

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Budget Estimates, Fiscal Year 2008**  
**President's Submission**

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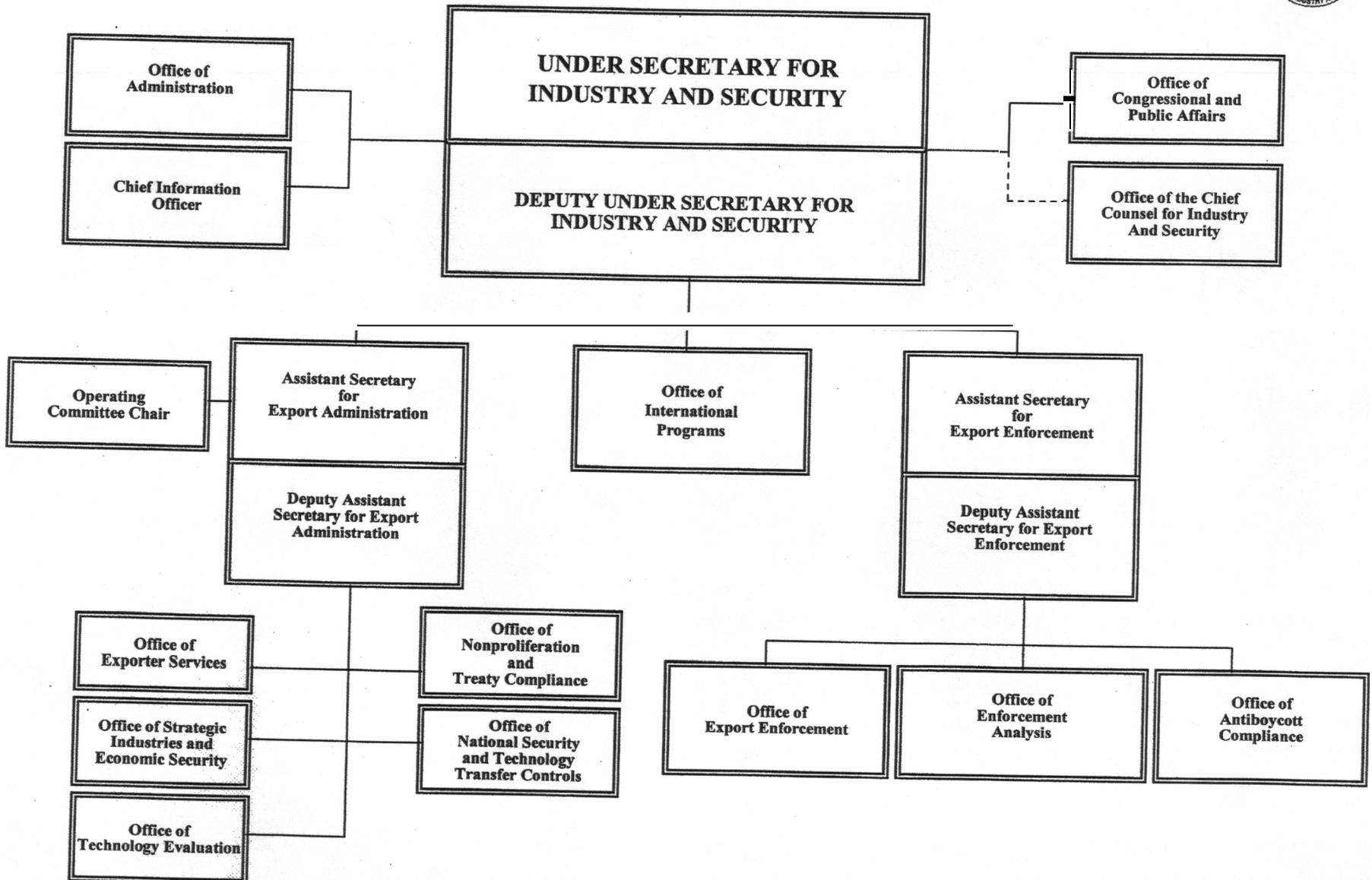
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# U.S. DEPARTMENT OF COMMERCE Bureau of Industry and Security



**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Budget Estimate, Fiscal Year 2008**

**President's Submission  
Executive Summary**

**BIS Mission:** The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. The BIS mission is closely aligned with, and supports, the following Department of Commerce Strategic Goal:

1. Provide information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

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

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

**BIS Performance Goals (Priorities):**

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

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

E1. Leadership at all levels

E2. Focused management

BIS has translated these priorities and enablers into specific BIS goals, unit objectives, and metrics. In this way, BIS prioritizes its programs to contribute – directly and successfully – to the Secretary’s priorities concerning trade, competitiveness, China, leadership, management, and deficit reduction.

**Primary BIS Activities:**

**Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system:** BIS administers and enforces controls on exports of dual-use goods and technologies to counter proliferation of weapons of mass destruction, combat terrorism, and pursue other national security and foreign policy goals. BIS also serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC) and the International Atomic Energy Agency (IAEA) Additional Protocol. BIS’s enforcement efforts detect, prevent, and prosecute illicit dual-use export activity, with a primary focus on weapons of mass destruction, terrorism, and military diversion.

**Integrate non-U.S. actors to create a more effective global export control and treaty compliance system:** The effectiveness of U.S. export controls is enhanced by strong controls in other nations that export or transship sensitive goods and technologies. BIS works to improve the participation and compliance of existing members of multilateral export control regimes and cooperates with other countries to help them establish effective export control programs. As part of policy formulation and implementation toward key trading partners and transshipment countries, BIS engages in a robust end-use visit program.

**Ensure continued U.S. technology leadership in industries that are essential to national security:** BIS works to ensure that the United States remains competitive in industry sectors and sub-sectors critical to national security. To this end BIS analyzes the impact of export controls and trade policies on strategic U.S. industries, administers the Federal government’s Defense Priorities and Allocations System (DPAS), reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

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

### Statement of Organization and Objectives:

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

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

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

**Export Enforcement (EE):** This activity supports Bureau performance goals 1 and 2 which, in turn, support DOC strategic goal 1. It includes the functions performed by the Office of the Assistant Secretary for EE and supporting offices, including support for programs carried out by federal law enforcement officers. The primary objectives are to detect and prevent the illegal export of controlled goods and technology; to investigate and help sanction violators of U.S. export control, anti-terrorist and public safety laws and regulations; to educate the business community to help prevent violations; and to administer the Export Administration Act (EAA) (which expired on August 19, 2001, but the provisions of which remain in force under the International Emergency Economic Powers Act (IEEPA), Executive Order 13222, as extended most recently by the Notice of August 3, 2006 (71 Fed. Reg. 44551 (August 7, 2006)) provisions restricting participation in foreign boycotts.

### Summary of Budget Request:

For Fiscal Year 2008, BIS is requesting \$78,776,000. BIS will self-fund a portion of the necessary adjustments to base, as well as any increases in existing programs required to meet BIS's priorities. BIS will do so through a combination of consolidation of related functions, elimination of lower priority functions, incremental reductions in programs, productivity increases, and other means.

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**FY 2008 Summary of Performance Goals and Measures**

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

BIS regulates the export of dual-use goods and technologies in an effective and efficient manner; enforces export control, antiboycott, and public safety laws; cooperates with and assists other countries on export control and strategic trade issues; assists U.S. industry in complying with international arms agreements; monitors the viability of the U.S. defense industrial base; evaluates the effects on national security of foreign investments in U.S. companies; and supports continued U.S. technology leadership in industries that are essential to national security.

In FY 2006, BIS revamped its strategic planning process to strengthen its performance management system and to focus its resources on the priorities of the Administration, the Department of Commerce, and the Bureau.

The result of this effort clearly links day-to-day program activities with the long term goals of the Administration and the Department of Commerce. This structure will serve to design a system that will enable BIS to capture the full cost of its activities in the future. With this system in place, BIS will be able to collect and report on the costs associated with achieving its goals, objectives, and performance measures. Also, BIS has included its new goals and performance measures in the appropriate employee performance plans to ensure acceptance and improve accountability for the Bureau's success. A crosswalk of BIS Goals and Measures is included on page BIS-31 to assist in tracking the goal/measure changes.

The budget request for FY 2008 is \$ 78.8 million. BIS's new performance goals are:

**Performance Goal 1: Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system:** BIS administers and enforces controls on exports of dual-use goods and technologies to counter proliferation of weapons of mass destruction, combat terrorism, and pursue other national security and foreign policy goals. BIS also serves as the lead agency for ensuring U.S. industry compliance with the Chemical Weapons Convention (CWC) and the International Atomic Energy Agency (IAEA) Additional Protocol. BIS's enforcement efforts detect, prevent, and prosecute illicit dual-use export activity, with a primary focus on weapons of mass destruction, terrorism, and military diversion.

**Performance Goal 2: Integrate non-U.S. actors to create a more effective global export control and treaty compliance system:** The effectiveness of U.S. export controls is enhanced by strong controls in other nations that export or transship sensitive goods and technologies. BIS works to improve the participation and compliance of existing members of multilateral export control regimes and cooperates with other countries to help them establish effective export control programs. As part of policy formulation and implementation toward key trading partners and transshipment countries, BIS engages in a robust end-use visit program.

**Performance Goal 3: Ensure continued U.S. technology leadership in industries that are essential to national security:** BIS works to ensure that the United States remains competitive in industry sectors and sub-sectors critical to national security. To this end BIS analyzes the impact of export controls and trade policies on strategic U.S. industries, administers the Federal government's Defense Priorities and Allocations System (DPAS), reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

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

- o Leadership at all levels: BIS accomplishes its mission priorities by developing clearly defined goals with actionable unit objectives and metrics; communicating its mission, priorities, goals, objectives, and metrics throughout the Bureau; and creating an empowering environment where BIS employees can grow, prosper, and be recognized.
- o Focused management: BIS accomplishes its mission priorities by effectively executing the President's Management Agenda.

#### Unit Cost Measures

BIS does not have performance measures that can be shown in unit cost terms. However, BIS has successfully worked with its accounting service provider to identify costs at the performance goal level.

#### Marginal Cost Measures Information

BIS developed a marginal cost methodology in FY 2005. The majority of BIS functions have been identified as being inherently governmental and are primarily accomplished through a dedicated federal workforce.

#### Efficiency Measures Information

As a result of the FY 2005 Performance Assessment Rating Tool (PART) process, a BIS licensing measure has been developed as an indicator of licensing efficiency.

**Status of Implementing PART Recommendations**

In FY 2004, the BIS EA Program was evaluated using the PART. The following is quoted from the FY 2004 EA PART: Due to increases in workload and changes in technology, the program also requires additional technological and analytical ability to maintain effective dual-use export controls.

In FY 2005, all of BIS programs were evaluated using the PART, receiving a score of 72%. The major improvement plan recommendation was to ensure the passage of an updated reauthorized Export Administration Act.

In FY 2006, BIS completed an update to the FY 2005 PART. This included a major revision to BIS performance goals and measures. The revised BIS performance goals and measures were approved by OMB in the fall of FY 2006. In addition, the BIS improvement plan(s) were modified to include the development of a long-term measure related to the effectiveness of the dual-use export control program.

