



Bureau of Export Administration

Mission Statement

The mission of the Bureau of Export Administration (BXA) is to advance U.S. national security, foreign policy, and economic interests. BXA'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 control agreements; monitoring the viability of the U.S. defense industrial base; and promoting federal initiatives and public-private partnerships across industry sectors to protect the nation's critical infrastructures

Priorities

The Bureau of Export Administration's immediate priorities include the following:

Obtaining Passage of the Export Administration Act (EAA)-- There has not been a comprehensive rewriting of the EAA since 1979. The revised EAA of 2001 provides a balanced framework for administering and enforcing export controls in the 21st century. Passage of this legislation would greatly enhance both U.S. national security and U.S. economic interests. The need for the passage of the EAA has increased after the recent terrorist attacks aimed at the United States. This legislation will help BXA more effectively prevent the proliferation of weapons of mass destruction by controlling the export of dual-use items that could contribute to the development of such programs by terrorist supporting states and other terrorist organizations.

Developing a National Strategy for Critical Infrastructure Assurance--The Critical Infrastructure Assurance Office, established under the authority of the Presidential Decision Directive 63, is responsible for coordinating interagency activities related to critical infrastructure protection. In partnership with other federal agencies and the private sector, the Critical Infrastructure Assurance Office coordinates and encourages the development and implementation of a national strategy to protect our information systems for our critical infrastructures and the physical assets that support such systems. Protecting critical infrastructures and cyber assets took on a new urgency following September 11, 2001.

Enhancing Multilateral Cooperation with Regard to Export Controls--Although U.S. allies and partners generally "control" a similar list of high-technology items, the United States tends to be much more rigorous in the application of those controls and, thus, the restriction of its exports. BXA believes it is worthwhile to explore with key allies and partners whether we can reach agreement on tighter restrictions of certain critical technologies. This would benefit U.S. companies if they no longer are "undercut" by export sales by foreign competitors in other countries and would strengthen overall national security. BXA also seeks to improve the effectiveness of the multilateral export control regimes by pursuing other initiatives within the regimes.

Enhancing the Interagency Licensing Process--BXA wants to strengthen its working relationships with the Departments of State and Defense and the intelligence community to improve the licensing process while ensuring that national security concerns are fully considered. We aim to shorten the time period for licensing decisions and increase U.S. exporters' satisfaction.

Reforming Deemed Export Controls--"Deemed exports" are transfers of technology to foreign nationals in the United States who are not permanent residents and who present a risk of repatriating that technology to their home countries. U.S. industry employs many foreign engineers and feels that requiring licenses for intra-company transfers of technology to these individuals is impractical. Yet, the national security community regards technology transfers to foreign nationals working in the United States as a major vulnerability that could be exploited by some countries. BXA is examining this difficult issue (with input from other agencies and industry) in an effort to develop a solution that better addresses both business and national security concerns.

Refining High-Performance Computer Controls--BXA supports the provision of S. 149, the EAA of 2001 as approved by the Senate Committee on Banking, Housing, and Urban Affairs, that would eliminate the requirement that computer export controls be based on the processing speed of the computer—MTOPS (millions of theoretical operations per second)—which is a measurement that industry and the General Accounting Office believe is outdated.

Coordinating Key International Cooperation and Law Enforcement Efforts--BXA is focusing its international efforts on the three countries of highest priority for international cooperation and enforcement of our export control restrictions (China, Russia, and India). BXA plans to maintain its existing attachés in Beijing and Moscow and place an attaché in Shanghai. BXA also is focusing its international efforts on countries that serve as transshipment points for exports to countries of concern, and is seeking to place an attaché in the United Arab Emirates, a key transshipment point. BXA will continue to use safeguard teams to visit countries where we have export concerns, and we will continue to assist other key countries in developing their export control systems. Finally, we want to explore the possibility of concluding agreements with certain countries regarding our right to do prelicense checks and postshipment verifications in those countries.

Minimizing Burdens and Maximizing Protections for U.S. Chemical Facilities Subject to Inspections Under the Chemical Weapons Convention (CWC)--BXA will seek to ensure that international procedures for conducting inspections of U.S. chemical facilities do not exceed the explicit provisions set forth in the treaty. BXA also will seek to minimize CWC reporting burdens that are imposed on U.S. firms.

FY 2003 Program Changes

| | Base | | Increase/Decrease | |
|--------------------------------------|------|---------|-------------------|----------|
| | FTE | Amount | FTE | Amount |
| Information Technology (IT) Security | 25 | \$6,159 | +1 | +\$1,000 |

Based on the General Accounting Office's recent IT security audit findings and an assessment of our own compliance with the Government Information Security Reform Act, BXA is requesting additional funds to significantly improve its IT security program. Poor information security could have potentially devastating implications for the United States, particularly in light of the events of September 11, 2001. Accordingly, with respect to BXA's mission critical systems, BXA must quickly address and resolve weaknesses that could put critical operations and assets at risk.

| | Base | | Increase/Decrease | |
|--|------|----------|-------------------|----------|
| | FTE | Amount | FTE | Amount |
| Enhanced Efficiency of the Export Control System | 206 | \$33,577 | +5 | +\$1,140 |

In response to concerns expressed by Congress and the business community regarding the timeliness of BXA's licensing and regulatory activities, BXA proposes hiring additional front line licensing and regulatory experts. These new resources, dedicated to direct service delivery, will enhance BXA's ability to carry out its export control functions in a more timely and effective manner.

| | | | | |
|-----------------------------|-----|----------|-----|----------|
| Enhanced Export Enforcement | 200 | \$29,323 | +17 | +\$5,356 |
|-----------------------------|-----|----------|-----|----------|

BXA's greatest concerns are illegal exports or the diversion of exports of items that could contribute to the weapons of mass destruction programs of China, Russia, and India or to the terrorist capabilities of certain rogue states such as Iraq, Iran, Libya, and Syria. Preventing assistance to these weapons of mass destruction programs or capabilities is one of the U.S. government's highest security priorities. BXA meets these concerns, in part, by sending experienced export enforcement agents overseas both on long-term assignments as export control attachés as well as on temporary assignments to conduct onsite end-use checks (both prelicense and post shipment). The additional funds will enable BXA to post attachés in China, Russia, the United Arab Emirates, India, Singapore, and Egypt to reduce risk of transshipments through these countries to terrorist states. BXA also will enhance its export control efforts throughout the United States through outreach with industry and with the establishment of new field offices in the critical ports of Seattle and Houston.

| | | | | |
|---|----|---------|----|--------|
| Critical Infrastructure Outreach to State and Local Governments | 50 | \$6,326 | +0 | +\$430 |
|---|----|---------|----|--------|

Consistent with Executive Order 13231, entitled "Critical Infrastructure Protection in the Information Age," the Critical Infrastructure Assurance Office is the key government focal point for outreach efforts not only to the private sector on critical infrastructure assurance and protection issues, but also to state and local governments. The additional funds will permit the outreach team to engage skilled personnel from the private industry, other federal entities, and state and local governments, as appropriate, to help develop effective programs for cyber security and infrastructure protection.

| | | | | |
|---|---|-----|-----|-----------|
| Homeland Security Information Technology and Evaluation Program | 0 | \$0 | +15 | +\$20,000 |
|---|---|-----|-----|-----------|

This new program office will be administered by the Critical Infrastructure Assurance Office and will work closely with the Office of Homeland Security and Office of Management and Budget to ensure consistency with the Administration's Homeland Security policy. This office will develop initiatives to promote the coordinated use of information technology for homeland security purposes. The office will study federal information systems to improve information sharing among federal agencies for law enforcement, intelligence, border security, and immigration. This office also will develop methods to improve information sharing among federal law enforcement and intelligence agencies, first responders, state and local governments, and law enforcement agencies. In each area, the office will identify shortfalls and gaps in existing agency systems and then recommend ways to address them. The office also will recommend ways to eliminate duplication among agencies' efforts.

Targets and Performance Summary

See individual Performance Goal sections for further description of each measure

During the last few years, following the advice and recommendation of auditing agencies, BXA made substantial changes to its performance goals and measures. Last year BXA refined its performance goals and measures by (1) focusing on quality and exporter satisfaction, (2) making the measures more readable by using "plain language," and (3) selecting new measures that accurately monitor BXA's program performance. As recommended by the General Accounting Office and the Office of the Inspector General, we improved management controls to ensure accurate reporting by utilizing data from our management information system, Export Control Automated Support System. In FY 2002, BXA plans to expand its validation of performance data by sampling the automated data and matching selected records to paper files.

