, it is important to refer the draft changes for interagency review in three months or less in order to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers. Effective and efficient adaptation of export controls advances responsible economic growth and trade while protecting American security.					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	2.5	2	2	2	3	2
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	2.5	2	2	2	3	2
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Paper records and Webcims (BIS internal document tracking system)	Quarterly	EA office files	BIS will verify the information used to report on this performance measure against supporting documentation.	None	None

## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

#### Measure 1c -Percent of attendees rating seminars highly

<b>Measure Description</b>	This metric is designed to measure the overall effectiveness of the entire export control outreach seminar program. Given the volume of trade from the United States, informing U.S. and foreign businesses of the requirements of the EAR is a critical component of our dual-use export control system. The target is for at least 85% of the seminar attendees to give the seminar an overall rating of at least 4 (out of a 5 level scale).					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011Target</b>
<b>Original Funds</b>	90%	90%	93%	93%	85%	93%
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	90%	90%	93%	93%	85%	93%
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Seminar Evaluations	Quarterly	EA office files	BIS will verify the information used to report on this performance measure against supporting documentation.	Data is dependent upon voluntary responses of seminar participants and is based on respondent opinion. Opinion may or may not be a factual indicator of performance.	None

## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

Measure 1d: - Percent of declarations received from U.S. industry in accordance with CWC time lines that are processed in time for the U.S. to meet treaty obligations

<b>Measure Description</b>	The CWC establishes a verification regime (e.g., declaration requirements, on-site inspections, and trade restrictions) for weapons-related toxic chemicals and precursors that have peaceful applications. BIS's CWC Regulations require U.S. industry exceeding certain chemical activity thresholds to submit declarations and reports. BIS processes, validates, and aggregates the declarations and reports to develop the U.S. CWC Industrial Declaration, which is forwarded to the State Department in time to submit it to the Organization for the Prohibition of Chemical Weapons, within established time frames mandated under the CWC.					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	100%	100%	100%	100%	100%	100%
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	100%	100%	100%	100%	100%	100%
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Paper records of declarations	Quarterly	EA office files	BIS will verify the information used to report on this performance measure against supporting documentation.	None	None

## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

#### 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

<b>Measure Description</b>	This performance measure will capture the number of EE deterrence actions, cases that result in a prevention of a violation, criminal/administrative cases, and administrative settlement orders. This measure will also count preventions that are achieved through cases that result in a criminal penalty or administrative resolution, rather than simply investigations accepted for prosecution. The measure will include Office of Antiboycott Compliance advice line inquiries that result in prevention or deterrence, which were not previously captured, and will reflect the actual number and type of preventive enforcement actions conducted including: detentions of suspect exports, seizures of unauthorized shipments, industry outreach and issuance of warning letters for first time and/or minor export offenses, screened licenses targeted for enforcement concerns, recommended denials of license applications based on diversion or false statement indicators, recommended placement of parties on the Unverified List and denials on visa requests, detection of violations of license conditions, and other preventive actions that identify and prevent suspect transactions.					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	872	930	881	876	850	1157
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	872	930	881	876	850	1157
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	EE Investigative Management System (IMS)	Monthly	IMS	EE and Antiboycott Compliance will both perform two types of checks to ensure data is entered where it should be (system integrity) and to ensure that the data is accurate and valid.	None	None

## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

#### Measure 1f - Percent of shipped transactions in compliance with the licensing requirements of the Export Administration Regulations (EAR)

<b>Measure Description</b>	<p>This measure evaluates how effective the dual-use export control system is in ensuring that items subject to a BIS licensing requirement are exported in compliance with the EAR. BIS will measure exporter compliance with the EAR by reviewing, on an annual basis, the entire compilation of export transactions subject to a license requirement (i.e., licensed and license exception shipments) and determine what percentage are in compliance with the EAR following any BIS intervention as necessary. BIS interventions will comprise actions taken to mitigate or resolve non-compliance findings (i.e., counseling, outreach, warning letters, and enforcement referral).</p> <p>BIS anticipates that the data evaluation period for this metric will run from July 1-June 30 annually, which is based on the estimated time lag of receipt of shipment information from the Census Bureau (monthly data is released approximately 45 days after the close of the statistical month) and BIS analysis of and action on the data.</p>					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	N/A	N/A	87%	96%	97%	99%
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	N/A	N/A	87%	96%	97%	99%
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	ECASS, AES	Quarterly	EA office files	BIS will verify the information used to report on this performance measure against supporting documentation	None	None



## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

#### Measure 1g - Percentage of post-shipment verifications completed and categorized above the 'unfavorable' classification

<b>Measure Description</b>	Post Shipment Verifications (PSVs) confirm whether or not goods exported from the United States actually were received by the party named on the license or other export documentation, and whether the goods are being used in accordance with the provisions of that license. PSVs are selected through the use of a new decision rubric that scores several aspects of a license application. In addition, BIS enforcement analysts research other potential factors to make a final determination on whether to initiate an end-use check to include PSVs. While PSVs are a key component of compliance verification, they also identify diverted transactions and reveal untrustworthy end-users and intermediate consignees. By conducting PSVs, BIS can provide a level of assurance that foreign end-users are aware of BIS license restrictions and comply with them as well as identifying if controlled items were shipped to unqualified end-users. As a result, the PSV sample deliberately over-represents "Unfavorable" outcomes compared to the entire shipment population.					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	N/A	N/A	136 PSVs / 93%	314 PSVs / 88%	260 PSVs / 85%	315 PSVs / 85%
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	N/A	N/A	136 PSVs / 93%	314 PSVs / 88%	260 PSVs / 85%	315 PSVs / 85%
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				N/A
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	ECASS & IMS	Monthly	ECASS & IMS	OEA will perform two types of checks to ensure data is entered where it should be (system integrity) and to ensure that the data is accurate and valid.	None	None

## Section 5 Targets and Performance Summary

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

Measure 1h - Percentage of leads that result in prevention of a violation and cases which result in a criminal and/or administrative action.

<b>Measure Description</b>	Monitoring the number of Office of Enforcement Analysis (OEA) generated leads and law enforcement actions resulting from those leads will provide a quality check and production measure of the effectiveness of OEA leads. The focus of the measure is quality, thus effectiveness will be measured by the number of "preventions", (an OEE measure), to include investigations resulting in criminal and/or administrative action-thus ensuring greater compliance with the Export Administration Act. The performance measure will capture the number of OEA initiated leads and the percentage resulting in a prevention of a violation (to include industry outreach and issuance of warning letters for first time and/or minor export offenses), criminal/administrative cases, and administrative settlement orders.					
<b>Target and Performance Table</b>						
	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Estimate</b>	<b>FY2012 Target</b>	<b>FY2013 Target</b>
<b>Original Funds</b>	N/A	N/A	N/A	30/80%	40/85%	45/85%
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	N/A	N/A	N/A	30/80%	40/85%	45/85%
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	EE Investigative Management System - Redesigned (IMS-R)	Monthly	IMS-R	OEA will perform two types of checks to ensure data is entered where it should be (system integrity) and to ensure that the data is accurate and valid.	None	None

## Section 5 Targets and Performance Summary

### Outcome 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System

#### Measure 2a: Number of End-Use Checks completed

<b>Measure Description</b>	A key element of BIS's policy formulation and implementation toward other key countries is conducting end-use checks (EUCs) to verify that targeted dual-use exports will be or have been properly used by the proper end-users. End-use checks are comprised of both Pre-license Checks (PLCs) and PSVs. PLCs are used to determine if an overseas person or firm is a suitable party to a transaction involving controlled U.S. origin goods or technical data. A PSV confirms whether or not goods exported from the United States actually were received by the party named on the license or other export documentation, and whether the goods are being used in accordance with the provisions of that license. The primary means for conducting EUCs is Sentinel visits (formerly known as "Safeguards") conducted under the Sentinel Program. During Sentinel trips, which generally consist of two-person teams of BIS Special Agents on two-week assignments to visit foreign consignees and end-users of U.S. commodities and technology, agents attempt to verify bona fides of consignees named on a BIS license, and confirm that the equipment is being used in conformance with conditions on the license. By conducting PSVs, BIS can provide a level of assurance that foreign end-users are aware of BIS license restrictions and comply with them. PSVs also identify diverted transactions and reveal untrustworthy end-users and intermediate consignees.					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	942	854	490	737	850	850
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	942	854	490	737	850	850
<b>Comments on Changes to Targets</b>	Post Shipment Verifications (PSVs) confirm whether or not goods exported from the United States actually were received by the party named on the license or other export documentation, and whether the goods are being used in accordance with the provisions of that license. While PSVs are a key component of compliance verification, they also identify diverted transactions and reveal untrustworthy end-users and intermediate consignees. Better intelligence efforts and refined PSVs has contributed to the reduction in total end-use checks and brings the validity of the current measure into question. Therefore, BIS intends to reevaluate this measure and potentially set a new base line target.					
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				NA
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	ECASS & IMS	Monthly	ECASS & IMS	OEA will perform two types of checks to ensure data is entered where it should be (system integrity) and to ensure that the data is accurate and valid.	None	None

## Section 5 Targets and Performance Summary

### Outcome 3: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security

#### Measure 3a - Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls

<b>Measure Description</b>	Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls. The Office of Technology Evaluation (OTE) provides analysis to inform decisions on U.S. dual-use export controls to cover key (existing and emerging) technologies in a way that maintains the competitiveness and economic viability of those U.S. technology sectors. In addition to conducting effectiveness evaluations and defense industrial base studies to meet this objective, OTE conducts technology assessments that address the adequacy of current controls, economic status of the relevant industry sector, foreign availability, and foreign country export control practices. Assessment topics can arise from discussions with licensing offices, industry, technical advisory committees, or other sources.					
<b>Target and Performance Table</b>						
	<b>FY2006 Actual</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Enacted</b>	<b>FY2011 Target</b>
<b>Original Funds</b>	N/A	100%	100%	100%	100%	100%
<b>Impact of Recovery Funds</b>	0	0	0	0	0	0
<b>Adjusted Targets reflecting Original and Recovery Act Funds</b>	N/A	100%	100%	100%	100%	100%
<b>Comments on Changes to Targets</b>						
<b>Impact of Recovery Act Funds</b>						
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	No	None				N/A
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Paper records	Quarterly	EA office files	BIS will verify the information used to report this performance measure against supporting documentation.	None	None

## Section 6 2011 Program Changes

### Program Funding Changes Table

Program Changes?	Program Name	Accompanying APP Page No.	GPRA Performance Measure Name and Number	Base FTEs	Base Amount	Increase/Decrease FTEs	Increase/Decrease Amount	Exhibit 13 Page No.
Yes	Export Enforcement	Page 12	None	166	\$40,877,000	29	\$10,415,000	Page 42