The BIS FY 2006 PART update has been revised as follows:

*The program aims to facilitate US industrial competitiveness in strategic international trade while preventing sensitive goods from falling into dangerous hands. The program does so by administering exports of certain dual-use commodities and enforcing export control, anti-boycott and certain other public safety laws.*

*The program's purpose, design, and management are strong, however it would benefit from an updated, reauthorized Export Administration Act(EAA). A new EAA would clarify some outdated control requirements, increase penalties for violations, and specify interagency licensing processes.*

*In late 2005, BIS revised its goals and measures to include a long-term measure related to non-proliferation. BIS included measures in the FY 2007 Game Plan to develop long-term measure related to the effectiveness of the dual-use export control program.*

Program	Finding	Milestones	Milestone Target	Status
<b>FY 2004 PART: EA Program</b>	The EA program is developing long-term measures by: a) working with the appropriate agencies to measure the interagency dual-use export control program's ability to protect national security; and b) obtaining information on the market impact on US companies applying for an export license.	Completion of long-term metric.	Target completion date: Qtr 3 FY 2007	Although this issue has been resolved satisfactorily (See Findings below for FY 2005 PART), in FY 2007 BIS is working to develop long-term measures related to the effectiveness of the dual-use export control program.

Program	Finding	Milestones	Milestone Target	Status
<b>FY 2004 PART: EA Program</b>	<p>The Budget requests increases for an Office of Technology Evaluation to enhance the program's analytical ability to systematically evaluate its control list, identify sensitive technologies for inclusion on the control list, and conduct evaluations of the multilateral regimes.</p>	<p>Evaluate Commerce Control List (CCL), Mass Market Studies/Industry Analyses, and Review Effectiveness of Multi-lateral Export Control Regimes/Control Systems</p>	<p>TBD.</p>	<p>In August 2006, BIS established an Office of Technology Evaluation (OTE) to conduct analyses to inform decisions on implementing dual use export controls to cover key (existing and emerging) technologies.</p> <p>To date in FY 2007 OTE has completed two industrial base studies and initiated two additional technology evaluations.</p> <p>OTE is implementing a methodology to evaluate the effectiveness of the dual use export control system and analyzing export data to determine the economic impact of proposed changes to the CCL, better inform licensing decisions, facilitate exporter adherence to the EAR, and identify trends (e.g., mass market) with key trading partners to support bilateral and multilateral policy decisions. <u>Action completed.</u></p>
<b>FY 2004 PART: EA Program</b>	<p>Due to increases in workload and changes in technology, the program also requires additional technological and analytical ability to maintain effective dual-use export controls.</p>	<p>None.</p>	<p>None.</p>	<p>BIS continues to seek funding to launch the modernization of the automated BIS licensing system, the Export Control Automated Support System (ECASS).</p>
<b>FY 2005 PART: BIS</b>	<p>The program's purpose, design, and management are strong, however it would benefit from an updated, reauthorized Export Administration Act. A new act would clarify some outdated control requirements, increase penalties for violations, and specify interagency licensing processes.</p>	<p>Passage of a new Export Administration Act.</p>	<p>Target completion date: Qtr 4 FY 2007</p>	<p>Efforts on-going.</p>

Program	Finding	Milestones	Milestone Target	Status
FY 2005 PART: BIS	The program has long-term and annual measures that relate to the program's goals, and targets are largely met, including those related to increasing efficiency. For example, with little change in resources, the program was able to increase the number of export licenses reviewed as well as processing such licenses more rapidly in 2004, thus better serving the export community.	None.	None.	<u>Action complete.</u> OMB recognizes the BIS licensing measure as an efficiency measure for the licensing process.

**FY 2008 Program Changes**

**FY 2008 Program Increases/Decreases (Dollars in Thousands)**

	base		Increase/Decrease	
	FTE	Amount	FTE	Amount
Management and Policy Coordination	24	\$6,636	-6	-\$955
Export Administration	206	\$39,543	-6	-\$547

For a detailed description, see Exhibit 13, pages BIS-46 and BIS-54.

**Target and Performance Summary:** Consolidated listing of FY 2003 – FY 2005 and FY 2006 – 2008 goals, measures and targets. BIS received final OMB approval of the revised performance goals and measures in October 2006. See expanded FY 2006 – 2008 crosswalk on Page BIS-31.

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2008 Target
<b>Performance Goal 1: Advance U.S. National Security, Foreign Policy, and Economic Interests by Enhancing the Effectiveness and Efficiency of the Export Control System (Revised)</b>						
Median Processing Time for Referrals of Export Licenses to Other Agencies (Days)	4	3	3	Revised	Revised	Revised
Median Processing Time for Export Licenses Not Referred to Other Agencies (Days)	9	9	7	Discontinued	Discontinued	Discontinued
Median Processing Time for Issuing Draft Regulations (Months)	7	2	1	Revised	Revised	Revised
Level of Exporter Understanding of BIS Export Control Requirements						
- Value of Information (average score on scale of 1-5)	4.2	4.2	4.2	Revised/ Combined	Revised/ Combined	Revised/ Combined
- Percent Knowledge Gained (Index)	New	45%	46%			
Percent of Industry Assessments Resulting in BIS Determination on Export Controls (Revised)	New	New	New	100%	100%	100%
<b>Below is the revised BIS Goal 1 and associated performance measures/targets.</b>						
<b>Performance Goal 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</b>						
Percent of licenses requiring interagency referral referred within 9 days.	New	New	New	98%	95%	95%
Median processing time for new regime regulations (months)	New	New	New	2.5	3	3
Percent of attendees rating seminars highly	New	New	New	90%	85%	85%
Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations	New	New	New	100%	100%	100%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	New	New	New	872	450	450
Number of End-Use Checks completed	New	New	New	942	N/A	N/A

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2008 Target
<b>Performance Goal 2: Ensure U.S. Industry Compliance with the Chemical Weapons Convention Agreement</b>						
Number of Site Assistance Visits Conducted to Assist Companies Prepare for International Inspections	12	12	12	Discontinued	Discontinued	Discontinued
Below is Goal 2 and associated performance measures/targets.						
<b>Performance Goal 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System</b>						
Number of targeted deficiencies remedied in the export control systems of cooperating countries	39	41	40	40	Discontinued	Discontinued
Number of End-Use Checks completed (previously in goal 1)	New	New	New	New	850	850

<b>Performance Goal 3: Prevent Illegal Exports and Identify Violators of Export Prohibitions and Restrictions for Prosecution</b>						
Number of Investigative Actions That Result in the Prevention of a Violation and Cases Which Result in a Criminal and/or Administrative Prosecution (Revised)	250	310	583	Revised	Revised	Revised
Number of Post-Shipment Verifications Completed	397	401	512	Discontinued	Discontinued	Discontinued
Below is the revised Goal 3 and associated performance measures/targets through FY 2006. Goal 3 is discontinued beginning in FY 2007. Export Enforcement performance measures are realigned in to Goals 1 and 2.						
<b>Performance Goal 3: Eliminate Illicit Export Activity Outside the Global Export Control and Treaty Compliance System</b>						
Number of Actions that Result in a Deterrence or Prevention of a Violation and Cases Which Result in a Criminal and/or Administrative Charge	Revised	Revised	Revised	872	N/A	N/A
Number of End-Use Checks completed	New	New	New	942	N/A	N/A

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2008 Target
<b>Performance Goal 4: Enhance the Export and Transit Controls of Nations Seeking to Improve Their Export Control System</b>						
Number of Targeted Deficiencies Remedied in the Export Control Systems of Program Nations	39	0	40	40	Discontinued	Discontinued
Below is the revised Goal 4 and associated performance measures/targets through FY 2006. Goal 4 below, beginning in FY 2007 has been renumbered as Goal 3.						
<b>Performance Goal 4: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security</b>						
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls (New/Revised)	New	New	New	N/A *	100%	100%
* Two assessments were completed late in the fiscal year and could not be evaluated in the metric timeframe of three months. They will be carried over into FY 2007 for evaluation.						

Integrated Budget and Performance FY 2002 – FY 2005 (Major Revisions at the end of FY 2005)

(The next 6 pages reflect the end of the old GPRA measures and the beginning of the Game Plan measures.  
Refer to expanded FY 2006 – 2008 crosswalk on page BIS-31.

**Goal 1: Advance U.S. national security, foreign policy, and economic interests by enhancing the effectiveness and efficiency of the export control system**

Resource Summary	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
Management and	0.0	0.0	0.0
Export Administration	27.9	22.4	22.8
Reimbursable <sup>1</sup>	1.5	1.1	1.0
Total Funding <sup>2</sup>	29.4	25.8	23.8
IT Funding	1.6	2.3	2.2
FTE <sup>3</sup>	190	163	188

Performance Measure(s)	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
Median processing time for referrals of export licenses to other agencies (days)	4	3	3
Median processing time for export licenses not referred to other agencies (days)	9	9	7
Median processing time for issuing draft regulations (months)	7	2	1
Level of exporter understanding of BIS export control requirements	4.2	4.2	4.2
	New	45%	46%
Percent of industry assessments resulting in BIS determination on export controls	New	New	New

**Goal 2: Ensure U.S. industry compliance with the CWC Agreement**

<b>Resource Summary</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>
Management and Policy Coordination	0.0	0.0	0.0
Export Administration	5.9	7.0	7.3
Reimbursable	0.0	0.0	0.0
Total Funding	5.9	7.0	7.3
IT Funding	0.0	0.0	0.0
FTE	29	22	23

<b>Performance Measure(s)</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>
Number of site assistance visits conducted to assist companies prepare for international inspections	12	12	12

**Performance Goal 3: Prevent illegal exports and identify violators of export prohibitions and restrictions for prosecution**

<b>Resource Summary</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>
Management and Policy Coordination	0.0	0.0	0.0
Export Enforcement	40.7	30.2	35.6
Reimbursable <sup>1</sup>	0.3	0.3	0.4
Total Funding	41.0	34.3	36.0
IT Funding <sup>2</sup>	2.1	3.8	2.4
FTE	226	173	181

<b>Performance Measure(s)</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>
Number of investigative actions that result in the prevention of a violation and cases which result in a criminal and/or administrative prosecution	250	310	583
Number of post-shipment verifications completed	397	401	512

**Performance Goal 4: Enhance the export and transit control systems of nations that lack effective control arrangements**

Resource Summary	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
Management and Policy Coordination	1.4	2.2	1.7
Reimbursable <sup>1</sup>	4.1	7.0	8.2
<b>Total Funding</b>	<b>5.5</b>	<b>9.2</b>	<b>9.9</b>
IT Funding <sup>2</sup>	0.3	.5	.1
FTE	0	0	11

Performance Measure(s)	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
Number of targeted deficiencies remedied in the export control systems of program nations	39	41	40

**Resource Summary Grand Total**

Resource Summary	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
Operations and Administration			
Management and Policy Coordination	2.2	1.9	1.7
Export Administration	33.8	29.4	30.1
Export Enforcement	40.7	29.3	35.6
<b>Total Funding</b>	<b>76.7</b>	<b>73.9</b>	<b>77.0</b>
Direct	67.9	67.8	67.4
Reimbursable <sup>1</sup>	8.8	6.1	9.6
IT Funding <sup>2</sup>	4.2	6.3	4.7
FTE <sup>3</sup>	454	365	403

<sup>1</sup> Reimbursable funding included in total funding.

<sup>2</sup> IT funding included in total funding.

<sup>3</sup> Includes reimbursable FTEs.

Notes: Totals may differ slightly due to rounding.

Total obligations may differ from those reported in other exhibits due to inclusion of restorations of prior year funds in the amounts cited above. Human Capital Initiative Funding is included in "overhead" and distributed appropriately across all four BIS Goals.

**Integrated Budget and Performance FY 2006 - 2008**

FY 2006 – FY 2008 funding and FTEs reflect the revisions to the BIS performance goals and measures. Please refer to FY 2006 – 2008 crosswalk on page BIS 31.