Performance Goal 1: Enhance the efficiency of the export control system while protecting U.S. national security interests

| Measure | FY 1999 | FY 1999 | FY 2000 | FY 2000 | FY 2001 | FY 2001 | FY 2002 | FY 2003 |
|--|---------|---------|---------|---------|---------|---------|----------|---------|
| | Target | Actual | Target | Actual | Target | Actual | Target | Target |
| Average Processing Time for Export Licenses (Days) | 33 | 40 | 33 | 38.8 | 32 | 40.4 | 39 | 39 |
| Average Processing Time for Commodity Classification Requests (Days) | New | 47 |
| Average Processing Time for Issuing Draft Regulations (Months) | New | 3 |
| Level of Exporter Understanding of BXA Export Control Requirements | New | New | New | New | New | New | Baseline | TBD |

Performance Goal 2: Ensure U.S. industry compliance with the Chemical Weapons Convention (CWC)

| Measure | FY 1999 | FY 1999 | FY 2000 | FY 2000 | FY 2001 | FY 2001 | FY 2002 | FY 2003 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| | Target | Actual | Target | Actual | Target | Actual | Target | Target |
| Number of Site Assistance Visits Conducted to Assist Companies Prepare for CWC International Inspections | New | New | New | New | New | New | 12 | 12 |

Performance Goal 3: Detect illegal export transactions and penalize violators

| Measure | FY 1999 | FY 1999 | FY 2000 | FY 2000 | FY 2001 | FY 2001 | FY 2002 | FY 2003 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| | Target | Actual | Target | Actual | Target | Actual | Target | Target |
| Number of Investigations Accepted for Administrative or Criminal Remedies | 73 | 68 | 80 | 93 | 70 | 81 | 75 | 75 |
| Timely Recommendations Made on License Applications by Enforcement Analysts (Days) | New | New | New | New | New | New | 6 | 6 |
| Number of Postshipment Verifications Completed | New | New | New | New | New | New | 300 | 300 |

Performance Goal 4: Assist key nations to establish effective export control programs

| Measure | FY 1999 Target | FY 1999 Actual | FY 2000 Target | FY 2000 Actual | FY 2001 Target | FY 2001 Actual | FY 2002 Target | FY 2003 Target |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Number of Nonproliferation and Export Control International Cooperative Exchange Activities Conducted | 42 | 45 | 30 | 39 | 37 | 43 | 44 | 44 |
| Number of Targeted Deficiencies Remedied in the Export Control Systems of Key Nations | New | New | New | New | New | New | 20 | 25 |

Performance Goal 5: Coordinate activities for the protection of critical infrastructures and to assure that the federal government continues to be able to deliver services essential to the nation's security, economy, or the health and safety of its citizens

| Measure | FY 1999 Target | FY 1999 Actual | FY 2000 Target | FY 2000 Actual | FY 2001 Target | FY 2001 Actual | FY 2002 Target | FY 2003 Target |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| Number of Outreach Conferences or Seminars | New | New | New | New | New | New | 1 | 1 |
| Partnership for Critical Infrastructure Security Conference | New | New | New | New | New | New | 3 | 1 |
| Best Practice Conference | New | New | New | New | New | New | 40 | 30 |
| Audit Seminars | New | Updates or Revisions |
| Completion of an Integrated National Strategy for Securing the Nation's Critical Infrastructures | N/A | New | New | New | New | New | New | Updates or Revisions |
| Number of Large, Civilian Federal Departments and Agencies Working Toward Completion of the Three Step Project Matrix Process | Step 1 | New | New | New | New | New | 9 | 5 |
| | Step 2 | New | New | New | New | New | 3 | 9 |
| | Step 3 | New | New | New | New | New | 0 | 3 |

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full Time Equivalent (FTE)

Performance Goal 1: Enhance the efficiency of the export control system while protecting U.S. national security interests

| | FY 1999 Actual | FY 2000 Actual | FY 2001 Actual | FY 2002 Available | FY 2003 Base | Increase/ Decrease | FY 2003 Request |
|---------------------------------------|-------------------|-------------------|-------------------|----------------------|-----------------|-----------------------|--------------------|
| Management and Policy Coordination | 1.0 | 0.8 | 0.8 | 1.9 | 1.8 | 0.0 | 1.8 |
| Export Administration | 19.1 | 16.0 | 19.0 | 25.4 | 26.4 | 1.1 | 27.5 |
| Reimbursable | 0.8 | 0.8 | 0.8 | 1.0 | 1.0 | 0.0 | 1.0 |
| Total Funding | 20.8 | 17.8 | 20.8 | 28.2 | 30.3 | 1.1 | 30.3 |
| IT Funding ¹ | 0.6 | 0.7 | 0.8 | 1.6 | 1.0 | 0.3 | 1.3 |
| FTE | 148 | 136 | 136 | 168 | 193 | 0.0 | 193 |

Performance Goal 2: Ensure U.S. industry compliance with the Chemical Weapons Convention

| | FY 1999 Actual | FY 2000 Actual | FY 2001 Actual | FY 2002 Available | FY 2003 Base | Increase/ Decrease | FY 2003 Request |
|---------------------------------------|-------------------|-------------------|-------------------|----------------------|-----------------|-----------------------|--------------------|
| Management and Policy Coordination | New | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Export Administration | New | 4.2 | 6.5 | 8.0 | 7.3 | 0.0 | 7.3 |
| Reimbursable | New | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Funding | New | 4.2 | 6.5 | 8.0 | 7.3 | 0.0 | 7.3 |
| IT Funding ¹ | New | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FTE | New | 30 | 22 | 48 | 29 | 0 | 29 |

Performance Goal 3: Detect illegal export transactions and penalize violators

| | FY 1999 Actual | FY 2000 Actual | FY 2001 Actual | FY 2002 Available | FY 2003 Base | Increase/ Decrease | FY 2003 Request |
|---------------------------------------|-------------------|-------------------|-------------------|----------------------|-----------------|-----------------------|--------------------|
| Management and Policy Coordination | 1.2 | 1.2 | 1.1 | 1.9 | 2.2 | 0.0 | 2.2 |
| Export Enforcement | 23.9 | 24.5 | 25.9 | 27.1 | 29.3 | 5.4 | 34.7 |
| Reimbursable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Funding | 25.2 | 25.7 | 26.9 | 29.1 | 31.5 | 5.4 | 36.9 |
| IT Funding ¹ | 0.7 | 1.0 | 1.0 | 1.6 | 1.1 | 0.4 | 1.5 |
| FTE | 183 | 175 | 178 | 208 | 203 | 22 | 225 |

Performance Goal 4: Assist key nations to establish effective export control program

| | FY 1999 Actual | FY 2000 Actual | FY 2001 Actual | FY 2002 Available | FY 2003 Base | Increase/ Decrease | FY 2003 Request |
|---------------------------------------|-------------------|-------------------|-------------------|----------------------|-----------------|-----------------------|--------------------|
| Management and Policy Coordination | 1.2 | 1.4 | 1.5 | 1.8 | 1.4 | 0.0 | 1.4 |
| Reimbursable | 3.0 | 8.8 | 10.4 | 9.6 | 5.0 | 0.0 | 5.0 |
| Total Funding | 4.2 | 10.2 | 11.8 | 11.4 | 6.4 | 0.0 | 6.4 |
| IT Funding ¹ | 0.1 | 0.4 | 0.4 | 0.6 | 0.2 | 0.1 | 0.3 |
| FTE | 9 | 9 | 9 | 9 | 9 | 0 | 9 |

Performance Goal 5: Coordinate activities for the protection of critical infrastructures and to assure that the Federal government continues to be able to deliver services essential to the nation's security, economy, or the health and safety of its citizens

| | FY 1999 Actual | FY 2000 Actual | FY 2001 Actual | FY 2002 Available | FY 2003 Base | Increase/ Decrease | FY 2003 Request |
|--|-------------------|-------------------|-------------------|----------------------|-----------------|-----------------------|--------------------|
| Management and Policy Coordination | 0.2 | 0.2 | 0.2 | 0.5 | 1.7 | 0.0 | 1.7 |
| Critical Infrastructure | 4.4 | 4.4 | 4.8 | 6.4 | 6.4 | 0.4 | 6.8 |
| Homeland Security and Information Intelligence | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.0 | 20.0 |
| Reimbursable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Funding | 4.6 | 4.6 | 5.0 | 6.9 | 8.1 | 20.4 | 28.5 |
| IT Funding ¹ | 0.1 | 0.2 | 0.2 | 0.4 | 1.1 | 0.1 | 1.2 |
| FTE | 7 | 16 | 16 | 52 | 52 | 15 | 67 |

Discontinued Performance Goal: The U.S. defense industrial base is healthy and competitive

| | FY 1999 Actual | FY 2000 Actual | FY 2001 Actual | FY 2002 Available | FY 2003 Base | Increase/ Decrease | FY 2003 Request |
|------------------------------------|-------------------|-------------------|-------------------|----------------------|-----------------|-----------------------|--------------------|
| Management and Policy Coordination | 0.2 | 0.2 | 0.2 | Discontinued | Discontinued | Discontinued | Discontinued |
| Export Administration | 3.7 | 3.7 | 4.0 | | | | |
| Reimbursable | 0.3 | 0.3 | 0.3 | | | | |
| Total Funding | 4.2 | 4.3 | 4.4 | | | | |
| IT Funding ¹ | 0.1 | 0.2 | 0.2 | | | | |
| FTE | 30 | 32 | 27 | | | | |

Grand Total

| | FY 1999 Actual | FY 2000 Actual | FY 2001 Actual | FY 2001 Available | FY 2003 Base | Increase/ Decrease | FY 2003 Request |
|--|-------------------|-------------------|-------------------|----------------------|-----------------|-----------------------|--------------------|
| Operations and Administration | | | | | | | |
| Management and Policy Coordination | 3.8 | 3.8 | 3.7 | 6.0 | 6.2 | 1.0 | 7.2 |
| Export Administration | 22.8 | 24.2 | 29.5 | 33.4 | 33.6 | 1.1 | 34.7 |
| Export Enforcement | 23.9 | 24.5 | 25.9 | 27.2 | 29.3 | 5.4 | 34.7 |
| Critical Infrastructure | 4.4 | 4.4 | 4.8 | 6.4 | 6.3 | 0.4 | 6.8 |
| Homeland Security and Information Intelligence | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.0 | 20.0 |
| Total Funding | 58.9 | 66.8 | 75.4 | 83.6 | 81.4 | 27.9 | 109.3 |
| Direct | 54.9 | 57.0 | 63.8 | 73.0 | 75.4 | 27.9 | 103.3 |
| Reimbursable ² | 4.0 | 9.8 | 11.6 | 10.7 | 6.0 | 0.0 | 6.0 |
| IT Funding ¹ | 1.7 | 2.6 | 2.6 | 4.2 | 4.3 | 0.0 | 4.3 |
| FTE | 378 | 398 | 388 | 485 | 485 | 38 | 523 |

1 IT funding included in total funding.

2 Reimbursable funding included in total funding.

Note: Totals may differ slightly due to rounding.