## Section 7 Resource Requirements

### Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System

	Program or Line Item Name	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Enacted	FY2011 Base	Increase/Decrease	FY2011 Request
<b>Original Funds</b>	Management and Policy Coordination	12.2	8.9	5.8	5.8	6.0	6.2	0	6.2
	Export Administration	31.4	33.4	32.2	35.1	49.1	50.5	0	50.5
	Export Enforcement	29.4	28.1	28.1	32.4	34.7	35.0	10.4	45.4
<b>Recovery Act Funds</b>	Management and Policy Coordination	0	0	0	0	0	0	0	0
	Export Administration	0	0	0	0	0	0	0	0
	Export Enforcement	0	0	0	0	0	0	0	0
<b>Total Funding</b>	Management and Policy Coordination	12.2	8.9	5.8	5.8	6.0	6.2	0	6.2
	Export Administration	31.4	33.4	32.2	35.1	49.1	50.5	0	50.5
	Export Enforcement	29.4	28.1	28.1	32.4	34.7	35.0	10.4	45.4
<b>Total Funding</b>		73.0	70.4	66.1	73.3	89.8	91.7	10.4	102.1
<b>Total Direct</b>		66.2	66.7	62.6	71.5	87.6	89.2	10.4	99.6
<b>Total Reimbursable</b>		6.8	3.7	3.5	1.8	2.2	2.5	0	2.5
<b>Total IT Funding</b>		10.9	11.1	11.1	10.0	20.0	20.0	0	20.0
<b>Total FTE</b>		309	322	310	310	319	320	29	349

**Outcome 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System**

	Program or Line Item Name	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Enacted	FY2011 Base	Increase/Decrease	FY2011 Request
<b>Original Funds</b>	Management and Policy Coordination	0	0.1	1.0	0.2	0.2	0.3	0	0.3
	Export Administration	0	0	0	0	0	0	0	0
	Export Enforcement	2.8	4.5	5.0	5.4	5.5	6.0	0	6.0
<b>Recovery Act Funds</b>	Management and Policy Coordination	0	0	0	0	0	0	0	0
	Export Administration	0	0	0	0	0	0	0	0
	Export Enforcement	0	0	0	0	0	0	0	0
<b>Total Funding</b>	Management and Policy Coordination	0	0.1	0.1	0.2	0.2	0.3	0	0.3
	Export Administration	0	0	0	0	0	0	0	0
	Export Enforcement	2.8	4.5	5.0	5.4	5.7	6.0	0	6.0

<b>Total Funding</b>		2.8	4.6	5.1	5.6	5.7	6.3	0	6.3
<b>Total Direct</b>		2.8	4.6	5.1	5.6	5.7	6.3	0	6.3
<b>Total Reimbursable</b>		0	0	0	0	0	0	0	0
<b>Total IT Funding</b>		0.3	0.7	0.7	0.6	0.6	.8	0	.8
<b>Total FTE</b>		13	13	12	12	12	13	0	13

**Outcome 3: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security**

	Program or Line Item Name	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Enacted	FY2011 Base	Increase/Decrease	FY2011 Request
<b>Original Funds</b>	Management and Policy Coordination	0.1	0.1	0.1	0.2	0.2	0.2	0	0.2
	Export Administration	6.2	5.9	5.0	6.2	6.6	7.0	0	7
	Export Enforcement	0	0	0	0	0	0	0	0
<b>Recovery Act Funds</b>	Management and Policy Coordination	0	0	0	0	0	0	0	0
	Export Administration	0	0	0	0	0	0	0	0
	Export Enforcement	0	0	0	0	0	0	0	0
<b>Total Funding</b>	Management and Policy Coordination	0.1	0.1	0.2	0.2	0.2	0.2	0	0.2
	Export Administration	6.2	5.9	5.0	6.2	6.6	7.0	0	7
	Export Enforcement	0	0	0	0	0	0	0	0

<b>Total Funding</b>	6.3	6.0	5.1	6.4	6.8	7.2	0	7.2
<b>Total Direct</b>	6.3	6.0	5.1	6.4	6.8	7.2	0	7.2
<b>Total Reimbursable</b>	0	0	0	0	0	0	0	0
<b>Total IT Funding</b>	1.1	1.1	1.1	1.0	1.0	1.0	0	1.0
<b>Total FTE</b>	31	31	31	31	31	31	0	31

**Grand Totals**

<b>Total Funding</b>	82.1	81.0	76.3	85.3	102.5	105.2	10.4	115.6
<b>Total Direct</b>	75.3	77.3	72.8	83.7	100.3	102.7	10.4	113.1
<b>Total Reimbursable</b>	6.8	3.7	3.5	1.8	2.2	2.5	0	2.5
<b>Total IT Funding</b>	12.3	12.9	12.9	11.6	21.6	21.8	0	21.8
<b>Total FTE</b>	353	366	353	329	362	364	29	393



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**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Summary of Resource Requirements**  
(Dollar amounts in thousands)

Page No.		Positions	FTE	Budget Authority	Direct Obligations
	2010 President's Budget Request.....	379	362	\$100,342	\$100,342
	less: Obligations from prior years.....	0	0	0	\$0
BIS - 25	plus: 2011 adjustments to base.....	0	2	\$2,349	\$2,349
	2011 Base.....	379	364	\$102,691	\$102,691
	plus: 2011 program changes.....	38	29	\$10,415	\$10,415
	2011 Estimate.....	417	393	\$113,106	\$113,106

		2009 Actual		2010 Enacted		2011 Base		2011 Estimate		Increase/Decrease	
<u>Comparison by Activity:</u>		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
BIS - 30	Management and Policy Coordination. Pos./BA	15	\$5,850	15	\$6,056	15	\$6,189	15	\$6,189	0	\$0
	FTE/Obl.	11	\$5,463	11	\$6,635	11	\$6,189	11	\$6,189	0	\$0
BIS - 33	Export Administration..... Pos./BA	189	\$40,988	193	\$54,432	193	\$55,625	193	\$55,625	0	\$0
	FTE/Obl.	169	\$39,571	186	\$57,165	187	\$55,625	187	\$55,625	0	\$0
BIS - 38	Export Enforcement..... Pos./BA	167	\$36,838	171	\$39,854	171	\$40,877	209	\$51,292	38	\$10,415
	FTE/Obl.	149	\$39,596	165	\$37,596	166	\$40,877	195	\$51,292	29	\$10,415
	Direct Obligations..... Pos./BA	371	\$83,676	379	\$100,342	379	\$102,691	417	\$113,106	38	\$10,415
	FTE/Obl.	329	\$84,630	362	\$101,396	364	\$102,691	393	\$113,106	29	\$10,415

Adjustments to Obligations

Recoveries.....	-\$2,008	
Unobligated balance, start of year.....	\$0	-\$1,054
Unobligated balance, rescission.....		
Unobligated balance, end of year.....	\$1,054	
Unobligated balance expiring.....		

Financing from transfers:

Transferred from other accounts (-).....	\$0
Transferred to other accounts (+).....	

Unobligated balance, rescission:

Appropriation.....	<u>\$83,676</u>	<u>\$100,342</u>	<u>\$102,691</u>	<u>\$113,106</u>	<u>\$10,415</u>
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**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Summary of Financing**  
(Dollar amounts in thousands)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Enacted</u>	<u>2011</u> <u>Base</u>	<u>2011</u> <u>Estimate</u>	<u>Increase/</u> <u>Decrease</u>
Total Obligations.....	\$89,957	\$103,142	\$106,241	\$116,656	\$10,415
Financing:					
Offsetting collections from:					
Federal funds.....	-\$1,050	-\$1,550	-\$1,550	-\$1,550	0
Non-Federal sources.....	-\$750	-\$1,250	-\$2,000	-\$2,000	0
Recovery of prior year obligations.....	0	0	0	0	0
Unobligated balance, start of year.....	-\$4,481	0	0	0	0
Unobligated balance, transferred.....	0	0	0	0	0
Unobligated balance, end of year.....	0	0	0	0	0
Unobligated balance expiring .....	_____	_____	_____	_____	_____
Budget Authority.....	\$83,676	\$100,342	\$102,691	\$113,106	\$10,415
Financing:					
Transfers from other accounts.....	0	0	0	0	0
Transfers to other accounts.....	0	0	0	0	0
Unobligated balance, rescission:	_____	_____	_____	_____	_____
Appropriation.....	\$83,676	\$100,342	\$102,691	\$113,106	\$10,415

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Summary of Adjustments to Base 2011**  
(Dollar amounts in thousands)

	<b>FTE</b>	<b>Amount</b>
<b>Other Changes:</b>		
Full-year Cost of FY 2010 Pay Raise	0	457
FY 2011 Pay Raise	0	508
Working Capital Fund Pay Raise	0	60
Full-cost in 2011 of Positions Financed Part Year 2010	2	207
Civil Service Retirement System (CSRS)	0	7
Federal Employees' Retirement System (FERS)	0	174
Thrift Savings Plan	0	-2
Federal Insurance Contributions Act (FICA/OASDI)	0	-19
Health Insurance	0	182
Compensable Day	0	0
Employees' Compensation Fund	0	23
Travel:		
Mileage	0	-8
Per Diem	0	0
Rental Payments to GSA	0	74
Postage	0	15
GPO Printing	0	2
Other services:		
Working Capital Fund	0	335
Payment to Working Capitol Fund for Utilities	0	0
Payment to ITA for Personnel Services	0	0
NARA Storage Costs	0	4
GSA Steam	0	0
PEPCO Electricity	0	89
Fuel	0	68
General Pricing Level Adjustment:		
Transportation of things	0	1
Rental payments to others	0	0
Communications and utilities	0	7
Other services (Excluding WCF and CAMS)	0	123
Supplies and materials	0	7
Equipment	0	35
Subtotal, Other Changes	2	2,349
<b>Total, Adjustments to Base</b>	<b>2</b>	<b>\$2,349</b>

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
Justification of Adjustments to Base  
(Direct Obligations in thousands)**

