

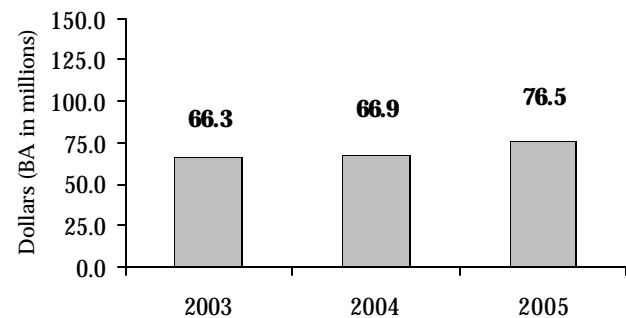
## Bureau of Industry and Security

The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic interests. BIS's activities include regulating the export of sensitive goods and technologies in an effective and efficient manner; enforcing export control, antiboycott, and public safety laws; cooperating with and assisting other countries on export control and strategic trade issues; assisting U.S. industry to comply with international arms agreements; and monitoring the viability of the U.S. defense industrial base and seeking to ensure that it is capable of satisfying U.S. national and homeland security needs.

BIS's principal activities include:

- **Administering U.S. dual-use export controls:** BIS imposes controls on exports of dual-use goods and technology to counter proliferation of weapons of mass destruction, combat terrorism, and pursue other national security and foreign policy goals. BIS administers this export control system through the promulgation and implementation of a regulatory, licensing, and reporting regime.
- **Enforcing U.S. export control and antiboycott laws:** BIS enforcement agents investigate and help prosecute potential violations of U.S. export control and antiboycott laws that can result in the imposition of civil and criminal sanctions. BIS also engages in preventive enforcement to deter potential violations.
- **Ensuring compliance with arms control treaties imposing requirements on U.S. industry:** BIS serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC), managing inspections by the Organization for the Prohibition of Chemical Weapons at U.S. industrial sites, and serving as the clearinghouse for CWC declarations filed by U.S. companies. BIS also works with U.S. industry in the context of the Biological and Toxin Weapons Convention.
- **Monitoring the viability of the defense industrial and technology base, and seeking to ensure that it is capable of satisfying U.S. national security and homeland security needs.** BIS seeks to ensure that the U.S. remains competitive in industry sectors and sub-sectors critical to the national security. To this end, BIS discharges responsibilities under the Defense Production Act and other laws, including administration of the federal government's Defense Priorities Allocations System, assessing threats to U.S. national security deriving from imports, and promoting U.S. defense companies competing for international sales opportunities.
- **Assisting key countries that export or serve as transit points for sensitive commodities and technologies to develop effective export control systems:** The effectiveness of U.S. export controls is enhanced by strong controls in other nations that export or transship sensitive goods and technologies. In cooperation with other U.S. Government agencies, BIS directly provides technical assistance to a number of countries requiring such assistance to establish effective export control programs of their own.

**BIS Funding**



## Summary of Appropriations

<b>Funding Levels</b>	2003	2004	2005	Increase
<b>Appropriation</b>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations and Administration	\$66,291	\$67,485	\$76,516	\$9,031
Unobligated balance, rescission		(581)	0	581
<b>TOTAL BUDGET AUTHORITY</b>	<b>66,291</b>	<b>66,904</b>	<b>76,516</b>	<b>9,612</b>
<b>FTE</b>				
Operations and Administration	366	447	482	35
Reimbursable	1	4	4	0
<b>Total</b>	<b>367</b>	<b>451</b>	<b>486</b>	<b>35</b>

### Funds Reported in the Department of Homeland Security

Operations and Administration \$7,876

## Highlights of Budget Changes

### Appropriation: Operations and Administration

#### *Summary of Requirements*

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2004 Appropriation</b>			447	\$67,485
<b>Adjustments to Base</b>				
<b>Other Changes</b>				
2004 Pay raise		\$358		
2005 Pay raise		386		
Payment to Working Capital Fund		40		
Civil Service Retirement System (CSRS)		(71)		
Federal Employees' Retirement System (FERS)		154		
Thrift Savings Plan		19		
Federal Insurance Contributions Act (FICA) -OASDI		67		
Health insurance		30		
Compensable Day		(138)		
Employees' Compensation Fund		(22)		
Rent payments to GSA		214		
Printing and reproduction		2		
Other services: Working Capital Fund		206		
General Pricing Level Adjustment				
Transportation of things		1		
Communications, Utilities & misc.		7		
Other services		113		
Supplies		9		
Equipment		15		
Subtotal, other cost changes			0	1,390
Less amount absorbed				(482)
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>908</b>
<b>2005 Base</b>			<b>447</b>	<b>68,393</b>
Program Changes			35	8,123
<b>2005 APPROPRIATION</b>			<b>482</b>	<b>76,516</b>