Skills Summary

- Extensive working knowledge of the EAA, Export Administration Regulations, and related Executive Orders pertaining to the control of dual-use commodities
- Knowledge of world political/economic systems and current trends in U.S. trade and national security and foreign policy issues
- Superior analytic abilities for complex licensing/policy decisions and regulatory interpretations

IT Requirements

- Computer programmers, system analysts, database managers, and network engineers

FY 2003 Performance Goals

Performance Goal 1: Enhance the Efficiency of the Export Control System While Protecting U.S. National Security Interests

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: "By use of a dual-use export control system that continuously is refined to respond to changing requirements, transactions that are contrary to U.S. security interests are deterred and transactions without proliferation potential are facilitated.")

Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Rationale for Performance Goal

The Bureau of Export Administration (BXA) serves U.S. businesses engaged in international trade by processing export license applications for controlled commodities in accordance with export administration regulations (EAR). BXA also serves U.S. businesses by making prompt decisions on license and related applications and by providing guidance to exporters on how to conform to applicable laws and regulations. We are particularly vigilant in evaluating transactions involving advanced technologies and dual-use products that potentially can be diverted to use in missile programs or in chemical, biological, nuclear, or conventional weapons programs.

Responding to increased concern about the proliferation of weapons of mass destruction, BXA continues to refine U.S. export controls in light of geopolitical and business realities. We also seek to enhance the effectiveness of the EAR by educating stakeholders in the export licensing process (that is, exporting companies), and thereby improving industry compliance with export control regulations. These efforts will increase the efficiency of the license processing system and thus enable exporters to be more competitive in the global economy while deterring transactions that threaten U.S. security interests.

Measure 1a: Average Processing Time for Export Licenses (Days)

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: “Average processing time for license applications (days)”)

Data Validation and Verification

Data source: ECASS

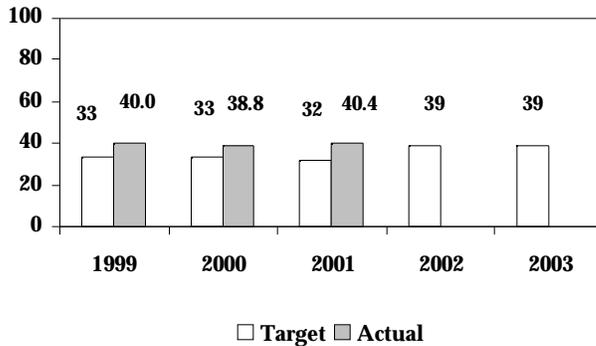
Frequency: Annual

Data storage: ECASS

Verification: BXA’s Office of Planning, Evaluation, and Management (OPEM) will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: The majority of licenses are referred out to other agencies for review.

Actions to be taken: The target has been adjusted to reflect the executive order that states other agencies have nine days to review referred applications.



| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | 33 | 33 | 32 | 39 | 39 |
| Actual | 40 | 38.8 | 40.4 | | |
| Met/Not Met | Not Met | Not Met | Not Met | | |

Explanation of Measure

This measure reflects the average number of processing days that elapse between registration (date license application is entered in the Export Control Automated Support System [ECASS]) and final action (date license is approved, denied, or returned without action) for all applications processed during the fiscal year. The number of export licenses that were approved, denied, or returned without action is linked with this measure and is tracked and reported as part of this measure. The less time it takes to process a license application, the sooner an exporter can ship the product. Faster processing of export license applications enables U.S. exporters to be more competitive, U.S. exporters lose sales if a foreign competitor can ship a product faster.

We are seeking in a number of ways to reduce processing time for cases that undergo interagency review, including developing standard license conditions acceptable to all agencies that will apply to certain categories of cases. Because most applications are approved with conditions, defining pre-approved conditions acceptable to all export control agencies would significantly reduce the time it takes to craft agreements on a case-by-case basis that are acceptable to the exporters, to BXA, and to the reviewing agencies.

The FY 2001 target of 32 days was not met. The average processing time in FY 2001 was 40.4 days. This represents the average processing time of 10, 773 export licenses that were approved, denied, or returned without action for FY 2001.

The number of export licenses approved, denied, or returned without action for FY 1999 through FY 2001 are:

| FY 1999 | FY 2000 | FY 2001 |
|---------|---------|---------|
| 12,598 | 11,039 | 10,773 |

License processing times are influenced by many factors including increases in processing times of referral agencies and loss of experienced export control licensing officers. Under the Executive Order, BXA has nine days to approve, deny, or refer license applications to other agencies for review. The other agencies have 30 days to review referred applications. The majority of license applications BXA receives are referred to other agencies for review. While BXA continually strives to reduce licensing-processing times, this 30-day review by other agencies makes meeting a 32-day target processing time difficult. Therefore, BXA is adjusting the target to match the Executive Order.

Measure 1b: Average Processing Time for Commodity Classification Requests (Days)

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | New | New | New | New | 47 |
| Actual | | | | | |
| Met/Not Met | | | | | |

Data Validation and Verification

Data source: ECASS

Frequency: Annual

Data storage: ECASS

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: None

Actions to be taken: None

Explanation of Measure

This measure tracks the average processing time for commodity classification requests. Exporters submit commodity classification requests to BXA to learn the proper classification of their products for export purposes and what limitations apply to the item they seek to export. These classifications are significant to exporters because they indicate whether individual licenses are required to export classified products. Items that do not require licenses can be shipped with few restrictions while items that require a license must go through the interagency license application review process. As time is critical in international trade, prompt responses to commodity classification requests are important to U.S. exporters. The number of commodity classification requests processed is linked with this measure and will be tracked and reported as part of this measure.

The average processing time in FY 2001 for commodity classification requests was 48 days. The FY 2003 target of 47 days is based on the assumption that Export Administration will get supplemental funds to hire additional technical licensing experts in FY 2003. FY 2003 performance measures were developed and tied to BXA's FY 2003 budget request. At the requested levels, BXA anticipates focusing sufficient resources to achieve the target for processing commodity classification requests. We believe these resources will help to improve the processing times. Given the lag associated with when fiscal appropriations are received and the time it takes to recruit, hire, and train new personnel, we anticipate that these resources will not be deployed until the third quarter of FY 2003, and thus we have assumed a conservative target goal of one day for process improvements in the first year.

Measure 1c: Average Processing Time for Issuing Draft Regulations (Months)

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | New | New | New | New | 3 |
| Actual | | | | | |
| Met/Not Met | | | | | |

Data Validation and Verification

Data source: Paper records, such as multilateral regime meeting minutes, notifications to the Regulation Division, and draft regulations.

Frequency: Annual

Data storage: Office files.

Verification: BXA's OPEM will validate the performance measure data against supporting documentation.

Data limitations: None

Actions to be taken: None

Explanation of Measure

Regulations are the specific, detailed statements of the requirements exports must meet in order to be legal. Whether regulations liberalize or restrict exports, their prompt promulgation significantly affects both trade/economic and national security concerns. Timely modifications to regulations are critical to implement significant changes in the U.S. government's export control system. These changes can reduce the number of license requirements imposed on U.S. exporters, close loopholes in the regulations, implement international agreements, or address new export control challenges. BXA will strive to issue regulations within three months of a decision made to make regulatory changes.

The FY 2003 performance measures were developed and based on BXA's FY 2003 budget request. At the requested levels, BXA anticipates focusing sufficient resources to achieve the target for issuing draft regulations.

Measure 1d. Level of Exporter Understanding of BXA Export Control Requirements

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | New | New | New | New | TBD |
| Actual | | | | | |
| Met/Not Met | | | | | |

Data Validation and Verification

Data source: Survey

Frequency: Annual

Data storage: Survey Results Files

Verification: BXA's OPEM will validate the performance measure data against supporting documentation.

Data limitations: None

Actions to be taken: None

Explanation of Measure

This measure indicates the effectiveness of BXA's export control outreach program. BXA will conduct surveys in FY 2002 that will establish a baseline for the level of exporter understanding of the Bureau's EAR. At the end of FY 2002, the survey results will be used to establish future targets designed to enhance our services and strengthen levels of exporter understanding. BXA's export control outreach program is a means for transferring knowledge from the government to the private sector regarding export control

requirements. The BXA outreach program to the domestic and international business communities encourages compliance with the EAR. Seminars also heighten business awareness of Administration objectives and improve compliance with regulatory requirements. These seminars also help to identify market opportunities for firms in the U.S. defense industrial base and to identify those firms that could benefit from BXA advocacy and defense industrial base programs.

FY 2001 Program Evaluations for Performance Goal 1: Enhance the Efficiency of the Export Control System While Protecting U.S. National Security Interests

In FY 2001, the General Accounting Office and the Office of the Inspector General continued their ongoing reviews of BXA's programs and activities. Additionally, BXA's Office of Planning Evaluation and Management (OPEM) conducted several analyses of various aspects of the export licensing process. OPEM also conducted an annual review of the performance data to ensure that it was complete and accurate. During this process, significant deviations from projected targets were discussed with the appropriate office so that program changes could be made to help achieve BXA performance goals.

To support this goal, auditing agencies conducted several reviews related to controlling exports of high-performance computers and semiconductor manufacturing equipment and materials, the licensing process, the process for making commodity jurisdiction and classification determinations, procedures for development and application of the Commerce Control List, the way that the U.S. government monitors activities in U.S. capital markets by foreign firms or persons that may be involved in proliferation activities, and review of ECASS modernization efforts. Recommendations accepted by BXA have already resulted in changes to the EAR and improvement of its internal procedures.