	<u>FTE</u>	<u>Amount</u>
<b>Changes:</b>		
<b>Pay Raises</b>	<u>0</u>	<u>1,025</u>
<b>Full-year cost of 2010 pay increase and related costs:</b>		
A pay raise of 2.4% will be effective January 1, 2010.		
Total cost in 2011 of 2010 pay raise at 2.4%		1,217,600
Less amount funded in 2010		<u>-761,000</u>
Amount requested in 2011 to provide full-year cost of 2010 pay increase		<u>456,600</u>
<b>2011 pay increase and related costs:</b>		
A general pay raise of 1.4% is assumed to be effective January 1, 2011.		
Total cost in 2011 for pay raise		508,000
Payment to the Working Capital Fund		<u>60,000</u>
Total, Adjustment for 2011 pay raise		<u>568,000</u>
<b>Full-cost in 2011 of Positions Financed Part Year 2010</b>	<u>2</u>	<u>207</u>
An increase in the amount of \$204,350 is required to fund the full-year cost in 2011 of positions financed for part-year in 2010.		
	<u>FTE</u>	<u>Amount</u>
Annual salary of new positions in 2010	8	701,665
Availability pay adjustment 2010	0	43,464
2010 Pay Raise (2.4%)	0	17,884
Less 5 percent lapse	0	<u>-38,151</u>
Full-year cost of personnel compensation	8	724,862
Less personnel compensation in 2010	-6	<u>-570,023</u>
Additional cost of personnel compensation in 2011	2	154,839
Adjustment for 2011 pay raise (.014 X .75 X \$1)	0	<u>1,626</u>
Amount required for personnel compensation	2	156,465
Benefits	0	50,839
Total, Adjustment for positions financed part-year in 2010	2	<u>207,304</u>
<b>Civil Service Retirement System (CSRS)</b>		
The number of employees covered by the CSRS is expected to decrease. The estimated percentage of payroll for regular employees covered by CSRS will increase from 21.6% in 2010 to 22.60% in 2011 and decrease from 1% to 0% for law enforcement employees. Contribution rates are expected to remain at 7% for regular employees, and 7.5% for law enforcement employees.		
Regular Employees:		
CSRS Cost in 2011 (\$24,856,000 X .2260 X .0700)		393,222
CSRS Cost in 2010 (\$24,856,000 X .2160 X .0700)		<u>-375,823</u>
Subtotal		17,399
Law Enforcement Agents:		
CSRS Cost in 2011 (\$14,068,000 X .0 X .0750)		0
CSRS Cost in 2010 (\$14,068,000 X .010 X .0750)		<u>-10,551</u>
Subtotal		<u>-10,551</u>
<b>Total adjustment-to-base</b>		<b>6,848</b>

**FTE    Amount**

**Federal Employees' Retirement System (FERS)**

0    174

The number of employees covered by FERS is expected to decrease. The estimated percentage of payroll for regular employees covered by FERS will decrease from 78.40% in 2010 to 77.40% in 2011. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 99.00% in 2010 to 100.00% in 2011. Contribution rates will increase from 11.20% to 11.70% for regular employees and increase from 24.90% to 25.40% for law enforcement employees in 2011.

Regular Employees:	
FERS cost in 2011 (\$24,856,000 X .7740 X .1170)	2,250,910
FERS cost in 2010 (\$24,856,000 X .7840 X .1120)	<u>-2,182,556</u>
Subtotal	68,354
Law Enforcement Agents:	
FERS cost in 2011 (\$14,068,000 X 1.00 X .2540)	3,573,272
FERS cost in 2010 (\$14,068,000 X .9900 X .2490)	<u>-3,467,903</u>
Subtotal	105,369
Total adjustment-to-base	<b>173,723</b>

**Thrift Savings Plan**

0    -2

The cost of BIS's contribution to the Thrift Savings Plan is expected to decrease as the cost for FERS participation decreases. The contribution rate is expected to remain at 2.0%.

Regular Employees:	
Cost in 2011 (\$24,856,000 X .7740 X .0200)	384,771
Cost in 2010 (\$24,856,000 X .7840 X .0200)	<u>-389,742</u>
Subtotal	-4,971
Law Enforcement Agents:	
Cost in 2011 (\$14,068,000 X 1.00 X .0200)	281,360
Cost in 2010 (\$14,068,000 X .9900 X .0200)	<u>-278,546</u>
Subtotal	2,814
Total adjustment-to-base	<b>-2,157</b>

	<u>FTE</u>	<u>Amount</u>
<b>Federal Insurance Contributions Act (FICA)</b>	<u>0</u>	<u>-19</u>
As the percentage of payroll covered by FERS decreases, the cost of OASDI contributions will decrease. In addition, the maximum salary subject to OASDI tax will increase in 2011. The OASDI tax rate will remain at 6.2% in 2011.		
Regular Employees:		
Cost in 2011 \$24,856,000 X .7740 X .9460 X .0620	1,128,379	
Cost in 2010 \$24,856,000 X .7840 X .9520 X .0620	-1,150,207	
Subtotal	-21,828	
Law Enforcement Agents:		
Cost in 2011 \$11,255,000 X 1.00 X .9460 X .0620	660,128	
Cost in 2010 \$11,255,000 X .9900 X .9520 X .0620	-657,672	
Subtotal	2,456	
<hr/>		
Other Salaries - Regular Employees:		
Cost in 2011 \$806,000 X .7740 X .9460 X .0620	36,590	
Cost in 2010 \$806,000 X .7840 X .9520 X .0620	-37,298	
Subtotal	-708	
Other Salaries - Law Enforcement Agents:		
Cost in 2011 \$2,813,000 X 1.00 X .9460 X .0620	164,988	
Cost in 2010 \$2,813,000 X .9900 X .9520 X .0620	-164,374	
Subtotal	614	
Total adjustment-to-base	-19,466	
<b>Health Insurance Premium</b>	<u>0</u>	<u>182</u>
Effective January 2009, this agency's contribution to Federal employees' health insurance premiums increased by 7.6%. Applied against the 2010 estimate of \$2,391,000 the additional amount required is \$181,716.		
<b>Rental Payments to GSA</b>	<u>0</u>	<u>74</u>
GSA rates are projected to increase 1.4% in 2011. This percentage was applied to the 2010 estimate of \$5,256,000 to arrive at an increase of \$73,584.		
<b>GPO Printing</b>	<u>0</u>	<u>2</u>
GPO has provided an estimated rate increase of .7% in 2011. This percentage was applied to the 2010 estimate of \$251,000 to arrive at an increase of \$1,757.		
<b>Mileage</b>	<u>0</u>	<u>-8</u>
Changes to the Federal Travel Regulations decreased the reimbursement rate for the use of a privately-owned automobile from 58.5 cents to 55 cents per mile. The percentage decrease of 6.00% was applied to 2010 estimate of \$138,000 to arrive at an decrease of -\$8,280.		
<b>Postage</b>	<u>0</u>	<u>15</u>
Effective in May 2009, the Postal Service implemented a rate increase of 4.8%. This percentage was applied to the 2010 estimate of \$315,000 to arrive at an increase of \$15,120.		

	<u>FTE</u>	<u>Amount</u>
<b>Employees Compensation Fund</b>	<u>0</u>	<u>23</u>
The Employees' Compensation Fund bill for the year ending June 30, 2009 was \$23,000.		
<b>Working Capital Fund</b>	<u>0</u>	<u>335</u>
An additional \$335,000 is required to fund cost increases in the Departmental Management's Working Capital Fund.		
<b>National Archives and Records Administration (NARA)</b>	<u>0</u>	<u>4</u>
The estimated cost for NARA storage has increased for fiscal year 2011 by \$3,706.		
<b>Herbert C. Hoover Electricity</b>	<u>0</u>	<u>89</u>
The estimated cost for PEPCO electricity is expected to increase by \$89,000 in fiscal year 2011.		
<b>Fuel</b>	<u>0</u>	<u>68</u>
Utilizing economic assumptions for energy prices (gas and oil price index) the percentage increase of anticipated fuel cost in FY 2011 compared to 2008 is 10.78%. Applied against the FY 2008 actual cost of \$232,452, the projected FY 2011 cost is \$257,500. The base estimate of \$190,000 in the FY 2010 budget minus the anticipated FY 2011 cost of \$257,500 leaves the total FY 2011 adjustment for fuel at \$67,500.		
<b>General Pricing Level Adjustments</b>	<u>0</u>	<u>173</u>
This request applies OMB economic assumptions for 2011 to object classes where the prices the Government pays are established through the market system. A .7% factor was applied to rental payments to others (\$182); transportation of things (\$1,204); communications, utilities, and miscellaneous charges (excluding postage and FTS ) (\$6,678); other services (excluding the Working Capital Fund and CBS) (\$123,025); supplies and materials (\$6,666); and, equipment (\$34,860).		
<b>Total - FY 2011 Adjustments-to-Base</b>	<b>2</b>	<b>\$2,349</b>



Department of Commerce  
**BUREAU OF INDUSTRY AND SECURITY**  
 Operations and Administration  
 Program and Performance: Direct Obligations  
 (Dollar amounts in thousands)

Comparison by Activity:		Actual		Enacted		Base		Estimate		Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination.	Pos./BA	15	\$5,850	15	\$6,056	15	\$6,189	15	\$6,189	0	\$0
	FTE/Obl.	11	\$5,463	11	\$6,635	11	\$6,189	11	\$6,189	0	\$0

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

**Activity: Management and Policy Coordination**

**BIS Performance Goals (Priorities):**

- 1: Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system
- 2: Integrate non-U.S. actors to create a more effective global export control and treaty compliance system
- 3: Ensure continued U.S. technology leadership in industries that are essential to national security

Activity Goal: To provide leadership, executive direction, and policy guidance necessary to meet BIS's mission, priorities, goals, and objectives.

Objectives: The objectives of this activity are to lead and manage BIS to the successful attainment of its performance goals, as listed above. These are in direct support of: (1) the Department of Commerce's Strategic Goal 1: Provide information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers; (2) Objective 1.2 under Department Goal 1: Advance responsible economic growth and trade while protecting American security; and (3) the priorities of the Secretary of Commerce.

**Base Program:**

This activity funds the Office of the Under Secretary for Industry and Security and supporting offices. Management and Policy Coordination (MPC) officials provide leadership, management and policy guidance in direct support of BIS's priorities, goals, and objectives, and to the Assistant Secretaries in their areas of responsibility.

Ongoing BIS management responsibilities of this activity include: (1) establishing BIS's overall policy agenda, coordinating agreement on BIS priorities, Bureau goals, unit objectives, and key metrics, and evaluating unit performance for consistency with these priorities, goals, objectives and metrics; (2) performing overall oversight of program operations and expenditures; (3) executing or directly supervising the execution of selected policy initiatives; (4) ensuring successful implementation of the President's Management Agenda; and (5) adjudicating appeals of licensing and enforcement decisions.

MPC supports the Secretary of Commerce by: (1) providing policy support to the Secretary on matters relating to BIS's responsibilities relevant to Department and Secretarial goals, objectives, and priorities; (2) preparing reports and testimony relating to BIS activities; and (3) representing the Department in ongoing interagency dialogues (e.g., with the Departments of Defense, Energy, Homeland Security, Justice, and State, the National Security Council, the U.S. Trade Representative, and the intelligence community) on issues involving national security and nonproliferation, export controls, and strategic industries.

MPC provides guidance and coordination for BIS's substantive support for the U.S. Government's Export Control and Related Border Security Assistance (EXBS) program. The EXBS program provides technical assistance to strengthen the export control systems of nations lacking effective systems that are identified as potential locations for export, transshipment or transit of nuclear, chemical, biological, or radiological weapons, missile delivery systems, or the commodities, technologies or equipment that could be used to design or build such weapons or their delivery systems.

