

FY 2016 Annual Performance Plan Bureau of Industry and Security

Part 1: Agency and Mission Information

Section 1.1: Overview

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 promoting continued U.S. strategic technology leadership.

The BIS headquarters is located in Washington D.C, with ten regional offices in Staten Island, NY; Boston, MA; Fort Lauderdale, FL; San Jose, CA; Herndon, VA; Oakbrook Terrace, IL; Irvine, CA (two offices); Irving, TX; and Houston, TX. BIS has currently seven Export Control Officers (ECOs) that are located in China (two ECOs), Hong Kong, India, Russia, Singapore, and the United Arab Emirates (UAE).

Section 1.2: Mission Statement

The BIS mission is closely aligned with, and supports, the following Department of Commerce Strategic Objective:

Trade and Investment:

- Increase U.S. exports by broadening and deepening the U.S. exporter base¹
 - Implement an effective export control reform program to advance national security and overall economic competitiveness.

Primary BIS Activities:

Maintain and strengthen an adaptable, effective U.S. export control and treaty compliance system: BIS administers and enforces controls on exports and reexports of dual-use items (i.e., those having a commercial and potential military or proliferation application) and various military items to counter proliferation of weapons of mass destruction (WMD), prevent destabilizing accumulations of conventional weapons, combat terrorism, and pursue other national security and foreign policy goals.

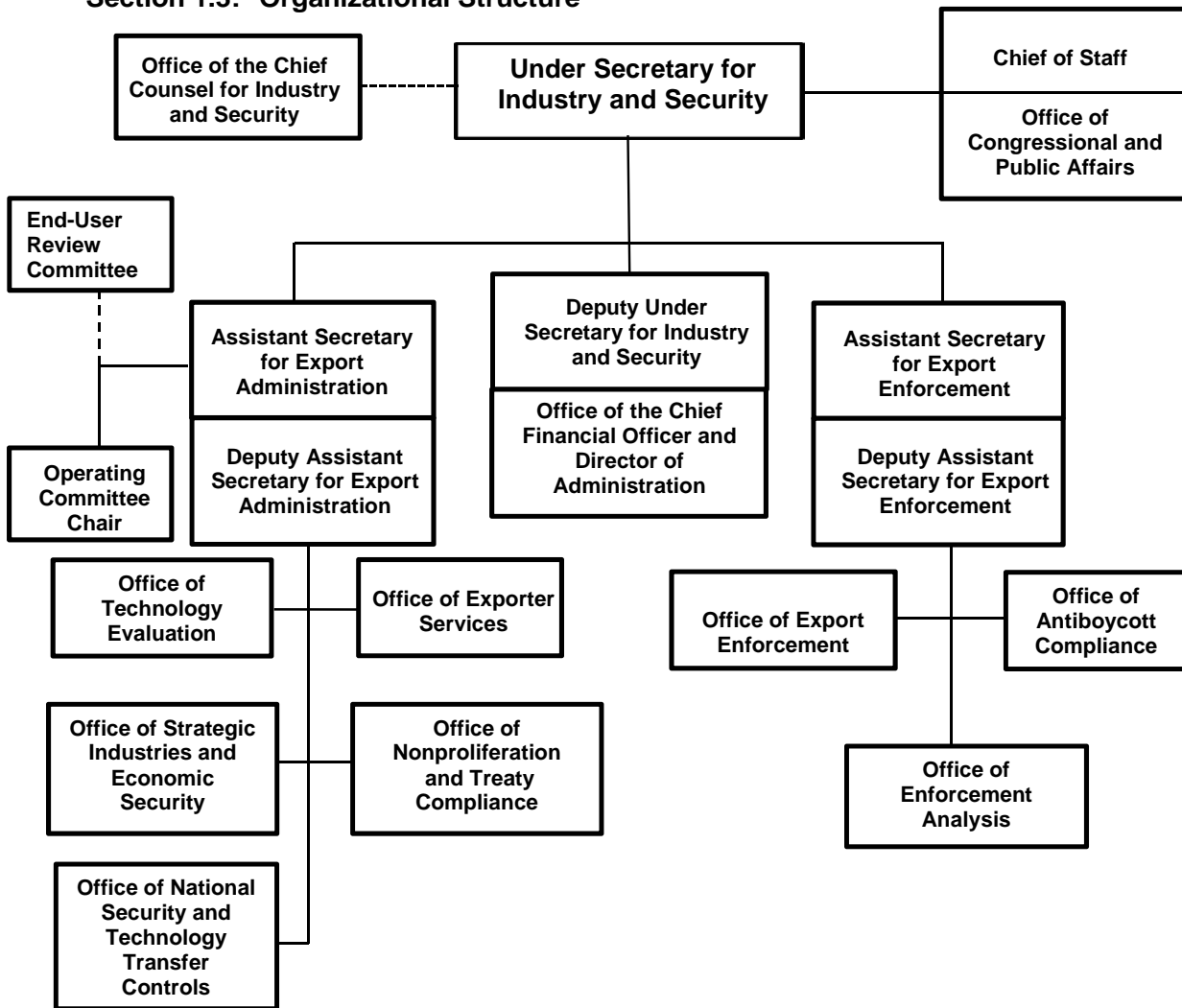
Integrate non-U.S. actors to create a more effective global export control and treaty compliance system: The effectiveness of U.S. export controls is enhanced by strong controls in other nations that export or transship sensitive goods and technologies. BIS works to improve the participation and compliance of existing members of multilateral export control regimes and cooperates with other countries to

¹ The President's Export Control Reform Initiative is fundamentally a national security effort intended to achieve greater regulatory efficiency and rationality, and focus controls on the most significant items and destinations – higher fences around the most sensitive items. A key element of the reform is moving tens of thousands of items – mostly parts and components – from the U.S. Munitions List to the more flexible Commerce Control List. The move will enable more nuanced distinctions among technologies, destinations, and end users than under the State Department's International Traffic in Arms Regulations. This will strengthen the U.S. defense industrial base by removing incentives for foreign manufacturers to avoid U.S. parts and components. U.S. exporters of such items, particularly small and medium-sized firms, will be more competitive.

help them establish effective export control programs. As part of policy formulation and implementation toward key trading partners and transshipment countries, BIS utilizes an end-use visit program.