Discontinued Measures

Number of Licensing Decisions

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| Target | 12,000 | 12,500 | 14,000 | Discontinued | Discontinued |
| Actual | 12,598 | 11,039 | 10,773 | | |
| Met/Not Met | Met | Not Met | Not Met | | |

Data Validation and Verification

Data source: ECASS

Frequency: Annual

Data storage: ECASS

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: Projected targets cannot predict unforeseeable shifts in U.S. policy and new legislation.

Actions to be taken: None

Explanation of Measure

This measure counts the total number of export license applications that were approved, denied, or returned without action during each fiscal year. The number of export licensing decisions is an output measurement for the scope of the dual-use export control system as it relates to trade of advanced goods and technology.

The FY 2001 target of 14,000 licensing decisions was not met. This was primarily due to unforeseeable shifts in U.S. policy and new legislation that resulted in fewer export license requirements and licensing decisions

in FY 2001. The target was based on the assumption that applications would continue to increase as more entities were added to the Commerce Entity List. However since FY 1999, there have been minimal additions and significant reductions to the Entity List. The number of applications received and subsequently reviewed and closed was also significantly affected by unanticipated liberalizations and decontrols for encryption products and computers. This performance measure is discontinued beginning in FY 2002 as a separate measure. However, the number of licensing decisions will be reported annually under the timeliness measure of processing time for export licenses.

Number of High-risk Transactions Deterred

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | 504 | 508 | 512 | Discontinued | Discontinued |
| Actual | 1,160 | 398 | 225 | | |
| Met/Not Met | Met | Not Met | Not Met | | |

Data Validation and Verification

Data source: ECASS

Frequency: Annual

Data storage: ECASS

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: The data available to assess this measure is too limited. The measure is based on the number of license applications denied which is only one aspect of export control deterrence.

Actions to be taken: This performance measure is discontinued beginning in FY 2002.

Explanation of Measure

The number of high-risk transactions that BXA reviewed and subsequently denied is based upon a careful risk assessment. U.S. security is enhanced through the judicious implementation of controls on transfers of materials, equipment, technology, and software that could be used for weapons applications.

The FY 2001 target of 512 cases was not met due to unforeseeable shifts in U.S. policy. The 512 target was based on U.S. sanctions on India and Pakistan. However, the partial lifting of these sanctions in FY 2000 and FY 2001 resulted in the return of rejections of license applications to the previous lower range. Additionally, this target was set, in part, based on the percentage of the licenses reviewed, which decreased during this period. This performance measure is discontinued beginning in FY 2002 because we have no quantitative way in which to measure certain aspects of deterrence. Export Administration management believes that the new performance measures developed for FY 2003 are stronger Export Administration performance indicators.

Number of Export Assistance Seminars or Conferences

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | 204 | 115 | 120 | Discontinued | Discontinued |
| Actual | 136 | 86 | 106 | | |
| Met/Not Met | Not Met | Not Met | Not Met | | |

Data Validation and Verification

Data source: Paper records, such as agendas and published materials

Frequency: Annual

Data storage: Office Files

Verification: BXA's OPEM will validate the performance measure data against supporting documentation.

Data limitations: Data represents workload, not quality of export outreach programs.

Actions to be taken: This measure is discontinued beginning in FY 2002.

Explanation of Measure

This measure counts the number of training events for exporters of U.S. commodities where BXA either is a sponsor or participant. This output measure reflects the transfer of knowledge from the government to the private sector regarding export control requirements.

The FY 2001 target of 120 seminars or conferences was not met. In part, this was because program priority changes and staff shortages compelled BXA to decline some event opportunities and to focus resources on holding fewer seminars and crafting programs that attracted larger and more diverse audiences. This measure is discontinued beginning in FY 2002. The outcome of the outreach program will be reflected under measure 1d "Level of exporter understanding of BXA export control requirements."

Cross-cutting Activities

Intra-Department of Commerce

- BXA works with the International Trade Administration's U.S. and Foreign Commercial Service (US&FCS) offices located around the world to coordinate activities associated with planning and conducting export control seminars and with conducting pre- and postshipment export license reviews.
- BXA employs a full-time export administration specialist in the Department of Commerce's Public Information Office in the Reagan International Trade Center, where BXA is one of eight department agencies represented. The specialist operates as an export counselor providing information in response to walk-in or telephone inquiries.

Other Government Agencies

- Departments of State, Defense, Energy, Treasury, and Justice and the Central Intelligence Agency-- BXA works with these Executive-branch organizations to develop and implement U.S. export control policy and programs, including reviewing license applications, developing encryption policy and high-performance computer control policy, implementing sanctions, and participating in multilateral regimes such as the Missile Technology Control Regime, the Nuclear Suppliers Group, the Australia Group, and the Wassenaar Arrangement. BXA also coordinates intelligence and law enforcement operations with these agencies.

Government/Private Sector

- BXA consults with the President's Export Council Subcommittee on Export Administration (PECSEA), a senior-level advisory committee whose members are appointed by the Secretary of Commerce to advise the U.S. Government on matters and issues pertinent to implementation of the provisions of the EAA and the EAR, as amended, and related statutes and regulations. These issues relate to U.S. export controls for national security, foreign policy, nonproliferation, and short supply reasons.
- The EAA authorizes technical advisory committees to advise the Department of Commerce and other agencies on technical issues related to export control regulations and policy.

External Factors and Mitigation Strategies

Compliance with export control laws may be compromised if exporters are not aware of changes in requirements pertaining to them. BXA mitigates this situation by ensuring that exporters have ready access to regulatory and policy changes through seminars, individual counseling, and the Internet.

Performance Goal 2: Ensure U.S. Industry Compliance with the Chemical Weapons Convention (CWC)

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: "The United States is in full compliance with the CWC and all confidential business information of U.S. companies subject to inspection under the CWC is effectively protected.")

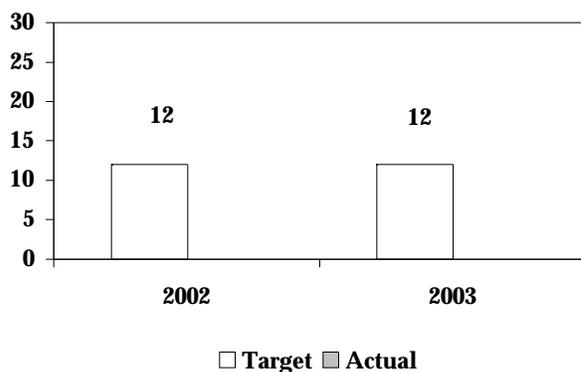
Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Rationale for Performance Goal

The BXA is responsible for ensuring U.S. industry's compliance with the treaty requirements of the CWC. BXA collects, validates, and aggregates data from those U.S. companies that manufacture or use chemicals covered by the convention; educates those companies on their treaty rights and obligations; and serves as the lead U.S. Government agency for hosting international inspectors who are inspecting U.S. business facilities subject to convention requirements. BXA's primary host team role is to ensure that confidential business information is protected during inspections of U.S. chemical firms.

Measure 2a: Number of Site Assistance Visits Conducted to Assist Companies Prepare for CWC International Inspections



Data Validation and Verification

Data source: Organization for the Prohibition of Chemical Weapons reports
Frequency: Annual
Data storage: Office Files
Verification: BXA's OPEM will validate the performance measure data against supporting documentation.
Data limitations: None
Actions to be taken: None

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | New | New | New | 12 | 12 |
| Actual | | | | | |
| Met/Not Met | | | | | |

Explanation of Measure

BXA is responsible for overseeing industry compliance with the CWC. This responsibility includes facilitating domestic visits of international inspection teams to determine compliance with the multilateral

treaty obligations by covered U.S. facilities and informing industry of its obligations under the treaty. Industry site assistance visits prepare facilities that make or use chemicals subject to the CWC to receive a team of international inspectors. These visits are to ensure the inspections run smoothly with no potential loss of proprietary business information. The projected target of 12 site assistance visits for FY 2002 and 2003 is based on historical performance.

FY 2001 Program Evaluations for Performance Goal 2: Ensure U.S. Industry Compliance with the Chemical Weapons Convention (CWC)

None

Discontinued Measures

Number of U.S. Facilities in Compliance with CWC Regulations

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| Target | New | New | New | Discontinued | Discontinued |
| Actual | | | | | |
| Met/Not Met | | | | | |

Data Validation and Verification

Data source: Organization for the Prohibition of Chemical Weapons reports

Frequency: Annual

Data storage: Paper Files

Verification: BXA's OPEM will validate the performance measure data against supporting documentation.

Data limitations: None

Actions to be taken: None

Explanation of Measure

The measure helps monitor the implementation of CWC and the impact it has on U.S. businesses. This performance measure was planned for FY 2002; however, it is being replaced with measure 2a, which quantifies the assistance that is provided to industry subject to the CWC inspections and is a better measure of program performance.

Cross-cutting Activities

Other Government Agencies

- Governments of nations that conform to the CWC--BXA has negotiated bilateral and multilateral agreements that demonstrate compliance with the CWC.
- Departments of State and Defense--BXA works with these Executive branch agencies to develop and implement U.S. policy and programs related to implementation of the CWC and to effectively coordinate industry site visits so that inspected companies comply with their statutory and regulatory obligations.

Government/Private Sector

- American Chemistry Council and the Society of Chemical Manufacturers of America--BXA negotiates controls and policies that conform to the CWC while also protecting the valid concerns and interests of U.S. industry.