Department of Commerce  
**BUREAU OF INDUSTRY AND SECURITY**  
 Operations and Administration  
 Program and Performance: Direct Obligations  
 (Dollar amounts in thousands)

Comparison by Activity:		2009 Actual		2010 Enacted		2011 Base		2011 Estimate		Increase/ Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration.....	Pos./BA	189	\$40,988	193	\$54,432	193	\$55,625	193	\$55,625	0	\$0
	FTE/Obl.	169	\$39,571	186	\$57,165	187	\$55,625	187	\$55,625	0	\$0

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

**Activity: Export Administration**

**BIS Performance Goals (Priorities):**

1. Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system
2. Integrate non-U.S. actors to create a more effective global export control and treaty compliance system
3. Ensure continued U.S. technology leadership in industries that are essential to national security

**Activity Goal:** To advance U.S. national security, foreign policy, and economic objectives by administering an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

**Objectives:** Pursuant to the EAA (which expired on August 19, 2001, but the provisions of which remain in force under the IEEPA, Executive Order 13222, as extended most recently by the Notice of August 13, 2009 (74 Fed. Reg. 41325 (August 14, 2009)), the Chemical Weapons Convention Implementation Act of 1998, and the Defense Production Act (DPA), the objectives of this activity include: (1) processing export license applications and other licensing products consistently, accurately, and in accordance with E.O. 12981 timelines and other internal guidelines; (2) refining public/private sector domestic and international outreach to maximize the effectiveness of the dual-use export control system; (3) adapting regulations to changing policies; and (4) facilitating U.S. industry compliance with global treaties, such as the CWC and the IAEA Additional Protocol. Additional objectives include: (1) strengthening multilateral cooperation on dual-use export controls; (2) developing and implementing policies toward key countries such as China and India; and (3) supporting the Export Control and Related Border Security Program. Export Administration (EA) also supports continued U.S. technology leadership and competitiveness in essential industries by (1) developing and implementing comprehensive rules regarding foreign nationals (“deemed exports”); (2) identifying and analyzing critical U.S. industry sectors from an export control perspective; (3) ensuring timely and accurate processing of requests under the Defense Priorities and Allocations System; (4) assessing the national defense industrial base and export control implications of foreign acquisitions of U.S. companies in support of the Committee on Foreign Investment in the United States (CFIUS); (5) developing policy and preparing statutorily-required reports, including the annual offsets report; and (6) managing the Bureau’s emergency preparedness program.

**Base Program:**

EA exercises licensing jurisdiction over dual-use commodities and technical data exported from the United States and their reexport to other foreign destinations as authorized by the EAA and Export Administration Regulations (EAR). Any export of commodities or technical data which has strategic or foreign policy concerns requires formal authorization through issuance of an export license. As part of this program, EA develops and publishes export control regulations and procedures, administers the interagency process established to review individual export license applications, and issues formal commodity classifications and related determinations. BIS exceeded its FY 2008 GPRA measure for efficient export licensing by referring 98 percent of eligible licenses to other agencies within nine days (vs. the target of 95 percent).

In coordination with Management and Policy Coordination and Export Enforcement, EA develops and implements policies to strengthen multilateral cooperation on export controls. These programs help strengthen U.S. security by extending controls over sensitive items beyond American borders; they also help ensure a level playing field for American exporters and otherwise permit them access to foreign markets. In this context, EA provides technical and policy support for negotiations conducted under the four multilateral export control regimes. In coordination with its U.S. government interagency partners, EA also develops and implements policies to strengthen multilateral export controls outside of the multilateral export control regimes (i.e., in compliance with the United States' membership in the United Nations) and the United States' unilateral foreign policy based-export control requirements.

EA measures how effective the dual-use export control system is in ensuring that items subject to a BIS licensing requirement are exported in compliance with the EAR. EA measures exporter compliance with the EAR by reviewing all export transactions subject to a license requirement on an annual basis and determines what percentage are in compliance with the EAR following any EA intervention as necessary. EA interventions are comprised of actions taken to mitigate or resolve non-compliance findings (e.g., counseling, outreach, warning letters, and enforcement referral). BIS identified a baseline GPRA compliance measure of 87 percent of export transactions in compliance with the licensing requirements of the EAR in FY 2008. In FY 2011, BIS has a goal of 97 percent compliance based on continued counseling, outreach, and enforcement as well as establishing electronic validations of certain export control elements on Automated Export System records.

In terms of outreach, EA provides assistance to the business community by responding to exporter questions through seminars, publications, and a help desk. In addition, EA disseminates current export licensing and export control policy information on the BIS Web site. EA conducts foreign/domestic reviews of select U.S. companies' export control systems to validate that procedures are in compliance with U.S. export control laws. EA also undertakes industry outreach on CWC implementation and DPA issues.

EA is also responsible for overseeing and facilitating compliance with the CWC and the Additional Protocol to the International Atomic Energy Agency Safeguard Agreement by the U.S. business community. This responsibility includes hosting domestic visits of international inspection teams to determine U.S. companies' compliance with treaty obligations and receiving and analyzing industry reports required by the treaty.

The EA base program also promotes American security and competitiveness through programs to strengthen U.S. industry's ability to meet vital U.S. national security requirements. EA assesses and evaluates the impact of export controls on, and the viability of, strategic U.S. industries; administers the "deemed export" regulations; evaluates the effects on national security of imports of certain items; and assesses the impact of defense memoranda of understanding and transfers of excess defense articles on U.S. industry. Under the DPA, EA undertakes a variety of responsibilities, including evaluating the effects on national security of foreign investments in U.S. companies, preparing an annual report on offsets in defense trade, and implementing the Defense Priorities and Allocations System (DPAS). The DPAS assures the timely availability of industrial resources to meet national defense and emergency preparedness program requirements and provides an operating system to support rapid industrial response in a national emergency.

EA is structured into five offices to meet its goals and implement its programs. EA's export control licensing operations are conducted by two offices: the Office of Nonproliferation and Treaty Compliance (NPTC) and the Office of National Security and Technology Transfer Controls (NSTTC). Both offices participate in interagency and international deliberations to determine the list of items that the United States will control. Licensing officers in both offices are responsible for decisions on individual export license applications, based on their technical and/or foreign policy analysis of the specific transactions, and are active in the interagency dispute resolution process when consensus is not reached among the reviewing agencies. The offices also provide commodity

jurisdictions, commodity classifications, and advisory opinions to help exporters determine the licensing requirements for their export transactions. Finally, these offices also support the Bureau's export seminar outreach and international export control cooperation programs and provide license determinations in support of enforcement actions.

NPTC is responsible for administering the Commerce Department's multilateral export control responsibilities under the Nuclear Suppliers Group, the Missile Technology Control Regime, and the Australia Group (chemical and biological controls) as well as U.S. foreign policy-based export controls. This also includes reviewing the Department's commodity jurisdiction and commodity classifications for non-proliferation and foreign policy-controlled dual-use items. NPTC also is responsible for implementing a number of industry programs related to U.S. compliance with the CWC and the Additional Protocol to the International Atomic Energy Agency Safeguard Agreement, including educating industry concerning its treaty obligations, serving as the lead agency escort for the Organization for the Prohibition of Chemical Weapons (OPCW) inspections of U.S. chemical industry sites, assisting U.S. firms in drafting facility inspection agreements, negotiating final facility agreements with OPCW, implementing CWC export control and trade restriction provisions, and representing the concerns of the business community to ensure that they are fully integrated in the decision-making process in the U.S. Government and in international deliberations on matters of CWC compliance and implementation. NPTC also is responsible for implementing most of the Commerce Department's unilateral controls, including sanctions, and preparing the Annual Foreign Policy Report to Congress, as well as other Congressionally-mandated reports (i.e., as required by the Trade Sanctions Reform and Export Enhancement Act, the Syrian Accountability and Lebanese Sovereignty Restoration Act, etc.). NPTC is responsible for developing export control policy on dual-use items such as navigation equipment, spark gaps, chemicals, and biological controls.

NSTTC is responsible for developing and administering the Commerce Department's dual-use multilateral export control under the Wassenaar Arrangement (conventional arms and sensitive dual-use items). NSTTC develops export control policy on sensitive dual-use items such as nanotechnology, aerospace, high performance computers, night vision products, deemed exports, intangible technology, and semiconductor capital equipment. This office is the focal point within the U.S. Government for the licensing and review of encryption items and developing policy on technology transfers associated with employment of foreign nationals in high technology industry and academic environments, often referred to as deemed exports. NSTTC is also responsible for reviewing the Department's commodity jurisdiction and commodity classifications for sensitive dual-use items. Finally, the office administers Congressionally-mandated short supply controls on crude oil and timber. Its responsibilities in these areas include development of licensing policies and negotiating positions, control list development, export licensing, and preparation of advisory opinions.

EA's Office of Exporter Services' (OExS) promotes knowledgeable voluntary compliance with dual-use export controls by educating the exporting community about its obligations under the EAR. Accordingly, OExS is responsible for maintaining the EAR, including drafting new regulations and coordinating the clearance of all EAR amendments. The GPRA target of a 3-month median processing time for regime regulations is met consistently. OExS conducts export control seminars across the United States and in other countries, as well as online training programs on U.S. export controls or webinars that are broadcast to a live audience and then archived on the BIS website for future viewing. OExS also develops publications and Web site guidance for exporters, maintains a regional office on the West Coast to enhance access to EA services, and maintains a help desk telephone service to answer questions related to the EAR. In addition, OExS develops Internal Control Program Guidelines and Export Management and Compliance Program Guidelines that companies use to develop compliance programs to ensure their exports are consistent with the EAR. The Director of the office serves as BIS's Chief Licensing Officer, with responsibility for oversight and management of the licensing system, formulating licensing operating policy, storage and retrieval of all licensing data and documents, and disseminating export licensing forms.

The Office of Strategic Industries and Economic Security (SIES) is responsible for implementing programs to help ensure that strategic U.S. industries can meet current and future national security requirements. SIES accomplishes this, in part, by analyzing the impact on strategic U.S. industries of cooperative international defense agreements, foreign investment in the United States reviewed by the Committee on Foreign Investment in the United States, and the transfer of excess defense articles and stockpile material disposal plans. In addition, SIES analyzes the impact of “offsets” in defense trade on the U.S. defense industrial base and participates in interagency initiatives seeking to reduce economic inefficiencies. SIES is also responsible for administering the DPAS that assures the timely availability of industrial resources to meet national defense and emergency preparedness program requirements, coordinating the Bureau’s continuity programs, and participating in NATO’s Industrial Planning Committee.

The Office of Technology Evaluation (OTE) conducts analyses to inform decisions on implementing dual-use export controls to cover key (existing and emerging) technologies, and performs assessments of critical technologies and defense industrial base sectors by analyzing the impact of U.S. trade policies and export controls on strategic U.S. industries. OTE accomplishes these objectives by: evaluating the adequacy and effectiveness of current export controls; conducting foreign availability and mass market assessments; evaluating foreign export control practices; surveying U.S. industry and analyzing financial, employment, trade, and other pertinent economic data; investigating the impact of imports on national security; and analyzing export data to determine the economic impact of proposed changes to the Commerce Control List, better inform licensing decisions, facilitate exporter adherence to the EAR, and identifying trends with key trading partners to support bilateral and multilateral policy decisions.