Ensure continued U.S. technology leadership in industries that are essential to national security: BIS works to ensure that the U.S. 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, reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

Section 1.3: Organizational Structure



Part 2: Cross-Agency Priority Goals

BIS is not a leader of or a participant in any Cross-Agency Priority Goals.

Part 3: Strategic Goals and Objectives

Section 3.1: Corresponding DoC Strategic Goals and Objectives

Goal	Objective Number	Objective Name	Leader
Trade and Investment	1.2	Increase U.S. exports by broadening and deepening the U.S. exporter base ²	Stefan Selig, Under Secretary for International Trade

Rationale

This objective is important to the nation as it focuses on advancing U.S. national security and economic interests by reforming and 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 Chemical Weapons Convention (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 preserve the U.S. defense industrial base. The Department’s success in reconciling these imperatives stems from its ability to integrate efforts to support the President’s national security and foreign policy goals while ensuring profitable markets for U.S. goods and services.

BIS supports this objective by controlling the export, reexport, and transfer of commodities, software and technology subject to the Export Administration Regulations (EAR) to protect U.S. national security, advance U.S. foreign policy, and support U.S. economic competitiveness. BIS effectively administers the dual-use export control system, and munitions items transferred from the U.S. Munitions List (USML) to the new 600-Series Commerce Control List (CCL) by: (1) writing and promulgating regulations; (2) processing license applications; (3) enforcing U.S. laws and regulations; (4) conducting outreach to exporters; and (5) strengthening the export control systems of other countries. These measures increase interoperability with our Allies and strengthen the U.S. defense industrial base by reducing incentives for foreign manufactures to design out and avoid using U.S. parts and components.

In addition, BIS supports the U.S. industrial base by assessing the viability of key sectors of the defense industrial base, and assuring the timely availability of industrial

² The President’s Export Control Reform Initiative is fundamentally a national security effort intended to achieve greater regulatory efficiency and rationality, and focus controls on the most significant items and destinations – higher fences around the most sensitive items. A key element of the reform is moving tens of thousands of items – mostly parts and components – from the U.S. Munitions List to the more flexible Commerce Control List. The move will enable more nuanced distinctions among technologies, destinations, and end users than under the State Department’s International Traffic in Arms Regulations. This will strengthen the U.S. defense industrial base by removing incentives for foreign manufacturers to avoid U.S. parts and components. U.S. exporters of such items, particularly small and medium-sized firms, will be more competitive.

resources to meet national defense and emergency preparedness requirements.

Section 3.2: Strategies for Objectives

BIS has primary responsibility, in coordination with several other agencies, for implementing U.S. export control policy on Export Administration Regulations (EAR) commodities, software, and technology. To accomplish its objectives, BIS administers, and amends as necessary, the EAR. The EAR set forth license requirements and licensing policy for the exports of CCL items.

Enforcement is an essential aspect of the BIS mission. Enforcement efforts encourage compliance, prevent and deter violations, disrupt illicit activities, and bring violators to justice. BIS achieves these important objectives through a law enforcement program focused on parties engaged in exports of sensitive commodities, software, and technology to end uses, end users, and destinations of concern.

BIS plays a significant role in the four major multilateral export control regimes and three treaties which deal with specific industry sectors: the Australia Group (chemical and biological nonproliferation), the Missile Technology Control Regime, the Nuclear Suppliers Group, the Wassenaar Arrangement (conventional arms and related dual-use goods, software, and technologies), the CWC (chemical weapons nonproliferation), the Additional Protocol to the U.S.-International Atomic Energy Agency Safeguards Agreement (nuclear weapons nonproliferation) and the Biological Weapons Convention (biological weapons nonproliferation).

BIS consults closely with industry on the development of regulatory policy through its Technical Advisory Committees (TACs). The TACs provide valuable input regarding industry perspectives on trends in technology and the practicality and likely impact of export controls. BIS also conducts numerous outreach events through the United States and overseas to educate and update the public on export controls and policy.

Outreach and education are also fundamental parts of BIS's activities. BIS offers seminars on a regular basis, at locations around the country and overseas, on a variety of export control-related topics related from introductory overviews to topic-specific in-depth instruction. BIS also offers educational tools, including videos, training modules and webinars, on its website, participates in trade shows and other events that offer opportunities for contact with the exporting public, offers counseling services via telephone and e-mail, and organizes teleconferences and town hall meetings on specific topics on an as-needed basis.

FY 2014 Accomplishments

Since the initial implementation of Export Control Reform (ECR), BIS and the Department of State have published, in final form, fifteen of the twenty-one U.S. Munitions List (USML) categories and applicable corresponding Commerce Control List (CCL) controls, which include more tailored controls for commercial satellites and less-sensitive military items. During the fiscal year, BIS processed 7,100 license applications, with an average processing time of 15 days, for less-sensitive military items that moved from the USML to the CCL. BIS continued to educate the public on changes made under ECR by conducting over 125 ECR outreach activities that reached over 11,700 participants. BIS also continued to utilize web-based decision tools to assist exporters. Since BIS posted decision tools on order of review and classifying items subject to the EAR, the decision tools have received over 48,000 hits on the BIS website.