**Comparison by Activity**

	2004 Currently Avail.		2005 Base		2005 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Management & Policy Coordination	27	\$5,396	27	\$4,961	27	\$4,961	0	\$0
Export Administration	212	32,912	212	32,901	220	34,901	8	2,000
Export Enforcement	208	30,052	208	30,531	235	36,654	27	6,123
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>447</b>	<b>68,360</b>	<b>447</b>	<b>68,393</b>	<b>482</b>	<b>76,516</b>	<b>35</b>	<b>8,123</b>
REIMBURSABLE OBLIGATIONS	4	8,267	4	5,767	4	5,767	0	0
<b>TOTAL OBLIGATIONS</b>	<b>451</b>	<b>76,627</b>	<b>451</b>	<b>74,160</b>	<b>486</b>	<b>82,283</b>	<b>35</b>	<b>8,123</b>
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		(1,456)						
Unobligated balance, start of year (Reimbursable)		(2,500)						
Offsetting collections from:								
Federal funds	(4)	(4,119)			(4)	(5,017)		
Non-Federal sources		(1,648)				(750)		
Subtotal, financing	(4)	(9,723)			(4)	(5,767)		
<b>TOTAL BUDGET AUTHORITY</b>	<b>447</b>	<b>66,904</b>			<b>482</b>	<b>76,516</b>		
Unobligated balance, rescission		581						
<b>TOTAL APPROPRIATION</b>	<b>447</b>	<b>67,485</b>						

**Highlights of Program Changes**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
License Condition Enforcement Program	208	\$30,531	+10	+\$2,279

Ensuring and verifying that exporters adhere to the strategic conditions placed on export licenses is critical to the Bureau's mission. Recent reports by the General Accounting Office and Commerce Department Inspector General indicated that BIS has lacked a fully comprehensive system for reviewing, ensuring adherence to, and prosecuting exporter violations of license conditions. Under this program increase, BIS seeks resources to develop a comprehensive export license condition compliance and enforcement program. The program would enhance the enforcement of license conditions by (1) working with exporters to ensure that they have in place appropriate export management systems to track condition compliance, and (2) devoting dedicated resources to detecting and prosecuting violations of conditions.

Office of Technology Evaluation (OTE)	212	\$32,901	+8	+\$2,000
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The OTE will enable the Department to implement and maintain a more effective system of dual-use export controls that better protects U.S. national and economic security by (1) identifying sensitive new technologies for potential inclusion on the Commerce Control List; (2) assessing whether items currently controlled are available abroad or on a mass market basis; (3) conducting a thorough, systematic review of the Commerce Control List to ensure that items are appropriately controlled for the protection of U.S. national security; and (4) reviewing the effectiveness of multilateral export control regimes and of the control systems of regime members.

	<u>FTE</u>	<u>Base</u> <u>Amount</u>	<u>Increase / Decrease</u> <u>FTE</u>	<u>Amount</u>
Enhanced Export Enforcement	208	\$30,531	+17	+\$3,844

Consistent with the President's mandate and broader federal law enforcement initiatives, BIS emphasizes the prevention and prosecution of any diversion of sensitive dual-use items to terrorist groups and countries of concern. These initiatives have placed, and will continue to place an increased demand on BIS's resources. To meet the demand, BIS requests an increase to support (1) additional staff for its computer evidence recovery program; (2) additional agents for its Intelligence and Field Support Division; (3) additional agents for its field offices in New York and Chicago; (4) an additional regional office in Seattle; (5) an enhanced Safeguards program; and (6) additional staff in selected field offices to investigate targeted priority cases.

## BIS Performance Measures

BIS has continued to refine its performance measures to: (1) focus on results, (2) measure work under its control, (3) use representative data, and (4) create new measures to support new initiatives/programs and budget increases.

### Performance Goals (Obligations) and Measures (Targets)

(Dollars in millions)

	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Estimate /</u> <u>Target</u>	<u>2005</u> <u>Estimate /</u> <u>Target</u>
<b>Goal 1: Protect the U.S. National Security and Economic Interests by Enhancing the Efficiency of the Export Control System</b>	\$26.2	\$26.8	\$27.5
Median Processing time for referrals of export licenses to other agencies (days)	4	9	9
Median processing time for export licenses not referred to other agencies (days)	9	15	15
Median processing time for issuing draft regulations (months)	7	3	3
Level of exporter understanding of BIS export control requirements			
? Value of information (average score on a scale of 1-5)	4.2	4.2	4.2
? Percent Knowledge Gained (index)	New	Establish Baseline	TBD
Number of industry and export control assessments	New	New	11
Number of internal control programs that contribute to compliance with license conditions	New	New	100
<b>Goal 2: Ensure U.S. industry compliance with the Chemical Weapons Convention (CWC) Agreement</b>	\$5.9	\$7.3	\$7.3
Number of site assistance visits conducted to assist companies prepare for international inspections	12	24	24
<b>Goal 3: Prevent Illegal Exports, and Identify Violators of Export Prohibitions and Restrictions for Prosecution.</b>	\$37.4	\$34.7	\$41.1
Number of cases opened that result in the prevention of a criminal violation or the prosecution of a criminal or administrative case	250	250	275
Number of post-shipment verifications completed	397	375	395
<b>Goal 4: Enhance the Export and Transit Control Systems of Nations that Lack Effective Control Arrangements</b>	\$7.2	\$8.0	\$6.4
Number of targeted deficiencies remedied in the export control systems of program nations	39	30	30
<b>*Total</b>	<b>\$76.7</b>	<b>\$76.8</b>	<b>\$82.3</b>

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