Department of Commerce  
**BUREAU OF INDUSTRY AND SECURITY**  
 Operations and Administration  
 Program and Performance: Direct Obligations  
 (Dollar amounts in thousands)

<u>Comparison by Activity:</u>		<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2011</u>		<u>Increase/</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Export Enforcement.....	Pos./BA	167	\$36,838	171	\$39,854	171	\$40,877	209	\$51,292	38	\$10,415
	FTE/Obl.	149	\$39,596	165	\$37,596	166	\$40,877	195	\$51,292	29	\$10,415

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

**Activity: Export Enforcement**

**BIS Performance Goals (Priorities):**

1. Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system
2. Integrate non-U.S. actors to create a more effective global export control and treaty compliance system

Activity Goal: To advance U.S. national security, foreign policy, and economic objectives by enforcing dual-use export control and anti-boycott laws and regulations in the context of an effective export control and treaty compliance system.

Objectives: Pursuant to the EAA (which expired on August 19, 2001, but the provisions of which remain in force under the IEEPA, Executive Order 13222, as extended most recently by the Notice of August 13, 2009 (74 Fed. Reg. 41325 (August 14, 2009))), EE enforces dual-use export controls of the Export Administration Regulations (EAR) for reasons of national security, nonproliferation, anti-terrorism, foreign policy, and short supply.

**Base Program:**

The major activities of BIS's enforcement program include investigating criminal and administrative violations and imposing civil sanctions for violations of the EAR, IEEPA, the Chemical Weapons Convention Implementation Act (CWCIA), the Fastener Quality Act (FQA), and related statutes and regulations. Consistent with the President's national security priorities, EE prioritizes its enforcement activities on cases relating to the proliferation of WMDs, terrorism, and military diversion.

EE also undertakes a vigorous campaign of preventive enforcement measures. EE Special Agents conduct end-use checks, both pre-license checks and post-shipment verifications for licensed transactions, to help detect and prevent diversions of U.S. goods to countries and end-users of proliferation concern. BIS's Export Control Officers (ECOs) conduct many of these end-use checks. Currently, BIS has ECOs in Abu Dhabi, Beijing, Hong Kong, Moscow, and New Delhi, and has begun the process to install an officer in Singapore. In addition to conducting targeted end-use checks, the ECOs work with the host governments and local businesses to ensure that they understand and comply with U.S. export control laws and regulations; develop and maintain effective enforcement systems; and facilitate cooperation with the United States on export enforcement matters. They provide information and appropriate training to facilitate better understanding of U.S. dual-use export control requirements, and to help develop indigenous export control capabilities.

Other end-use checks are conducted through the Sentinel program generally by two-person teams of BIS Special Agents on two-week assignments to visit foreign consignees and end-users of U.S. commodities and technology. The Special Agents conduct end-use checks to determine if the export transactions are in compliance with U.S. export regulations. In addition to conducting on-

site end-use visits, the teams train American Embassy/Consulate officials to conduct end-use checks and educate host government officials as well as local importers about U.S. export control requirements.

Other EE preventive enforcement measures include seeking temporary denials of export privileges where a violation is imminent, review of Shipper's Export Declarations (SEDs), utilization of intelligence research and analysis to better target EE's nonproliferation and anti-terrorism enforcement efforts, review of visa applications of foreign nationals who are not permanent residents to prevent illegal technology transfers to WMDs and other weapons programs, and screening export license applications against the U.S. Department of Homeland Security's Treasury Enforcement Communication Systems (TECS) and other databases.

EE also enforces U.S. antiboycott law and regulations by advising U.S. exporters on potential prohibited requests contained in foreign contracts; investigating violations such as the furnishing of boycott-related information, refusing to deal with blacklisted businesses; and pursuing criminal and administrative sanctions for violations.

EE's outreach objectives include education programs to train U.S. exporters to identify and avoid illegal transactions, reducing U.S. business participation in foreign boycotts through a comprehensive public awareness program that increases private sector understanding of the antiboycott regulations, improving government-wide export enforcement efforts through increased cooperation with other U.S. Government export control and enforcement agencies, and working cooperatively with foreign governments to help them acquire enforcement capabilities needed for fully effective export control programs.

EE is structured into three offices to meet its goals and implement its programs. BIS's federal law enforcement agents work through the Office of Export Enforcement (OEE) to investigate suspected violations of the EAR, the FQA regulations, and the regulations implementing the CWCIA. OEE investigations can result in the imposition of criminal penalties as well as administrative penalties (civil monetary fines and export denials). OEE Special Agents have traditional police powers, including the authority to make arrests, execute warrants, issue administrative subpoenas, and detain, seize, and forfeit goods.

OEE's Special Agents are based in field offices located throughout the country in major strategic technology exporting centers. Currently, BIS has eight regional field offices: Irvine, California; San Jose, California; New York City, New York; Herndon, Virginia; Boston, Massachusetts; Fort Lauderdale, Florida; Dallas, Texas; and Des Plaines, Illinois. BIS also has a resident office in Houston, Texas, which reports to the Dallas Field Office. Additional Special Agents located in the Washington, DC headquarters office collect and analyze information relating to potential dual-use export control violations, target suspects for enforcement investigations, and identify and disrupt proliferation networks.

OEE's enforcement personnel work closely with other federal agencies involved in dual-use export controls. OEE shares enforcement responsibility for the EAA and the EAR with the U.S. Department of Homeland Security. OEE and Homeland Security agents conduct joint investigations, and OEE agents also work with the Department of Justice and its Federal Bureau of Investigation (FBI), the Departments of State, Defense, Treasury and Energy, and with the intelligence community. To each of these partnerships, OEE Special Agents bring unique and deep specialization in the narrow range of export control laws that BIS enforces. Because of their close working relationship with BIS's licensing officers and policy staff, as well as with other U.S. Government agencies involved in export controls, OEE Special Agents have a sophisticated awareness of all aspects of the export control system, the importance of its provisions, and the potential areas of vulnerability.

EE's Office of Enforcement Analysis (OEA) monitors and evaluates export transactions to ensure compliance with the EAR, the CWC, and related laws and regulations to ultimately facilitate trade

and promote commerce abroad while protecting our national security from unauthorized use of our nation's most sensitive goods and technology. OEA accomplishes this mission through managing BIS's End-Use Check program by initiating and tracking pre-license checks and post-shipment verifications; coordinating license recommendations and escalated license applications; and managing the activities of the ECO's. Additionally, OEA provides support to enforcement activities, and supplies the BIS program offices with information on export license applications. Specifically, OEA assists the OEE field offices with actionable leads and direct case-specific analytical support to ongoing investigations; and, assists BIS's export licensing offices by researching, analyzing, and disseminating export control information on end-users and end-uses facilitating the detection and prevention of illegal transfer of controlled U.S.-origin goods and technologies. The office also makes licensing recommendations to BIS licensing officers based on information and input received from multiple sources, to include the intelligence community, and Special Agents in the field.

EE's Office of Antiboycott Compliance (OAC) works to ensure compliance with the antiboycott provisions of the EAA. OAC also provides important support to the State Department in connection with the U.S. Government's efforts to persuade Arab governments to end their boycott of Israel. Finally, OAC provides U.S. Embassies with detailed analysis and documentation of the boycott requests received in the United States for use in engaging with Arab governments.

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Increase for 2011**  
**Program Changes for Export Enforcement**  
(Dollar amounts in thousands)

	2011 Base		2011 Estimate		Increase (Decrease)		
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	
	Pos./BA	171	\$40,877	209	\$51,292	38	\$10,415
<b>Export Enforcement</b>	FTE/Obl.	166	\$40,877	195	\$51,292	29	\$10,415

**Export Enforcement Expansion – (38 positions, 29 FTE and \$10,415,000)** In FY 2011, the Bureau of Industry and Security (BIS), Export Enforcement (EE), needs to continue to improve upon the aggressive posture it has assumed in response to the Administration’s various mandates in the arena of counter proliferation and export enforcement. Doing so will place BIS in the best possible position to execute its critical mission of ensuring that sensitive U.S. dual-use goods and technologies are not misused by proliferators, terrorists and others working contrary to the national security interests of the United States, and will significantly enhance outreach and education efforts directed to promote and encourage compliant exports. EE has several significant ongoing investigations and operations which highlight the current need for more investigators and program enhancements to pursue these national security imperatives. The three enforcement components are in priority order:

**Implementation of the WMD Commission’s Recommendations and enhancing counter-IED capacities – (10 positions, 8 FTE, and \$3,377,000)** The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (WMD Commission) has recommended enhancement of the U.S. Government’s counter proliferation efforts. BIS is seeking additional resources to increase the number of positions in the Office of Export Enforcement (OEE) to support increased counter proliferation, counterterrorism and national security programs and investigations. Seized Computer Evidence Recovery Specialist (SCERS) enhancements are also required to support this initiative as recent investigations have yielded great results utilizing these analytical technologies. Additionally, in October 2007, the Department of Justice (DOJ) introduced its Export Enforcement Initiative, in which BIS needs to participate as a full partner. This DOJ-led national initiative harnesses the counter proliferation assets of the law enforcement and intelligence communities to combat the growing threat posed by the illegal export of restricted U.S. technologies to proscribed countries, end-users and terrorist organizations. Its two primary objectives are to foster the multi-agency cooperation critical to successful national security prosecutions; and to provide U.S. Attorney’s offices with the assistance, training and expertise to undertake these complex prosecutions. The cornerstone of this initiative is the establishment of Counter-Proliferation Task Forces in numerous judicial districts around the country which will concentrate greater investigative and prosecutorial efforts on export enforcement cases. These task forces include representatives from BIS/OEE, FBI, ICE and various other U.S. Government agencies. OEE participates in this important initiative through the assignment of Special Agents to numerous such task forces located across the country. Due to this initiative, EE has experienced a greater demand for the specialized experience found within the Special Agent’s ranks. This staffing increase will allow BIS to continue current investigative efforts while contributing as a full partner in the DOJ counter proliferation program.

**Performance Impact: Implementation of the WMD Commission Recommendations**

Measure Number: 1e Measure Name: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge Exhibit 3a (APP) Page Number: 12		FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
WMD Commission Recommendations	With Increase	930	881	876	850	1008	1195
	Without Increase	930	881	876	850	850	850

**Description:** GPRA Measure, refer to Exhibit 3a (APP) for description.

**Field Office Expansion in Oregon, Ohio, and Arizona – (20 positions, 15 FTE, and \$5,026,000).** One of the core recommendations of the WMD Report was the expansion of BIS Special Agent resources in the field. An expanded presence will result in better access to industries and technologies with associated proliferation concerns, which have thus far been difficult to reach due to the limited OEE footprint across the country. EE has conducted an exhaustive study to determine the locations where the greatest need exists to accomplish its national security mission. This expansion would include placing a Special Agent in Charge (SAC) office in Oregon and two Resident Agents in Charge (RAC) offices in Ohio and Arizona in FY 2011. This increase in OEE’s investigative posture would allow the agency to more efficiently execute its duties within new regional areas of responsibility enhancing its ability to prevent the proliferation of dual-use goods and technology contrary to the national security interests of the United States.