In FY 2014, BIS continued its strong commitment to protecting US national security interests and foreign policy objectives by ensuring a credible deterrence and seeking appropriate penalties to address EAR violations. BIS enforces the EAR utilizing approximately 115 Special Agents located in sixteen locations throughout the United States and six locations abroad of strategic diversion concern. Their subject matter expertise and singular focus on enforcement of and compliance with the EAR led to over \$137 million in criminal fines and nearly \$60.5 million in administrative penalties. BIS Special Agents made the highest number of seizures than any year during the past five years - almost double the number made in FY 2013 - and brought administrative charges against more persons in FY 2014 than any year during the past five years. In addition to outreach with the public, BIS continued to support U.S. Customs and Border Protection (CBP) and other law enforcement agencies around the United States with updated training materials in support of ECR. In addition, BIS completed four Antiboycott cases with administrative fines of over \$79,000. In terms of "Return on Investment," BIS brought back (in fines alone) almost double its entire annual budget.

In FY 2014, BIS oversaw completion of 1,044 end-use checks (EUCs) in 51 countries to ensure the proper disposition of US-origin items. Of these, 62% were conducted by its Export Control Officer (ECO) program and Foreign Commercial Service officers (6%), while the remainder were accomplished by Sentinel Program (32%) visits conducted by BIS Special Agents. BIS published the final rule revising the Unverified List (UVL), defining the BIS authorization necessary to trade with entities whose bona fides could not be established during an EUC, adding 29 entities to the UVL. Office of Enforcement Analysis (OEA) intelligence, export, and licensing screening generated 305 enforcement leads, which resulted in 112 enforcement outreaches, 20 enforcement cases, 16 detentions, and 6 warning letters. OEA initiated 84 Entity List nominations, which involved efforts to stem WMD, military modernization, and improvised explosive device proliferation efforts. OEA also provided case support to 53 OEE field office investigations.

BIS's Export Administration analyzed 24,972 export license applications valued at over \$823 billion during FY 2014. In addition, 5,577 commodity classifications were completed. Export Administration was instrumental in enforcement actions taken by BIS, FBI and Homeland Security by completing over 2,252 requests for license determinations.

During the fiscal year, the President signed an Executive Order on "21st Century Trade Facilitation" to establish policy principles and an implementation plan for the development of the International Trade Data System (ITDS) by December 2016, and establish an interagency structure responsible for developing policies and processes to enhance interagency coordination related to certain border management functions in order to improve supply chain processes and identification of illicit shipments. BIS, as a Phase I agency required to have initial capability by April 30, 2014, has successfully completed its full integration into ITDS. BIS's license application is fully automated through its Simplified Network Application Program, and BIS sends nightly information from the license applications to U.S. Customs and Border Protection (CBP) upon a determination being made on the license. CBP makes the license application information available to authorized enforcement officers to ensure that the export filings from exporters are consistent with the BIS license, and the license information is used to validate the export shipment filing of the licensed shipment. BIS has authorized access to the Automated Export System information through a "single window" to identify violations of the Export Administration Act, and other U.S. laws and regulations; evaluate the effectiveness of export controls, and improve outreach and compliance with the Export Administration Regulations.

BIS enabled the U.S. Government to expeditiously aid the international effort to verify and destroy Syria's chemical weapons program. BIS rapidly identified and classified items on a list of critically needed U.S.-origin items provided by the United Nations/Organization for the

Prevention of Chemical Weapons (OPCW) Joint Mission in Syria, including chemical detectors, protective gear, nerve agent antidotes and hazardous material container. Taking into consideration the diverse equities of several U.S. Government agencies, BIS crafted license conditions acceptable to all agencies and issued licenses which allowed the Joint Mission to perform its functions in a safe and expeditious manner. On behalf of the interagency, BIS drafted the bilateral agreements between the United States and OPCW Technical Secretariat that were necessary to ensure the Department of Commerce could facilitate the on-site OPCW verification requirements contained in Decisions adopted by the OPCW policy-making organs in accordance with U.S. laws and regulations. The agreements were drafted in coordination with the affected private entities and were successfully negotiated with the OPCW Technical Secretariat. BIS subsequently assisted the port and destruction company during three OPCW on-site inspections in 2014.

Public Benefits

BIS protects the U.S. public by advancing U.S. national security, foreign policy, and economic objectives that ensure that America maintains its strategic competitive advantage in critical areas affecting economic and national security. BIS accomplishes its mission by maintaining and strengthening adaptable, efficient, and effective export control and treaty compliance systems. BIS administers and enforces controls on the export of items with chiefly commercial uses that can also be used in conventional arms, weapons of mass destruction, terrorist activities, or human rights abuses; less sensitive military items being transferred from the Department of State under the President's Export Control Reform (ECR) Initiative; and certain crude oil and timber. BIS administers and enforces these controls in coordination with several other U.S. federal agencies. BIS implements these controls primarily through the Export Administration Regulations (EAR). The EAR set forth license requirements and licensing policy for the exports of these items.