**Performance Goal 1: Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system**

<b>Resource Summary</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2008 Request</b>
Management and Policy Coordination	12.2	18.6	7.4	-1.5	5.9
Export Administration	31.4	34.4	34.0		34.0
Export Enforcement	29.4	27.8	29.7		29.7
<b>Total Funding</b>	<b>73.0</b>	<b>80.8</b>	<b>71.1</b>	<b>-1.5</b>	<b>69.6</b>
Direct	66.2	66.3	69.3	-1.5	67.8
Reimbursable <sup>1</sup>	6.8	14.5	1.8		1.8
IT Funding <sup>2</sup>	10.9	9.6	3.4		3.4
FTE <sup>3</sup>	309	372	359		359

<b>Performance Measure(s)</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
Percent of licenses requiring interagency referral referred in nine days	98%	95%	95%
Median processing time for new regime regulations (months)	2.5	3	3
Percent of attendees rating seminars highly	90%	85%	85%
Percent of declarations received From U.S. industry in accordance with CWC Regulations (time lines) that are processed, certified and submitted to State Department in time for the U.S. to meet its treaty obligations.	100%	100%	100%
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	872	450	450
Number of end-use checks completed (realigned to goal 2 in FY 2007)	942	N/A	N/A

**Performance Goal 2: Integrate non-U.S. actors to create a more effective global export control and treaty compliance system**

<b>Resource Summary</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2008 Request</b>
Management and Policy Coordination	.0	.1	.1		.1
Export Administration	.0	.0	.0		.0
Export Enforcement	2.8	4.5	4.6		4.6
<b>Total Funding</b>	<b>2.8</b>	<b>4.6</b>	<b>4.7</b>		<b>4.7</b>
Direct	2.8	4.5	4.7		4.7
Reimbursable <sup>1</sup>	.0	.0	.0		.0
IT Funding <sup>2</sup>	.3	.4	.5		.5
FTE <sup>3</sup>	13	13	13		13

<b>Performance Measure(s)</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
Number of targeted deficiencies remedied in the export control systems of cooperating countries	40	Discontinued	Discontinued
Number of end-use checks completed	N/A	850	850

**Performance Goal 3: Eliminate illicit export activity outside the global export control and treaty compliance system**  
**Performance goal 3 is to be discontinued in FY 2007. Goal 4 below is to be renumbered as goal 3.**

<b>Resource Summary</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2008 Request</b>
Management and Policy Coordination	0.4	Discontinued	Discontinued	Discontinued	Discontinued
Export Administration	-	-	-	-	-
Export Enforcement	18.4	-	-	-	-
<b>Total Funding</b>	<b>18.8</b>	<b>Discontinued</b>	<b>Discontinued</b>	<b>Discontinued</b>	<b>Discontinued</b>
Direct	18.4	-	-	-	-
Reimbursable <sup>1</sup>	0.4	-	-	-	-
IT Funding <sup>2</sup>	2.0	-	-	-	-
FTE <sup>3</sup>	22	-	-	-	-

Performance Measure(s)	FY 2006 Actual	FY 2007 Target	FY 2008 Target
Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	872	N/A	N/A
Number of end-use checks completed	942	N/A	N/A

Performance Goal 4: Ensure continued U.S. technology leadership in industries that are essential to national security  
 Goal 4 is to be renumbered as goal 3, beginning in FY 2007.

Resource Summary	FY 2006 Actual	FY 2007 Estimate	FY 2008 Base	Increase/Decrease	FY 2008 Request
Management and Policy Coordination	.1	.1	.2		.2
Export Administration	6.2	5.8	6.0		6.0
Export Enforcement	.0	.0	.0		.0
<b>Total Funding</b>	<b>6.3</b>	<b>5.9</b>	<b>6.2</b>		<b>6.2</b>
Direct	6.3	5.9	6.2		6.2
Reimbursable <sup>1</sup>	.0	.0	.0		.0
IT Funding <sup>2</sup>	1.1	.9	.9		.9
FTE <sup>3</sup>	31	31	30		30

Performance Measure(s)	FY 2006 Actual	FY 2007 Target	FY 2008 Target
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	N/A *	100%	100%

\* Assessments completed too late in FY 2006 to result in a determination within 3 months. These assessments will be carried over into FY 2007 performance metrics

**Resource Summary Grand Total**

<b>Resource Summary</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2008 Request</b>
Management and Policy Coordination	12.3	18.8	7.7	-1.5	6.2
Export Administration	37.6	40.2	40.0		40.0
Export Enforcement	32.2	32.3	34.3		34.3
<b>Total Funding</b>	<b>82.1</b>	<b>91.3</b>	<b>82.0</b>	<b>-1.5</b>	<b>80.5</b>
Direct	75.3	76.8	80.2	-1.5	78.7
Reimbursable <sup>1</sup>	6.8	14.5	1.8		1.8
IT Funding <sup>2</sup>	12.3	10.9	4.8		4.8
FTE <sup>3</sup>	353	416	402		402

<sup>1</sup> Reimbursable funding included in total funding.

<sup>2</sup> IT funding included in total funding.

<sup>3</sup> Includes reimbursable FTEs.

Notes: Totals may differ slightly due to rounding.

Total obligations may differ from those reported in other exhibits due to inclusion of restorations of prior year funds in the amounts cited above.  
Human Capital Initiative Funding is included in "overhead" and distributed appropriately across all four BIS Goals.

## Performance Goals and Measures

### **Performance Goal 1: Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system**

Corresponding Departmental Strategic Goal 1: Provide the information and tools to maximize U.S. competitive strengths and enable economic growth for American industries, workers, and consumers

Corresponding Departmental Objective 1.2: Advance responsible economic growth and trade while protecting American security

### Rationale

The realignment of BIS performance goals and measures effective in FY 2007 consolidates the majority of the Export Administration and Export Enforcement Programs under goal 1. This consolidation was promoted to fully integrate the two major segments of the dual-use export control system: Export Administration which is primarily responsible for export licensing, and Export Enforcement which is responsible for enforcing dual-use export controls.

BIS analyzes export license applications for controlled commodities in accordance with the Export Administration Regulations (EAR) in conjunction with the Departments of State, Defense, and Energy. In this way, BIS serves U.S. companies by making prompt decisions on license and related applications and by providing guidance to exporters on how to conform to applicable laws and regulations. BIS is 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.

In addition, BIS is responsible for ensuring U.S. industry's compliance with the treaty requirements of the CWC and IAEA Additional Protocol. BIS 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. BIS's primary host team role is to ensure that confidential business information is protected during inspections of U.S. firms.

BIS also maintains an effective and highly focused enforcement program to detect and deter the illegal export and re-export of controlled goods and technologies. BIS enforces dual-use export controls for reasons of national security, foreign policy, nonproliferation, anti-terrorism, and short supply. BIS also enforces the antiboycott provisions of the EAR, the CWC Implementation Act, and the Fastener Quality Act. BIS special agents investigate potential violations of these laws, and build and present cases for criminal or administrative prosecution.

FY 2008 Program Increases/Decreases

Program Initiative	Funding Request	Anticipated Impact	Location in the Budget
Export Control and Border Assistance Program (EXBS)	6 Positions, 6 FTE, and \$955,000	BIS performance measures and targets are not impacted by this decrease.	Management and Policy Coordination See Page BIS-46
Operations Support Division in the Office of Exporter Services	6 Positions, 6 FTE, and \$547,000	BIS performance measures and targets are not impacted by this decrease.	Export Administration See Page BIS-54

**Measure 1a: Percent of licenses requiring interagency referral referred within nine days (Target 95%)**

Explanation of Measure:

This is a slight revision to the previous performance measure, "Median processing time for referrals of export licenses to other agencies (9 days)." The revised measure will help BIS monitor the percent of licenses that meet the timeliness requirement of Executive Order 12981. While the EO stipulates that 100% of the licenses needing referral be referred within nine days, the licensing process is subject to uncontrollable delays. Therefore, BIS used historical data to set a target of 95%. FY 2006 was the initial year for this revised measure, and resulted in an actual rating of 98% versus a target of 95%.

**FY 2008 Target:** 95% target will be retained for FY 2008.

**Measure 1b: Median processing time for new regime regulations (Target 3 months)**

Explanation of Measure:

This is a slight revision to the previous performance measure, "Median processing time for issuing draft regulations (3 months)." BIS routinely issues new and amended regulations to effectuate its responsibilities under the EAA. Whether regulations liberalize or restrict industry activity, their prompt promulgation benefits the United States from a trade, economic, and national security perspective. Regulatory changes can, for example, reduce the number of license requirements imposed on U.S. exporters, close loopholes in the regulations, implement international agreements, adapt controls to geopolitical developments, or address new export control challenges. The majority of BIS regulations issued implement changes agreed to in the four multilateral control regimes in which the United States participates: Wassenaar Arrangement (conventional arms and related sensitive dual-use goods), Nuclear Suppliers Group, Missile Technology Control Regime, and the Australia Group (chemical and biological controls). This measure will track the length of time it takes BIS to issue a draft regulation after regime changes have been received and analyzed. There is a significant amount of time that is spent analyzing each regime resolution before actual drafting of a regulation can begin. For example, BIS must determine the appropriate level of unilateral controls for items decontrolled by the Regimes before it can change its regulations. FY 2006 actual performance was 2.5 months for this measure versus a target of 3 months.

**FY 2008 Target:** Three (3) month target will be retained.

**Measure 1c: Percent of attendees rating seminars highly (Target 85%)**

Explanation of Measure:

This is a revision to the previous performance measure, "Level of exporter understanding of BIS export control requirements." BIS will now measure the outcome of its entire export control outreach seminar program, rather than selective parts. The target is for at least 85% of the seminar attendees to give the seminar an overall rating of at least 4 (out of a 5 level scale). FY 2006 was the initial year for this revised measure, with attendees rating seminars highly 90% of the time versus a target of 85%.

**FY 2008 Target:** 85% target will be retained.

**Measure 1d: Percent of declarations received from U.S. industry in accordance with CWC Regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations (Target 100%)**

Explanation of Measure:

This is a change to the previous CWC performance measure. The Organization for the Prohibition of Chemical Weapons (OPCW) has revised its basis for selecting U.S. inspections, and the current performance measure does not capture the full impact of the CWC program. During the initial phases of CWC implementation, BIS knew which facilities were going to be inspected by the OPCW because the treaty required all Schedule 1 and 2 facilities to receive an initial inspection. However, all of the Schedule 1 and 2 facilities have been inspected, and the OPCW will reinspect them once every three to five years and conduct a lottery to inspect Schedule 3 facilities and Unscheduled Discrete Organic Chemical (UDOC) facilities. BIS has conducted site assistance visits (SAVs) at all Schedule 1, 2, and 3 facilities that have consented to receive them. There are 552 UDOC plant sites subject to inspection, and since 2000 only four of those sites have been inspected. Given the inability to determine which of the facilities will be inspected, and the low frequency of inspection BIS has decided to revise the performance measure. Revising the current performance measure to monitor the declarations process impacts all facilities subject to the CWC Regulations and assigns responsibility for performance on BIS. There are a limited number of factors affecting performance; therefore, BIS has set a target of 100%. FY 2006 was the initial year for this revised measure, and the 100% target was met.

**FY 2008 Target:** 100% target will be retained.

**Measure 1e: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge (Target 450)**

Explanation of Measure:

This is a revision to the previous measure, "Number of investigative actions that result in the prevention of a violation and cases which result in a criminal and/or administrative prosecution." The data used to support the first clause is expanded to include "deterrence" as well as "preventions." This performance measure will now also include the Office of Antiboycott Compliance advice line inquiries that result in prevention or deterrence, which were not previously captured.

The data for the second clause will also be different. BIS used the number of cases referred to Assistant U.S. Attorneys for criminal prosecution and to the Office of Chief Counsel (OCC) for administrative prosecution, in FY 2005 to determine this number. In looking at this data, BIS has concluded that these numbers do not sufficiently capture the impact of its criminal and administrative enforcement work since they are not the ultimate outcomes of the process. By contrast, for FY 2006 BIS will use the number of criminal indictments and informations filed for the criminal number; and the number of administrative settlement orders issued by the Assistant Secretary and judgments by the Administrative Law Judges for the administrative number. This change is reflected in the use of the term "charge."