External Factors and Mitigation Strategies

BXA conducts both informational seminars and outreach visits that help companies prepare for CWC inspections. The Organization for the Prohibition of Chemical Weapons establishes the number of CWC inspections based on (1) a mandated minimum number and (2) risk assessments that the Organization for the Prohibition of Chemical Weapons performs. The second factor is outside BXA's control. If the number of inspections increases, the ability of BXA to assist companies in preparing for these inspections could be limited due to budget constraints. BXA mitigates these potential problems by working closely with the Organization for the Prohibition of Chemical Weapons to anticipate inspection requirements and properly address them in the budget planning process.

Performance Goal 3: Detect Illegal Export Transactions and Penalize Violators

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: "Violations of dual-use export control laws are identified and violators are sanctioned.")

Corresponding Strategic Goal

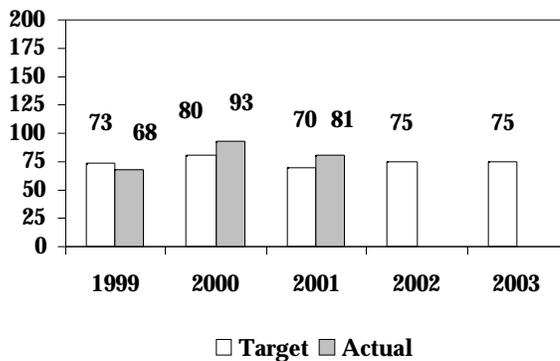
Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Rationale for Performance Goal

To be effective, export controls must be enforced and violators punished. The Bureau of Export Administration (BXA) enforces dual-use export controls for reasons of national security, nonproliferation, counterterrorism, foreign policy, and short supply. The Bureau also enforces the antiboycott provisions of the Export Administration Regulations (EAR), the Chemical Weapons Convention Implementation Act of 1998, and the Fastener Quality Act (FQA).

BXA conducts outreach and education programs to train U.S. exporters to identify and avoid illegal transactions. We also investigate suspected violations of the EAR. A key element of BXA's preventive enforcement program is the onsite visits made to both current and potential foreign end users of sensitive technology. In addition, BXA works with its foreign counterpart agencies to encourage other governments to implement enforcement measures to complement our own efforts.

Measure 3a: Number of Investigations Accepted for Administrative or Criminal Remedies



Data Validation and Verification

Data source: ECASS and the Case Management Database
Frequency: Annual

Data storage: ECASS and the Case Management Database

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: The ability to ensure that we meet our target depends on such external considerations as acceptance by the Department of Justice for criminal prosecution, factors which are beyond our control.

Actions to be taken: None

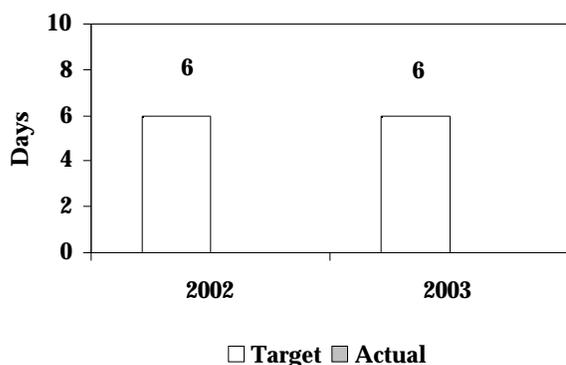
| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | 73 | 80 | 70 | 75 | 75 |
| Actual | 68 | 93 | 81 | 75 | 75 |
| Met/Not Met | Not Met | Met | Met | Met | Met |

Explanation of Measure

This measure tracks the number of investigations that are accepted by the Department of Commerce Office of Chief Counsel for Export Administration (OCC/EXA) for administrative remedy and by the Department of Justice (DOJ) for criminal prosecution. Acceptance denotes that a specific threshold of evidence has been met to proceed with prosecution. BXA will continue to devote its current level of enforcement resources to investigations that have the highest probability of leading to prosecution of export violators.

The FY 2001 target of 70 cases was met by completing 81 cases. This higher number of cases reflects the growing level of experience of newer special agents and a concerted effort on the part of Export Enforcement senior management to concentrate on developing investigations that lead to criminal and/or administrative remedies. Although the trend shows that we have exceeded our target for this measure for the past two fiscal years, BXA management has chosen to maintain a target of 75 cases accepted for criminal or administrative remedies. The ability to ensure that we meet our target depends on such external considerations as acceptance by the Department of Justice for criminal prosecution, factors which are beyond our control. Further, the absence of an Export Administration Act, which is in lapse, makes cases more difficult to accept, particularly in the criminal arena.

Measure 3b: Timely Recommendations Made on License Applications by Enforcement Analysts (days)



Data Validation and Verification

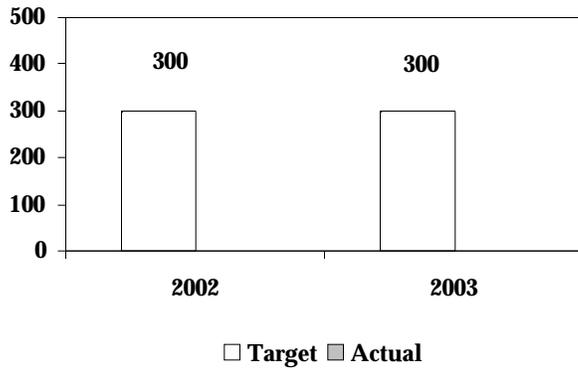
Data source: ECASS
Frequency: Annual
Data storage: ECASS
Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.
Data limitations: None
Actions to be taken: None

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | New | New | New | 6 | 6 |
| Actual | | | | | |
| Met/Not Met | | | | | |

Explanation of Measure

The Office of Enforcement Analysis (OEA) screens all export license applications to detect potential illegal exports, employing a process that includes screening exports of license applications against several databases. Recommendations are timely if made within six days of the export license application registration date (date application is entered in ECASS). This preventive enforcement measure helps to determine which license applications for the export of strategic technology should not be granted because the parties involved are questionable. OEA has projected a target of 6 days for FY 2002 and 2003 based on historical performance for this activity.

Measure 3c: Number of Postshipment Verifications Completed



Data Validation and Verification

Data source: ECASS and the Case Management Database
Frequency: Annual
Data storage: ECASS and the Case Management Database
Verification: BXA's OPEM will validate the performance measure data against supporting documentation, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.
Data limitations: None
Actions to be taken: None

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | New | New | New | 300 | 300 |
| Actual | | | | | |
| Met/Not Met | | | | | |

Explanation of Measure

BXA enforcement agents and US&FCS officers conduct postshipment verifications (PSVs) to ensure that exported items are used in accordance with the terms of the export license. PSVs are conducted to ensure that the products are being used by the authorized end users for the authorized end uses. A significant number of PSVs are conducted on high-performance computers as mandated by the National Defense Authorization Act of 1998. Export Enforcement has projected a target of 300 PSVs completed for FY 2002 and 2003 based on historical performance. PSVs were previously tracked and reported as a component of the measure "Number of end use visits conducted," which is discontinued beginning in FY 2002.

FY 2001 Program Evaluations for Performance Goal 3: Detect Illegal Export Transactions and Penalize Violators

OPEM conducted an annual review of the performance data related to this goal to ensure that it is complete and accurate. During this process, significant deviations from projected targets, if any, were discussed with the appropriate office so that program changes could be made to help achieve BXA performance goals.

The General Accounting Office conducted a study on the Fastener Quality Act's Small-Lot Exemption and found no evidence that the fastener industry has changed any practices resulting from the small-lot exemption and provided no recommendations. The small-lot exemption exempts from testing and recordkeeping those fasteners that are (1) ordered for use as a spare, substitute, service, or replacement part in packages containing 75 or fewer items or (2) contained in an assembly kit.

Discontinued Measures

Number of Enforcement Outreach Visits

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | 900 | 900 | 1,010 | Discontinued | Discontinued |
| Actual | 1,199 | 1,025 | 1,046 | | |
| Met/Not Met | Met | Met | Met | | |

Data Validation and Verification

Data source: ECASS

Frequency: Annual

Data storage: ECASS

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: None

Actions to be taken: None

Explanation of Measure

As part of the preventive enforcement mission, special agents educate U.S. companies about BXA's enforcement program and seek the companies' voluntary cooperation in identifying potentially illegal transactions.

The FY 2001 target of 1,010 visits was met. The experience gained by the special agents hired in recent years has enabled them to conduct more outreach visits than originally planned. However, as our newer special agents gain experience and increase their concentration on developing and completing investigations, we should expect the number of outreach visits gradually to decline as these agents focus their attention on conducting more investigations. Therefore, this measure is discontinued beginning in FY 2002. Our decision to discontinue this measure is based on a policy decision to change our focus from conducting outreaches to developing criminal cases. We have already seen the results of this shift in focus and resources by exceeding our target of 70 with 81 cases accepted for criminal and administrative remedies.

Number of Export Investigations Completed

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | 1,300 | 1,300 | 1,225 | Discontinued | Discontinued |
| Actual | 1,042 | 1,260 | 1,181 | | |
| Met/Not Met | Not Met | Not Met | Not Met | | |

Data Validation and Verification

Data source: ECASS and the Case Management Database

Frequency: Annual

Data storage: ECASS and the Case Management Database

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: This measure does not focus on the cases with the highest probability of leading to prosecution of export violators.

Actions to be taken: This measure will be discontinued beginning in FY 2002.

Explanation of Measure

When there is reason to believe that the Export Administration Act and the EAR have been violated, BXA criminal investigators and compliance officers initiate a formal investigation and open a case file. This output measure covers the pursuit of an investigation to a proper conclusion based on the facts and law.