The Bureau processes export license applications for controlled items to be exported or reexported in accordance with the EAR. Enforcement is an essential aspect of the BIS mission. Enforcement efforts encourage compliance, prevent and deter violations, disrupt illicit activities, and bring violators to justice. BIS achieves these important objectives through a law enforcement program focused on parties engaged in the export of sensitive commodities, software, and technology to end uses, end users, and destinations of concern. Some examples of BIS efforts that directly impact the public include:

- Conducting educational outreach to the exporting community;
- Investigating, indicting, and convicting those who willfully violate the provisions of the EAR;
- Targeting illegal procurement networks supporting terrorist regimes through focused analysis;
- Stopping unauthorized military end-use of U.S.-origin items;
- Bringing back millions of U.S. dollars to the Treasury in the form of fines and forfeitures from criminal and civil violators;
- Denying export privileges for convicted felons;
- Uncovering diversions to unauthorized end-users/uses;
- Screening license applications for end-use and end-user concerns;
- Conducting end-use checks abroad to confirm the *bona fides* of foreign parties to export transactions;
- Confirming compliance with license conditions or the use of license exceptions;
- Leveraging interagency resources to identify unauthorized exports (including deemed exports); and,
- Reviewing Automated Export System (AES) filings to identify potential export control violations.

The Bureau facilitates compliance with U.S. export controls by keeping U.S. and foreign firms informed of export control regulations through an extensive domestic and foreign outreach program.

Outreach activities educate U.S. businesses on export control requirements and include how to identify suspicious transactions. Identifying suspicious transactions leads to successful preventive and investigative actions. Screening license applications allows the Bureau, with other agencies, to deny transactions with a high risk of diversion. The Bureau's Special Agents investigate significant proliferation, terrorism, and military end-use/user export control violations, and vigorously pursue criminal and administrative penalties.

End-use checks continue to serve as a valuable safeguard and preventive enforcement tool for verifying the bona fides of foreign end users, ensuring that exported items have been or will be used as authorized, and that license conditions are met. BIS end-use checks have been effective in revealing unauthorized end-uses and end users, including the improper or unauthorized diversion of items subject to BIS jurisdiction. When improper or unauthorized diversion is identified, appropriate measures are taken to deny further exports of licensed materials to violators.

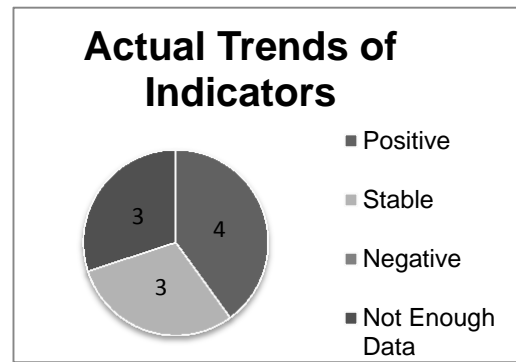
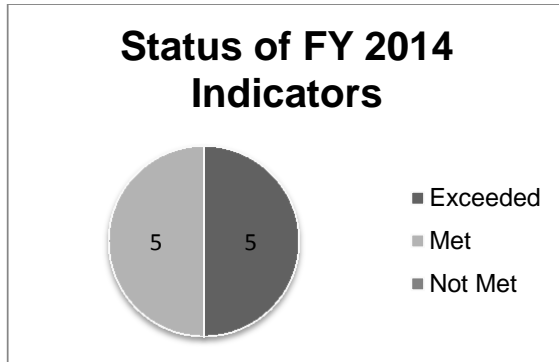
Pursuant to the Export Control Reform (ECR) initiative, BIS is participating in a broad-based, interagency review of the U.S. export control system to reduce complexity and allow the U.S. Government to focus on the most critical national security priorities. ECR will improve U.S. military interoperability with allied countries; strengthen the U.S. industrial base by reducing incentives for foreign manufacturers in allied countries to design out and avoid using U.S.-made content; and allow the U.S. Government to focus resources on the most serious national security and proliferation concerns. The objectives of the reform effort will be met in large part by moving jurisdiction of tens of thousands of less sensitive items from the State Department to the Commerce Department, which has a more flexible regulatory structure.

BIS also works to strengthen the export control systems of other countries, assess the viability of key sectors of the defense industrial base, review the national security impact of foreign acquisitions of U.S. companies, and assure the timely availability of industrial resources to meet national defense and emergency preparedness requirements. Finally, the Department also serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC). Further information on these tasks is available on <http://www.bis.doc.gov/index.php/about-bis/newsroom/publications>.

Section 3.4 Next Steps

The Bureau of Industry and Security will continue to hold a regular schedule of seminars and outreach events to educate exporters about export control requirements and compliance thereof. In addition to its premier conferences, the Update Conference on Export Controls and Policy, which is held in Washington, DC every summer, and West Coast Forum, which is held in California in February, BIS will participate in at least thirty other events scheduled for locations around the country. BIS will also continue to offer a wide variety of on-line educations offerings and electronic or in-person counseling offerings.

Part 4: Performance Goals and Indicators



Section 4.2 Summary of Indicator Performance

Objective 1.2: Increase U.S. exports by broadening and deepening the U.S. exporter base

Summary of FY 2014 Indicator Performance

Indicator	Target	Actual	Status	Trend
Recurring				
Number of Exporters Educated and Trained through Outreach Activities related to Export Control Reform	28,000	69,948	Exceeded	Not enough data
Number of Export Control Reform rules issued	4	9	Exceeded	Not enough data
Percent of licenses requiring interagency referral referred within nine days	98%	98%	Met	Stable
Percent of attendees rating seminars highly	93%	91%	Met	Positive
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge/action	1,100	1,473	Exceeded	Positive
Percent of licenses requiring Information Triage Unit (ITU) report completed by Export Enforcement (EE) within ten Executive Order (EO) days of referral	90%	96%	Exceeded	Not enough data
Number of End-Use Checks (EUCs) completed	850	1,044	Exceeded	Positive
Number of post shipment verifications completed and categorized above the 'unfavorable' classification	315	344	Met	Positive
Median processing time for new regime regulations (months)	2	2	Met	Stable
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	100%	100%	Met	Stable