**FY 2008 Target: 450.** BIS exceeded the FY 2006 target of 350 enforcement actions due to increased outreach programs which resulted in the deterrence or prevention of violations, completing a total of 872 actions and cases. In response to this number, the FY 2007 and 2008 targets have been increased from 400 to 450. BIS will reevaluate these targets again at the end of FY 2007 to see if further increases in the targets are warranted.

Program Evaluations

The Government Accountability Office (GAO) and the Department of Commerce's Office of Inspector General (OIG) continued to review BIS's programs and activities. The following studies, some not finalized, were conducted in FY 2005 and FY 2006:

GAO

- Review on the Oversight and Accountability of the Oil for Food Program - CLOSED, no action required, FY 2006
- Review of Military-Related Technology Transfers to China - CLOSED w/ briefing to the Hill, FY 2005
- Dual-Use Export Controls in the Post 9/11 Environment - CLOSED, FY 2006  
(title revised to: Export Controls: Improvements to Commerce's Dual-Use System Needed to Ensure Protection of U.S. Interests)
- Review of the Implementation of the Exon-Florio Amendment to the Defense Production Act - CLOSED, FY 2005
- Defense Procurement: Air Force Did Not Fully Evaluate Options in Waiving Berry Amendment for Selected Aircraft - CLOSED, no action required FY 2006
- Commission on the Future of the U.S. Aerospace Industry - CLOSED, no action required/update report, FY 2006
- Review of High Performance Computers Threshold - CLOSED, FY 2006
- Review of the Proliferation Security Initiative - CLOSED, FY 2007
- Review of Export Control Enforcement - CLOSED, FY 2007
- Review of U.S. Government's Mechanism for Protecting Export-Controlled Information- CLOSED, FY 2007
- Review of University Export Controls - CLOSED, FY 2007
- Review of Shipments of Commerce Controlled (dual-use) items - CLOSED, FY 2007
- Review of Nuclear Proliferation Networks - Pending, FY 2007
- Review of the Visa Mantis Clearance Process - Pending, FY 2007
- Review of Sanctions Against Iran - Pending, FY 2007
- Review of Foreign Government Controls on Foreign Direct Investment Based on National Security (Exon-Florio) - Pending, FY 2007

## OIG

Annual Follow-Up on Previous Export Control Recommendations (National Defense Authorization Act for FY 2000 requirement) - CLOSED, FY 2006

Export Licensing Process for Chemical and Biological Commodities - CLOSED, FY 2005

Review of U.S. Dual-Use Export Controls for China - CLOSED, FY 2006

Review of U.S. Export Controls for India – Pending, FY 2007

## Cross Cutting Activities

Departments of State, Defense, Energy, Treasury, and Justice and the Central Intelligence Agency – BIS works with these Executive Branch agencies 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 Wassenaar Arrangement, the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Australia Group. BIS also coordinates intelligence and law enforcement operations with these agencies.

Technical Advisory Committee – BIS consults with Committee members who 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, non-proliferation, and short supply reasons.

BIS regularly incorporates visits to U.S. companies with foreign delegates as part of its programs. Such visits allow foreign government officials to learn first-hand the important role industries play in export control compliance.

BIS works with the International Trade Administration's U.S. and Foreign Commercial Service offices located around the world to coordinate activities associated with planning and conducting export control seminars.

BIS employs a full-time specialist in the Department of Commerce's Public Information Office in the Reagan International Trade Center. The specialist operates as an export counselor providing information in response to walk-in or telephone inquiries.

## External Factors and Mitigation Strategies

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

BIS's ability to conduct programs and remedy deficiencies is directly impacted by the current relationship between the United States and the cooperating country, the absorption capacity of the cooperating country, the internal political situation of the cooperating country, and the ability of the Department of State and U.S. embassies to support BIS programs.

Priorities and resources of the Department of Justice and the OCC for Industry and Security directly influence the achievement of this goal. BIS mitigates this situation by targeting investigations effectively, conducting them in a professional manner, and presenting them persuasively to prosecutors. BIS may also have to rely on other agencies to conduct certain investigative activities. BIS mitigates this by maintaining regular communication with those agencies. BIS 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. BIS 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. BIS attempts to focus investigative resources on areas that pose the greatest risk to national security.

**Performance Goal 2: Integrate non-U.S. actors to create a more effective global export control and treaty compliance system**

Corresponding Departmental Strategic Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

Corresponding Departmental Objective 1 2: Advance responsible economic growth and trade while protecting American security

Rationale

The realignment of BIS performance goals and measures effective in FY 2007 discontinues the previous performance measure under this goal “Number of targeted deficiencies remedied in the export control systems of cooperating countries.”

While strong U.S. export regulations are critical to protect U.S. security interests, 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, BIS’s strategy includes promoting the establishment of effective export control systems by other nations.

Through a series of bilateral and regional cooperative activities funded and managed by the Department of State, BIS assists 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 partnerships necessary for an effective export control system to meet international standards.

In FY 2008, the contract management portion only of these functions, performed by the BIS Office of International Programs (under the Export Control and Border Assistance (EXBS) Program) will be consolidated in the Department of State. FY 2007 will serve as the transition year for transferring the contract management functions back to the Department of State. This will permit BIS to focus its participation on providing essential subject matter experts to the EXBS program while freeing resources previously devoted to contract management for use on other high priority BIS activities. BIS will retain a two person EXBS coordination office in the Office of the Under Secretary to assist in policy formulation and coordination with the State Department to ensure that the EXBS Program fully benefits from BIS’s subject matter expertise. The full transfer of EXBS funding back to the Department of State will occur in FY 2008.

Beginning in FY 2007, the performance measure “Number of End-Use Checks Completed” will be realigned from performance goal 1 to performance goal 2. A key element of BIS’s policy formulation and implementation toward other key countries is the conduct of end-use checks (EUCs) to verify that targeted dual-use exports will be or have been properly used by the proper end-users. End-use checks are comprised of both Pre-license Checks (PLCs) and Post Shipment Verifications (PSVs). Pre-License Checks (PLCs) are used to determine if an overseas person or firm is a suitable party to a transaction involving controlled U.S. origin goods or technical data. A Post Shipment Verification (PSV) confirms whether or not goods exported from the United States actually were received by the party named on the license or other export documentation, and whether the goods are being used in accordance with the provisions of that license.

FY 2008 Program Increases/Decreases

None

Explanation of Measure

This is a revision to an existing GPRA performance measure for pre-license checks (PLCs) to better represent the end-use checks of 700 was based on 500

...trips, during which PSVs were conducted. The target was exceeded, with a total of 942 end-use checks completed. This was due to increased PSVs and PLCs. The FY 2006 target for this measure was 700. The FY 2007 and FY 2008 targets to 850 end-use checks. are not anticipated to greatly exceed the target of 200. The number of PSVs will be increasing in FY 2007 and FY 2008 due to increased Sentinel Program funding. Assuming that the Sentinel Program Enhancement funding will remain in FY 2007 BIS increased its target to 850 end-use checks. Again, the growth anticipated in the number of PSVs, which is directly associated with Sentinel Trips and funding. Therefore, the FY 2008 target is also being increased to (650 PSVs + 200 PLCs).

...following studies, some not finalized, were conducted in FY 2005 and FY 2006:

...OIG continue to review BIS's program and

GAO

- Review of Dual-Use Export Controls in the Post 9/11 Environment – CLOSED, FY 2006
- Review of Shipments of Commerce Controlled (dual-use) items – CLOSED, FY 2007
- Review of Nuclear Proliferation Networks – Pending FY 2007

OIG

- Review of U.S. Dual-Use Export Controls for China - CLOSED, FY 2006
- Review of Commercial Service Operations in Argentina and Uruguay – CLOSED, FY 2006
- Review of Commercial Service Operations in Brazil – Pending, FY 2007
- Review of U.S. Export Controls for India – Pending, FY 2007

Cross Cutting Activities:

BIS works with the International Trade Administration's U.S. and Foreign Commerce associated with planning and conducting end-use checks.

Departments of State, Defense, Energy, Treasury, and Justice and the Central Intelligence Agency – BIS works with these Executive Branch agencies to coordinate intelligence and law enforcement operations with these agencies, particularly as they relate to conducting end-use checks.

External Factors and Mitigation Strategies

BIS's ability to conduct programs and remedy deficiencies is directly impacted by the current relationship between the United States and the cooperating country, the absorption capacity of the cooperating country, the internal political situation of the cooperating country, and the ability of the Department of State and U.S. embassies to support BIS programs.

**Performance Goal 3: Ensure continued U.S. technology leadership in industries that are essential to national security**

Corresponding Departmental Strategic Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

Corresponding Departmental Objective 1.2: Advance responsible economic growth and trade while protecting American security

Rationale

BIS works to ensure that the United States remains competitive in industry sectors and sub-sectors critical to national security. To this end, BIS analyzes the impact of export controls and trade policies on strategic U.S. industries, administers the Federal government's Defense Priorities and Allocations System (DPAS), reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

FY 2008 Program Increases/Decreases

None

Description of Performance Measure(s)

**Measure 3a: Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls (Target 100%)**

Explanation of Measure:

This is a slight revision to an existing performance measure, "Percent of Industry Assessments Resulting in BIS Determination on Export Controls," which was to be implemented in FY 2006 with the creation of the Office of Technology Evaluation. This change in wording makes it clearer that the assessments may or may not result in revisions to export controls. BIS will monitor global technology and market trends to identify new items to be proposed for inclusion on the export control list and for changes in technology that render current controls obsolete. Additionally, BIS will identify very sensitive items that should be subject to heightened scrutiny in the licensing process or items that would be candidates for enhanced control through bilateral or multilateral agreement with other producer countries. BIS will also monitor global market trends to identify ways of doing business that warrant revised export control policies and procedures. BIS will determine for all assessments, within three months of completion, whether export controls should be changed.

In FY 2007 two assessments were completed. However, the assessments were completed late in the fiscal year, with less than three (3) months remaining in which to make a BIS determination to revise export controls. These assessments will be carried over and included in the FY 2007 metrics.

**FY 2008 Target:** 100% target will be retained in FY 2008.

Program Evaluations:

The GAO and the Department of Commerce's OIG continued to review BIS's programs and activities. The following studies, some not finalized, were conducted in FY 2005 and FY 2006:

GAO

Review of the Implementation of the Exon-Florio Amendment to the Defense Production Act - CLOSED, FY 2005

Review of U.S. Government's Mechanism for Protecting Export-Controlled Information- CLOSED, FY 2007

Review of University Export Controls - CLOSED, FY 2007

Review of Foreign Government Controls on Foreign Direct Investment Based on National Security (Exon-Florio) - Pending, FY 2007

Cross Cutting Activities:

BIS works with other Federal agencies and various industry sectors to conduct assessments on the ability of industrial sectors to compete for international sales, the significance of exports to the sectors' economic health, including the ability to conduct research and development, and whether export controls have affected the sectors' ability to produce cutting edge products and compete in the global market.

