

Bureau of Industry and Security

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

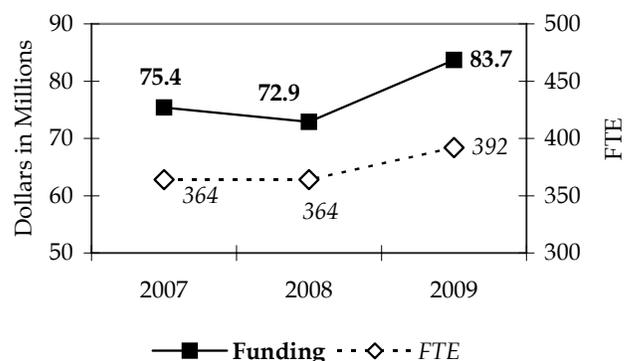
BIS accomplishes this mission through the following activities:

- Regulating the export of sensitive “dual use” goods and technologies in an effective and efficient manner;
- Enforcing export control, anti-boycott, and public safety laws;
- Cooperating with and assisting other countries on export control and strategic trade issues;
- Assisting U.S. industry in complying with international arms agreements; monitors the viability of the U.S. defense industrial base;
- Evaluating the effects on national security of foreign investments in U.S. companies; and,
- Supporting continued U.S. technology leadership in industries that are essential to national security.

BIS’s mission priorities are to:

- **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, which allows the IAEA complimentary inspection authority in order to develop a comprehensive picture of a country’s nuclear and nuclear-related activities. 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.

Operations and Administration Appropriation and FTE



Summary of Appropriations

<u>Funding Levels</u>	2007	2008	2009	Increase
<u>Appropriation</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations and Administration	\$75,393	\$72,855	\$83,676	\$10,821
FTE				
Operations and Administration	364	364	392	28
Reimbursable	2	1	1	0
Total	<u>366</u>	<u>365</u>	<u>393</u>	<u>28</u>

Highlights of Budget Changes

Appropriation: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2008 Appropriation			364	\$72,855

Adjustments to Base

Restoration of base reductions			21	5,842
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Other Changes

2008 Pay raise	\$576			
2009 Pay raise	865			
Payment to Working Capital Fund	85			
Civil Service Retirement System (CSRS)	(117)			
Federal Employees' Retirement System (FERS)	269			
Thrift Savings Plan	32			
Federal Insurance Contributions Act (FICA) - OASDI	101			
Health insurance	40			
Change in Compensable Days	(149)			
Employees' Compensation Fund	233			
Travel - Mileage	5			
Rent payments to GSA	108			
Postage	14			
Printing and reproduction	4			
Other services:				
Working Capital Fund	166			
NARA	(4)			
Fuel	96			
General Pricing Level Adjustment				
Transportation of things	3			
Communications, utilities, and miscellaneous	16			
Other services	187			
Supplies	19			
Equipment	45			

Subtotal, other cost changes			<u>0</u>	<u>2,594</u>
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TOTAL, ADJUSTMENTS TO BASE			<u>21</u>	<u>8,436</u>
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2009 Base			<u>385</u>	<u>81,291</u>
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Program Changes			<u>7</u>	<u>2,385</u>
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2009 APPROPRIATION			<u>392</u>	<u>83,676</u>
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Comparison by Activity

	2008 Currently Avail.		2009 Base		2009 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Management & Policy Coordination	15	\$5,466	17	\$5,850	17	\$5,850	0	\$0
Export Administration	185	36,060	192	40,161	195	40,988	3	827
Export Enforcement	164	31,918	176	35,280	180	36,838	4	1,558
TOTAL DIRECT OBLIGATIONS	364	73,444	385	81,291	392	83,676	7	2,385
REIMBURSABLE OBLIGATIONS	1	5,343	1	1,800	1	1,800	0	0
TOTAL OBLIGATIONS	365	78,787	386	83,091	393	85,476	7	2,385
FINANCING								
Unobligated balance, start of year (Direct)		(589)						
Unobligated balance, start of year (Reimbursable)		(3,543)						
Offsetting collections from:								
Federal funds	(1)	(1,050)			(1)	(1,050)		
Non-Federal sources		(750)				(750)		
Subtotal, financing	(1)	(5,932)			(1)	(1,800)		
TOTAL BUDGET AUTHORITY/	364	72,855			392	83,676		
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Export Enforcement</u>	176	\$35,280	+4	+\$1,558
Counter-Proliferation Initiative			+3	+\$695