Section 4.3 Detailed Indicator Plans and Performance

New or Recurring Indicators

Objective 1.2: Increase U.S. exports by broadening and deepening the U.S. exporter base

Indicator: Number of Exporters Educated and Trained through Outreach Activities related to Export Control Reform								
Description: A key element of the Export Control Reform (ECR) Initiative is moving tens of thousands of items -- mostly parts and components -- from the U.S. Munitions List to the more flexible Commerce Control List. The move will enable more nuanced distinctions among technologies, destinations, and end users than under the State Department's International Traffic in Arms Regulations. Through our outreach programs, BIS will educate and train exporters on these importance ECR changes.								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	NA	NA	NA	NA	4,000	28,000	48,000	48,000
Actual	NA	NA	NA	NA	4,000	69,948	NA	NA
Status	NA	NA	NA	NA	Met	Exceeded	NA	NA
Trend: Not enough information								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures		Data Limitations	Actions to be Taken		
In House Records	Quarterly	Electronic Files	BIS will verify the information used to report on this performance indicator against supporting documentation.		None	None		

Indicator: Number of Export Control Reform rules issued								
Description: A key element of the Export Control Reform (ECR) Initiative is moving tens of thousands of items -- mostly parts and components -- from the U.S. Munitions List to the more flexible Commerce Control List. The move will enable more nuanced distinctions among technologies, destinations, and end users than under the State Department's International Traffic in Arms Regulations. Through our outreach programs, BIS will educate and train exporters on these importance ECR changes.								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	NA	NA	NA	NA	7	4	4	4
Actual	NA	NA	NA	NA	7	9	NA	NA
Status	NA	NA	NA	NA	Met	Exceeded	NA	NA
Trend: Not enough information								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures			Data Limitations	Actions to be Taken	
Federal Register	Quarterly	Federal Register	BIS will verify the information used to report on this performance indicator against supporting documentation.			None	None	

Indicator: Number of export transactions completed under the new authority of Commerce export licenses and license exceptions

Description: A key element of the Export Control Reform (ECR) Initiative is moving tens of thousands of items -- mostly parts and components -- from the U.S. Munitions List to the more flexible Commerce Control List. The move will enable more nuanced distinctions among technologies, destinations, and end users than under the State Department's International Traffic in Arms Regulations. Through our outreach programs, BIS will track shipments of such items made under the Automated Export System.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	NA	NA	NA	NA	NA	NA	80,000	100,000
Actual	NA	NA	NA	NA	NA	42,837	NA	NA
Status	NA	NA	NA	NA	NA	NA	NA	NA

Trend: Not enough information

Explanation (if not met in FY 2014): NA

Actions to be taken / Future Plans: None

Adjustments to targets: None

Information Gaps: None

Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
In House Records	Quarterly	Electronic Files	BIS will verify the information used to report on this performance indicator against supporting documentation.	None	None

Indicator: Percent of licenses requiring interagency referral referred within nine days								
Description: Generally, export license applications for dual-use items (products that may have both civilian and military applications) and munitions items transferred from the USML to the new 600-Series CCL fall into two categories: 1) referred licenses, includes those licenses that require a recommendation from another agency (i.e., Department of Defense, State, and Energy, and where appropriate, other U.S. governments departments or agencies) 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 BIS 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 98% of those licenses requiring referral within 9 days. If BIS does not meet the metric of 98% of license applications referred within 9 days, BIS is not maintaining effective management of the license application review process. According to Section 3 of Executive Order 12981, BIS must complete its initial review and refer to appropriate agencies the application and other pertinent information within 9 days.								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	95%	95%	98%	98%	98%	98%	98%	98%
Actual	99%	90%	88%	97%	98%	98%	NA	NA
Status	Met	Met	Not Met	Met	Met	Met	NA	NA
Trend: This is a maintain standard measure. Both the target and actual trends have remained stable.								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures			Data Limitations	Actions to be Taken	
ECASS	Quarterly	ECASS	Export Administration (EA) will verify ECASS reports by running similar reports to determine if they produce the same results.			None	None	

Indicator: Percent of attendees rating seminars highly								
Description: 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 and 600-Series export control system. The target is for at least 93% of the seminar attendees to give the seminar an overall rating of at least 4 (out of a 5 level scale).								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	85%	85%	93%	93%	93%	93%	93%	93%
Actual	93%	94%	94%	93%	91%	91%	NA	NA
Status	Exceeded	Exceeded	Met	Met	Met	Met	NA	NA
Trend: Both the target and actual trends are positive.								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken			
Seminar Evaluations	Quarterly	EA office files	BIS will verify the information used to report on this performance indicator against supporting documentation.	Data is dependent upon voluntary responses of seminar participants and is based on respondent opinion. Opinions may or may not be a factual indicator of performance.	None			

Indicator: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge/action								
Description: This performance indicator captures the number of Export Enforcement deterrence actions, cases that result in a prevention of a violation, criminal/administrative actions, and administrative settlement orders. The number will reflect the actual number and type of preventive enforcement actions conducted including: detentions of suspect exports, seizures of unauthorized shipments, industry outreach, issuance of warning letters, recommended denials of license applications based on enforcement concerns, and recommendations for parties to be added to the Entity List and Unverified List. The measure also includes Office of Antiboycott Compliance (OAC) advice line inquiries that result in prevention or deterrence.								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	850	850	850	850	850	1,100	1,000	1,000
Actual	876	806	1,073	1,162	1,403	1,473	NA	NA
Status	Exceeded	Met	Exceeded	Exceeded	Exceeded	Exceeded	NA	NA
Trend: Both the target and actual trends are positive.								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures			Data Limitations	Actions to be Taken	
EE Investigative Management System (IMS)	Monthly	IMS	OEE, OEA and OAC 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	

