

## 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.

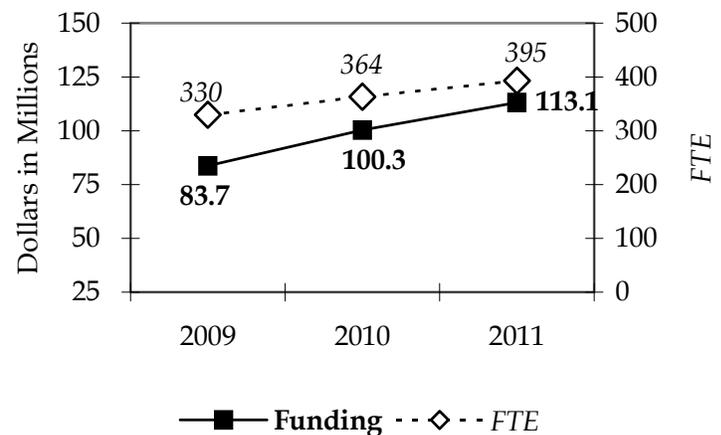
BIS accomplishes this mission through the following activities:

- 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.

**Budget Authority and FTE**



## Summary of Appropriations

<u>Funding Levels</u> <u>Appropriation</u>	2009 <u>Actual</u>	2010 <u>Estimate</u>	2011 <u>Estimate</u>	Increase <u>(Decrease)</u>
Operations and Administration	\$83,676	\$100,342	\$113,106	\$12,764
<b>FTE*</b>				
Operations and Administration	329	362	393	31
Reimbursable	1	2	2	0
<b>Total</b>	<hr/> 330	<hr/> 364	<hr/> 395	<hr/> 31

## 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>
<b>2010 Appropriation</b>			362	\$100,342
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2010 Pay raise		\$457		
2011 Pay raise		508		
Payment to Working Capital Fund		60		
Full year cost of positions financed for part-year in FY 2010	2	207		
Civil Service Retirement System (CSRS)		7		
Federal Employees' Retirement System (FERS)		174		
Thrift Savings Plan		(2)		
Federal Insurance Contributions Act (FICA/OASDI)		(19)		
Health insurance		182		
Employees' Compensation Fund		23		
Travel - Mileage		(8)		
Rent payments to GSA		74		
Postage		15		
Printing and reproduction		2		
Other services:				
Working Capital Fund		335		
NARA storage costs		4		
PEPCO Electric		89		
Fuel		68		
General Pricing Level Adjustment				
Transportation of things		1		
Communications, utilities, and miscellaneous		7		
Other services		123		
Supplies		7		
Equipment		35		
Subtotal, other cost changes			2	2,349
Reimbursable activities in support of licensing program				
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>2</b>	<b>2,349</b>
<b>2011 Base</b>			<b>364</b>	<b>102,691</b>
Program Changes			29	10,415
<b>2011 APPROPRIATION</b>			<b>393</b>	<b>113,106</b>

**Comparison by Activity**

	2010 Currently Avail.		2011 Base		2011 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>
<b>DIRECT OBLIGATIONS</b>								
Management & Policy Coordination	11	\$6,056	11	\$6,189	11	\$6,189	0	\$0
Export Administration	186	54,432	187	55,625	187	55,625	0	0
Export Enforcement	165	39,854	166	40,877	195	51,292	29	10,415
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>362</b>	<b>100,342</b>	<b>364</b>	<b>102,691</b>	<b>393</b>	<b>113,106</b>	<b>29</b>	<b>10,415</b>
REIMBURSABLE OBLIGATIONS	1	2,000	1	2,000	1	2,000	0	0
<b>TOTAL OBLIGATIONS</b>	<b>363</b>	<b>102,342</b>	<b>365</b>	<b>104,691</b>	<b>394</b>	<b>115,106</b>	<b>29</b>	<b>10,415</b>
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)								
Unobligated balance, start of year (Reimbursable)								
Offsetting collections from:								
Federal funds	(1)	(1,050)				(1,050)		
Non-Federal sources		(950)				(950)		
Subtotal, financing	(1)	(2,000)			0	(2,000)		
<b>TOTAL BUDGET AUTHORITY /</b>	<b>362</b>	<b>100,342</b>			<b>394</b>	<b>113,106</b>		
<b>APPROPRIATION</b>								