The FY 2001 target of 1,225 investigations was not met. As a result of a policy decision to focus on criminal cases, we have shifted enforcement resources from the number of completed investigations to the number of cases accepted for criminal or administrative remedies, which better represents the outcome of BXA's enforcement efforts because it focuses on the cases with the highest probability of leading to prosecution of export violators. We have already seen the results of this shift in focus and resources by exceeding our target of 70 with 81 cases accepted for criminal and administrative remedies. This measure will be discontinued beginning in FY 2002 because other measures better represent the outcome of BXA's enforcement efforts, that is, the "Number of investigations accepted for administrative or criminal remedies."

Number of End Use Visits Conducted

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | 680 | 680 | 680 | Discontinued | Discontinued |
| Actual | 869 | 965 | 693 | | |
| Met/Not Met | Met | Met | Met | | |

Data Validation and Verification

Data source: ECASS and the access database

Frequency: Annual

Data storage: ECASS and the access database

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: The majority of prelicense checks are conducted by U.S. and Foreign Commercial Service personnel. This not a good measure of BXA's performance, success in meeting this measure is largely beyond our control.

Actions to be taken: This measure will be discontinued beginning in FY 2002.

Explanation of Measure

BXA conducts onsite visits to foreign end users of selected goods and technologies exported under the EAR. These visits consist of prelicense checks and PSVs.

The FY 2001 target of 680 end use visits was met by completing 693 visits. The increase was due to a backlog of high-performance computer PSVs pending from the previous year. In addition, more prelicense checks were completed than anticipated at the beginning of the year. BXA and other participating agencies were more aggressive in conducting prelicense checks based on our analysis of end user and end uses as presented in the license applications. This measure will be discontinued beginning in FY 2002. We decided to discontinue measuring prelicense checks, the majority of which are conducted by U.S. and Foreign Commercial Service personnel. This is not a good measure of BXA's performance, because success in meeting this measure is largely beyond our control as we do not conduct most of the checks. We will continue to measure the number of PSVs completed as a new separate measure, because the majority of these are conducted by BXA personnel, and we have a much greater degree of control over the results of this measure.

Cross-cutting Activities

Intra-Department of Commerce

- BXA works with OCC/EXA on administrative cases developed by BXA's enforcement offices.
- BXA works with the Census Bureau on seminars and data sharing, including Shipper's Export Declaration (SED). We are also working with the Census Bureau on the Automated Export System, a joint venture with other U.S. Government agencies that seeks to implement electronic submission of SED data by the exporter.

Other Government Agencies

- Departments of Justice (DOJ) and State, U.S. Customs Service, Federal Bureau of Investigation, U.S. Postal Service, and the intelligence community--BXA works with these agencies on law enforcement matters, including development of leads, intelligence coordination, implementation of export control policy, and coordination of export license and fastener quality investigations. Export Enforcement field offices and headquarters participate in interagency working groups with the Federal Bureau of Investigation and the Postal Service, and BXA shares data with the U.S. Customs Service via the Treasury Enforcement Computer System.

External Factors and Mitigation Strategies

- Priorities and resources of DOJ and OCC/EXA directly influence the achievement of this goal. BXA mitigates this situation by targeting investigations effectively, conducting them in a professional manner, and presenting them persuasively to prosecutors.
- BXA may also have to rely on other agencies to conduct certain investigative activities. BXA mitigates this by maintaining regular communication with those agencies. BXA also diligently seeks opportunities to work cases jointly with other law enforcement agencies.
- The increasing volume and complexity of international commerce directly increases the difficulty of applying and enforcing export controls and, consequently, the difficulty of preventing proliferation. BXA mitigates this situation by conducting visits overseas to educate foreign consignees about U.S. export laws and by sharing information with foreign export control officials. BXA attempts to focus investigative resources on areas that pose the greatest risk to national security.

Performance Goal 4: Assist Key Nations to Establish Effective Export Control Programs

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: "Export controls of key nations are strong and effective.")

Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

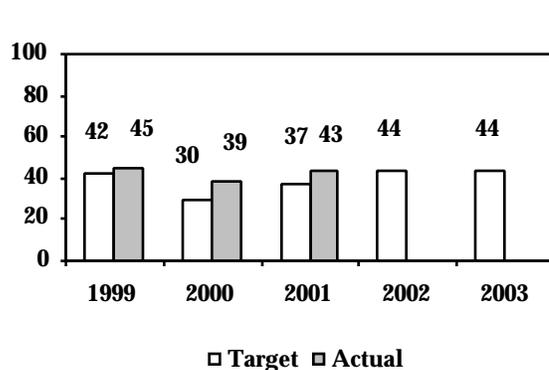
Rationale for Performance Goal

Strong enforcement of U.S. export regulations is critical to protect our security interests. However, U.S. national interests can also be jeopardized if sensitive materials and technologies from other nations reach countries of concern or terrorists. For this reason, the Bureau of Export Administration's (BXA's) strategy includes promoting the establishment of effective export control systems by other nations. BXA has been assisting the countries of the former Soviet Union and the former Warsaw Pact nations of Central Europe to strengthen their export control and enforcement and is also extending technical assistance to other countries considered export or transit proliferation risks.

Through a series of bilateral and regional cooperative activities, BXA helps the nations with which it works to (1) develop the procedures and requirements necessary to regulate the transfer of sensitive goods and technologies, (2) enforce compliance with these procedures and requirements, and (3) promote the industry-government partnership necessary for an effective export control system to meet international standards.

Measure 4a: Number of Nonproliferation and Export Control International Cooperative Exchange Activities Conducted

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: "Number of nonproliferation and export control international cooperative exchanges.")



Data Validation and Verification

Data source: Paper records, such as agendas and published material

Frequency: Annual

Data storage: Office Files

Verification: BXA's OPEM will validate the performance measure data against supporting documentation.

Data limitations: Participation in the exchanges depends largely on the political leadership of the participating countries.

Actions to be taken: None

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | 42 | 30 | 37 | 44 | 44 |
| Actual | 45 | 39 | 43 | | |
| Met/Not Met | Met | Met | Met | | |

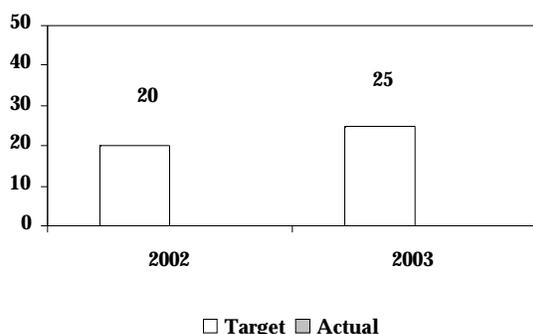
Explanation of Measure

This measure includes technical exchanges, executive exchanges, symposia, workshops, training courses, system capability assessment visits, and other multilateral and bilateral activities in which BXA has the lead or a significant role. These exchange activities are the primary means by which BXA implements its nonproliferation and export control cooperative technical assistance programs with foreign governments. Future targets are established based on available resources and willingness to participate by the foreign governments.

The FY 2001 target of 37 exchange activities conducted was met. The increase in activities is due primarily to the fact that Russia was willing to schedule and conduct more Internal Control Program (ICP) workshops than we had anticipated. ICP workshops provide the necessary materials and information to enable foreign governments to help their industry to develop an effective internal control program for exports and therefore be in voluntary compliance with the export control policies of each individual country. Because the ICP deployment workshops present a standardized program to different audiences, we were able to take advantage of the positive response to the ICP workshops in Russia and rapidly deploy unanticipated additional workshops. This was accomplished by supplementing our staff resources with additional contractor support in order to increase the number of ICP deployment workshops while maintaining the other technical exchange activities at the targeted level.

Measure 4b: Number of Targeted Deficiencies Remedied in the Export Control Systems of Key Nations

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: "Number of targeted deficiencies remedied in the export control systems of cooperating transit or exporting nations.")



Data validation and verification

Data Source: Government publications, statements made by senior foreign government officials, cables, online publications, and academic and intelligence community analyses and assessments
Frequency: Annual
Data storage: Electronic or Office Files
Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.
Data limitations: None
Actions to be taken: None

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|---------|---------|
| Target | New | New | New | 20 | 25 |
| Actual | | | | | |
| Met/Not Met | | | | | |

Explanation of Measure

This performance measure is intended to specify the outcomes related to BXA's international cooperation program. This program aims to enhance the export and transit control systems of nations that lack effective control arrangements and are identified as potential locations for the uncontrolled export or transit of sensitive goods and technologies. Each targeted deficiency represents a specific facet of an export or transit control system that BXA seeks to strengthen through its cooperative activities in participating countries. BXA's Model Country Program identified 56 possible targeted deficiencies and matching remedial activities that are used to assess each country's export control program. Each targeted deficiency remedied shows how BXA can document the influence of its extensive bilateral and regional cooperative activities.

BXA bases and establishes future targets on the pace and timing of activities and the availability of resources to conduct the exchanges that produce outcomes. BXA has projected a target of 20 outcomes to be achieved in FY 2002 and 25 outcomes to be achieved in FY 2003. Because they require action on the part of sovereign governments, outcomes from BXA activities are often not immediately achieved. As a result, for many outcomes, there is an inherent time delay of as much as six months to two years between the performance of an export control technical exchange that addresses a specific desired outcome and BXA's ability to obtain confirming evidence that the outcome has been achieved. Our estimates of future targets are based on historical experience related to the number of outcomes that have been addressed by past technical exchanges, but that have not yet been confirmed with evidence and the number of new outcomes that will be addressed by technical exchanges during the current fiscal year. Efforts to achieve these outcomes are an ongoing process both through additional technical exchange training and through efforts of the target country to improve its export control system.

The increase in the target number of outcomes from FY 2002 to FY 2003 is due to a shift to industry-government technical exchanges that result in more immediate outcomes. As explained earlier, ICP workshops are standardized and easy to deploy. An immediate outcome is achieved when the transfer of knowledge occurs.