Indicator: Percent of licenses requiring Information Triage Unit (ITU) report completed by Export Enforcement (EE) within ten Executive Order (EO) days of referral								
Description: The ITU, for which EE provides the majority of intelligence product outputs, drafts bona fides information reports on foreign transaction parties to license applications. The reports are either requested at the direction of a licensing officer or self-selected by EE. EE must, within the established EO timeframe, complete such reports in 10 EO days from referral to enable timely interagency review of license applications. This measure is designed to measure the effectiveness of BIS in meeting the target of completing 90% of ITU reports produced by EE within 10 EO days of referral.								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	NA	NA	NA	NA	NA	90%	90%	90%
Actual	NA	NA	NA	NA	NA	96%	NA	NA
Status	NA	NA	NA	NA	NA	Exceeded	NA	NA
Trend: Not enough information								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures			Data Limitations	Actions to be Taken	
ECASS	Quarterly	ECASS	OEA will verify ECASS reports by running similar reports to determine if they produce the same results.			None	None	

Indicator: Number of End-Use Checks (EUCs) completed

Description: A key element of BIS’s policy formulation and implementation toward other key countries is conducting EUCs to verify that targeted dual-use exports and munitions items transferred from the USML to the new 600-Series CCL 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 items. 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 (where applicable) and the Export Administration Regulations (EAR). The primary means for conducting EUCs are through BIS ECOs stationed abroad with the Department of Commerce’s Foreign Commercial Service (FCS), augmented by Sentinel visits (formerly known as “Safeguards”) conducted by Special Agent-led teams as well as FCS officers. ECOs are located in six countries and are responsible for conducting EUCs in their respective areas of responsibility covering 43 countries in all. 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 the EAR. By conducting PSVs, BIS can provide a level of assurance that foreign end-users are aware of EAR requirements and comply with them. EUCs also identify diverted transactions and reveal untrustworthy end-users and intermediate consignees.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	850	850	850	850	850	850	850	850
Actual	737	708	891	994	1,033	1,044	NA	NA
Status	Not Met	Not Met	Met	Exceeded	Exceeded	Exceeded	NA	NA

Trend: Both the target and actual trends are positive.

Explanation (if not met in FY 2014): NA

Actions to be taken / Future Plans: None

Adjustments to targets: None

Information Gaps: None

Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
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

Indicator: Number of post shipment verifications completed and categorized above the 'unfavorable' classification

Description: Post Shipment Verifications (PSVs) confirm whether items exported from the United States actually were received by the party named on the license or other export documentation, and whether the items are being used in accordance with the provisions of that license. PSVs are selected through the use of a strategic targeting plan. 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 unauthorized end-users or for unauthorized end uses.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	260 PSVs	260 PSVs	315 PSVs	315 PSVs	315 PSVs	315 PSVs	315 PSVs	315 PSVs
Actual	314 PSVs	256 PSVs	382 PSVs	343 PSVs	240 PSVs	344 PSVs	NA	NA
Status	Met	Met	Met	Met	Not Met	Met	NA	NA

Trend: Both the target and actual trends are positive.

Explanation (if not met in FY 2014): NA

Actions to be taken / Future Plans: None

Adjustments to targets: None

Information Gaps: None

Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
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

Indicator: Median processing time for new regime regulations (months)								
Description: 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 multilateral changes for interagency review in three months or less in order to meet our multilateral obligations, 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.								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	3	3	2	2	2	2	2	2
Actual	2	3	2	2	2	2	NA	NA
Status	Exceeded	Met	Met	Met	Met	Met	NA	NA
Trend: This is a maintain standards measure. Both the target and actual trends have remained stable.								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures		Data Limitations		Actions to be Taken	
Paper & Electronic	Quarterly	EA office files	BIS will verify the information used to report on this performance indicator against supporting documentation.		None		None	

Indicator: 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								
Description: 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, within established time frames mandated under the CWC, and to submit it to the Organization for the Prohibition of Chemical Weapons (OPCW).								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	100%	100%	100%	100%	100%	100%	100%	100%
Actual	100%	100%	100%	100%	100%	100%	NA	NA
Status	Met	Met	Met	Met	Met	Met	NA	NA
Trend: This is a maintain standards measure. Both the target and actual trends have remained stable.								
Explanation (if not met in FY 2014): NA								
Actions to be taken / Future Plans: None								
Adjustments to targets: None								
Information Gaps: None								
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures		Data Limitations		Actions to be Taken	
Paper records of declarations	Quarterly	EA office files	BIS will verify the information used to report on this performance indicator against supporting documentation.		None		None	

Indicator: Percent of electronic export information (EEI) transactions reported in the Automated Export System (AES) in compliance with the Export Administration Regulations (EAR)

Description: This indicator evaluates how effective the BIS export control system is in ensuring that items exported and reported as electronic export information transactions in the AES are in compliance with the EAR. BIS will measure exporter compliance with the EAR by reviewing, on a quarterly and annual basis, the entire compilation of export transactions under the jurisdiction of BIS (i.e., BIS licensed, license exception and No License Required 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, compliance letters, and enforcement referral).