**Highlights of Program Changes**

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Export Enforcement (EE)				
Office of Export Enforcement Enhancement Initiative	166	\$40,877	+29	+\$10,415

In FY 2011, EE will continue to improve upon the aggressive posture it has assumed in response to the Administration's various mandates in the arena of counter proliferation and export enforcement. Doing so will place BIS in the best possible position to execute its critical mission of ensuring that sensitive U.S. dual-use goods and technologies are not misused by proliferators, terrorists and others working contrary to the national security interests of the United States, and will significantly enhance outreach and education efforts directed to promote and encourage compliant exports. EE has several significant ongoing investigations, operations, and outreach efforts which highlight the current need for more investigators and program enhancements to pursue these national security imperatives.

The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (WMD Commission) has recommended enhancement of the U.S. Government's counter proliferation efforts. BIS is seeking additional resources to increase the number of positions in the Office of Export Enforcement (OEE) to support increased counter proliferation, counterterrorism and national security programs and investigations. Seized Computer Evidence Recovery Specialist (SCERS) enhancements are also required to support this initiative as recent investigations have yielded great results utilizing these analytical technologies.

One of the core recommendations of the WMD Report was the expansion of BIS Special Agent resources in the field. An expanded presence will result in better access to industries and technologies with associated proliferation concerns, which have thus far been difficult to reach due to the limited OEE footprint across the country. In FY 2011, BIS would place a Special Agent in Charge (SAC) office in Oregon and two Resident Agent in Charge (RAC) offices in Ohio and Arizona. The SAC presides over a particular geographic area of operation as defined by OEE headquarters. A typical SAC office is staffed by one SAC; one Assistant SAC; approximately ten Special Agents (SAs); and one Export Control Specialist (ECS).

The RAC presides over a particular geographic area of operation within a SAC area. A typical RAC office is staffed by one RAC; approximately four SAs; and, one ECS. This increase in OEE's investigative posture will allow the agency to more efficiently execute its duties within new regional areas of responsibility enhancing its ability to prevent the proliferation of dual-use goods and technology contrary to the national security interests of the United States.

Additionally, BIS seeks to create a new Intelligence Exploitation Unit (IEU) to support increased coordination and liaison with the intelligence community in support of counter proliferation, counterterrorism and other national security programs. OEA analysts substantiate assertions of risk or actual violations of export controls, and factually describe events or actions of specific entities involved in specific transactions. Transaction-level analysis is then used to reveal patterns and trends of violations and potential violations of export control laws and regulations. OEA's Intelligence Analysis Division (IAD) develops law enforcement lead packages for BIS Special Agents in domestic field offices and supports investigations into exports violations, conducts risk assessments in support of Verified End-User program and Entity List determinations, and provides analytical and research support to other BIS offices.

## Performance Outcomes and Measures

(Dollars reflect obligations in Millions)

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.

	2009 Actual	2010 Enacted /Targets	2011 Estimate /Targets
<b>Outcome 1: Maintain and Strengthen an Adaptable and Effective U.S. Export Control and Treaty Compliance System</b>	<b>\$73.3</b>	<b>\$89.8</b>	<b>\$102.1</b>
Percent of licenses requiring interagency referral referred within nine days	99%	95%	98%
Median processing time for new regime regulations (months)	2	3	2
Percent of attendees rating seminars highly	93%	85%	93%
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	876	850	1157
Percent of Shipped Transactions in Compliance with the Licensing Requirements of the Export Administration Regulations (EAR)	96%	97%	99%
Percentage of Post-Shipment Verifications completed and categorized above the "Unfavorable" classification	314 PSVs / 88%	260 PSVs / 85%	315 PSVs / 85%
Percentage of leads that result in prevention of a violation and cases which result in a criminal and/or administrative charge	NA	NA	30/80%
<b>Outcome 2: Integrate Non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System</b>	<b>\$5.6</b>	<b>\$5.7</b>	<b>\$6.3</b>
Number of end-use checks completed	737	850	850
<b>Outcome 3: Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security</b>	<b>\$6.4</b>	<b>\$6.8</b>	<b>\$7.2</b>
Percent of industry assessments resulting in BIS determination, within three months of completion, on whether to revise export controls	100%	100%	100%
<b>Total</b>	<b>\$85.3</b>	<b>\$102.5</b>	<b>\$115.6</b>