The number of nonproliferation and export control international cooperative exchange activities conducted is closely linked to this measure.

FY 2001 Program Evaluations for Performance Goal 4: Assist Key Nations to Establish Effective Export Control Programs

OPEM conducted an annual review of the performance data to ensure that they are complete and accurate. During this process, significant deviations from projected targets were discussed with the appropriate office so that program changes could be made to help achieve the BXA performance goals.

The General Accounting Office conducted a review to identify and analyze federal programs devoted to detecting illicit nuclear materials trafficking at country borders. A draft report with the General Accounting Office's findings is still pending. In addition, three audits were conducted on the Nonproliferation Export Control program during FY 2001: (1) BXA's Office of Planning, Evaluation, and Management completed a program evaluation of the Model Country Program and recommended that criteria be established for determining when outcomes were achieved (evidence for performance data validation); (2) the Los Alamos Technical Associates, an independent contractor from the Department of State, conducted several program reviews to determine the outcome of the U.S. government's efforts to help foreign governments develop their export control programs; and (3) Leonard G. Birnbaum & Company, another independent contractor from the Department of State, conducted a financial audit. Both (2) and (3) will continue in FY 2002.

Cross-cutting Activities

Intra-Department of Commerce

The International Trade Administration, including its US&FCS, and OCC/EXA make invaluable contributions of their expertise, knowledge, and abilities to BXA's program to assist key nations to establish strong, effective export controls.

Other Government Agencies

- Various nongovernmental and academic organizations of individual nations
- U.S. Customs Service and the Weapons Intelligence, Nonproliferation, and Arms Control Center-- BXA coordinates with these agencies regarding export control cooperation technical exchanges and activities with other nations
- Departments of State, Defense, Energy and Justice; U.S. Customs Service, and the Federal Bureau of Investigation--BXA works with these agencies to coordinate assessments of the international export control system and to prioritize, design, and fund programs in which interagency resources are focused on specific national and regional issues

External Factors and Mitigation Strategies

- BXA must continue to rely on other agencies to fund the technical exchange and other activities relating to international export control cooperation. The process of obtaining this funding while satisfying detailed donor agency requirements is extremely cumbersome and fraught with uncertainty and delay, making some inefficiencies unavoidable. BXA attempts to mitigate this by pursuing multiple proposals with multiple potential donor agencies.
- Two factors that drive the scheduling of technical exchange activities are (1) the interagency coordination process that enables agency experts to participate in the exchanges and (2) the priorities of the countries involved. BXA mitigates these factors by conducting close and frequent consultations with pertinent U.S. agencies and client nation officials.
- Unforeseeable shifts in U.S. policy (for example, suspension of activity with Belarus) or in the policies of client nations occasionally may preclude execution of funded, scheduled events or participation of certain national invitees. BXA mitigates these situations by designing fewer events that appeal to a broader range of potential participants. BXA is also proactive in working with service providers to minimize cancellation costs.

Performance Goal 5: Coordinate Activities for the Protection of Critical Infrastructures and to Assure that the Federal Government Continues to Be Able to Deliver Services Essential to the Nation's Security, Economy, or the Health and Safety of its Citizens

Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

Rationale for Performance Goal

The Critical Infrastructure Assurance Office (CIAO) is an interagency office housed at the Bureau of Export Administration (BXA) to coordinate federal government policy and initiatives on critical infrastructure protection. CIAO is responsible for promoting national outreach, education, and awareness; coordinating the preparation of an integrated national strategy for critical infrastructure protection; and developing initiatives to promote coordinated use of information technology for homeland security purposes.

National Awareness and Outreach--The challenge of a national awareness and outreach effort is to present a compelling business case for corporate action. The primary focus of CIAO's efforts will be on critical infrastructure industries (that is, information and communications, banking and finance, transportation, energy, and water supply) and particularly on the corporate boards and chief executive officers who are ultimately responsible for setting company policy and allocating company resources. The basic message is that critical infrastructure assurance is a matter of corporate governance and risk management. Senior management is responsible for securing corporate assets, including information and information systems. As part of their fiduciary duties, corporate boards are accountable for providing effective oversight of the development and implementation of appropriate infrastructure security policies and best practices.

In addition to infrastructure owners and operators, CIAO's awareness and outreach efforts also target other influential stakeholders in the economy. The risk management community--including the audit and insurance professions--is particularly effective in raising matters of corporate governance and accountability with boards and senior management. In addition, the investment community is increasingly interested in how information security practices affect shareholder value--a concern of vital interest to corporate boards and management.

National Strategy--A common means of communicating overall critical infrastructure policy is essential. A national strategy developed jointly between government and industry is an effective means of arriving at a consensus about respective roles and responsibilities. A national strategy also helps to establish the basis with Congress and the American public for proposing legislative and public policy reforms where such reforms are needed to advance national policy.

The development of a national strategy will not be an end in itself, but part of an ongoing process in which government and industry will continue to modify and refine their efforts at critical infrastructure assurance, adjust to new circumstances, and update the national strategy as appropriate.

CIAO is also responsible for assisting civilian federal departments and agencies with analyzing their dependencies on critical infrastructures to ensure that the federal government continues to be able to deliver services essential to the nation's security, economy, or the health and safety of its citizens, notwithstanding deliberate attempts by a variety of threats to disrupt such services through cyber or physical attacks.

To carry out this mission, CIAO developed "Project Matrix," a program designed to identify and characterize accurately the assets and associated infrastructure dependencies and interdependencies that the U.S. Government requires to fulfill its most critical responsibilities to the nation. These are deemed "critical" because their incapacitation could jeopardize the nation's security, seriously disrupt the functioning of the national economy, or adversely affect the health or safety of large segments of the American public.

Project Matrix involves a three-step process in which each civilian federal department and agency identifies (1) its critical assets; (2) other federal government assets, systems, and networks on which those critical assets depend to operate; and (3) all associated dependencies on privately owned and operated critical infrastructures.

CIAO seeks to engender awareness among the owners and operators of the nation's critical infrastructures (both private sector and State and Local governments) on the need to secure their assets, systems, and networks against deliberate physical and cyber attacks.

Homeland Security Information Technology and Evaluation Program--This new program will be administered by CIAO. This office will develop initiatives to promote coordinated use of information technology for homeland security purposes. The office will study federal information systems and methods of acquiring and distributing information to improve data sharing among federal agencies for law enforcement, intelligence, border security, and immigration. This office will also study and develop methods to improve information sharing among federal law enforcement and intelligence agencies, first responders, State and Local governments, and law enforcement agencies. In each area, the office will identify shortfalls and gaps in existing agency systems and business methods and then recommend ways to address them. The office will also recommend ways to eliminate duplication among the agencies' efforts. This office will be closely linked with the Office of Homeland Security and will coordinate with the Office of Management and Budget to ensure consistency with the Administration's homeland security policies and programs policy.

Measure 5a: Number of Outreach Conferences or Seminars

| | | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|--|---------|---------|---------|---------|---------|
| Target | Partnership for Critical Infrastructure Security (PCIS) Conference | New | New | New | 1 | 1 |
| | Best Practice Conference | New | New | New | 3 | 1 |
| | Audit Seminars | New | New | New | 40 | 30 |
| Actual | PCIS Conference | | | | | |
| | Best Practice Conference | | | | | |
| | Audit Seminars | | | | | |
| Met/Not Met | | | | | | |

Data Validation and Verification**Data source:** Paper records**Frequency:** Annual**Data storage:** Office Files**Verification:** BXA's OPEM will validate the performance measure data against supporting documentation.**Data limitations:** None**Actions to be taken:** None**Explanation of Measure**

This measure tracks CIAO-sponsored conferences and seminars that are the primary vehicle for raising awareness and educating senior management about the need to manage business and operational risks posed by growing threats of deliberate cyber and physical attacks. These conferences and seminars target two specific groups of stakeholders: private and public (State and Local government) owners and operators of critical infrastructures and professional risk managers, such as the auditing community.

With respect to infrastructure owners and operators, CIAO will sponsor, together with the U.S. Chamber of Commerce, the annual 2002 and 2003 meetings of PCIS. PCIS comprises more than 70 Fortune-500 companies representing a cross-section of the critical infrastructure industries. The mission of PCIS is to identify and address infrastructure security matters common to all the sectors because of increased reliance on information systems and networks. A work plan will be developed during each of the two-day conferences to guide the activities of PCIS throughout the year. Recommendations of PCIS will be submitted to the relevant standing committees of the President's Board for Critical Infrastructure Protection.

CIAO will convene in 2002 a series of conferences in three major U.S. cities involving select critical infrastructure companies and State and Local government officials to discuss the lessons learned from the events of September 11th; specifically, how those events changed the way infrastructure owners and operators perceive and manage business and operational risk. At the end of the conference series, CIAO will compile and publish a compendium of best business practices for national distribution to senior management in government and the private sector.

CIAO will sponsor 40 nationwide seminars in conjunction with a consortium of risk management leaders, including the Institute of Internal Auditors, the National Association of Corporate Directors, the American Institute of Certified Public Accountants, and the Information Security Audit and Control Association. These seminars aim at educating and providing guidance to corporate auditors, including members of corporate audit boards, on methods of assessing and managing operational and business risk arising from increased information technology dependency. A number of educational materials will be distributed at these seminars, including "Information Security Governance: What Directors Need to Know," a guide developed by CIAO and members of the aforementioned consortium.

CIAO will issue surveys after each of the conferences and seminars to ascertain the effectiveness of its outreach efforts in raising awareness and educating participants.