**Performance Impact: Field Office Expansion in Oregon, Ohio, and Arizona**

Measure Number: 1e Measure Name: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge Exhibit 3a (APP) Page Number: 12		FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
Field Office Expansion	With Increase	930	881	876	850	1063	1215
	Without Increase	930	881	876	850	850	850

**Description:** GPRA Measure, refer to Exhibit 3a (APP) for description.

**Cumulative Performance Impact: Implementation of the WMD Commission Recommendations & Field Office Expansion**

Measure Number: 1e Measure Name: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge Exhibit 3a (APP) Page Number: 12		FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
WMD Comm. & Field Office Expansion	With Increase	930	881	876	850	1157	1402
	Without Increase	930	881	876	850	850	850
<b>Description:</b> GPRA Measure, refer to Exhibit 3a (APP) for description.							

**Office of Enforcement Analysis (OEA) expansion (8 positions, 6 FTE, and \$2,012,000).** The WMD Commission identified BIS contributions to the national security effort and recommended greater interaction with the intelligence community. The personnel resources described in this request will help us to satisfy that recommendation. Effective enforcement requires an intelligence analysis capability. This request will fund the establishment of the Intelligence Exploitation Unit (IEU), which will provide BIS an intelligence analysis capability. This includes: research, analysis, coordination with a wide network of federal agencies and counterparts in the intelligence community, and broader establishment of pattern and trend analysis — covering the entire globe, and allow full coordination and liaison with the intelligence community in support of counter proliferation, counterterrorism and other national security programs.

The establishment of the IEU will provide BIS the personnel necessary to tap into the resources of the Intelligence Community. IEU analysts will provide EE and BIS a global perspective of sensitive dual-use item needs and acquisition strategies of foreign entities that are a threat to U.S. national security. IEU analysts will possess a clear understanding of the objectives of foreign adversaries engaged in export activities contrary to U.S. interests, their requirements, specific technologies they seek, and their potential U.S. sources; they will understand specific domestic industry and academic activities that present dual-use export controls concerns, as well as the regulatory framework governing BIS enforcement operations. IEU analysts will substantiate assertions of risk or actual violations of export controls, and factually describe events or actions of specific entities involved in specific transactions. Transaction-level analysis will then be used to reveal patterns and trends of violations and potential violations of export control laws and regulations. The IEU will then supply intelligence information for lead packages for BIS Special Agents in domestic field offices, to support existing investigations into exports violations, conduct risk assessments in support of the Verified End-User program and Entity List determinations, and provide analytical and research support to other BIS offices.

<b>Outcome 1 – Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</b>					
<b>Measure 1h: Percentage of leads that result in prevention of a violation and cases which result in a criminal and/or administrative action.</b>		<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>	<b>FY 2011 Target</b>	<b>FY 2012 Target</b>
<b>Office of Enforcement Analysis Expansion</b>	<b>With Increase</b>	N/A	N/A	<b>30 Leads 80%</b>	<b>40 Leads 85%</b>
	<b>Without Increase</b>	N/A	N/A	<b>10 Leads 80%</b>	<b>12 Leads 80%</b>
<p>Description: Monitoring the number of OEA generated leads and law enforcement actions resulting from those leads will provide a quality check and production measure of the effectiveness of OEA leads. The focus of the measure is quality, thus effectiveness will be measured by the number of “preventions”, (an OEE measure), to include investigations resulting in criminal and/or administrative action-thus ensuring greater compliance with the Export Administration Act. The performance measure will capture the number of OEA initiated leads and the percentage resulting in a prevention of a violation (to include industry outreach and issuance of warning letters for first time and/or minor export offenses), criminal/administrative cases, and administrative settlement orders.</p>					
<p>Comments on Changes to Targets: FY 2011 is the initial year for this measure. In FY 2008 OEA initiated a new standard on the type of information and documentation required before sending a lead to the appropriate BIS law enforcement office. Additionally, OEA is currently inventorying law enforcement actions taken on each lead provided since FY 2004 to establish a baseline. Since the time between a lead being forwarded to the appropriate law enforcement office and the initiation of a criminal/administrative case can potentially take years, FY 2011 will be the first time outcomes can be truly measured with the new standards implemented. Therefore, the baseline number of leads initiated and the percentage of leads that result in preventions of a violation and cases which result in a criminal and/or administrative action may need to be adjusted for FY 2011 and beyond.</p>					
<p>Description: GPRA Measure, refer to Exhibit 3a (APP) for description.</p>					



**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change Personnel Detail**

**Activity: Export Enforcement**  
**Program Change: Export Enforcement Expansion**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Plan</u>	<u>Total Salaries</u>
Supervisory Criminal Investigator - SAC	15	2	\$123,758	\$247,516
Assistant Supervisory Criminal Investigator	14	4	\$105,211	\$420,844
Supervisory Export Control Specialist	14	2	\$105,211	\$210,422
Senior Forensic Analyst	13	1	\$89,033	\$89,033
Criminal Investigators	13	13	\$89,033	\$1,157,429
Supervisory Export Control Specialist	13	4	\$89,033	\$356,132
Forensic Analyst	12	1	\$74,872	\$74,872
Criminal Investigators	12	6	\$74,872	\$449,232
Export Control Specialist	12	2	\$74,872	\$149,744
Administrative Assistant	11	3	\$62,467	\$187,401
<b>Total</b>		<u>38</u>		<u>\$3,342,625</u>
Less lapse	25.0%	<u>(10)</u>		<u>-\$835,656</u>
<b>Total, full-time permanent</b>		29		<b>\$2,506,969</b>
FY 2009 pay raise	1.4%			\$35,098
Plus Availability Pay	25%			<u>\$432,538</u>
<b>Total full-time permanent:</b>		29		<b>\$2,974,605</b>

<u>Personnel Data:</u>	<u>Number</u>
<b>Full-time Equivalent Employment:</b>	
Full-time permanent	29
Other than full-time permanent	<u>0</u>
<b>Total</b>	29
 <b>Authorized Positions:</b>	
Full-time permanent	38
Other than full-time permanent	<u>0</u>
<b>Total</b>	38

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change Detail by Object Class**  
(Dollars in thousands)

**Activity: Export Enforcement**  
**Program Change: Export Enforcement Expansion**

Object Class:	<u>FY 2011</u> <u>Increase</u>
Personnel compensation	
11.1 Full-time permanent	\$2,975
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	<u>\$2,975</u>
12.1 Civilian personnel Benefits	\$1,071
13 Benefits for former personnel	0
21 Travel and transportation of persons	\$1,664
22 Transportation of things	\$38
23.1 Rental payments to GSA	\$1,140
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	\$247
24 Printing and reproduction	\$29
25 Other services	\$2,524
26 Supplies and materials/Fuel	\$217
31 Equipment	\$510
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	<u>\$10,415</u>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Summary of Requirements by Object Class**  
(Dollar amounts in thousands)

Object Class	2009 Actual	2010 Enacted	2011 Base	2011 Estimate	Increase/ Decrease
<b>Personnel compensation:</b>					
11.1 Full-time permanent	\$33,668	\$35,862	\$36,916	\$39,458	\$2,542
11.3 Other than full-time permanent	\$356	\$249	\$256	\$256	\$0
11.5 Other personnel compensation	\$2,868	\$3,695	\$3,803	\$4,236	\$433
11.8 Special personnel services payments	\$0	\$39	\$41	\$41	\$0
<b>11.9 Total personnel compensation</b>	<b>\$36,892</b>	<b>\$39,845</b>	<b>\$41,016</b>	<b>\$43,991</b>	<b>\$2,975</b>
12.0 Civilian personnel benefits	\$10,890	\$11,372	\$11,737	\$12,808	\$1,071
13.0 Benefits for former personnel	\$72	\$16	\$16	\$16	\$0
21.0 Travel and transportation of persons	\$1,089	\$3,412	\$3,404	\$5,068	\$1,664
22.0 Transportation of things	\$18	\$172	\$173	\$211	\$38
<b>Rent, communications, and utilities:</b>					
23.1 Rental payments to GSA	\$4,651	\$5,256	\$5,330	\$6,470	\$1,140
23.2 Rental payments to others	\$0	\$26	\$26	\$26	\$0
23.3 Communications, utilities and miscellaneous charges	\$1,693	\$1,797	\$1,819	\$2,066	\$247
24.0 Printing and reproduction	\$152	\$251	\$253	\$282	\$29
<b>Consulting and other services</b>					
25.1 Advisory and assistance services	\$0	\$830	\$830	\$1,167	\$337
25.2 Other services	\$8,631	\$16,745	\$16,215	\$18,005	\$1,790
25.3 Purchase of goods and services from Government accounts	\$19,604	\$14,212	\$15,353	\$15,750	\$397
26.0 Supplies and materials	\$425	\$1,428	\$1,504	\$1,721	\$217
31.0 Equipment	\$510	\$4,980	\$5,015	\$5,525	\$510
32.0 Lands and structures	\$0	\$0	\$0	\$0	\$0
33.0 Investments and loans	\$0	\$0	\$0	\$0	\$0
41.0 Grants, subsidies and contributions	\$0	\$0	\$0	\$0	\$0
42.0 Insurance claims and indemnities	\$0	\$0	\$0	\$0	\$0
43.0 Interest and dividends	\$3	\$0	\$0	\$0	\$0
50.0 Depreciation	\$0	\$0	\$0	\$0	\$0
<b>99.0 Total Obligations</b>	<b>\$84,630</b>	<b>\$100,342</b>	<b>\$102,691</b>	<b>\$113,106</b>	<b>\$10,415</b>
Less: Recoveries	\$0	\$0	\$0	\$0	\$0
Less: Unobligated balance, start of year	-\$2,008	\$0	\$0	\$0	\$0
Plus: Unobligated balance, rescission	\$0	\$0	\$0	\$0	\$0
Plus: Unobligated balance, end of year	\$1,054	\$0	\$0	\$0	\$0
Plus: Unobligated balance, expiring	\$0	\$0	\$0	\$0	\$0
Plus: Unobligated balance, transferred	\$0	\$0	\$0	\$0	\$0
Less: Transferred from other accounts	\$0	\$0	\$0	\$0	\$0
Less: Transferred to other accounts	\$0	\$0	\$0	\$0	\$0
<b>99.1 Total Budget Authority</b>	<b>\$83,676</b>	<b>\$100,342</b>	<b>\$102,691</b>	<b>\$113,106</b>	<b>\$10,415</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Detailed Requirements by Object Class**  
(Dollar amounts in thousands)