External Factors and Mitigation Strategies

None

**Crosswalk of BIS Goals and Measures FY 2006 – 2008**

<b>FY 2006 Performance Goals</b>	<b>2006 Actual</b>	<b>FY 2007 / 2008 Performance Goals</b>	<b>2007 Target</b>	<b>2008 Target</b>
<b>Goal 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</b>		<b>Goal 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</b>		
Measure 1a: Percent of licenses requiring interagency referral referred within nine days	98%	Measure 1 a: Percent of licenses requiring interagency referral referred within nine days	95%	95%
Measure 1b: Median processing time for new regime regulations (months)	2.5	Measure 1b: Median processing time for new regime regulations (months)	3	3
Measure 1c: Percent of attendees rating seminars highly	90%	Measure 1c: Percent of attendees rating seminars highly	85%	85%
Measure 1d: Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations	100%	Measure 1d: Percent of declarations received from U.S. industry in accordance with CWC regulations (time lines) that are processed, certified and submitted to the State Department in time for the U.S. to meet its treaty obligations	100%	100%
Measure 1e: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	872	Measure 1e: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	450	450
Measure 1f: Number of End-Use Checks completed FY 2006: (500 PSVs + 200 PLCs) FY 2007: (600 PSVs + 200 PLCs)	942			
<b>Goal 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System</b>		<b>Goal 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System</b>		
Measure 2a: Number of targeted deficiencies remedied in the export control systems of cooperating countries	40	Measure 2a: Number of End-Use Checks completed FY 2007: (650 PSVs + 200 PLCs) FY 2008: (650 PSVs + 200 PLCs)	850	850
<b>Goal 3: Eliminate Illicit Export Activity Outside the Global Export Control and Treaty Compliance System</b>				
Measure 3a: Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge	872			
Measure 3b: Number of End-Use Checks completed FY 2006: (500 PSVs + 200 PLCs) FY 2007: (600 PSVs + 200 PLCs)	942			
<b>Goal 4: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security</b>		<b>Goal 3: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security</b>		
Measure 4a: Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls (No assessments completed to be measured in this fiscal year.)	N/A	Measure 3a: Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%

Crosswalk Explanatory Notes (FY 2006 – 2008):

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

Goal 1 was revised to transfer the performance measure addressing “end-use checks” to performance goal 2. This was done in conjunction with the elimination of performance goal 3, thereby consolidating both the Export Administration and Export Enforcement Programs (less end-use checks) under the new performance goal 1. BIS has made an intense effort over the past two years to foster the view of a single, coordinated “Export Control and Treaty Compliance System” and to move away from the previous view focusing on a separate Export Administration and Export Enforcement Program.

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

The previous goal 2 performance measure “Number of targeted deficiencies remedied in the export control systems of cooperating countries” was discontinued beginning in FY 2007. FY 2007 is the transition year for BIS to consolidate the EXBS Program contract management functions in the Department of State. This will permit BIS to provide subject matter experts to the EXBS Program while freeing resources previously devoted to contract management for use on other high priority BIS activities. BIS will retain a two person EXBS liaison office to assist in policy formulation functions in the Office of the Under Secretary. The full transfer of EXBS funding back to the Department of State will occur in FY 2008.

End-use checks were realigned under performance goal 2, to stress the increasing role they play in efforts to strengthen the overall export control and treaty compliance system and to acknowledge their role in integrating non-U.S. actors into effective global export control.

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

BIS works to ensure that the United States remains competitive in industry sectors and sub-sectors critical to national security. To this end, BIS analyzes the impact of export controls and trade policies on strategic U.S. industries, administers the Federal government’s Defense Priorities and Allocations System (DPAS), and reports on the impact of defense trade offsets, and evaluates the security impact of certain proposed foreign investments in U.S. companies.

Deletions: (Previously Goal 3) Eliminate Illicit Export Activity Outside the Global Export Control and Treaty Compliance System

Previous goal 3 has been deleted. See goal 1 narrative above. Goal 3 primarily included the Export Enforcement Program. Export Enforcement (less end-use checks) was realigned under goal 1 to consolidate the Export Administration and Export Enforcement Programs under performance goal 1. BIS has made an intense effort over the past two years to foster the view of a single, coordinated “Export Control and Treaty Compliance System” and to move away from the previous view focusing on a separate Export Administration and Export Enforcement Program.

Data Validation and Verification Information

<b>Performance Measure:</b>	<b>Percent of licenses requiring interagency referral referred in nine days</b>
<b>Data Source:</b>	ECASS
<b>Frequency:</b>	Quarterly
<b>Data Storage:</b>	ECASS
<b>Internal Control Procedures:</b>	Export Administration will verify ECASS reports by running similar reports to determine if they produce the same results
<b>Data Limitations:</b>	None
<b>Actions to be Taken:</b>	None
<b>Performance Measure:</b>	<b>Median processing time for new regime regulations (months)</b>
<b>Data Source:</b>	Paper records and Webtime (BIS internal document tracking system)
<b>Frequency:</b>	Quarterly
<b>Data Storage:</b>	EXPORT ADMINISTRATION OFFICE FILES
<b>Internal Control Procedures:</b>	BIS will verify the information used to report on this performance measure against supporting documentation.
<b>Data Limitations:</b>	None
<b>Actions to be Taken:</b>	None
<b>Performance Measure:</b>	<b>Percent of attendees rating seminars highly</b>
<b>Data Source:</b>	Seminar evaluations
<b>Frequency:</b>	Quarterly
<b>Data Storage:</b>	Export Administration office files
<b>Internal Control Procedures:</b>	BIS will verify the information used to report on this performance measure against supporting documentation.
<b>Data Limitations:</b>	Data is dependent on the voluntary responses of seminar participants and is based on respondent opinion. Opinions may, or may not be a factual indicator of performance.
<b>Actions to be Taken:</b>	None

Performance Measure:	<b>Percent of declarations received from U.S. industry in accordance with CWC Regulations (timelines) that are processed, certified and submitted to State Department in time for the U.S. to meet its treaty obligations</b>
Data Source:	Paper records of declarations
Frequency:	Quarterly
Data Storage:	Export Administration office files
Internal Control Procedures:	BIS will verify the information used to report on this performance measure against supporting documentation.
Data Limitations:	None
Actions to be Taken:	None
Performance Measure:	<b>Number of actions that result in a deterrence or prevention of a violation and cases which result in a criminal and/or administrative charge</b>
Data Source:	Export Enforcement Investigation Management System (IMS)
Frequency:	Monthly
Data Storage:	IMS
Internal Control Procedures:	The Office of Export Enforcement and the Office of Antiboycott Compliance will both perform two types of checks 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
Performance Measure:	<b>Number of end-use checks completed</b>
Data Source:	ECASS and Export Enforcement Investigation Management System (IMS)
Frequency:	Monthly
Data Storage:	ECASS and IMS
Internal Control Procedures:	The Office of Enforcement Analysis will perform two types of checks 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
Performance Measure:	<b>Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls</b>
Data Source:	Paper records
Frequency:	Quarterly
Data Storage:	Export Administration office files
Internal Control Procedures:	BIS will verify the information used to report on this performance measure against supporting documentation.
Data Limitations:	None
Actions to be Taken:	None

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

Page No.		Positions	FTE	Budget Authority	Direct Obligations
	2007 Continuing Resolution	416	415	\$74,853	\$76,812
	Adjustment to support level in FY 2007 President's Budget	0	0	\$3,729	\$3,729
BIS - 37	less: Obligations from prior years	0	0	0	-\$1,959
	plus: 2008 adjustments to base	-2	-2	\$1,696	\$1,696
	2008 Base	414	413	\$80,278	\$80,278
	Less: 2008 program changes	-12	-12	-\$1,502	-\$1,502
	2008 Estimate	402	401	\$78,776	\$78,776

Comparison by Activity:		2000 Actual		2001 Estimate		2008 Base		2008 Estimate		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
BIS - 43	Management and Policy Coordination	25	\$6,279	24	\$6,562	24	\$6,636	18	\$5,681	-6	-\$955
	FTE/Obl.	22	\$6,926	24	\$7,103	24	\$6,636	18	\$5,681	-6	-\$955
BIS - 49	Export Administration	210	\$36,904	209	\$36,520	207	\$39,543	201	\$38,996	-6	-\$547
	FTE/Obl.	174	\$36,580	208	\$37,703	206	\$39,543	200	\$38,996	-6	-\$547
BIS - 57	Export Enforcement	184	\$31,846	183	\$31,771	183	\$34,099	183	\$34,099	0	\$0
	FTE/Obl.	155	\$31,847	183	\$32,006	183	\$34,099	183	\$34,099	0	\$0
	Direct Obligations	419	\$75,029	416	\$74,853	414	\$80,278	402	\$78,776	-12	-\$1,502
	FTE/Obl.	351	\$75,353	415	\$76,812	413	\$80,278	401	\$78,776	-12	-\$1,502
<b>Adjustments to Obligations</b>											
	Recoveries	-\$500									
	Unobligated balance, start of year	-\$1,783		-\$1,959							
	Unobligated balance, rescission										
	Unobligated balance, end of year	\$1,959									
	Unobligated balance expiring										
<b>Financing from transfers:</b>											
	Transferred from other accounts (-)										
	Transferred to other accounts (+)										
<b>Unobligated balance, rescission:</b>											
	Appropriation	\$75,029		\$74,853		\$80,278		\$7,776		-\$1,502	

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

	2006 Actual	2007 Estimate	2008 Base	2008 Estimate	Increase/ Decrease
Total Obligations.....	\$82,190	\$91,305	\$82,078	\$80,576	-\$1,502
Financing:					
Offsetting collections from:					
Federal funds.....	-4,193	-6,942	-1,050	-1,050	0
Non-Federal sources.....	-1,003	-750	-750	-750	0
Recovery of prior year obligations.....	-500	0	0	0	0
Unobligated balance, start of year.....	-10,225	-8,760	0	0	0
Unobligated balance, transferred.....	0	0	0	0	0
Unobligated balance, end of year.....	8,760	0	0	0	0
Unobligated balance expiring	<hr/>				
Budget Authority.....	75,029	74,853	80,278	78,776	-1,502
Financing:					
Transfers from other accounts.....	0	0	0	0	0
Transfers to other accounts.....	0	0	0	0	0
Unobligated balance, rescission:	0	0	0	0	0
<b>Appropriation.....</b>	<b>\$75,029</b>	<b>\$74,853</b>	<b>\$80,278</b>	<b>\$78,776</b>	<b>-\$1,502</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Summary of Adjustments to Base 2008**  
 (Dollar amounts in thousands)

Exhibit-8

	FTE	Amount
<b>Other Changes:</b>		
Full-year Cost of FY 2007 Pay Raise		226
FY 2008 Pay Raise		954
Working Capital Fund Pay Raise		83
Full-cost in 2008 of Positions Financed Part Year 2007		0
Civil Service Retirement System (CSRS)		-61
Federal Employees' Retirement System (FERS)		146
Thrift Savings Plan		17
Federal Insurance Contributions Act (FICA/OASDI)		62
Health Insurance		134
Compensable Day		324
Employees' Compensation Fund		-116
Travel:		
Mileage		5
Per Diem		0
Rental Payments to GSA		118
Postage		15
GPO Printing		4
Other services:		
Working Capital Fund		219
CBS		0
NARA Storage Costs		7
Fuel		52
General Pricing Level Adjustment:		
Transportation of things		3
Rental payments to others		0
Communications and utilities		16
Other services (Excluding WCF and CAMS)		185
Supplies and materials		20
Equipment		50
Subtotal, Other Changes	_____	2,463
<b>Less: Administrative Efficiencies</b>		-767
<b>Total, Adjustments to Base</b>	_____	<b>\$1,696</b>

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

	<u>FTE</u>	<u>Amount</u>
<b><u>Changes:</u></b>		
<b>Pay Raises</b>	<u>0</u>	<u>1,263</u>
<b>Full-year cost of 2007 pay increase and related costs:</b>		
The 2007 President's budget assumes a pay raise of 2.2% to be effective January 1, 2007.		
Total cost in 2008 of 2007 pay raise assumed at 2.2%		903,000
Less amount funded in 2007		-677,000
Amount requested in 2008 to provide full-year cost of 2007 pay increase		<u>226,000</u>
<b>2008 pay increase and related costs:</b>		
A general pay raise of 3.0% is assumed to be effective January 1, 2008.		
Total cost in 2008 for pay raise		954,000
Payment to the Working Capital Fund		83,000
Total, Adjustment for 2008 pay raise		<u>1,037,000</u>
<b>Working Capital Fund</b>		
An additional \$219,000 is required to fund cost increases in the Departmental Management's Working Capital Fund.		<u>219,000</u>
	<u>0</u>	<u>219</u>

FTE      Amount

0                      -61

**Civil Service Retirement System (CSRS)**

The number of employees covered by the CSRS continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement Fund. The estimated percentage of payroll for regular employees covered by CSRS will decrease from 32.20% to 30.30% in 2008 and from 9.4% in 2007 to 6.0% in 2008 for law enforcement employees. Contribution rates are expected to remain at 7% for regular employees and 7.5% for law enforcement employees.