Measure 5b: Completion of an Integrated National Strategy for Securing the Nation's Critical Infrastructures

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|----------------|----------------|----------------|-------------------------|----------------------|
| Target | New | New | New | First Version Completed | Updates or Revisions |
| Actual | | | | | |
| Met/Not Met | | | | | |

Data Validation and Verification**Data source:** Paper records**Frequency:** Annual**Data storage:** Office Files**Verification:** BXA's OPEM will validate the performance measure data against supporting documentation.**Data limitations:** None**Actions to be taken:** None**Explanation of Measure**

This measure tracks the development and publication of a government-private sector national strategy for securing the nation's critical infrastructures. The White House has assigned the task of coordinating the development and final integration of this strategy to CIAO. The Administration's first version of this strategy will be completed during 2002, with updates and revisions expected during 2003.

Measure 5c: Number of Large, Civilian Federal Departments and Agencies Working toward Completion of the Three-step Project Matrix Process

| | | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------------------|---------|---------|---------|---------|---------|
| Target | Step 1 ¹ | New | New | New | 9 | 5 |
| | Step 2 ² | New | New | New | 3 | 9 |
| | Step 3 ³ | New | New | New | 0 | 3 |
| Actual | Step 1 ¹ | New | New | New | | |
| | Step 2 ² | New | New | New | | |
| | Step 3 ³ | New | New | New | | |
| Met/Not Met | | | | | | |

1 Step 1: Critical assets

2 Step 2: Other federal government assets, systems, and networks on which those critical assets depend to operate

3 Step 3: All associated dependencies on privately owned and operated critical infrastructures

Data Validation and Verification**Data Source:** Paper records**Frequency:** Annual**Data storage:** Office Files**Verification:** BXA's OPEM will validate the performance measure data against supporting documentation.**Data Limitations:** None**Actions to be taken:** None**Explanation of Measure**

CIAO seeks to assist civilian federal departments and agencies with analyzing their dependencies on critical infrastructures to ensure the delivery of federal government services that are essential to the nation's security, economy, or the health and safety of its citizens.

Project Matrix is a time-intensive, multistaged analytic process. Project Matrix involves a three-step process in which each civilian federal department and agency identifies (1) its critical assets; (2) other federal government assets, systems, and networks on which those critical assets depend to operate; and (3) all associated dependencies on privately owned and operated critical infrastructures. The following projections reflect the expected time frame for completing each of the Project Matrix steps given current CIAO funding and personnel by federal department or agency:

| Federal department or agency | FY 2001 | FY 2002 | FY 2003 |
|---|---------|---------|---------|
| Social Security Administration | Step 1 | Step 2 | Step 3 |
| Department of the Treasury | Step 1 | Step 2 | Step 3 |
| Department of Health and Human Services | Step 1 | Step 2 | Step 3 |
| Securities and Exchange Commission | Step 1 | N/A | N/A |
| Department of Energy | | Step 1 | Step 2 |
| Department of Labor | | Step 1 | Step 2 |
| General Services Administration | | Step 1 | Step 2 |
| Department of Commerce | | Step 1 | Step 2 |
| Environmental Protection Agency | | Step 1 | Step 2 |
| Federal Emergency Management Agency | | Step 1 | Step 2 |
| Department of State | | Step 1 | Step 2 |
| Department of Transportation | | Step 1 | Step 2 |
| U.S. Postal Service | | Step 1 | Step 2 |
| Department of the Interior | | | Step 1 |
| Federal Reserve System | | | Step 1 |
| Department of Agriculture | | | Step 1 |
| Tennessee Valley Authority | | | Step 1 |
| Department of Veterans Affairs | | | Step 1 |

The Social Security Administration, Department of the Treasury, Department of Health and Human Services, Securities and Exchange Commission, Department of Energy, Department of Labor, and the General Services Administration have completed Project Matrix Step One, the identification of critical infrastructure assets. By mutual affirmation, the Securities and Exchange Commission had no critical infrastructure and will not continue in the process. The Social Security Administration is currently involved in Project Matrix Step 2, interdependencies; the Department of the Treasury and Health and Human Services are committed to begin this year. The Department of Energy, Department of Labor, and the General Services Administration are currently involved in Step 1 and will begin Step 2 shortly after completion of Step 1. The Department of Commerce was used as the prototype for Project Matrix Steps 1 and 2 and is currently repeating the process to bring their data up to date and conform to the revised Project Matrix methodology. The Environmental Protection Agency, Federal Emergency Management Agency, Department of State, Department of Transportation, and the U.S. Postal Service have expressed interest to begin Step 1 this year. Discussions are underway with the Department of Interior, Federal Reserve System, Department of Agriculture, Tennessee Valley Authority, and the Department of Veterans Affairs.

Discontinued Measures

Number of Agency Plans Implemented within the Framework of the National Critical Infrastructure Protection Plan

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | N/A | N/A | N/A | Discontinued | Discontinued |
| Actual | | | | | |
| Met/Not Met | | | | | |

Data Validation and Verification

Data source: Agency plans

Frequency: Annual

Data storage: Paper files

Verification: BXA's OPEM will validate the performance measure data against supporting documentation.

Data limitations: Implementation of the individual agency plans is outside of CIAO's control

Actions to be taken: This measure will not be implemented

Explanation of Measure

This measure was planned for FY 2002; however, BXA has decided not to implement it because individual agencies have the responsibility for implementing their own critical infrastructure plans within the framework of the national plan, and thus BXA has no control over the outcomes.

Cross-cutting Activities

Intra-Department of Commerce

The Department of Commerce was used as the prototype for Project Matrix Steps 1 and 2 and is currently repeating the process to bring its data up to date to conform to the revised Project Matrix methodology.

Other Government Agencies

Project Matrix will involve all major federal agencies with the exception of the Department of Defense and intelligence and law enforcement agencies.

Government/Private Sector

Project Matrix identifies federal government dependencies on private sector infrastructure but does not act upon those privately owned assets.

External Factors and Mitigation Strategies

The ability of CIAO to meet its target for Project Matrix is dependent upon the cooperation of the government agencies slated to undergo the process. CIAO will need its agency partners to commit both time and resources to ensure the success of Project Matrix (independent of CIAO resources). CIAO will also need its federal agency partners to continue its support of Project Matrix by providing details to support the Matrix team.

To mitigate these risks, CIAO has worked with the Office of Management and Budget and the President's Board to ensure that high-level support is provided by the agencies.

Discontinued Performance Goal: The U.S. Defense Industrial Base is Healthy and Competitive

Rationale for Discontinued Performance Goal

BXA management has decided to discontinue this goal and its associated measures as our revised goals and measures better represent the work of BXA.

BXA is the focal point within the Department of Commerce for issues that relate to the health and competitiveness of the U.S. defense industrial base. BXA plays a leadership role in a wide range of issues that relate to both the national and economic security of the United States. Our efforts include assisting U.S. companies in diversifying from defense to commercial production and markets, promoting the sale of U.S. weapons systems to U.S. allies, and conducting primary research and analysis of critical technologies and defense-related sectors.

Discontinued Measures

The Number of Strategic Industry Analyses Completed

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | 295 | 295 | 300 | Discontinued | Discontinued |
| Actual | 352 | 397 | 278 | | |
| Met/Not Met | Met | Met | Not Met | | |

Data validation and verification

Data source: Paper files

Frequency: Annual

Data storage: Office Files

Verification: BXA's OPEM will validate the performance measure data against supporting documentation.

Data limitations: Strategic industry analyses are conducted at the request of other federal agencies and are not strong indicators of BXA performance.

Actions to be taken: This measure will be discontinued beginning in FY 2002.

Explanation of Measure

The FY 2001 target of 300 analyses was not met. The primary reason for this is that there was a lower number of Memoranda of Understanding reviewed than anticipated.

This measure counts the number of analyses undertaken as part of BXA's broad responsibility to support the U.S. defense industrial base. These analyses include reviews of the impact on the U.S. economic or industrial base of International Cooperative Defense Memoranda of Understanding, sales or disposal from the National Defense Stockpile and of Excess Defense Articles, defense downsizing and base closures, the practice of offsets in defense trade, and unilateral export controls. This measure will be discontinued beginning in FY 2002 because its actions are beyond the control of BXA. BXA conducts strategic industry analyses at the request of other federal agencies. BXA management believes that the new performance measures developed for FY 2003 (see measures in Performance Goal 1) are stronger BXA performance indicators.

The Dollar Value of Contracts Won in International Competitions by U.S. Defense Firms

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-------------|---------|---------|---------|--------------|--------------|
| Target | New | New | New | Discontinued | Discontinued |
| Actual | | | | | |
| Met/Not Met | | | | | |

Data Validation and Verification

Data source: U.S. Embassy, U.S. industry, and U.S. Government information sources

Frequency: Annual

Data storage: Paper or electronic files

Verification: BXA's OPEM will validate the performance measure data against supporting documentation. Two types of checks will be made, to ensure data are entered where they should be (system integrity) and to ensure that the data are accurate and valid.

Data limitations: The contracts pursued by defense firms are at the firm's discretion.

Actions to be taken: This measure was planned for FY 2002; however, BXA has decided to not implement it.

Explanation of Measure

This measure aggregates the dollar value of contracts won in international competitions by U.S. defense firms. BXA collects, validates, and aggregates data from U.S. Embassies, U.S. industry, and U.S. Government sources to support this measure. BXA's efforts include assisting U.S. companies in diversifying from defense to commercial production and markets, promoting the sale of U.S. weapon systems to U.S. allies, and conducting primary research and analysis on critical technologies and defense-related sectors. This measure was planned for FY 2002; however, BXA has decided to not implement it. This was not a good measure of BXA performance because the contracts pursued by defense firms are at the firm's discretion.