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ Decrease
<b>11 Personnel compensation:</b>				
<b>11.1 Full-time permanent:</b>				
Executive level	\$6	\$204	\$204	\$0
Senior executive service	\$68	\$2,331	\$2,331	\$0
General schedule/regular employees	\$649	\$22,795	\$23,607	\$812
General schedule/law enforcement	\$332	\$11,586	\$13,316	\$1,730
<b>Subtotal</b>	<b>\$1,055</b>	<b>\$36,916</b>	<b>\$39,458</b>	<b>\$2,542</b>
<b>11.3 Other than full-time permanent:</b>				
General schedule	\$7	\$256	\$256	\$0
Wage board	\$0	\$0	\$0	\$0
Experts & consultants	\$0	\$0	\$0	\$0
Hourly	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$7</b>	<b>\$256</b>	<b>\$256</b>	<b>\$0</b>
<b>11.5 Other personnel compensation:</b>				
Overtime	\$1	\$63	\$63	\$0
SES performance awards	\$4	\$119	\$119	\$0
Cash awards	\$20	\$724	\$724	\$0
Merit pay awards	\$0	\$0	\$0	\$0
Availability Pay	\$83	\$2,897	\$3,330	\$433
<b>Subtotal</b>	<b>\$108</b>	<b>\$3,803</b>	<b>\$4,236</b>	<b>\$433</b>
<b>11.8 Special personnel services payments:</b>				
Foreign service officers (State)	\$0	\$0	\$0	\$0
Other	\$2	\$41	\$41	\$0
<b>Subtotal</b>	<b>\$2</b>	<b>\$41</b>	<b>\$41</b>	<b>\$0</b>
<b>11.9 Total personnel compensation:</b>	<b>\$1,172</b>	<b>\$41,016</b>	<b>\$43,991</b>	<b>\$2,975</b>

	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ Decrease
<b>12.0 Civilian personnel benefits:</b>				
Civil service retirement system (CSRS)	\$7	\$589	\$643	\$54
Federal employees' retirement system	\$174	\$4,807	\$5,246	\$439
Thrift savings plan	-\$2	\$1,093	\$1,193	\$100
Federal insurance contribution act	-\$19	\$2,378	\$2,595	\$217
Health Benefits (FEHBA)	\$182	\$291	\$318	\$27
Health insurance	\$0	\$2,282	\$2,490	\$208
Life insurance	\$0	\$58	\$63	\$5
Employees' compensation fund	\$23	\$239	\$260	\$21
<b>Subtotal</b>	<b>\$365</b>	<b>\$11,737</b>	<b>\$12,808</b>	<b>\$1,071</b>
<b>13.0 Benefits for former personnel:</b>				
Severance pay	\$0	\$3	\$3	\$0
Unemployment compensation	\$0	\$11	\$11	\$0
Other	\$0	\$2	\$2	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$16</b>	<b>\$16</b>	<b>\$0</b>
<b>21.0 Travel and transportation of persons:</b>				
Common carrier	\$0	\$1,203	\$2,035	\$832
Mileage	-\$7	\$131	\$364	\$233
Per diem/actual	\$0	\$1,478	\$1,812	\$334
Commercial car rental	-\$1	\$574	\$841	\$267
Other	\$0	\$18	\$18	\$0
<b>Subtotal</b>	<b>-\$8</b>	<b>\$3,404</b>	<b>\$5,070</b>	<b>\$1,666</b>
<b>22.0 Transportation of things</b>	<b>\$1</b>	<b>\$173</b>	<b>\$211</b>	<b>\$38</b>
<b>23.0 Rent, communications, and utilities:</b>				
<b>23.1 Rental payments to GSA</b>	<b>\$74</b>	<b>\$5,330</b>	<b>\$6,470</b>	<b>\$1,140</b>
<b>23.2 Rental payments to others</b>	<b>\$0</b>	<b>\$26</b>	<b>\$26</b>	<b>\$0</b>
<b>23.3 Communications, utilities and miscellaneous charges:</b>				
Federal telecommunications system	\$0	\$528	\$604	\$76
Commercial telephone services	\$7	\$884	\$998	\$114
Postal Service by USPS	\$15	\$330	\$368	\$38
Other	\$0	\$77	\$96	\$19
<b>Subtotal</b>	<b>\$22</b>	<b>\$1,819</b>	<b>\$2,066</b>	<b>\$247</b>

	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ Decrease
<b>24.0 Printing and reproduction:</b>				
Publications	\$2	\$226	\$255	\$29
Public use forms	\$0	\$7	\$7	\$0
Envelopes	\$0	\$13	\$13	\$0
Other	\$0	\$7	\$7	\$0
<b>Subtotal</b>	<b>\$2</b>	<b>\$253</b>	<b>\$282</b>	<b>\$29</b>
<b>25.0 Other Contractual Services</b>				
<b>25.1 Consulting services</b>	<b>\$0</b>	<b>\$830</b>	<b>\$1,167</b>	<b>\$337</b>
<b>25.2 Other Services:</b>				
Maintenance of equipment	\$16	\$216	\$216	\$0
ADP related costs	\$85	\$1,330	\$1,330	\$0
Telecommunications services	\$22	\$308	\$308	\$0
Other	\$0	\$12,361	\$13,497	\$1,136
Intel Briefing Subscription	\$0	\$2,000	\$2,000	\$0
<b>Subtotal</b>	<b>\$123</b>	<b>\$16,215</b>	<b>\$17,351</b>	<b>\$1,136</b>
<b>25.3 Purchase of goods and services from Gov't accounts:</b>				
WCF Payments to O/S	\$395	\$9,813	\$10,758	\$945
Payment to WCF Utilities	\$0	\$0	\$0	\$0
National archives & records Admin:	\$4	\$120	\$120	\$0
Other Payments to O/S	\$0	\$2,007	\$2,112	\$105
Payment to ITA fo Personnel Services	\$0	\$0	\$0	\$0
GSA Steam	\$0	\$296	\$296	\$0
PEPCO Electricity	\$89	\$3,117	\$3,117	\$0
<b>Subtotal</b>	<b>\$488</b>	<b>\$15,353</b>	<b>\$16,403</b>	<b>\$1,050</b>
<b>26.0 Supplies and materials:</b>				
Fuel	\$68	\$258	\$358	\$100
Office supplies	\$5	\$861	\$977	\$116
ADP supplies	\$2	\$385	\$385	\$0
<b>Subtotal</b>	<b>\$75</b>	<b>\$1,504</b>	<b>\$1,720</b>	<b>\$216</b>
<b>31.0 Equipment:</b>				
Office machines and equipment	\$15	\$1,024	\$1,149	\$125
ADP hardware	\$14	\$3,458	\$3,783	\$325
ADP software	\$6	\$329	\$329	\$0
Other	\$0	\$204	\$264	\$60
<b>Subtotal</b>	<b>\$35</b>	<b>\$5,015</b>	<b>\$5,525</b>	<b>\$510</b>

	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ Decrease
<b>32 Lands and structures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>33 Investments and loans</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>41 Grants, subsidies and contributions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>42 Insurance claims and indemnities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>43 Interest and dividends</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>44 Refunds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>99 Total Obligations</b>	<b>\$2,349</b>	<b>\$102,691</b>	<b>\$113,106</b>	<b>\$10,415</b>
<b>99 Total Budget Authority</b>	<b>\$2,349</b>	<b>\$102,691</b>	<b>\$113,106</b>	<b>\$10,415</b>

**Department of Commerce**  
**Bureau of Industry and Security**  
**Operations and Administration**  
**SUMMARY OF INFORMATION TECHNOLOGY RESOURCES**  
(Dollar amounts in thousands)  
(Budget Authority)

IT Projects by activity/subactivity: with totals by activity	Unique Project Identifier	IT Investment Title	2009 Actual	2010 Enacted	2011 Estimate	Increase/ Decrease
Management and Policy Coordination	006-30-02-00-02-5505-00	BIS Bureau Communications Infrastructure (BCI)	\$228.38	\$444.00	\$534.00	\$90.00
	006-30-03-00-02-5506-00	BIS OCIO Planning	\$71.17	\$104.26	\$109.42	\$5.16
	<b>Subtotal</b>		<b>\$299.55</b>	<b>\$548.26</b>	<b>\$643.42</b>	<b>\$95.16</b>
Export Administration	006-30-02-00-02-5505-00	BIS Bureau Communications Infrastructure (BCI)	\$1,749.06	\$3,416.00	\$4,110.00	\$694.00
	006-30-03-00-02-5506-00	BIS OCIO Planning	\$547.45	\$802.00	\$842.00	\$40.00
	006-30-01-25-01-5501-00	BIS ECASS2000+	\$3,320.80	\$5,273.00	\$4,870.00	-\$403.00
	006-30-01-25-01-5502-00	BIS Treaty Compliance Division (TCD) - Network and Information Management System	\$695.50	\$1,872.00	\$1,979.00	\$107.00
	006-30-01-25-02-5515-00	BIS Legacy Export Control	\$944.08	\$1,473.41	\$1,542.60	\$69.19
<b>Subtotal</b>		<b>\$7,256.89</b>	<b>\$12,836.41</b>	<b>\$13,343.60</b>	<b>\$507.19</b>	
Export Enforcement	006-30-02-00-02-5505-00	BIS Bureau Communications Infrastructure (BCI)	\$1,521.08	\$2,972.00	\$3,576.00	\$604.00
	006-30-03-00-02-5506-00	BIS OCIO Planning	\$476.28	\$697.74	\$732.58	\$34.84
	006-30-01-25-01-5501-00	BIS ECASS2000+	\$3,320.80	\$5,273.00	\$4,870.00	-\$403.00
	006-30-01-25-02-5515-00	BIS Legacy Export Control	\$944.08	\$1,473.42	\$1,542.60	\$69.18
<b>Subtotal</b>		<b>\$6,262.24</b>	<b>\$10,416.16</b>	<b>\$10,721.18</b>	<b>\$305.02</b>	
<b>Total</b>		<b>\$13,818.68</b>	<b>\$23,800.83</b>	<b>\$24,708.20</b>	<b>\$907.37</b>	



**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY**

**Appropriation Language and Code Citations**

**I. "For necessary expense for export administration and national security activities of the Department of Commerce"**

**A. Export Administration**

50 U.S.C. app. 2401 et seq.  
10 U.S.C. 7430(e)  
22 U.S.C. 2799aa-1(b)  
22 U.S.C. 6001-6005  
22 U.S.C. 7201-7211  
30 U.S.C. 185(s), 185(u)  
42 U.S.C. 2139a, 6212  
43 U.S.C. 1354  
46 U.S.C. app. 466c  
50 U.S.C. 1701

50 U.S.C. app 2401 et seq. (Export Administration Act of 1979, as amended) provides authority for the regulation of exports for reasons of national security, foreign policy, or short supply. It also authorizes implementation of restrictions on compliance with foreign boycotts and other restrictive trade practices. The Export Administration Act expired on August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. p. 783 (2002)), as extended by the Notice of July 23, 2008 (74 Fed. Reg. 41325, (August 14, 2009)), continues the provisions of the Export Administration Act in effect, to the extent permitted by law, under authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

10 U.S.C. 7430(e), 30 U.S.C. 185(s) and 185(u), 42 U.S.C. 6212 and 43 U.S.C. 1354 are provisions related to the export of oil and gas.

22 U.S.C. 2799aa-1(b) requires the President to impose sanctions, including prohibiting exports of specific goods and technologies, under section 6 of the Export Administration Act on a non-nuclear-weapon state that receives or detonates a nuclear explosive device.