In March 2005, the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (the "WMD Commission") recommended a number of actions to enhance counter-proliferation efforts. A central recommendation was expansion of agent resources for the field operations of BIS's criminal investigators. Investigations relevant to weapons of mass destruction (WMD) proliferation concerns have demonstrated the need for an enhanced enforcement presence in additional locations nationwide to provide BIS criminal investigators with better access to industries and technologies with proliferation implications. Additional locations would also permit BIS criminal investigators to participate in more WMD and counter-proliferation task forces with agents and officials from sister enforcement agencies, thus multiplying the impact of each BIS criminal investigator.

Enhanced Southeast Asia Transshipment Initiative	+1	+\$863
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In the world of global commerce, transshipment hubs are critical to the movement of goods in international trade. Yet, often these hubs are vulnerable to trade security and international export control concerns. To address these challenges the BIS strategic plan identifies the objective of developing and implementing policies addressing economies of transshipment concern to mitigate risk of diversion. Several of the countries of transshipment concern are in Southeast Asia. To address these transshipment concerns, enhance BIS enforcement presence in Southeast Asia, and advance the BIS mission, BIS proposes to establish an Export Control Officer (ECO) position to be based in Singapore, but with regional responsibilities in Malaysia, Indonesia, Thailand, and the Philippines. The ECO would monitor transshipments and, as a trained criminal investigator, the ECO would use his/her unique investigative skills to conduct targeted high priority end-use checks to uncover diversion schemes and halt the transfer of strategic products to WMD proliferating

countries or terrorist groups. The ECO would also work with host government and industry officials to engage in export control and enforcement cooperation and to ensure that they understand and comply with U.S. export controls.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Export Administration				
Validated End-User (VEU) Initiative	192	\$40,161	+3	+\$827

BIS is seeking additional resources for the Export Administration’s Office of Exporter Services to ensure compliance by foreign entities in several countries, including the People’s Republic of China and India, with the requirements of the VEU, or “Trusted Customer” program. VEU is a U.S. Government initiative that will strengthen and streamline the U.S. dual-use export control system. By focusing on the end-user of an exported item, VEU helps adapt export control policies to the realities of a globalizing marketplace, in which the same economy often contains trusted customers as well as customers ineligible for controlled items and other customers not clearly in either category. VEU allows BIS to focus its resources on the latter two categories. It thereby facilitates U.S. exports to specific trusted foreign customers, enabling BIS to better address global security challenges by strengthening U.S. secure trading networks.

BIS Performance Measures

BIS supports the Department’s strategic goal to “Maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.” BIS has continued to refine its performance measures to: (1) focus on results, (2) measure work under its control, (3) use representative data, and (4) create new measures to support new initiatives/ programs.

Performance Outcomes and Measures

(Dollars reflect obligations in Millions)

	2007 Actual	2008 Estimate /Target	2009 Estimate /Target
Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System	\$70.4	\$68.5	\$73.2
Percent of licenses requiring interagency referral referred within nine days	98%	95%	95%
Median processing time for new regime regulations (months)	2	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 the 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	930	675	850
Percent of Shipped Transactions in Compliance with the Licensing Requirements of the Export Administration Regulations (EAR)	New	87%	95%
Percentage of Post-Shipment Verifications completed and categorized above the “Unfavorable” classification	New	215 PSVs / 80%	260 PSVs / 85%
Outcome 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System	\$4.6	\$4.5	\$6.0
Number of end-use checks completed	854	850	850
Outcome 3: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security	\$5.9	\$5.8	\$6.3
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%	100%
Total	\$80.9	\$78.8	\$85.5