BIS anticipates that 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.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	NA	NA	NA	NA	NA	NA	99%	99%
Actual	NA	NA	NA	NA	NA	NA	NA	NA
Status	NA	NA	NA	NA	NA	NA	NA	NA

Trend: Not Enough Data

Explanation (if not met in FY 2014): NA

Actions to be taken / Future Plans: None

Adjustments to targets: None

Information Gaps: None

Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
ECASS & AES	Quarterly	EA office files	BIS will use information reported by exporters in the AES and measure against ECASS and the EAR.	None	Compliance letters

Indicator: Percent of defense industrial base assessments completed within the time frame set forth in the Memorandum of Understanding (MOU) between the BIS and the survey sponsoring agency or entity.

Description: Percent of defense industrial base assessments completed within the time frame set forth by regulation or in MOUs between the BIS and the survey sponsoring agency or entity. The Office of Technology Evaluation (OTE) provides assessments to inform decisions in a way that maintains the competitiveness and economic viability of the health and competitiveness of the U.S. Defense Industrial Base and other industry sectors. In addition to conducting defense industrial base studies to meet this objective, OTE conducts technology assessments and foreign availability assessments that address the adequacy of current export controls, economic status of the relevant industry sector, foreign availability, and foreign country export control practices. Assessment topics can arise from discussions with other agencies, licensing offices, industry, technical advisory committees, or other sources. Completion is defined as building the survey, surveying respondents, collection, writing the report and publishing the report.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Targets	NA	NA	NA	NA	NA	NA	100%	100%
Actual	NA	NA	NA	NA	NA	NA	NA	NA
Status	NA	NA	NA	NA	NA	NA	NA	NA

Trend: Not Enough Data

Explanation (if not met in FY 2014): NA

Actions to be taken / Future Plans: None

Adjustments to targets: None

Information Gaps: None

Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Survey responses and additional research information	Quarterly	EA office files	BIS will verify the information used to report on this performance indicator against supporting documentation.	Delays in survey responses	Written Report or Data provided to sponsor agency

Part 5: Other Indicators

None

Part 6: Agency Priority Goals

BIS is not a leader of or a participant in any Agency Priority Goals.

Part 7: Resource Requirements

(Dollar amounts in millions)

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Enacted	FY 2016 Base	Increase / Decrease	FY 2016 Request
OSIES ³	4.8	5.8	4.4	12.0	11.5	11.4	11.3	11.8	0.0	11.8
NPTC ⁴	15.2	18.2	16.4	16.2	15.9	16.3	16.2	16.8	0.0	16.8
OEXS ⁵	13.1	15.7	12.5	12.7	13.0	13.3	13.3	13.7	0.0	13.7
NSTTC ⁶	11.2	13.4	12.6	12.0	12.1	13.6	13.6	14.0	0.5	14.5
OTE ⁷	3.6	4.3	3.8	5.1	5.5	4.6	4.6	4.8	0.0	4.8
OEA ⁸	5.8	6.9	6.2	6.1	5.9	6.6	6.7	7.1	5.7	12.8
OAC ⁹	2.5	3.0	3.6	2.6	2.3	2.2	2.3	2.4	0.0	2.4
OEE ¹⁰	27.5	33.0	43.4	34.3	30.5	33.5	34.5	35.7	2.6	38.3
Total Funding	83.7	100.3	102.9	101.0	96.7	101.5	102.5	106.3	8.8	115.1
Direct	83.7	100.3	102.9	101.0	96.7	101.5	102.5	106.3	8.8	115.1
Reimbu- -rsable	1.8	2.2	3.0	3.1	2.7	1.8	2.9	2.9	0.0	2.9
Total	85.5	102.5	105.9	104.1	99.4	103.3	105.4	109.2	8.8	118.0
Total FTE	329	322	351	369	379	365	392	392	24	416

³ OSIES – Office of Strategic Industries and Economic Security

⁴ NPTC – Office of Nonproliferation and Treaty Compliance

⁵ OEXS – Office of Exporter Services

⁶ NSTTC – Office of National Security and Technology Transfer Controls

⁷ OTE – Office of Technology Evaluation

⁸ OEA – Office of Enforcement Analysis

⁹ OAC – Office of Antiboycott Compliance

¹⁰ OEE – Office of Export Enforcement

Part 8: Other Information

Section 8.1: Major Management Challenges

The FY 2016 request is tailored to support BIS's ongoing programs and to address BIS's ability to advance the Bureau's Performance Goal: Implement an effective export control reform program to advance national security and overall economic competitiveness.

BIS will continue to improve and advance the aggressive posture it has assumed in response to the Administration's 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 and munitions items and technologies are not misused by proliferators, terrorists, and others working contrary to the national security interests of the United States.

Section 8.2: Cross-Agency Collaborations

BIS works with the Departments of State, Defense and Energy on a daily basis to achieve objectives, priority goals, and performance goals. A few examples include:

- Review and approval or denial of export license applications.
- Collaboration on recommendations to the international export control regimes in which the United States participates.
- Close interagency cooperation on the Presidential initiative to reform the U.S. export control system.

BIS collaborates with the Census Bureau and U.S. Customs and Border Protection on the Automated Export System (AES) and International Trade Data System (ITDS) to ensure timely changes are made to the AES to ensure exporters' are educated of and comply with changes to the EAR, and to ensure that BIS equities are taken into account when the International Trade Data System "single window" export clearance approach is developed.

BIS works closely with defense and civilian agencies to leverage its unique authorities and analytical capabilities to accomplish its mission of maintaining and enhancing the U.S. defense industrial base.

BIS participates on the interagency Committee on Foreign Investment in the United States (CFIUS) and on the interagency Defense Production Act (DPA) Committee established in 2011 to promote the more effective use of DPA authorities to support military, energy, homeland security, emergency preparedness, and critical infrastructure programs.