Regular Employees:

CSRS Cost in 2008 (\$22,573,000 X .3030 X .0700) 478,773

CSRS Cost in 2007 (\$22,573,000 X .3220 X .0700) 508,795

Subtotal -30,022

Law Enforcement Agents:

CSRS Cost in 2008 (\$12,100,000 X .06 X .0750) 54,450

CSRS Cost in 2007 (\$12,100,000 X .0940 X .0750) 85,305

Subtotal -30,855

Total adjustment-to-base -60,877

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

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for regular employees will increase from 67.80% in 2007 to 69.70% in 2008. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 90.60% in 2007 to 94.0% in 2008. Contribution rates for regular employees will remain at 11.20% in 2008. Contribution rates for law enforcement employees will remain at 23.80% in 2008.

0                      146

Regular Employees:

FERS cost in 2008 (\$22,573,000 X .6970 X .1120) 1,762,139

FERS cost in 2007 (\$22,573,000 X .6780 X .1120) 1,714,103

Subtotal 48,036

Law Enforcement Agents:

FERS cost in 2008 (\$12,100,000 X .94 X .2380) 2,707,012

FERS cost in 2007 (\$12,100,000 X .9060 X .2380) 2,609,099

Subtotal 97,913

Total adjustment-to-base 145,949

**Thrift Savings Plan**

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

Regular Employees:

Cost in 2008 (\$22,573,000 X .6970 X .0200)

314,668

Cost in 2007 (\$22,573,000 X .6780 X .0200)

306,090

Subtotal

8,578

Law Enforcement Agents:

Cost in 2008 (\$12,100,000 X .94 X .0200)

227,480

Cost in 2007 (\$12,100,000 X .9060 X .0200)

219,252

Subtotal

8,228

Total adjustment-to-base

16,806

**Federal Insurance Contributions Act (FICA)**

As the percentage of payroll covered by FERS increases, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will increase in 2008. The OASDI tax rate will remain at 6.2% in 2008.

Regular Employees:

Cost in 2008 \$22,573,000 X .6970 X .9540 X .0620

930,598

Cost in 2007 \$22,573,000 X .6780 X .9470 X .0620

898,588

Subtotal

32,010

Law Enforcement Agents:

Cost in 2008 \$9,680,000 X .94 X .9540 X .0620

538,199

Cost in 2007 \$9,680,000 X .9060 X .9470 X .0620

514,926

Subtotal

23,273

Other Salaries - Regular Employees:

Cost in 2008 \$773,000 X .6970 X .9540 X .0620

31,868

Cost in 2007 \$773,000 X .6780 X .9470 X .0620

30,772

Subtotal

1,096

Other Salaries - Law Enforcement Agents:

Cost in 2008 \$2,420,000 X .94 X .9540 X .0620

134,550

Cost in 2007 \$2,420,000 X .9060 X .9470 X .0620

128,732

Subtotal

5,818

Total adjustment-to-base

62,197

FTE      Amount  
0                      17

0                      62

	<u>FTE</u>	<u>Amount</u>
<b>Health Insurance Premium</b>	0	134
Effective January 2006, this agency's contribution to Federal employees' health insurance premiums increased by 6.33%. Applied against the 2007 estimate of \$2,124,000 the additional amount required is \$134,449.		
<b>Rental Payments to GSA</b>	0	118
GSA rates are projected to increase 2.4% in 2008. This percentage was applied to the 2007 estimate of \$4,901,000 to arrive at an increase of \$117,624.		
<b>GPO Printing</b>	0	4
GPO has provided an estimated rate increase of 1.7% in 2008. This percentage was applied to the 2007 estimate of \$230,000 to arrive at an increase of \$3,910.		
<b>Mileage</b>	0	5
Changes to the Federal Travel Regulations increased the reimbursement rate for the use of a privately-owned automobile from 40.5 cents to 44.5 cents per mile. The percentage increase of 9.9% was applied to 2007 estimate of \$53,000 to arrive at an increase of \$5,247.		
<b>Change in Compensable Day</b>	0	324
The increased cost of two more compensable days in FY 2008 compared to FY 2007 is calculated by dividing the FY 2007 estimated personnel compensation (\$34,673,000) plus total benefits (\$7,482,000) by 260 days. That number is multiplied by 2 for the additional number of days. The cost increase for two compensable days is \$324,269.		
<b>Employees Compensation Fund</b>	0	-116
The Employees' Compensation Fund bill for the year ending June 30, 2006 was -\$ 16,000.		
<b>Postage</b>	0	15
Effective in January 2006, the Postal Service implemented a rate increase of 5.4%. This percentage was applied to the 2007 estimate of \$274,000 to arrive at an increase of \$14,796		



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

Comparison by Activity:		2006		2007		2008		2008		Increase/ Decrease	
		Actual		Estimate		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount		
Management and Policy Coordination.	Pos./BA	25	\$6,279	24	\$6,562	24	\$6,636	18	\$5,681	-6	-\$955
	FTE/Obl.	22	\$6,926	24	\$7,103	24	\$6,636	18	\$5,681	-6	-\$955

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

**Activity: Management and Policy Coordination**

**BIS Performance Goals (Priorities):**

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

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

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

**Base Program:**

This activity funds the Office of the Under Secretary for Industry and Security and supporting offices. Management and Policy Coordination (MPC) officials provide leadership, management and policy guidance to the Assistant Secretaries responsible for meeting the Bureau's priorities, goals, and objectives.

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

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

MPC provides guidance and coordination for BIS's participation in the U.S. Government's Export Control and Related Border Security Assistance (EXBS) program, which provides technical assistance to strengthen the export and transit control systems of nations lacking effective systems that are identified as potential locations for export transshipment or transit of nuclear, chemical, biological, or radiological weapons, missile delivery systems, or the commodities, technologies or equipment that could be used to design or build such weapons or their delivery systems. The success of this program is demonstrated by the fact that it met its FY 2006 GPRA measure of meeting 20 targeted deficiencies in program countries (through the second quarter).

MPC also provides overall guidance and implementation with respect to key initiatives, including but not limited to: (1) development and implementation of China policy; (2) strengthening of regime member coordination; (3) focusing of enforcement resources on deterring the proliferation of weapons of mass destruction; (4) analysis of impact of export controls on competitiveness of strategic industries; and (5) use of technology to improve BIS productivity.

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Decrease for 2008**  
(Dollar amounts in thousands)

		2008 Base		2008 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Management and Policy Coordination</b>	Pos./BA	24	\$6,636	18	\$5,681	-6	-\$955
	FTE/Obl.	24	\$6,636	18	\$5,681	-6	-\$955

**Decrease for FY 2008 (6 Positions, 6 FTE, and \$955,000)**

BIS is requesting a decrease of 6 FTEs and \$955,000 for the Office of International Programs (OIP). Consolidating OIP's Export Control and Border Assistance Program (EXBS) contract management functions in the State Department, and managing the substantive EXBS role through a coordination office in the Office of the Under Secretary will allow BIS to invest resources in high priority mission functions without resulting in loss of functionality to the U.S. Government.

The EXBS program has been supported by interagency agreements with the State Department whereby funds were transferred annually to BIS for program activities. Under the EXBS program BIS supports an active program of international collaboration with countries needing assistance in the development of effective export control regimes. Through bilateral and regional cooperative activities with more than 80 countries, BIS helps cooperating nations create the infrastructure for an effective export control system that meets international standards, including: (1) building the legal framework, procedures, and requirements necessary to regulate the transfers of sensitive items; (2) enhancing enforcement capabilities to match this framework; and (3) developing an appropriate partnership between government and industry on export control. By restructuring BIS's support for EXBS to focus on the substance of export controls, BIS will strengthen its substantive contribution to these goals, while avoiding diffusion of effort on contracting skills.

OIP's policy formulation functions will be assumed by the BIS Office of the Under Secretary.

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

Activity: Management and Policy Coordination  
Program Change: Office of International Programs

Title:	Grade	Number	Annual Plan	Total Salaries
Director	GS-15	-1	-\$114,688	-114,688
Program and Policy Analyst	GS-14	-1	-\$118,828	-118,828
Export Policy Analyst	GS-14	-1	-\$100,547	-100,547
Program Specialist	GS-13	-1	-\$85,086	-85,086
Export Policy Analyst	GS-12	-1	-\$78,055	-78,055
Administrative Support Specialist	GS-11	-1	-\$59,701	-59,701
<b>Total</b>		-6		-556,905
Less lapse	25.0%			0
<b>Total, full-time permanent</b>		-6		-556,905
FY 2008 pay raise	3.0%			-16,707
Other Compensation (Overtime Costs)	0.0			0
<b>Total full-time permanent:</b>		-6		-573,612

Personnel Data:

Full-time Equivalent Employment:  
Full-time permanent  
Other than full-time permanent  
Total

Number
6
0
6

Authorized Positions:

Full-time permanent

Number
-6
0
-6

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

Activity: Management and Policy Coordination  
Program Change: Office of International Programs

Object Class	FY 2008 Decrease
Personnel compensation:	
11.1 Full-time permanent	-\$574
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	-574
12.1 Civilian personnel Benefits	-131
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	-131
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	-22
24 Printing and reproduction	0
25 Other services	-97
26 Supplies and materials	0
31 Equipment	0
32 Land and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	-\$955

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

Comparison by Activity:		2006		2007		2008		2008		Increase/ Decrease	
		Actual		Estimate		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount		
Export Administration.....	Pos./BA	210	\$36,904	209	\$36,520	207	\$39,543	201	\$38,996	-6	-547
	FTE/Obl.	174	\$36,580	208	\$37,703	206	\$39,543	200	\$38,996	-6	-547

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

**Activity: Export Administration**

**BIS Performance Goals (Priorities):**

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

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

Objectives: Pursuant to the EAA (which expired on August 19, 2001, but the provisions of which remain in force under the IEEPA, Executive Order 13222, as extended most recently by the Notice of August 3, 2006 (71 Fed. Reg. 44551 (August 7, 2006)), the Chemical Weapons Convention Implementation Act of 1998, and the Defense Production Act (DPA), the objectives of this activity include: (1) processing license applications consistently, accurately, and in accordance with E.O. 12981 timelines; (2) refining public/private sector domestic and international outreach to maximize the effectiveness of the dual-use export control system; (3) adapting regulations to changing policies; and (4) facilitating U.S. industry compliance with global treaties, such as the Chemical Weapons Convention and the IAEA Additional Protocol. Additional objectives include: (1) strengthening multilateral cooperation on dual-use export controls; (2) developing and implementing policies toward key countries such as China and India; and (3) supporting the Export Control and Related Border Security Program. Export Administration (EA) also supports continued U.S. technology leadership and competitiveness in essential industries by (1) developing and implementing comprehensive rules regarding foreign nationals ("deemed exports"); (2) identifying and analyzing critical U.S. industry sectors from an export control perspective; (3) ensuring timely and accurate processing of requests under the Defense Priorities and Allocations System; and (4) developing policy and preparing statutorily-required reports, including the annual offsets report.