22 U.S.C. 6001-6005 includes provisions of the Cuban Democracy Act, as amended, and the Cuban Liberty and Democratic Solidarity (Libertad) Act, related to certain exports to Cuba.

22 U.S.C. 7201-7211 (Trade Sanctions Reform and Export Enhancement Act of 2000, as amended) sets forth a licensing regime for the export of agricultural commodities, medicines and medical devices to designated terrorism-supporting countries.

42 U.S.C. 2139a sets forth the Commerce Department's responsibility for controlling the export of dual-use items of significance for nuclear explosive purposes.

46 U.S.C. app. 466c prohibits the export of horses by sea for purposes of slaughter.

50 U.S.C. 1701 et seq. (International Emergency Economic Powers Act, as amended) provides that the President may declare a national emergency to deal with an extraordinary threat to the U.S. national security, foreign policy or economy. Sanctions statutes, including the Iran Sanctions Act and the Iran-Iraq Arms Non-Proliferation Act, are codified as notes to this section.

## **B. National Security**

10 U.S.C. 2531-2532  
19 U.S.C. 1862  
22 U.S.C. 6701 et seq.  
42 U.S.C. 300j  
42 U.S.C. 5195  
50 U.S.C. 82  
50 U.S.C. 98-98h  
50 U.S.C. app. 468  
50 U.S.C. app. 2061 et seq.

10 U.S.C. 2531-2532 authorizes the Secretary of Commerce to review memoranda of understanding and related agreements pertaining to research, development, or production of defense equipment between the Secretary of Defense and one or more foreign countries.

19 U.S.C. 1862 authorizes investigations of the effects on national security of imports of a particular article, and a report of the results of the investigations to the President with a recommendation for action or inaction.

22 U.S.C. 6701 et seq. (Chemical Weapons Convention Implementation Act of 1998) directs the President to implement U.S. obligations under the Chemical Weapons Convention, including requiring reporting by chemical production, processing and consumption facilities and inspection of such facilities by the Organization for the Prohibition of Chemical Weapons (OPCW) (functions delegated to the Secretary of Commerce in Executive Order 13128, June 25, 1999).

42 U.S.C. 300j authorizes the issuance of orders requiring the delivery of chemicals or substances necessary for treatment of water (function delegated to the Secretary of Commerce in Executive Order 11879, Sept. 17, 1975).

42 U.S.C. 5195 provides for the development of national emergency plans and preparedness programs to anticipate and minimize the effects of hazards (natural disasters and accidental or man-caused events) on the civilian population (functions delegated to the Secretary of Commerce in Executive Order 12656, Nov. 18, 1988).

50 U.S.C. 82 provides for U.S. Government procurement of ships and material during war (functions delegated to the Secretary of Commerce in Executive Order 12742, Jan. 8, 1991).

50 U.S.C. 98 et seq. (Strategic and Critical Materials Stock Piling Act) authorizes the acquisition and retention of stocks of certain strategic and critical materials.

50 U.S.C. app. 468 provides for U.S. Government procurement of any articles or materials authorized by Congress (responsibility for all articles and materials except food, energy and civil transportation delegated to the Secretary of Commerce in Executive Order 12742, Jan. 8, 1991).

50 U.S.C. app. 2061 et seq. (Defense Production Act of 1950) authorizes the Bureau of Industry and Security (BIS) to set priorities for performance of defense and energy-related contracts and to allocate materials and supplies which are essential for national defense purposes and for maximization of domestic energy supplies, including the following:

- 50 U.S.C. app. 2071 provides for U.S. Government priority rating of contracts and orders necessary to promote the national defense (functions partially delegated to the Secretary of Commerce in Executive Order 12919, Jun. 3, 1994).
- 50 U.S.C. app. 2099 authorizes the Secretary of Commerce to produce the Annual Report on Offsets.
- 50 U.S.C. app. 2154 authorizes the President to prescribe such regulations and issue orders appropriate to carry out the Defense Priorities and Allocations System (functions partially delegated to the Secretary of Commerce in Executive Order 12919, Jun. 3, 1994).
- 50 U.S.C. app. 2155 authorizes the conduct of investigations and production of records and other documents. The Department of Commerce is also authorized to conduct assessments on the health and competitiveness of the U.S. defense industrial base (functions partially delegated to Secretary of Commerce in Executive Order 12656, Nov. 18, 1988).
- 50 U.S.C. app. 2170 provides for an interagency committee to determine the effects on national security of mergers, acquisitions, and takeovers that would result in foreign control of persons engaged in interstate commerce in the United States. (The Department of Commerce (BIS and the International Trade Administration (ITA)) participates as a member of the Committee on Foreign Investments in the United States (CFIUS) as set forth in Executive Order 12919, Jun. 3, 1994.)

### C. Other

15 U.S.C. 1501 et seq.

15 U.S.C. 1501 et seq. provides the basic authority for performance of those functions and activities of BIS which foster, promote, and develop foreign and domestic commerce.

2. **“including costs associated with the performance of export administration field activities both domestically and abroad;”**

15 U.S.C. 1531  
22 U.S.C. 3922

15 U.S.C. 1531 authorizes the Secretary of Commerce to establish a Buying Power Maintenance account for BIS. This fund is to be used to maintain overseas program activity at the appropriated program levels.

22 U.S.C. 3922 provides that the Secretary of Commerce may utilize the Foreign Service personnel system with respect to personnel performing international trade functions transferred to the Department of Commerce by Reorganization Plan No. 3 of 1979 (5 U.S.C. 903 note) and with respect to other personnel of the Department of Commerce to the extent the President determines to be necessary in order to enable the Department of Commerce to carry out functions which require service abroad.

3. **“full medical coverage for dependent members of immediate families of employees stationed overseas;”**

No Specific Authority

This language permits BIS to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA’s Foreign Commercial Service in equivalent positions overseas.

**4. “employment of Americans and aliens by contract for services abroad;”**

No Specific Authority

Federal agencies must have specific legislative authority to procure personal services by contract. See 44 Comp. Gen. 761 (1965); H.R. Rep. No. 188, 89th Cong., 1st Sess. 5-13 (1965). This appropriation language gives BIS the flexibility to procure, by contract, services of U.S. citizens or aliens as appropriate. In some cases, it is advantageous to employ aliens who are fluent in the native language of the host country; who are familiar with local practices and procedures; or who only need to be employed for a short period of time. In other cases, it is advantageous to employ U.S. citizens in the host country (generally members of an employee’s family) who have greater familiarity with American methods and may require less effort to train.

**5. “payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;”**

No Specific Authority

28 U.S.C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the United States by the head of each federal agency for loss of property, personal injury, or death caused by a negligent or wrongful act or omission of any employee of the Government while acting within the scope of his employment in circumstances where the United States, if a private person, would be liable under local law. However, 28 U.S.C. 2680(k) exempts the settlement of tort claims that arise abroad from the provisions of 28 U.S.C. 2672. The language requested would exempt BIS from 28 U.S.C. 2680, and would authorize the settlement of tort claims against the United States that arise in connection with its activities abroad.

**6. “not to exceed \$15,000 for official representation expense abroad;”**

No Specific Authority

Appropriated funds may not be expended for entertainment except when specifically authorized by law. See, e.g., 43 Comp. Gen. 305 (1963). The foregoing language provides such specific authority for BIS to expend up to \$15,000 for entertainment and similar expenses related to its official activities abroad.

**7. “awards of compensation to informers under the Export Administration Act of 1979, and authorized by 22 U.S.C. 401 (b);”**

50 U.S.C. app. 2411  
22 U.S.C. 401(b)

50 U.S.C. app. 2411 provides BIS with authority to make investigations and obtain such information as may be necessary to enforce the provisions of the Export Administration Act of 1979, as amended.

22 U.S.C. 401(b) provides for awards of compensation to informers providing information concerning illegal exports of war materials or other articles in violation of the law, when funds are specifically provided therefor.

**8. “purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law;”**

No Specific Authority

31 U.S.C. 1343 prohibits the purchase of passenger motor vehicles unless specifically authorized by

appropriation or other law with the exception of those vehicles purchased for the use of the President of the United States, the secretaries to the President, or specified heads of executive departments.

**9. "... to remain available until expended,"**

No Specific Authority

31 U.S.C. 1301(c) provides that "[a]n appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation . . . expressly provides that it is available after the fiscal year covered by the law in which it appears." The foregoing statement, "to remain available until expended," constitutes such express language.

**10. "Provided, That the provisions of the first sentence of section 105 (f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455 (f) and 2458 (c)) shall apply in carrying out these activities: *Provided further*, That payments and contributions collected and accepted for materials or services provided as part of such activities may be retained for use in covering the cost of such activities, and for providing information to the public with respect to the export administration and national security activities of the Department of Commerce and other export control programs of the United States and other governments."**

22 U.S.C. 2455 (f)

22 U.S.C. 2458 (c)

22 U.S.C. 2455 (f) provides authority to accept contributions of funds, property, and services from foreign governments, international organizations, and private individuals, firms, associations, agencies, and other groups in carrying out activities pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458 (c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and the necessary supplies therefor.

The above-quoted appropriations language makes clear that the Mutual Educational and Cultural Exchange Act of 1961 (MECEA) applies to the activities of BIS. The language also authorizes BIS to apply contributions received under MECEA toward the cost of activities conducted under MECEA.

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Consulting and Related Services**  
(dollar amounts in thousands)

	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Estimate</u>
Consulting services.....	\$28,235	\$31,787	\$34,922

The Bureau of Industry and Security utilizes consulting services on an as needed basis to provide expertise unique to specific technical areas for which BIS has limited knowledge or abilities. BIS uses consulting services for a wide range of issues unique to any given year ranging from computer systems redesign to the establishment of export control expertise to deal with program mandates such as Chemical Weapons, Encryption, Fastener Quality Act, and nonproliferation matters dealing with foreign countries.

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Periodicals, Pamphlets, and Audiovisual Products**  
(dollar amounts in thousands)

	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Estimate</u>
Periodicals and Publications	\$152	\$251	\$282

The Bureau of Industry and Security publications, periodicals, and pamphlets are one of the most essential tools through which the Bureau fulfills its mission to administer U.S. statutes and agreements dealing with export controls.

The major publications and periodicals produced include the Export Administration Regulations, BIS Annual Report, and the Annual Foreign Policy Report to Congress. Publications play an essential role in keeping the community and the public informed on particular aspects of export control issues.

Pamphlets are primarily used to educate the business community on the functions performed by the Export Administration program and are distributed through Export Administration's export seminar program during individual business seminars, giving speeches at public functions, and answering questions from the business community regarding exports.

**Exhibit 36**

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
Average Grade and Salaries**

	<u>2009 Actual</u>	<u>2010 Enacted</u>	<u>2011 Estimate</u>
Average ES Salary	\$166,425	\$173,082	\$175,505
Average GS Grade	12.96	12.91	12.89
Average GS Salary	\$102,456	\$104,152	\$104,677