BIS works with the Department of Justice (DOJ) to impose criminal sanctions for violations, including incarceration and fines, and with the Office of Chief Counsel for Industry and Security to impose civil fines and denials of export privileges. BIS also works closely with other Federal law enforcement agencies, including the Federal Bureau of Investigation (FBI) and the Department of Homeland Security (DHS), when conducting investigations or preventative actions.

Section 8.3: Evidence Building

BIS's Export Administration created the Office of Technology Evaluation (OTE) in 2006 with primary responsibilities to conduct foreign availability assessments; monitor and evaluate technology developments; conduct assessments of the impact of U.S. export control policies on industry sectors; conduct assessments on the health and competitiveness of the Defense Industrial Base; and ensure the effectiveness of the BIS export control system.

In order to meet these responsibilities heavily focused on assessing policy changes and evaluating BIS programs and initiatives, OTE began using data analytics in 2007. OTE gained authorized access to data from export shipment transactions, license applications, and international import and export aggregate information and effectively analyzed these data to accomplish organizational goals.

For example, in 2007, OTE established a benchmark on how compliant U.S. exporters were with meeting requirements in the Export Administration Regulations with regard to exports of items subject to BIS license requirements. The benchmark identified was 87%. OTE added edits and validations to the Automated Export System and implemented an external engagement strategy to ensure that reporting of items subject to BIS licensing requirements was complete, accurate and timely. By 2009, exporters' compliance rate rose to 99% and has continued to maintain this level.

Similarly, OTE established a benchmark of the licensing and export shipment situation prior to the implementation of the Administration's Export Control Reform (ECR) in July 2011 and again on October 2013. Periodically, OTE assesses the impact of ECR on export shipments and licensing using data analytics. Results show that items exported in a pre-ECR environment subject to the State Department's International Traffic and Arms Regulations have successfully transferred to the Commerce Department's jurisdiction. Many exporters accustomed to obtaining a license from the State Department in a pre-ECR environment are now using Commerce licenses, license exceptions, or a "No License Required" designation to move their defense articles, parts, components and accessories out of the U.S. OTE's data visualizations of properly processed statistics have shown results of effective implementation of ECR.

The data analytics aspect of OTE has been very beneficial to BIS in assessing the impact of new policies on exports, licensing and competitiveness. In 2014, when the federal government was identifying the sanctions to be imposed on Russia, OTE turned data analytics into insights on how Russian sanctions would impact U.S. exporters in specific industry sectors.

With respect to outreach efforts, BIS requests evaluations from seminar attendees and uses the feedback provided to improve its materials and performance. BIS uses a quarterly Government Performance and Results Act (GPRA) statistic to evaluate the feedback. The evaluations request scores on a scale of one to five (with five being the highest) of a variety of factors, including the clarity of material presented and whether or not the presentations are appropriately tailored for the time available. For every seminar that BIS participates in, the number of attendees, the number of evaluations received, the sum of evaluations with ratings of either four or five, and the percentage of evaluations with ratings greater than three are tracked on a quarterly basis. For the first three quarters of Fiscal Year 2014, BIS's quarterly statistic averaged 92%.

BIS also uses the seminar evaluations to gauge the content of its presentations and regularly updates its material in response to the feedback (in addition to regulatory changes). In response to public feedback, BIS has also expanded its web-based educational materials and teleconference presence in recent years.

Specific to ECR, in addition to offering regular seminars specific to the subject, BIS has participated in numerous outreach events in both the United States and overseas. Additionally, BIS has made three web-based decision tree tools available on its website. One of the tools is designed to assist users with the Commerce Control List's order of review; the second tool helps users to determine if an item subject to the EAR is "specially designed"; and the third tool is designed to help users use and comply with the requirements of License Exception "Strategic Trade Authorization (STA)."

BIS analyzes multifaceted datasets to determine how best to allocate its enforcement resources domestically and abroad to identify and redress non-compliance with the Export Administration Regulations. To effectively enforce export controls, OEE Special Agents are located in or near major, domestic concentrations of specific industrial sectors involved in the development, manufacture, and use of key export-controlled items. Upon evaluation of reports and data on exports, licenses, counter-proliferation investigative trends, and foreign national access to technology, BIS allocates resources to high risk areas that require enforcement coverage by a Special Agent or Field Office.

Internationally, BIS Export Control Officers (ECOs), augmented by domestic based, Special Agent-led "Sentinel Teams" and Commercial Service personnel stationed in embassies abroad, provide worldwide coverage against diversions or transshipments of critical dual-use and military items. To ensure that ECOs are stationed in the most worthwhile locations and end-use checks are focused on the most high-risk targets, BIS evaluates controlled dual-use exports, controlled munitions exports, foreign trading relationships with countries of concern, and other national security considerations, including the potential for establishment of front companies. A key factor in these activities, which also is used to identify license applications requiring additional enforcement and intelligence scrutiny, involves agreement among licensing officers at BIS and the Departments of Defense, Energy, and State on a subset of the most sensitive controlled items and most sensitive destinations.

In FY 2014, with available resources, BIS achieved significant enforcement-related outcomes, including: 39 criminal convictions and criminal fines of \$137.8 million; \$60 million in administrative penalties, 272 warning letters, and 16 export denial orders; 1,044 end-use checks in 51 countries; and designation of 155 and 29 persons on the Entity List and Unverified List, respectively.

Section 8.4: Hyperlinks

BIS's most recent Annual Report can be found at the following link:
<http://www.bis.doc.gov/index.php/about-bis/newsroom/publications>.

Section 8.5: Data Validation and Verification

The FY 2014 Summary of Performance and Financial Information includes in the Secretary's Statement, an assessment of the reliability and completeness of the Department's performance data.

Section 8.6: Lower-Priority Program Activities

"The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b) (10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>."