**Base Program:**

EA exercises licensing jurisdiction over dual-use commodities and technical data exported from the United States and their re-export to other foreign destinations as authorized by the EAA and Export Administration Regulations (EAR). Any export of commodities or technical data which has strategic or foreign policy concerns requires formal authorization through issuance of an export license. As part of this program, EA develops and publishes export control regulations and procedures, administers the interagency process established to review individual export license applications, and issues formal commodity classifications and related determinations. BIS exceeded its FY 2006 GPRA measure for efficient export licensing by referring 98 percent of eligible licenses to other agencies within nine days (vs. the target of 95 percent).

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

In terms of outreach, EA provides assistance to the business community by responding to exporter questions through seminars, publications, and a help desk. In addition, EA disseminates current export licensing and export control policy information on the BIS Web site. EA conducts foreign/domestic reviews of select U.S. companies' export control systems to validate that procedures are in compliance with U.S. export control laws. EA also undertakes industry outreach on CWC implementation and DPA issues. BIS exceeded its FY 2006 GPRA measure for effective outreach by scoring 90 percent on the rating of seminars by attendees (vs. the target of 85 percent).

EA is also responsible for overseeing and facilitating compliance with the CWC and the Additional Protocol to the International Atomic Energy Agency Safeguard Agreement by the U.S. business community. This responsibility includes hosting domestic visits of international inspection teams to determine U.S. companies' compliance with treaty obligations and receiving and analyzing industry reports required by the treaty. BIS met its FY 2006 GPRA treaty compliance measure of 100 percent of declarations received from U.S. industry processed according to U.S. treaty obligations.

The EA base program also promotes American security and competitiveness through programs to strengthen U.S. industry's ability to meet vital U.S. national security requirements. EA assesses and evaluates the impact of export controls on and the viability of strategic U.S. industries, administers the "deemed export" regulations, evaluates the effects on national security of imports of certain items and foreign investments in U.S. companies, provides defense trade advocacy for U.S. industry in support of the Trade Policy Coordinating Committee, and assesses the impact of defense memoranda of understanding and sales of excess defense articles on U.S. industry. Under the DPA, EA undertakes a variety of responsibilities, including implementing the Defense Priorities and Allocations

System (DPAS). The DPAS assures the timely availability of industrial resources to meet national defense and emergency preparedness program requirements and provides an operating system to support rapid industrial response in a national emergency.

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

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

NSTTC specifically implements multilateral export controls under the Wassenaar Arrangement, which deals with conventional arms and related sensitive dual-use items. NSTTC is responsible for developing export control policy on nanotechnology, aerospace, high performance computers, night vision products, deemed exports, intangible technology, semiconductor capital equipment, and encryption hardware and software. In addition, the office is responsible for developing policy on technology transfers associated with employment of foreign nationals in high technology industry and academic environments, often referred to as deemed exports. Finally, the office administers Congressionally-mandated short supply controls on crude oil and timber. Its responsibilities in these areas include development of licensing policies and negotiating positions, control list development, export licensing, and preparation of commodity classifications and advisory opinions.

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

The Office of Strategic Industries and Economic Security (SIES) is responsible for implementing programs to help ensure that strategic U.S. industries can meet current and future national security requirements. SIES accomplishes this, in part, by analyzing the impact on strategic U.S. industries of cooperative international defense agreements, foreign investment in the United States, and the sale of excess defense articles and stockpile materials. In addition, SIES analyzes the impact of "offsets" in defense trade on the U.S. defense industrial base and develops initiatives to reduce economic inefficiencies. SIES is also responsible for administering the priorities and allocations authorities of the DPA, coordinating Commerce's emergency planning preparedness program to ensure industrial responsiveness in emergency situations, and participating in NATO's Industrial Planning Committee.

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

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Decrease for 2008**  
(Dollar amounts in thousands)

	Pos./BA FTE/Obl.	2008 Base		2008 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Export Administration</b>		207	\$39,543	201	\$38,996	-6	-\$547
		206	\$39,543	200	\$38,996	-6	-\$547

**Decrease for FY 2008 (6 Positions, 6 FTE, and \$547,000)**

BIS is requesting a decrease of 6 FTEs and \$547,000 for the Operations Support Division in the Office of Exporter Services. With the successful completion of the Simplified Network Application Processing – Redevelopment (SNAP-R) project to provide exporters the ability to submit license applications online through a Web interface, the function of the Operations Support Division of Export Administration’s Office of Exporter Services will no longer be needed. Full implementation of the system will eliminate the need for scanning documents and will eliminate the need for copying and forwarding support documents to other agencies.

Eliminating the Division will thus ~~allow~~ a redundant function and allow these resources to ~~be~~ invested in higher priority programs.

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

Activity: Export Administration  
Program Change: Exporter Services - Operations Division

Title:	Grade	Number	Annual Plan	Total Salaries
Export Administration Specialist	GS-12	-1	-\$67,216	-67,216
Export Administration Assistant Office Automation	GS-08	-1	-\$51,440	-51,440
Export Administration Assistant Office Automation	GS-07	-1	-\$47,669	-47,669
Export Administration Assistant Office Automation	GS-05	-2	-\$38,487	-76,974
Export Administration Assistant Office Automation	GS-05	-1	-\$37,500	-37,500
<b>Total</b>		-6		-280,799
Less lapse	25.0%			0
<b>Total, full-time permanent</b>		-6		-280,799
FY 2008 pay raise	3.0%			-8,424
Other Compensation (Overtime Costs)	0.0			0
<b>Total full-time permanent:</b>		-6		-289,223

Personnel Data:

Full-time Equivalent Employment:  
Full-time permanent  
Other than full-time permanent  
Total

Number
6
0
6

Authorized Positions:

Full-time permanent  
Other than full-time permanent  
Total

Number
-6
0
-6

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

Activity: Export Administration  
Program Change: Exporter Services - Operations Division

Object Class:	<u>FY 200</u> <u>Decreases</u>
Personnel compensation:	
11.1 Full-time permanent	89
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	89
12.1 Civilian personnel Benefits	66
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	73
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	22
24 Printing and reproduction	0
25 Other services	97
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	<u><u>          </u></u>

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

Comparison by Activity:		2006 Enacted		2007 Estimate		2008 Base		2008 Estimate		Increase/ Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement.....	Pos./BA	184	\$31,846	183	\$31,771	183	\$34,099	183	\$34,099	0	\$0
	FTE/Obl.	155	\$31,847	183	\$32,006	183	\$34,009	183	\$34,099	0	\$0

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

**Activity: Export Enforcement**

**BIS Performance Goals (Priorities):**

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

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

Objectives: Pursuant to the EAA (which expired on August 19, 2001, but the provisions of which remain in force under the IEEPA, Executive Order 13222, as extended most recently by the Notice of August 3, 2006 (71 Fed. Reg. 44551 (August 7, 2006)), EE enforces dual-use export controls for reasons of national security, nonproliferation, anti-terrorism, foreign policy, and short supply.

**Base Program:**

The major activities of BIS's enforcement program include investigating criminal and administrative violations and imposing civil sanctions for violations of the EAA, IEEPA, the CWCIA, the Fastener Quality Act (FQA), and related statutes and regulations. Consistent with the President's national security priorities, EE prioritizes its enforcement activities on cases relating to the proliferation of weapons of mass destruction, terrorism, and military diversion. The success of this program is demonstrated by the fact that it far exceeded its FY 2006 GPRA measure for deterrence, prevention and prosecution (872 in FY 2006).

EE also undertakes a vigorous campaign of preventive enforcement measures. EE agents conduct end-use checks, both pre-license checks and post-shipment verifications for licensed transactions, to help detect and prevent diversions of U.S. goods to countries and end-users of proliferation concern. BIS's Export Control Officers (ECOs) conduct many of these end-use checks. Currently, BIS has ECOs in Abu Dhabi, Beijing, Hong Kong, Moscow, and New Delhi. ECOs

also help their host countries develop and maintain effective enforcement systems and facilitate cooperation with the United States on export enforcement matters. In addition, BIS ECOs educate the business community about U.S. export control laws and regulations.

Other end-use checks are conducted through the Sentinel program generally by two-person teams of BIS Special Agents on two-week assignments to visit foreign consignees and end-users of U.S. commodities and technology. The Special Agents conduct end-use checks to determine if the export transactions are in compliance with U.S. export regulations. In addition to conducting on-site end-use visits, the teams train American Embassy/Consulate officials to conduct end-use checks and educate host government officials as well as local importers about U.S. export control requirements. The success of the end-use check program is demonstrated by the fact that it exceeded its FY 2006 GPRA measure for conducting end-use checks (942 in FY 2006).

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

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

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

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

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

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

EE's Office of Enforcement Analysis (OEA) supports field agents by collecting and analyzing information from all sources, public, governmental, and intelligence. OEA personnel bring the enforcement perspective to the evaluation of export license applications. They also analyze intelligence information and correlate this information to determine when pre-license checks and post-shipment verification checks should be conducted.

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

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

Object Class	2006 Actual	2007 Estimate	2008 Base	2008 Estimate	Increase/ Decrease
<b>Personnel compensation:</b>					
11.1 Full-time permanent	\$30,886	\$30,498	\$33,031	\$32,175	-856
11.3 Other than full-time permanent	213	223	231	231	0
11.5 Other personnel compensation	2,585	2,461	3,352	3352	0
11.8 Special personnel services payments	0	36	36	36	0
<b>11.9 Total personnel compensation</b>	<u>33,684</u>	<u>33,218</u>	<u>36,650</u>	<u>35,794</u>	<u>-856</u>
12.0 Civilian personnel benefits	9,586	9,033	10,161	9,964	-197
13.0 Benefits for former personnel	25	16	16	16	0
21.0 Travel and transportation of persons	1,613	2,989	2,998	2,998	0
22.0 Transportation of things	42	145	151	151	0
<b>Rent, communications, and utilities:</b>					
23.1 Rental payments to GSA	4,445	4,829	5,019	4,808	-211
23.2 Rental payments to others	1	26	26	26	0
23.3 Communications, utilities and miscellaneous charges	602	1,677	1,724	1,680	-44
24.0 Printing and reproduction	283	226	234	234	0
<b>Consulting and other services</b>					
25.1 Advisory and assistance services	593	830	830	830	0
25.2 Other services	8,468	8,91	6,655	6,655	0
25.3 Purchase of goods and services from Government accounts	13,018	11,31	12,217	12,023	194
26.0 Supplies and materials	1,370	1,258	1,353	1,353	0
31.0 Equipment	1,617	2,443	2,244	2,244	0
32.0 Lands and structures	0	0	0	0	0
33.0 Investments and loans	0	0	0	0	0
41.0 Grants, subsidies and contributions	0	0	0	0	0
42.0 Insurance claims and indemnities	0	0	0	0	0
43.0 Interest and dividends	6	0	0	0	0
50.0 Depreciation	0	0	0	0	0
<b>99.0 Total Obligations</b>	<u>75,358</u>	<u>76,12</u>	<u>80,278</u>	<u>78,776</u>	<u>1,502</u>
Less: Recoveries	-500	0	0	0	0
Less: Unobligated balance, start of year	-1,783	-1,118	0	0	0
Plus: Unobligated balance, rescission	0	0	0	0	0
Plus: Unobligated balance, end of year	1,959	0	0	0	0
Plus: Unobligated balance, expiring	0	0	0	0	0
Plus: Unobligated balance, transferred	0	0	0	0	0
Less: Transferred from other accounts	0	0	0	0	0
Less: Transferred to other accounts	0	0	0	0	0
<b>99.1 Total Budget Authority</b>	<u>73,028</u>	<u>\$ 74,53</u>	<u>\$ ,278</u>	<u>\$ 78,776</u>	<u>1,502</u>

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

Object Class	2008 Adjustments to Base	2008 Base	2008 Estimate	Increase/ Decrease
<b>11 Personnel compensation:</b>				
<b>11.1 Full-time permanent:</b>				
Executive level	\$5	\$182	\$182	\$0
Senior executive service	72	2,098	\$2,098	0
General schedule/regular employees	716	20,726	\$19,870	-856
General schedule/law enforcement	345	10,025	\$10,025	0
<b>Subtotal</b>	<b>1,138</b>	<b>33,031</b>	<b>32,175</b>	<b>-856</b>
<b>11.3 Other than full-time permanent:</b>				
General schedule	8	231	231	0
Wage board	0	0	0	0
Experts & consultants	0	0	0	0
Hourly	0	0	0	0
<b>Subtotal</b>	<b>8</b>	<b>231</b>	<b>231</b>	<b>0</b>
<b>11.5 Other personnel compensation:</b>				
Overtime	0	60	60	0
SES performance awards	0	110	110	0
Cash awards	0	677	677	0
Merit pay awards	0	0	0	0
Availability Pay	85	2,505	\$2,505	0
<b>Subtotal</b>	<b>85</b>	<b>3,352</b>	<b>3,352</b>	<b>0</b>
<b>11.8 Special personnel services payments:</b>				
Foreign service officers (State)	0	0	0	0
Other	0	36	36	0
<b>Subtotal</b>	<b>0</b>	<b>36</b>	<b>36</b>	<b>0</b>
<b>11.9 Total personnel compensation:</b>	<b>1,231</b>	<b>36,650</b>	<b>35,794</b>	<b>-856</b>

	2008 Adjustments to Base	2008 Base	2008 Estimate	Increase/ Decrease
<b>12.0 Civilian personnel benefits:</b>				
Civil service retirement system (CSRS)	-\$38	\$711	\$727	-16
Federal employees' retirement system	296	3,919	3,818	-101
Thrift savings plan	39	1,013	999	-14
Federal insurance contribution act	137	2,170	2,123	-47
Health Benefits(FEHBA)	0	0	0	0
Health insurance	134	2,244	2,194	-50
Life insurance	3	55	54	-1
Employees' compensation fund	(116)	49	49	0
<b>Subtotal</b>	<b>455</b>	<b>10,161</b>	<b>9,964</b>	<b>-197</b>
<b>13.0 Benefits for former personnel:</b>				
Severance pay	0	3	3	0
Unemployment compensation	0	1	11	0
Other	^	^	^	0
<b>Subtotal</b>	<b>0</b>	<b>16</b>	<b>16</b>	<b>0</b>
<b>21.0 Travel and transportation of persons:</b>				
Common carrier	0	1,006	1,006	0
Mileage	5	58	58	0
Per diem/actual	0	1,385	1,385	0
Commercial car rental	0	531	531	0
Other	0	18	18	0
<b>Subtotal</b>	<b>5</b>	<b>2,998</b>	<b>2,998</b>	<b>0</b>
<b>22.0 Transportation of things</b>	<b>3</b>	<b>1 51</b>	<b>151</b>	<b>0</b>
<b>23.0 Rent, communications, and utilities:</b>				
<b>23.1 Rental payments to GSA</b>	<b>118</b>	<b>5 019</b>	<b>4 808</b>	<b>-211</b>
<b>23.2 Rental payments to others</b>	<b>0</b>	<b>26</b>	<b>26</b>	<b>0</b>
<b>23.3 Communications, utilities and miscellaneous charges:</b>				
Federal telecommunications system	0	522	508	-14
Commercial telephone services	16	838	818	-20
Postal Service by USPS	15	289	281	-8
Other	0	75	73	-2
<b>Subtotal</b>	<b>31</b>	<b>1,724</b>	<b>1,680</b>	<b>-44</b>

	2008 Adjustments to Base	2008 Base	2008 Estimate	Increase/ Decrease
<b>24.0 Printing and reproduction:</b>				
Publications	\$4	\$207	\$207	0
Public use forms	0	7	7	0
Envelopes	0	13	13	0
Other	0	7	7	0
<b>Subtotal</b>	<b>4</b>	<b>234</b>	<b>234</b>	<b>0</b>
<b>25.0 Other Contractual Services</b>				
<b>25.1 Consulting services</b>	<b>0</b>	<b>830</b>	<b>830</b>	<b>0</b>
<b>25.2 Other Services:</b>				
Maintenance of equipment	23	183	183	0
ADP related costs	128	985	985	0
Telecommunications services	34	264	264	0
Other	0	5,223	5,223	0
<b>Subtotal</b>	<b>185</b>	<b>6,655</b>	<b>6,655</b>	<b>0</b>
<b>25.3 Purchase of goods and services from Gov't accounts:</b>				
WCF Payments to O/S	302	9,149	8,969	180
National archives & records Admin:	7	116	116	0
Other Payments to O/S	0	584	584	0
Other Federal Agencies	0	2,368	2,354	-14
<b>Subtotal</b>	<b>309</b>	<b>12,217</b>	<b>12,023</b>	<b>-194</b>
<b>26.0 Supplies and materials:</b>				
Fuel	52	247	247	0
Office supplies	13	747	747	0
ADP supplies	7	359	359	0
<b>Subtotal</b>	<b>72</b>	<b>1,353</b>	<b>1,353</b>	<b>0</b>
<b>31.0 Equipment:</b>				
Office machines and equipment	22	911	911	0
ADP hardware	20	823	823	0
ADP software	8	306	306	0
Other	0	204	204	0
<b>Subtotal</b>	<b>50</b>	<b>2,244</b>	<b>2,244</b>	<b>0</b>

	2008			
	Adjustments to Base	2008 Base	2008 Estimate	Increase/ Decrease
32 Lands and structures	0	0	0	0
33 Investments and loans	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0
43 Interest and dividends	0	0	0	0
44 Refunds	0	0	0	0
99 Total Obligations	2,463	80,278	78,776	-1,502
Less Administrative Efficiencies	-767	0	0	0
99 Total Budget Authority	<u>\$1,696</u>	<u>\$80,278</u>	<u>\$78,776</u>	<u>1,502</u>

**Department of Commerce**  
**Bureau of Industry and Security**  
**Operations and Administration**  
**SUMMARY OF INFORMATION TECHNOLOGY RESOURCES**

(Dollar amounts in thousands)

(Budget Authority)

IT Projects by activity/subactivity: with totals by activity	Unique Project Identifier	IT Investment Title	2007			Increase/ Decrease
			2006 Estimate	President's Budget	2008 Estimate	
Management and Policy Coordination	006-30-02-00-02-5505-00-404-139	BIS Bureau Communications Infrastructure (BCI)	\$170.17	\$170.17	\$170.17	\$0.00
	006-30-03-00-02-5506-00-404-142	BIS OCIO Planning	\$74.34	\$74.34	\$74.34	\$0.00
	<b>Subtotal</b>		<b>\$244.51</b>	<b>\$244.51</b>	<b>\$244.51</b>	<b>\$0.00</b>
Export Administration	006-30-02-00-02-5505-00-404-139	BIS Bureau Communications Infrastructure (BCI)	\$1,215.50	\$1,215.50	\$1,215.50	\$0.00
	006-30-03-00-02-5506-00-404-142	BIS OCIO Planning	\$531.00	\$531.00	\$531.00	\$0.00
	006-30-01-25-01-5501-00-114-043	BIS ECASS2000+	\$1,132.00	\$1,424.00	\$1,424.00	\$0.00
	006-30-01-25-01-5502-00-114-041	BIS Treaty Compliance Division (TCD) - Network and Information Management System	\$1,665.00	\$1,573.00	\$1,677.00	\$104.00
	006-30-01-25-01-5510-00-114-043	BIS ECASS Modernization	\$0.00	\$350.00	\$350.00	\$0.00
	006-30-01-25-02-5515-00-114-043	BIS Legacy Export Control	\$1,665.50	\$1,665.50	\$1,665.50	\$0.00
<b>Subtotal</b>		<b>\$6,209.00</b>	<b>\$6,759.00</b>	<b>\$6,863.00</b>	<b>\$104.00</b>	
Export Enforcement	006-30-02-00-02-5505-00-404-139	BIS Bureau Communications Infrastructure (BCI)	\$1,045.33	\$1,045.33	\$1,045.33	\$0.00
	006-30-03-00-02-5506-00-404-142	BIS OCIO Planning	\$456.66	\$456.66	\$456.66	\$0.00
	006-30-01-25-01-5501-00-114-043	BIS ECASS2000+	\$1,131.00	\$1,424.00	\$1,424.00	\$0.00
	006-30-01-25-02-5515-00-114-043	BIS Legacy Export Control	\$1,665.50	\$1,665.50	\$1,665.50	\$0.00
	<b>Subtotal</b>		<b>\$4,298.49</b>	<b>\$4,591.49</b>	<b>\$4,591.49</b>	<b>\$0.00</b>
<b>Total</b>		<b>\$10,752.00</b>	<b>\$11,595.00</b>	<b>\$11,699.00</b>	<b>\$104.00</b>	

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

**Appropriation Language and Code Citations**

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

**A. Export Administration**

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

50 U.S.C. app 2401 et seq. (Export Administration Act of 1979, as amended) provides authority for the regulation of exports for reasons of national security, foreign policy, or short supply. It also authorizes implementation of restrictions on compliance with foreign boycotts and other restrictive trade practices. The Export Administration Act expires on August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. p. 783 (2002)), as extended by the Notice of August 3, 2006 (71 Fed. Reg. 44551, August 7, 2006), continues the provisions of the Export Administration Act in effect, to the extent permitted by law, under authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

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

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

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

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

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

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

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

## **B. National Security**

10 U.S.C. 2531-2532

19 U.S.C. 1862

22 U.S.C. 6701 et seq.

42 U.S.C. 300j

42 U.S.C. 5195

50 U.S.C. 82

50 U.S.C. 98-98h

50 U.S.C. app. 468

50 U.S.C. app. 2061 et seq.

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

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

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

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

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

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

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

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

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

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

#### C. Other

15 U.S.C. 1501 et seq.

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

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

22 U.S.C. 3922

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

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

**3. "full medical coverage for dependent members of immediate families of employees overseas;"**

No Specific Authority

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

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

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

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

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

... against the United States that arise in connection with its activities abroad. ... would exempt BIS from 28 U.S.C. 2680, and would authorize

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

No Specific Authority

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

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

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

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

22 U.S.C. 401(b) provides for awards of compensation to informers who have provided information regarding the export of war materials or other articles in violation of the Export Administration Act of 1979.

**8. "purchase of passenger motor vehicles for official use and maintenance, and the purchase of special requirement vehicles eligible for purchase under the provisions of the Federal Acquisition Regulation otherwise established by law;"**

... the purchase of passenger motor vehicles unless specifically authorized by appropriation or other law with the exception of those vehicles purchased for the use of the President of the United States, the secretaries to the President, or specified heads of executive departments.

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

No Specific Authority

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

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

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22 U.S.C. 2455 (f)

22 U.S.C. 2458 (c)

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

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

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

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

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Estimate</u>
Consulting services.....	\$593	\$830	\$830

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

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

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Estimate</u>
Periodicals and Publications.....	\$240	\$203	\$207

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

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

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

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

	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Average ES Salary	\$147,722	\$151,120	\$155,653
Average GS Grade	12.68	12.46	12.54
Average GS Salary	\$86,424	\$86,956	\$90,189